As filed with the Securities and Exchange Commission on March 10, 2015.

Registration No. 333-202205

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 1
To
Form F-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

CELLECTIS S.A.
(Exact name of registrant as specified in its charter)

France	**2836**	**Not applicable**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

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(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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Approximate date of commencement of proposed sale to public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), shall determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion
Preliminary Prospectus dated March 10, 2015

PROSPECTUS

American Depositary Shares

Representing Ordinary Shares

This is the initial public offering of American Depositary Shares, or ADSs, of Cellectis. Each ADS represents one ordinary share.

Prior to this offering there has been no public market for our ADSs. Our ordinary shares are listed on the Alternext market of Euronext in Paris under the symbol "ALCLS." On March 9, 2015, the last reported sale price of our ordinary shares was €31.40 per share, equivalent to a price of $34.08 per share, assuming an exchange rate of $1.0855 per euro. After the pricing of this offering, we expect our ADSs will trade on the Nasdaq Global Market under the symbol "CLLS."

We are an "emerging growth company" as that term is used in the Jumpstart Our Business Startups Act of 2012 and, as such, have elected to comply with certain reduced public company reporting requirements for this prospectus and future filings.

Investing in the ADSs involves risks that are described in the "Risk Factors" section beginning on page 13 of this prospectus.

	Per ADS	Total
Public offering price	$	$
Underwriting discount(1)	$	$
Proceeds to Cellectis (before expenses)	$	$

(1) We refer you to "Underwriting" beginning on page 210 of this prospectus for additional information regarding underwriting compensation.

The underwriters may also exercise their option to purchase up to additional ADSs from us, at the public offering price, less the underwriting discount, for 30 days after the date of this prospectus.

Neither the Securities and Exchange Commission nor any U.S. state or other securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The ADSs will be ready for delivery on or about , 2015 through the book-entry facilities of The Depository Trust Company.

BofA Merrill Lynch **Jefferies** **Piper Jaffray**

Oppenheimer & Co.

Trout Capital

The date of this prospectus is , 2015.

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We are responsible for the information contained in this prospectus and any free-writing prospectus we prepare or authorize. We and the underwriters have not authorized anyone to provide you with different information, and we and the underwriters take no responsibility for any other information others may give you. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than its date.

For investors outside the United States: Neither we nor any of the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the ADSs and the distribution of this prospectus outside the United States.

We are incorporated in France, and a majority of our outstanding securities are owned by non-U.S. residents. Under the rules of the U.S. Securities and Exchange Commission, or SEC, we are currently eligible for treatment as a "foreign private issuer." As a foreign private issuer, we will not be required to file periodic reports and financial statements with the SEC as frequently or as promptly as domestic registrants whose securities are registered under the Securities Exchange Act of 1934, as amended.

Our financial statements are presented in euros. All references in this prospectus to "$," "US$," "U.S.$," "U.S. dollars," "dollars" and "USD" mean U.S. dollars and all references to "€" and "euros" mean euros, unless otherwise noted. In various places throughout this prospectus we show financial amounts in both U.S. dollars and euros. Unless otherwise noted, these translations, which are provided solely for convenience, are made at the exchange rate of €1.00 = $1.2101, the noon buying rate of the Federal Reserve Bank of New York on December 31, 2014. Throughout this prospectus, references to ADSs mean ADSs or ordinary shares represented by such ADSs, as the case may be.

SUMMARY

This summary provides an overview of selected information contained elsewhere in this prospectus and does not contain all of the information you should consider before investing in our ADSs. You should carefully read this prospectus and the registration statement of which this prospectus is a part in their entirety before investing in our ADSs, including the information discussed under "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and related notes thereto that appear elsewhere in this prospectus. As used in this prospectus, the terms "we," "our," "us," "Cellectis," or the "Company" refer to Cellectis S.A. and its subsidiaries, taken as a whole, unless the context otherwise requires it.

Overview

We are a pioneering gene-editing company, employing our core proprietary technologies to develop best-in-class products in the emerging field of immuno-oncology. Our product candidates, based on gene-edited T-cells that express chimeric antigen receptors, or CARs, seek to harness the power of the immune system to target and eradicate cancers. We believe that CAR-based immunotherapy is one of the most promising areas of cancer research, representing a new paradigm for cancer treatment. We are designing next-generation immunotherapies that are based on gene-edited CAR T-cells. Our gene-editing technologies allow us to create allogeneic CAR T-cells, meaning they are derived from healthy donors rather than the patients themselves. We believe that the allogeneic production of CAR T-cells will allow us to develop cost-effective, "off-the-shelf" products that are capable of being stored and distributed worldwide. Our gene-editing expertise also enables us to develop product candidates that feature additional safety and efficacy attributes, including control properties designed to prevent them from attacking healthy tissues, to enable them to tolerate standard oncology treatments, and to equip them to resist mechanisms that inhibit immune-system activity. In addition to our focus on immuno-oncology, we are exploring the use of our gene-editing technologies in other therapeutic applications, as well as to develop healthier food products for a growing population.

Cancer is the second-leading cause of death in the United States and accounts for one in four deaths. Immuno-oncology seeks to harness the power of the body's immune system to target and kill cancer. A key to this effort is a type of white blood cell known as the T-cell, which plays an important role in identifying and killing cancer cells. Unfortunately, cancer cells often develop mechanisms to evade the immune system. CARs, which are engineered receptors that can be expressed on the surface of the T-cell, provide the T-cell with a specific targeting mechanism, thereby enhancing its ability to seek, identify, interact with and destroy tumor cells bearing a selected antigen. Research and development of CAR T-cell immunotherapies currently focuses on two approachs: autologous and allogeneic therapies. Autologous CAR T-cell immunotherapies modify a patient's own T-cells to target specific antigens that are located on cancer cells. This type of therapy requires an individualized immunotherapy product for each patient and is currently being tested in clinical trials by several biotechnology and pharmaceutical companies. In contrast, an allogeneic CAR T-cell immunotherapy is an approach by which a cancer patient is infused with a mass-produced, off-the-shelf immunotherapy product derived from a healthy T-cell donor. Our initial focus is on developing allogeneic treatments, and we believe that we are the leading company pursuing this approach.

Gene editing is a type of genetic engineering in which DNA is inserted, deleted, repaired or replaced from a precise location in the genome. The most fundamental challenge of gene editing is the need to specifically and efficiently target a precise DNA sequence within a gene. Our proprietary nuclease-based gene-editing technologies, combined with 15 years of genome engineering experience, allow us to edit any gene with highly precise insertion, deletion, repair and replacement of DNA sequences. Our nucleases, including a particular class of proteins derived from transcription activator-like effectors act like DNA scissors to edit genes at precise target sites and allow us to design allogeneic CAR T-cells. Our patented PulseAgile electroporation technology allows

us to efficiently deliver our nucleases into human cells while preserving cell viability, making it particularly well-suited for a large-scale manufacturing process. We believe these technologies will enable our products to be manufactured, stored, distributed broadly and infused into patients in an off-the-shelf approach.

We are developing products internally and through recently established strategic alliances with Pfizer Inc., or Pfizer, and Les Laboratoires Servier SAS, or Servier. In addition to our three proprietary pre-clinical programs, we are jointly pursuing six pre-clinical programs with Pfizer and Servier, and we may pursue up to 24 additional targets, nine of which would be wholly owned by us. Our objective is to file one Investigational New Drug, or IND, application (or foreign equivalent), per year. Our lead product candidate, UCART19, is an engineered T-cell product candidate that targets CD19, an antigen located on cancer cells in acute lymphoblastic leukemia, or ALL, and chronic lymphocytic leukemia, or CLL. We expect to file in 2015 for a Clinical Trial Authorization, or CTA, in the United Kingdom for UCART19, and Servier has an option under the collaboration agreement to acquire the exclusive rights to further develop and commercialize UCART19. Our strategic alliances include potential milestone payments to us of up to $3.9 billion and royalties on future sales. We believe that our alliances with Pfizer and Servier validate our technology platform, our expertise in the CAR-T field and the strength of our intellectual property portfolio.

Our vision is to leverage the potential of gene editing to deliver revolutionary products that address unmet medical needs, as well as to provide healthier food for a growing population across the world. Our initial focus is to apply our leadership in gene-editing technology to develop and commercialize best-in-class allogeneic CAR T-cell products in the area of immuno-oncology.

Immunotherapy

The promise of immuno-oncology rests on the ability to train the immune system to recognize and destroy tumor cells that previously evaded immune surveillance. Recent immuno-oncology advancements have shown the potential to cure certain cancers by harnessing the body's immune system to fight cancer cells. For example,

- in a recent study at the Perelman School of Medicine at the University of Pennsylvania, 27 of 30 (or 90%) of patients, including adults and children, with acute lymphoblastic leukemia who had relapsed multiple times or failed to respond to standard therapies went into remission after receiving a CAR-based immunotherapy, and 78% of the patients were alive six months after treatment; and
- in February 2014, a trial conducted at Memorial Sloan Kettering Cancer Center and the National Cancer Institute reported that 14 of 16 patients with advanced large B-cell lymphoma that had been treated to that point with CAR-based therapies had experienced complete responses.

Based on these advancements, immuno-oncology has become a new frontier for treatment, and we believe it is one of the most promising areas of development within oncology.

Our Proprietary Technology Platforms and Pipeline

TALEN—Proprietary Gene-editing Technology

The flagship nuclease structure we use for gene editing is based on a class of proteins derived from transcription activator-like effectors, or TALE. TALEN products are designed by fusing the DNA-cutting domain of a nuclease to TALE domains, which can be tailored to specifically recognize a unique DNA sequence. These fusion proteins serve as readily targetable "DNA scissors" for genome engineering applications that enable us to perform targeted genome modifications such as sequence insertion, deletion, repair and replacement in living cells.

We believe the key benefits of TALEN technology are:

- *Precision.* It is possible to design a TALEN that will cleave at any selected region in any gene, giving us the ability to achieve the desired genetic outcome with any gene in any living species.

- *Specificity and Selectivity.* TALEN may be designed to limit its DNA cleavage to the desired sequence and to avoid cutting elsewhere in the genome. This parameter is essential, especially for therapeutic applications, because unwanted genomic modifications potentially could lead to harmful effects for the patient. In addition, gene editing requires only a transient presence of TALEN, thus preserving the integrity and functionality of the T-cell's genome.
- *Efficiency.* A large percentage of cells treated by TALEN bear the desired genomic modification. For example, more than 75% of the T-cells treated by TALEN to inactivate one gene bear the desired genomic modification. We believe TALEN's high efficiency will be important to the cost-effectiveness of a manufacturing process involving the generation of gene-edited T-cells.

PulseAgile—Electroporation Technology

In order to perform gene editing, we use our proprietary PulseAgile electroporation technology to introduce nucleases inside the target T-cell where they can access the cell's DNA. Electroporation allows messenger RNA, or mRNA, molecules coding for the nuclease to enter into the cell, where it is translated into the nuclease protein that can cut into the cell's DNA. The mRNA molecules are rapidly degraded by the cell, which means that the nuclease is only expressed for a short time.

PulseAgile electroporation uses a unique electrical field wave-form that, in combination with a proprietary buffer solution, enables molecules, such as nucleases, to enter efficiently into the cell while maintaining a high percentage of viable cells. PulseAgile technology is particularly effective due to the shape of the electrical field that includes high voltage peaks, which are optimized to create transient holes in the cell membrane, followed by lower voltage pulses that help mRNA migrate into the cells. In addition, PulseAgile is optimized to preserve high cell viability and thus suited for large-scale manufacturing. For example, T-cells that undergo TALEN encoding mRNA electroporation maintain cell viability of approximately 90%.

Our Immuno-oncology Pipeline

Our lead immuno-oncology product candidates, which we refer to as UCARTs, are all allogeneic CAR T-cells engineered to be used for treating any patient with a particular cancer type. Each UCART product candidate targets a selected tumor antigen and bears specific engineered attributes, such as compatibility with specific medical regimens that cancer patients may undergo. UCART is the first therapeutic product line that we are developing with our gene-editing platform to address unmet medical needs in oncology. All of our product candidates are currently in the discovery or pre-clinical proof-of-concept phase. If successful in clinical trials, a product candidate could reach the market 5 years from the start of Phase 1 trials. The following chart highlights some of these product candidates that we expect to be the subject of a CTA filing or to enter into pre-clinical studies in 2015:

Product Name	Targeted Indication	Discovery	CAR-T Engineering	In Vitro Assays	In Animals	CTA / IND filing	Alliance
UCART19	Acute Lymphoblastic Leukemia (ALL) Chronic Lymphocytic Leukemia (CLL)	✓	✓	✓	✓	2015	Servier
UCART123	Acute Myeloid Leukemia (AML)	✓	✓	✓	✓		Wholly-Owned
UCART38	Multiple Myeloma (MM)	✓	✓		Q4 2015		Wholly-Owned
UCARTCS1	Multiple Myeloma (MM)	✓			Q4 2015		Wholly-Owned

Cellectis Plant Sciences

Our U.S.-based subsidiary, Cellectis Plant Sciences, or CPS, was established in 2010 and currently focuses on the development and commercialization of plant products. As the global population continues to increase, so

too does the global food market. By leveraging our plant-engineering platform and the transformative potential of gene editing, we aim to create food products with consumer health benefits, adaptations for climate change or nutritional enhancements that address the needs of a growing population. We believe we have the unique opportunity to develop products at a much lower cost than currently developed transgenic plants and to do so within a shorter timeline.

Our Strengths

We believe our leadership position in gene editing is based on the following competitive strengths:

- ***Proprietary Gene-Editing Technology with High Precision and Efficacy***. Coupled with 15 years of gene-editing experience, our flagship tools, TALEN and PulseAgile, enable us to efficiently modify or inactivate any target gene in a highly efficient, specific and precise manner.
- ***Novel Approach to CAR-T: Off-the-shelf, allogeneic and engineered CAR T-cell based therapies.*** We are engineering our product candidates to achieve desired clinical attributes. By editing and engineering the genomes of the T-cell, we have been able to establish smart CAR T-cells that can include the following traits:
    - *Allogeneic and non-alloreactive with a suicide gene.* We believe we can disable the mechanism that triggers donor-derived T-cells to attack a patient's healthy tissues while maintaining their ability to attack tumor cells. We are also engineering T-cell product candidates to include a suicide gene that enables us to direct their elimination by administering a drug to the patient.
    - *Compatibility with concurrent oncology treatments.* We are designing our T-cell product candidates to be compatible with standard oncology treatments, including steroids and drugs such as alemtuzumab, fludarabine and clofarabine, that otherwise impair or destroy T-cell functions or act as lymphodepleting agents that target the patient's cancer cells and weaken the immune system.
    - *Ability to bypass immune checkpoint regulators.* Our CAR T-cell product candidates are designed to bypasss certain elements of the immune system that restrict the activity of the immune system, otherwise known as immune checkpoint regulators. Immune checkpoint regulators can shield the tumor from the immune system and overly restrict—or negatively regulate—the immune response.
    - *Novel multi-chain CAR architecture.* We are developing a novel CAR design that adds multiple extra-cellular or intra-cellular functional domains. This multi-chain approach is intended to create CARs with improved activity, specificity and thus an expanded range of applications.
    - *Commercially scalable under a cGMP-compatible manufacturing process.* We are developing a highly cost-effective and robust manufacturing process. Our product candidates are designed to be frozen, available off-the-shelf, and commercially scalable through current good manufacturing practices, or cGMP, that are compatible with regulations promulgated by the U.S. Food and Drug Administration, or FDA, or with comparable standards in other jurisdictions.
- ***Validating Strategic Alliances with Pfizer and Servier in Oncology.*** We have entered into an alliance with Servier for the development of UCART19, our lead product candidate, and other product candidates directed at five molecular targets with respect to solid tumors. We may receive up to €820.8 million ($993.3 million) in payments from Servier pursuant to this strategic alliance, including a €7.55 million ($9.1 million) upfront payment and up to €813.3 million ($984.2 million) in potential option, clinical and commercial milestone payments. Our alliance with Pfizer addresses the development of other CAR T-cell immunotherapies in the field of oncology. Pursuant to this strategic alliance, we may receive up to $2.9 billion in payments from Pfizer, including an $80.0 million upfront payment and up to $2.8 billion in potential clinical and commercial milestone payments. Pfizer also purchased 10% of our then-outstanding

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ordinary shares in connection with this collaboration for €25.8 million ($31.2 million). We believe that both of these strategic transactions position us to compete in the promising field of immuno-oncology and add additional clinical and financial resources to our programs.

- ***Extensive Patent Portfolio.*** We own 87 patent families (consisting of approximately 51 issued patents and an additional 155 patent applications) and have in-licensed an additional 29 patent families. Our intellectual property portfolio provides significant protections over our product candidates and proprietary technology platforms.

Our Strategy

Our strategy is to leverage the transformative potential of our unique gene-editing technologies and expertise through two product platforms: our cell engineering platform designed to deliver therapeutic products and our plant engineering platform designed to deliver healthier food to a growing population.

The key elements of our strategy are to:

- *Advance our allogeneic UCART19 immunotherapy product candidate into clinical trials*. We anticipate filing in 2015 an application for a CTA, which is the United Kingdom's equivalent of an IND in the United States, to initiate a Phase 1 single-arm open-label dose escalation trial of UCART19 in patients with CLL or ALL. We expect to present preliminary data in 2016.
- *Advance our additional UCART product candidates into clinical trials*. We have a deep pipeline of promising immunotherapy product candidates in various stages of development, which we plan to develop and advance into clinical trials. Based upon pre-clinical results to date, we expect several of our product candidates to enter clinical trials in the coming years.
- *Leverage our existing and potential future alliances to advance our research and to bring products to market*. Our strategic alliances with Pfizer and Servier for the development of CAR T-cell applications in oncology provide us with funding for research and development, and may provide milestone payments and royalties on sales. We may enter into additional strategic alliances to facilitate our development and commercialization of other CAR T-cell immunotherapy products.
- *Expand our product pipeline to other therapeutic indications with unmet medical needs*. We intend to continue using our gene-editing technologies in therapeutic applications beyond immuno-oncology, including the treatment of chronic infectious diseases, autoimmune diseases and allergic diseases.
- *Develop plant products for the multibillion dollar agricultural-biotechnology market through the use of our gene-editing platform*. We are applying our gene-editing technologies to create food products with consumer health benefits, adaptations for climate change or nutritional enhancements that address the needs of a growing population. By selecting and inactivating target genes in certain agricultural crops, we believe we can produce unique variants with consumer benefits. For example, we are developing a potato that could be stored safely in cold conditions, new soybean breeds with improved oil qualities and protein content and, reduced-gluten wheat. We also intend to integrate additional crops into our product pipeline, including canola, corn and rice.

Risks Associated with Our Business

- We have a limited operating history, which makes it difficult to evaluate our current business and future prospects and may increase the risk of your investment.
- Our therapeutic product candidate development programs are still in the discovery or pre-clinical proof-of-concept phase and may be unsuccessful.

- We may need to raise additional funding even if this offering is successful. Additional funding may not be available on acceptable terms, or at all. Failure to obtain this necessary capital when needed may force us to delay, limit or terminate our product development efforts or other operations.
- We may encounter substantial delays in our clinical trials or we may fail to demonstrate safety and efficacy to the satisfaction of applicable regulatory authorities.
- Our product candidates are based on a novel technology, which makes it difficult to predict the time and cost of product candidate development and obtaining regulatory approval. Currently, no gene therapy products have been approved in the United States and only one such product has been approved in Europe.
- Our product candidates may fail safety studies in clinical trials or may cause undesirable side effects that could delay or prevent their regulatory approval, limit the commercial profile of an approved label, or result in significant negative consequences following marketing approval, if any.
- We expect to rely on third parties to conduct some or all aspects of our product manufacturing, protocol development, research and pre-clinical development, clinical testing and distribution, and these third parties may not perform satisfactorily.
- Our ability to compete may decline if we do not adequately protect our proprietary rights.
- We face significant competition from other biotechnology and pharmaceutical companies, and our operating results will suffer if we fail to compete effectively.
- The successful commercialization of our plant products depends on our ability to produce high-quality plants and seeds cost-effectively on a large scale and to accurately forecast demand for our plant products and we may be unable to do so.
- Regulatory approval for our plant products may be costly or take longer than we expect.
- The successful commercialization of our plant products may face challenges from public perceptions of genetically engineered products and ethical, legal, environmental and social concerns.
- We expect to be a “passive foreign investment company” for U.S. federal income tax purposes, which could result in adverse U.S. federal income tax consequences for U.S. investors.

Corporate Information

We were incorporated as a *société anonyme*, or S.A., on January 4, 2000. We are registered at the Paris *Registre du Commerce et des Sociétés* under the number 428 859 052. Our principal executive offices are located at 8, rue de la Croix Jarry, 75013 Paris, France, and our telephone number is +33 1 81 69 16 00. Our agent for service of process in the United States is Puglisi & Associates. We also maintain a website at *www.cellectis.com*. The reference to our website is an inactive textual reference only and the information contained in, or that can be accessed through, our website is not a part of this prospectus.

We own various trademark registrations and applications, and unregistered trademarks and servicemarks, including “Cellectis®”, “TALEN™”, “PulseAgile™” and our corporate logo. All other trade names, trademarks and service marks of other companies appearing in this prospectus are the property of their respective holders. Solely for convenience, the trademarks and trade names in this prospectus may be referred to without the ® and ™ symbols, but such references, or their failure to appear, should not be construed as any indicator that their respective owners will not assert, to the fullest extent under applicable law, their rights thereto. We do not intend to use or display other companies’ trademarks and trade names to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

Implications of Being an Emerging Growth Company

We qualify as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. As an emerging growth company, we may take advantage of certain reduced disclosure and other requirements that are otherwise applicable generally to public companies. These provisions include:

- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act;
- only two years of audited financial statements are required in addition to any required interim financial statements, and correspondingly reduced disclosure in management's discussion and analysis of financial condition and results of operations; and
- to the extent that we no longer qualify as a foreign private issuer, (1) reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements; and (2) exemptions from the requirements of holding a non-binding advisory vote on executive compensation, including golden parachute compensation.

We may take advantage of these exemptions for up to five years or until such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company upon the earliest to occur of (1) the last day of the fiscal year in which we have more than $1.0 billion in annual revenue; (2) the date we qualify as a "large accelerated filer," with at least $700 million of equity securities; (3) the issuance, in any three-year period, by us of more than $1.0 billion in non-convertible debt securities held by non-affiliates; and (4) the last day of the fiscal year ending after the fifth anniversary of our initial public offering.

We may choose to take advantage of some but not all of these exemptions. For example, Section 107 of the JOBS Act provides that an emerging growth company can use the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. Given that we currently report and expect to continue to report under International Financial Reporting Standards as issued by the International Accounting Standards Board, or IASB, we have irrevocably elected not to avail ourselves of this extended transition period and, as a result, we will adopt new or revised accounting standards on the relevant dates on which adoption of such standards is required by the IASB. We have taken advantage of reduced reporting requirements in this prospectus. Accordingly, the information contained herein may be different than the information you receive from other public companies in which you hold equity securities.

Implications of Being a Foreign Private Issuer

We are also considered a "foreign private issuer." In our capacity as a foreign private issuer, we are exempt from certain rules under the U.S. Securities Exchange Act of 1934, or the Exchange Act, that impose certain disclosure obligations and procedural requirements for proxy solicitations under Section 14 of the Exchange Act. In addition, our officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions of Section 16 of the Exchange Act and the rules under the Exchange Act with respect to their purchases and sales of our ordinary shares. Moreover, we are not required to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act. In addition, we are not required to comply with Regulation FD, which restricts the selective disclosure of material information.

We may take advantage of these exemptions until such time as we are no longer a foreign private issuer. We would cease to be a foreign private issuer at such time as more than 50% of our outstanding voting securities are held by U.S. residents and any of the following three circumstances applies: (a) the majority of our executive officers or directors are U.S. citizens or residents, (b) more than 50% of our assets are located in the United States or (c) our business is administered principally in the United States.

We have taken advantage of certain reduced reporting and other requirements in this prospectus. Accordingly, the information contained herein may be different than the information you receive from other public companies in which you hold equity securities.

The Offering

ADSs offered by us	ADSs.
Ordinary shares to be outstanding after this offering	ordinary shares.
Option to purchase additional ADSs	ADSs.
American Depositary Shares	Each ADS represents one ordinary share. You will have the rights of an ADS holder as provided in the deposit agreement among us, the depositary and all holders and beneficial owners of ADSs issued thereunder. To better understand the terms of the ADSs, you should carefully read the section in this prospectus titled “Description of American Depositary Shares.” We also encourage you to read the deposit agreement, which is filed as an exhibit to the registration statement that includes this prospectus.
Depositary	Citibank, N.A.
Use of proceeds	We intend to use the net proceeds we receive from this offering to develop our proprietary immuno-oncology product candidates, to pursue human therapeutics outside of oncology, to advance our agricultural biotechnology business, and for working capital and other general corporate purposes. See the section of this prospectus titled “Use of Proceeds” for additional information.
Risk factors	You should read the “Risk Factors” section of this prospectus for a discussion of factors to consider carefully before deciding to invest in the ADSs.
Proposed Nasdaq Global Market trading symbol for our ADSs	“CLLS”
Alternext market of Euronext in Paris trading symbol for our ordinary shares	“ALCLS”

The number of ordinary shares that will be outstanding after this offering is based on the number of ordinary shares outstanding as of December 31, 2014 and excludes:

- 433,411 ordinary shares issuable upon the exercise of non-employee warrants and employee warrants at weighted average exercise prices of €10.40 per share and €13.15 per share, respectively, and free shares (*actions gratuites*) for which the acquisition period has not yet expired;
- 50,000 free shares (*actions gratuites*) granted in 2015 under similar terms and conditions to the 2014 Free Share Plan for which the acquisition period has not yet expired;
- 1,395,000 ordinary shares issuable upon the exercise of the Kepler Warrants by Kepler Capital Markets SA upon our Instruction in accordance with the Contingent Equity Line Facility detailed under the “Description of Share Capital” section;
- 50,000 ordinary shares issuable upon the exercise of non-employee warrants by Trout Capital LLC at an exercise price of €6.00 per share;

- 7,354,930 ordinary shares reserved pursuant to a delegation of authority from our shareholders for grants of stock options, warrants and free ordinary or preferred shares to our directors, executive officers, employees, board observers, consultants and advisors; and
- 44,129,580 ordinary shares reserved pursuant to a delegation of authority from our shareholders for share capital increases by us through rights issuances and public or private offerings.

Except as otherwise noted, the information in this prospectus assumes:

- no exercise of the options, free shares and warrants listed above; and
- no exercise by the underwriters of their option to purchase additional ADSs.

Summary Financial Data

The following summary consolidated statements of operations data for the years ended December 31, 2013 and 2014 and the summary consolidated statement of financial position data as of December 31, 2014 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. Our audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, or IASB.

The following summary consolidated financial data for the periods and as of the dates indicated are qualified by reference to and should be read in conjunction with our consolidated financial statements and related notes beginning on page F-1 of this prospectus, as well as the sections titled “Selected Financial Data,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Foreign Currency Exchange Rates” included elsewhere in this prospectus.

Our historical results for any prior period do not necessarily indicate our results to be expected for any future period. Our interim financial results for the periods presented are not necessarily indicative of results for a full year or for any subsequent interim period.

	Year Ended December 31,		
	2013	2014	
	€	€	U.S. $ (1)
	in thousands, except share and per share data		
Statement of operations data:			
Total revenues and other income	12,724	26,453	32,011
Operating expenses and other operating income (expenses):			
Royalty expenses	(542)	(3,035)	(3,673)
Research and development expenses	(17,844)	(14,407)	(17,434)
Selling, general and administrative expenses	(19,034)	(13,114)	(15,869)
Other operating income	478	—	—
Redundancy plan	(1,865)	(491)	(594)
Other operating expenses	(445)	(651)	(788)
Operating loss	(26,528)	(5,245)	(6,347)
Loss from discontinued operations	(29,580)	(2,822)	(3,415)
Financial gain (loss)	(312)	7,095	8,586
Net loss	(56,419)	(972)	(1,176)
Earnings per share attributable to shareholders of Cellectis (2)			
Basic and diluted (3)	(2.68)	0.00	0.00
Number of shares used for computing			
Basic and diluted (2)	20,653,912	26,071,709	26,071,709

(1) Translated solely for convenience into dollars at an exchange rate of €1.00 = $1.2101, the noon buying rate of the Federal Reserve Bank of New York on December 31, 2014.

(2) See Note 26 to our financial statements for further details on the calculation of basic and diluted loss per ordinary share.

(3) Potential ordinary shares resulting from the exercise of share warrants and employee warrants are antidilutive since their conversion to ordinary shares would decrease loss per share from continuing operations. Consequently, the diluted earnings per share is equivalent to the basic earnings per share.

	As of December 31, 2014			
	Actual		As Adjusted (1)(2)	
	€	U.S.$ (3)	€	U.S.$ (3)
	in thousands			
Statement of financial position data:				
Cash and cash equivalents	112,347	135,951		
Total assets	137,614	166,527		
Total shareholders’ equity	59,527	72,034		
Total non-current liabilities	3,222	3,899		
Total current liabilities	74,865	90,594		

(1) As adjusted to give effect to our issuance and sale of ADSs in this offering at an assumed initial public offering price of $ per ADS, the U.S. dollar equivalent of the closing price of our ordinary shares on the Alternext market of Euronext in Paris on , 2015, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

(2) Each $1.00 increase or decrease in the assumed initial public offering price of $ per ADS, the U.S. dollar equivalent of the closing price of our ordinary shares on the Alternext market of Euronext in Paris on , 2015, would increase or decrease each of as adjusted cash and cash equivalents, total assets and total shareholders’ equity by approximately $ million, assuming that the number of ADSs offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions. We may also increase or decrease the number of ADSs we are offering. Each increase or decrease of 1,000,000 in the number of ADSs offered by us would increase or decrease each of as adjusted cash and cash equivalents, total assets and total shareholders’ equity by approximately $ million, assuming that the initial public offering price remains the same, and after deducting underwriting discounts and commissions. The as adjusted information discussed above is illustrative only and will adjust based on the actual initial public offering price and the actual number of ADS offered by us.

(3) Translated solely for convenience into dollars at an exchange rate of €1.00 = $1.2101, the noon buying rate of the Federal Reserve Bank of New York on December 31, 2014.

RISK FACTORS

Any investment in our ADSs involves a high degree of risk. You should carefully consider the risks described below and all of the information contained in this prospectus, including our consolidated financial statements and the related notes, before making an investment decision regarding our ADSs. If any of these risks actually occurs, our business, financial condition or results of operations could suffer, the price of our ADSs could decline and you could lose part or all of your investment. The risks discussed below also include forward-looking statements, and our actual results may differ substantially from those discussed in these forward-looking statements. See "Special Note Regarding Forward-Looking Statements" in this prospectus.

Risks Related to Our Financial Condition and Capital Requirements

We have a limited operating history, which makes it difficult to evaluate our current business and future prospects and may increase the risk of your investment.

We are an early-stage gene-editing company with a limited operating history. Investment in biopharmaceutical and agricultural biotechnology product development is a highly speculative endeavor. It entails substantial upfront capital expenditures and there is significant risk that any potential product candidate will fail to demonstrate adequate efficacy or an acceptable safety profile, to gain regulatory approval or to become commercially viable. In our therapeutics business, we are focused on developing products using our gene-editing platform to develop genetically modified T-cells that express a CAR and are designed to target and kill cancer cells. While there have been significant advances in cell-based immunotherapy, our gene-editing platform and T-cell and CAR technologies are new and unproven. All of the product candidates that we are developing or co-developing are in pre-clinical stages, and we have not yet generated any revenue from product sales to date. In our agricultural biotechnology business, we are exploring the use of our gene-editing technologies to develop healthier food products for a growing population. Our plant products are in early stages of development, and we have not yet generated any revenues from sales of these plant products.

Our limited operating history may make it difficult to evaluate our current business and our future prospects. We have encountered, and will continue to encounter, risks and difficulties frequently experienced by growing companies in rapidly developing and changing industries, such as the biopharmaceutical and agricultural biotechnology industries, including challenges in forecasting accuracy, determining appropriate investments of our limited resources, gaining market acceptance of our gene-editing platform, managing a complex regulatory landscape and developing new product candidates. Our current operating model may require changes in order for us to scale our operations efficiently. You should consider our business and prospects in light of the risks and difficulties we face as an early-stage company focused on developing products in the fields of immuno-oncology and agricultural biotechnology.

We have incurred significant losses since our inception and anticipate that we will continue to incur significant losses for the foreseeable future.

We devote most of our financial resources to research and development relating to our CAR T-cell immunotherapy product candidates. We finance our current immuno-oncology operations through strategic alliances with pharmaceutical companies, including Les Laboratories Servier, or Servier, and Pfizer Inc., or Pfizer, as well as through the sale of equity securities and, to a lesser extent, obtaining public funding in support of innovation, reimbursements of research tax credit claims, and royalties on our licensed technology. During the last two years, we have received €61.0 million through sales of equity and €73.7 million in payments made to us under our collaboration agreements with Pfizer and Servier. Our research and development expenses for the years ended December 31, 2013 and 2014 were €17.8 and €14.4 million, respectively. Our net loss for the years ended December 31, 2013 and 2014 was €56.4 million and €1.0 million, respectively.

The amount of our future net losses will depend, in part, on the pace and amount of our future expenditures and our ability to obtain funding through equity or debt financings, on our ability or the ability of our collaborators to achieve milestones that trigger success payments to us, and on additional grants or tax credits.

No clinical studies have begun on any of our product candidates or those product candidates that our partners control pursuant to our collaboration agreements, and it will be several years, if ever, before we obtain regulatory approval for, and are ready for commercialization of, a product candidate. Even if we or our collaborators obtain regulatory approval to market a product candidate, any future revenues will depend upon the size of any markets in which the product candidates are approved for sale as well as the market share captured by such product candidates, market acceptance of such product candidates and levels of reimbursement from third-party payors.

We expect to continue to incur significant expenses and operating losses for the foreseeable future. We anticipate that such expenses will increase substantially if and as we:

- continue the research and development of our current and future immuno-oncology product candidates;
- continue the research and development of our current and future agricultural product candidates;
- initiate clinical studies for our current and future immuno-oncology product candidates;
- conduct and multiply field trials of our agricultural product candidates;
- further develop and refine the manufacturing process for our immuno-oncology product candidates;
- change or add additional manufacturers or suppliers of biological materials;
- seek regulatory and marketing approvals for our product candidates, if any, that successfully complete development;
- establish a sales, marketing and distribution infrastructure to commercialize any products for which we may obtain marketing approval;
- seek to identify and validate additional product candidates;
- acquire or in-license other product candidates, technologies, germplasm or other biological material;
- make milestone or other payments under any in-license agreements;
- maintain, protect and expand our intellectual property portfolio;
- secure manufacturing arrangements for commercial production;
- seek to attract and retain new and existing skilled personnel;
- create additional infrastructure to support our operations as a public company; and
- experience any delays or encounter issues with any of the above.

The net losses we incur may fluctuate significantly from year to year and quarter to quarter, such that a period-to-period comparison of our results of operations may not be a good indication of our future performance. In any particular period or periods, our operating results could be below the expectations of securities analysts or investors, which could cause the price of the ADSs to decline.

We may need to raise additional funding even if this offering is successful. Additional funding may not be available on acceptable terms, or at all. Failure to obtain this necessary capital when needed may force us to delay, limit or terminate our product development efforts or other operations.

We are currently advancing our product candidates to and through pre-clinical testing. The process of developing CAR T-cell product candidates is expensive, lengthy and risky, and we expect our research and development expenses to increase substantially in connection with our ongoing activities, particularly as we advance toward clinical trials and seek regulatory approvals of our product candidates. In addition, subject to obtaining regulatory approval of any product candidates, we expect to incur significant commercialization expenses.

As of December 31, 2014, we had cash and cash equivalents of approximately €112.3 million. We believe our cash and cash equivalents, together with the net proceeds of this offering and our cash flow from operations (including payments we expect to receive pursuant to our collaboration agreements) and government funding of research programs will be sufficient to fund our operations through at least 2017. However, in order to complete the development process, obtain regulatory approval and commercialize, if approved, any of our product candidates, including UCART19, and to obtain regulatory approval for, if necessary, and commercialize our lead plant sciences products, we may require additional funding. Also, our operating plan, including our product development plans, may change as a result of many factors currently unknown to us, and we may need to seek additional funds sooner than planned, through public or private equity or debt financings, government or other third-party funding, marketing and distribution arrangements and other collaborations, strategic alliances and licensing arrangements, or a combination of these approaches.

To the extent that we raise additional capital through the sale of additional equity or convertible securities, your ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a shareholder. In addition, our ability to raise additional capital in equity offerings will be significantly limited, as described under "—We are limited in our ability to raise additional share capital, which may make it difficult for us to raise capital to fund our operations." Debt financing, if available, would result in increased fixed payment obligations and a portion of our operating cash flows, if any, being dedicated to the payment of principal and interest on such indebtedness. In addition, debt financing may involve agreements that include restrictive covenants that impose operating restrictions, such as restrictions on the incurrence of additional debt, the making of certain capital expenditures or the declaration of dividends. To the extent we raise additional funds through arrangements with collaborators or otherwise, we may be required to relinquish some of our technologies, product candidates or revenue streams, license our technologies or product candidates on unfavorable terms, or otherwise agree to terms unfavorable to us.

Any additional fundraising efforts may divert our management from their day-to-day activities, which may adversely affect our ability to develop and commercialize our product candidates. In addition, we cannot guarantee that future financing will be available in sufficient amounts or on terms acceptable to us, if at all. Even if we believe we have sufficient funds for our current or future operating plans, we may seek additional capital if market conditions are favorable or in light of specific strategic considerations.

If we are unable to obtain funding on a timely basis, we may be required to significantly curtail, delay or discontinue one or more of our research or product candidate development programs or the commercialization of any product candidate or be unable to expand our operations or otherwise capitalize on our business opportunities, as desired, which could materially affect our business, operating results and prospects and cause the price of the ADSs to decline.

We are limited in our ability to raise additional share capital, which may make it difficult for us to raise capital to fund our operations.

Under French law, our share capital generally may be increased with the approval of a two-thirds majority vote of the shareholders present, represented by proxy, or voting by mail obtained at an extraordinary general shareholders' meeting following the recommendation of our board of directors. The shareholders may delegate to

our board either the authority (*délégation de compétence*) or the power (*délégation de pouvoir*) to carry out any increase in the share capital. Accordingly, after giving effect to this offering, our board may be precluded from issuing additional ADSs or ordinary shares if the prior approval of the shareholders is not duly obtained.

Risks Related to the Discovery, Development and Commercialization of Our Therapeutic Product Candidates

Our therapeutic product candidate development programs are still in the discovery or pre-clinical proof-of-concept phase and may be unsuccessful.

The use of our gene-editing technologies in the product candidates we develop has never undergone testing in humans and have only limited testing in animals. None of our potential product candidates have commenced clinical trials, and results from animal studies are not necessarily predictive of clinical trial results. Even if certain of our product candidates progress to clinical trials, these product candidates may fail to show the desired safety and efficacy in clinical development despite demonstrating positive results in animal studies. For example, while our animal studies of the UCART19 product candidate resulted in evidence of tumor cell elimination, there can be no assurance that the success we achieved in such animal studies for this product candidate will result in success in any clinical trials.

Because our current product candidates are still in the discovery or pre-clinical proof-of-concept phase there can be no assurance that our research and development activities result in product candidates we can advance to the clinical development phase. We anticipate filing in 2015 in the United Kingdom a CTA to initiate a Phase 1 clinical trial on our lead product candidate, UCART19, with preliminary data expected to become available in 2016, but the commencement and results of a clinical trial are subject to a variety of factors and considerations and we cannot assure you that we will achieve these targets. Our other product candidates are in various stages of pre-clinical development and we have limited pre-clinical data evaluating many of these product candidates. Because of the early stage of development of our product candidates, we have not yet demonstrated the safety, specificity and clinical benefits of our product candidates in humans, and we cannot assure you that the results of any human trials will demonstrate the value and efficacy of our platform. Moreover, there are a number of regulatory requirements that we must satisfy before we can commence clinical trials in the United States and the European Union, or EU. Satisfaction of these requirements will entail substantial time, effort and financial resources. We may never satisfy these requirements. Any time, effort and financial resources we expend on our other early-stage product candidate development programs may adversely affect our ability to continue development and commercialization of our product candidates, including UCART19, and we may never commence clinical trials of any product candidates despite expending significant resources in pursuit of their development. Even if we do commence clinical trials of our potential product candidates, such product candidates may never be approved by the U.S. Food and Drug Administration, or FDA, the European Medicines Agency, or EMA, or any other regulatory agency.

Our product candidates are based on a novel technology, which makes it difficult to predict the time and cost of product candidate development and obtaining regulatory approval. Currently, no gene therapy products have been approved in the United States and only one such product has been approved in Europe.

We have concentrated our CAR T-cell immunotherapy product research and development efforts on our gene-editing technologies, and our future success depends on the successful development of this therapeutic approach. We are in the early stages of developing our gene-editing platform and there can be no assurance that any development problems we experience in the future related to our gene-editing technologies will not cause significant delays or unanticipated costs, or that such development problems can be overcome. We may also experience delays in developing a sustainable, reproducible and scalable manufacturing process or transferring that process to commercial partners, which may prevent us from completing our clinical studies or commercializing our products on a timely or profitable basis, if at all.

In addition, the clinical study requirements of the FDA, EMA and other regulatory agencies and the criteria these regulators use to determine the safety and efficacy of a product candidate are determined according to the

type, complexity, novelty and intended use and market of the potential products. The regulatory approval process for novel product candidates such as ours can be more rigorous and consequently more expensive and take longer than for other, better known or extensively studied pharmaceutical or other product candidates. Currently, only one gene therapy product, uniQure N.V.'s Glybera, which received marketing authorization from the EMA in 2012, has been approved in Europe, and no gene therapy products have been approved in the United States, which makes it difficult to determine how long it will take or how much it will cost to obtain regulatory approvals for our product candidates in either Europe or the United States. Approvals by the EMA may not be indicative of what the FDA may require for approval. More generally, approvals by any regulatory agency may not be indicative of what any other regulatory agency may require for approval.

The regulatory landscape that will govern our product candidates is uncertain; regulations relating to more established gene therapy and cell therapy products are still developing, and changes in regulatory requirements could result in delays or discontinuation of development of our product candidates or unexpected costs in obtaining regulatory approval.

Because we are developing novel CAR T-cell immunotherapy product candidates that are unique biological entities, the regulatory requirements that we will be subject to are not entirely clear. Even with respect to more established products that fit into the categories of gene therapies or cell therapies, the regulatory landscape is still developing. For example, regulatory requirements governing gene therapy products and cell therapy products have changed frequently and will likely continue to change in the future. Moreover, there is substantial, and sometimes uncoordinated, overlap in those responsible for regulation of existing gene therapy products and cell therapy products. For example, in the United States, the FDA has established the Office of Cellular, Tissue and Gene Therapies within its Center for Biologics Evaluation and Research, or CBER, to consolidate the review of gene therapy and related products, and the Cellular, Tissue and Gene Therapies Advisory Committee to advise CBER on its review. Gene therapy clinical trials are also subject to review and oversight by an institutional biosafety committee, or IBC, a local institutional committee that reviews and oversees basic and clinical research conducted at the institution participating in the clinical trial. Gene therapy clinical studies conducted at institutions that receive funding for recombinant DNA research from the U.S. National Institutes of Health, or the NIH, are also subject to review by the NIH Office of Biotechnology Activities' Recombinant DNA Advisory Committee, or the RAC. Although the FDA decides whether individual gene therapy protocols may proceed, review process and determinations of other reviewing bodies can impede or delay the initiation of a clinical study, even if the FDA has reviewed the study and approved its initiation. Conversely, the FDA can place an IND application on clinical hold even if such other entities have provided a favorable review. Furthermore, each clinical trial must be reviewed and approved by an independent institutional review board, or IRB, at or servicing each institution at which a clinical trial will be conducted. In addition, adverse developments in clinical trials of gene therapy products conducted by others may cause the FDA or other regulatory bodies to change the requirements for approval of any of our product candidates.

Similarly complex regulatory environments exist in other jurisdictions in which we might consider seeking regulatory approvals for our product candidates, further complicating the regulatory landscape. For example, in the EU a special committee called the Committee for Advanced Therapies (CAT) was established within the EMA in accordance with Regulation (EC) No 1394/2007 on advanced-therapy medicinal products (ATMPs) to assess the quality, safety and efficacy of ATMPs, and to follow scientific developments in the field. ATMPs include gene therapy products as well as somatic cell therapy products and tissue engineered products. In this regard that on May 28, 2014, the EMA issued a recommendation that Cellectis' UCART19 be considered a gene therapy product under Regulation (EC) No 1394/2007 on ATMPs.

These various regulatory review committees and advisory groups and new or revised guidelines that they promulgate from time to time may lengthen the regulatory review process, require us to perform additional studies, increase our development costs, lead to changes in regulatory positions and interpretations, delay or prevent approval and commercialization of our product candidates or lead to significant post-approval limitations or restrictions. Because the regulatory landscape for our CAR T-cell immunotherapy product candidates is new,

we may face even more cumbersome and complex regulations than those emerging for gene therapy products and cell therapy products. Furthermore, even if our product candidates obtain required regulatory approvals, such approvals may later be withdrawn as a result of changes in regulations or the interpretation of regulations by applicable regulatory agencies.

As we advance our product candidates, we will be required to consult with these regulatory and advisory groups and comply with all applicable guidelines, rules and regulations. If we fail to do so, we may be required to delay or discontinue development of our product candidates. Delay or failure to obtain, or unexpected costs in obtaining, the regulatory approval necessary to bring a potential product to market could decrease our ability to generate sufficient product revenue to maintain our business.

Our gene-editing technology is relatively new, and if we are unable to use this technology in all of our intended applications, our revenue opportunities will be limited.

Our technology involves a relatively new approach to gene editing, using sequence-specific DNA-cutting enzymes, or nucleases, to perform precise and stable modifications in the DNA of living-cells and organisms. Although we have generated nucleases for many specific gene sequences, we have not created nucleases for all gene sequences that we may seek to target, and we may not be able do so, which could limit the usefulness of our technology.

The expected value and utility of our nucleases is, in part, based on our belief that the targeted modification of genes or specific regulation of gene expression may enable us to develop a new therapeutic approach. There is only a limited understanding of the role of specific genes in these applications. Life sciences companies have only been able to successfully develop or commercialize a few products in this biopharmaceutical space based on results from genome research or the ability to regulate gene expression. We or our collaborators may not be able to use our technology to develop commercial products in the intended diseases.

In addition, the biopharmaceutical industry is rapidly developing, and our competitors may introduce new technologies that render our technology obsolete or less attractive. New technology could emerge at any point in the development cycle of our product candidates. As competitors use or develop new technologies, we may be placed at a competitive disadvantage, and competitive pressures may force us to implement new technologies at a substantial cost. In addition, our competitors have greater financial, technical and personnel resources that allow them to enjoy technological advantages and may in the future allow them to implement new technologies before we can. We cannot be certain that we will be able to implement technologies on a timely basis or at a cost that is acceptable to us. If we are unable to maintain technological advancements consistent with industry standards, our operations and financial condition may be adversely affected.

We depend almost entirely on the successful development of our product candidates. We cannot be certain that we or our collaborators will be able to obtain regulatory approval for, or successfully commercialize, these products.

We currently have no product candidates in clinical trials and may never be able to develop a product that will be approved or commercialized. Our business depends primarily on the successful clinical development, regulatory approval and commercialization of our CAR T-cell immunotherapy product candidates. Our most advanced product candidate is UCART19, which we are studying in pre-clinical studies in collaboration with Servier for the treatment of ALL and CLL. In addition to UCART19, we are also studying in pre-clinical studies, on our own or through our collaborators, other product candidates based on gene-edited CAR T-cells for cancer immunotherapy.

Our therapeutic product candidates will require substantial additional clinical development, testing, and regulatory approval before we are permitted to commence their commercialization. The clinical trials of our product candidates are, and the manufacturing and marketing of our product candidates will be, subject to

extensive and rigorous review and regulation by numerous government authorities in the United States and in other countries where we intend to test and, if approved, market any product candidate. Before obtaining regulatory approvals for the commercial sale of any product candidate, we must demonstrate, with substantial evidence gathered in well-controlled clinical trials, and, with respect to approval in the United States, to the satisfaction of the FDA or, with respect to approval in other countries, similar regulatory authorities in those countries, that the product candidate is safe and effective for use in each target indication. In the United States, we expect that the requisite regulatory submission to seek marketing approval for our gene therapy products will be a Biologic License Application, or BLA, and the competent regulatory authority is the FDA. In the EU, the requisite approval is a Marketing Authorisation, or MA, which for products developed by the means of recombinant DNA technology, gene or cell therapy products as well as tissue engineered products, is issued through a centralized procedure involving the EMA. Satisfaction of these and other regulatory requirements is costly, time consuming, uncertain and subject to unanticipated delays. Despite our efforts, our product candidates may not:

- offer improvement over existing, comparable products;
- be proven safe and effective in clinical trials; or
- meet applicable regulatory standards.

This process can take many years and may include post-marketing studies and surveillance, which will require the expenditure of substantial resources beyond our existing cash on hand and the net proceeds we raise in this offering. Of the large number of drugs in development globally, only a small percentage successfully completes the regulatory approval process and even fewer are commercialized. Furthermore, we have not marketed, distributed or sold any products. Our success will, in addition to the factors discussed above, depend on the successful commercialization of the product candidates we develop on our own or on behalf of our collaborators, which may require:

- obtaining and maintain commercial manufacturing arrangements with third-party manufacturers;
- collaborating with pharmaceutical companies or contract sales organizations to market and sell any approved drug; or
- acceptance of any approved drug in the medical community and by patients and third-party payors.

Many of these factors are beyond our control. We do not expect any of the product candidates we develop on our own and those we develop on behalf of our collaborators to be commercially available for many years and some or all may never become commercially available. Accordingly, we may never generate revenues through the sale of products.

Accordingly, even if we are able to obtain the requisite financing to continue to fund our development and clinical programs, we cannot assure you that our product candidates will be successfully developed or commercialized.

We face substantial competition from companies, including biotechnology and pharmaceutical companies, many of which have considerably more resources and experience than we have, which may result in others discovering, developing, receiving approval for, or commercializing products before or more successfully than us.

The biotechnology and pharmaceutical industries are characterized by intense competition and rapid innovation, and many companies put significant resources toward developing novel and proprietary therapies for the treatment of cancer, which often incorporate novel technologies and incorporate valuable intellectual property. We compete with companies in the immunotherapy space, as well as companies developing novel targeted therapies for cancer. In addition, our product candidates, if approved, will compete with existing standards of care for the diseases that our product candidates target as well as new compounds, drugs or

therapies, some of which may achieve better results than our product candidates. We anticipate that we will face intense and increasing competition from many different sources, including new and established biotechnology and pharmaceutical companies, academic research institutions, governmental agencies and public and private research institutions.

Our competitors include:

- Gene-editing space: CRISPR Therapeutics, Inc., Editas Medicine, Inc., Intellia Therapeutics, Inc., Precision BioSciences, Inc. and Sangamo BioSciences, Inc.
- CAR space: Bellicum Pharmaceuticals, Inc., Celgene Corporation (in collaboration with bluebird bio, Inc.), Intrexon, Inc., Kite Pharma, Inc. and Novartis AG.
- Cell-therapy space: Adaptimmune Ltd., Juno Therapeutics, Inc., Lion Biotechnologies, Inc. and Unum Therapeutics, Inc.

We also face competition from non-cell based treatments offered by companies such as Amgen Inc., AstraZeneca plc, Bristol-Myers Squibb Company, Incyte Corporation, Merck & Co., Inc., and F. Hoffman-La Roche AG. Immunotherapy is further being pursued by several biotech companies as well as by large-cap pharma. Many of our competitors, either alone or with their collaboration partners, have substantially greater financial, technical and other resources, such as larger research and development staff and/or greater expertise in research and development, manufacturing, pre-clinical testing and conducting clinical trials. In addition, smaller or early-stage companies may compete with us through collaborative arrangements with more established companies. Competition may increase further as a result of advances in the commercial applicability of technologies and greater availability of capital for investment in these enterprises. Mergers and acquisitions in the pharmaceutical, biotechnology and gene therapy industries may result in even more resources being concentrated among a smaller number of our competitors. Our competitors also compete with us in recruiting and retaining qualified scientific and management personnel and establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

We have limited experience in conducting or managing clinical trials for potential therapeutic products.

We have limited experience in conducting or managing the clinical trials necessary to obtain regulatory approvals for any product, and we intend to rely on our collaborators or third parties, such as clinical research organizations, or CROs, medical institutions and clinical investigators to perform these functions. Our reliance on third parties for clinical development activities reduces our control over these activities. Third-party contractors may not complete activities on schedule, or may not conduct clinical trials in accordance with regulatory requirements or our trial design. If these third parties do not successfully carry out their contractual duties or meet required performance standards or expected deadlines, we might be required to replace them or the data that they provide could be rejected by the FDA or comparable foreign regulatory bodies, all of which may result in a delay of the affected trial and additional program costs.

We may encounter substantial delays in our clinical trials or we may fail to demonstrate safety and efficacy to the satisfaction of applicable regulatory authorities.

To date, we have not completed pre-clinical testing for any of our product candidates, except UCART19, which has not yet commenced clinical trials. Pre-clinical testing and clinical trials are long, expensive and unpredictable processes that can be subject to extensive delays. We cannot guarantee that any pre-clinical studies or clinical trials will be conducted as planned or completed on schedule, if at all. It may take several years to complete the pre-clinical testing and clinical development necessary to commercialize a product candidate, and delays or failure can occur at any stage. Interim results of clinical trials do not necessarily predict final results, and success in pre-clinical testing and early clinical trials does not ensure that later clinical trials will be successful. A number of companies in the pharmaceutical, biopharmaceutical and biotechnology industries have

suffered significant setbacks in advanced clinical trials even after promising results in earlier trials, and we cannot be certain that our product candidates will not face similar setbacks. In addition, the design of a clinical trial can determine whether its results will support approval of a product and flaws in the design of a clinical trial may not become apparent until the clinical trial is well advanced. An unfavorable outcome in one or more clinical trials would be a major setback for our product candidates and for us and may require us or our collaborators to delay, reduce the scope of, or eliminate one or more product candidate development programs, any of which could have a material adverse effect on our business, financial condition and prospects and on the value of the ADSs.

In connection with clinical testing and trials on product candidates we develop for ourselves or on behalf of our collaborators, we may face a number of risks, including:

- pre-clinical results may not be indicative of clinical results;
- a product candidate may be ineffective, inferior to existing approved drugs or therapies or unacceptably toxic, or may have unacceptable side effects;
- patients may die or suffer other adverse effects for reasons that may or may not be related to the product candidate being tested;
- the results may not confirm the favorable results of earlier testing or trials; and
- the results may not meet the level of statistical significance required by the FDA and/or other applicable regulatory agencies to establish the safety and efficacy of our product candidates.

In addition, a number of events, including any of the following, could delay the completion of our future clinical trials or those of our collaborators and negatively impact the ability to obtain regulatory approval for, and to market and sell, a particular product candidate:

- conditions imposed on us or our collaborators by the FDA or any foreign regulatory authority regarding the scope or design of clinical trials;
- delays in obtaining, or our inability to obtain, required approvals from institutional review boards, or IRBs, or other reviewing entities at clinical sites selected for participation in our clinical trials;
- insufficient supply or deficient quality of the product candidates or other materials necessary to conduct the clinical trials;
- delays in obtaining regulatory agency agreement for the conduct of the clinical trials;
- lower-than-anticipated enrollment and retention rate of subjects in clinical trials for a variety of reasons, including size of patient population, nature of trial protocol, the availability of approved effective treatments for the relevant disease and competition from other clinical trial programs for similar indications;
- serious and unexpected drug-related side effects experienced by patients in clinical trials; or
- failure of our or our collaborators' third-party contractors to meet their contractual obligations in a timely manner.

Data obtained from pre-clinical and clinical activities are subject to varying interpretations, which may delay, limit or prevent regulatory approval. In addition, we cannot assure you that, in the course of clinical trials, some drawbacks would not appear that reveal that it is not possible or practical to continue development efforts for the subject product candidates.

Clinical trials may also be delayed or terminated as a result of ambiguous or negative interim results. In addition, a clinical trial may be suspended or terminated by us or our collaborators, the FDA, the IRBs at the sites where the IRBs are overseeing a trial, or a data safety monitoring board, or DSMB, overseeing the clinical trial at issue, or other regulatory authorities due to a number of factors, including:

- failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols;
- inspection of the clinical trial operations or trial sites by the FDA or other regulatory authorities resulting in the imposition of a clinical hold;
- unfavorable interpretations by FDA or similar foreign regulatory authorities of data, where clinical study plans call for interim data analysis;
- FDA or similar foreign regulatory authorities determine the plan or protocol for the investigation is clearly deficient in design to meet its stated objectives;
- lack of, or failure to, demonstrate efficacy;
- unforeseen safety issues; or
- lack of adequate funding to continue the clinical trial.

In addition, changes in regulatory requirements and guidance may occur and we or our collaborators may need to amend clinical trial protocols to reflect these changes. Amendments may require us or our collaborators to resubmit our clinical trial protocols to IRBs for reexamination, which may impact the cost, timing or successful completion of a clinical trial.

Even if a product candidate successfully completes clinical trials, those results are not necessarily predictive of results of additional trials that may be needed before regulatory approval may be obtained. Although there are a large number of drugs and biologics in development globally, only a small percentage obtain regulatory approval, even fewer are approved for commercialization, and only a small number achieve widespread physician and consumer acceptance.

If the results of our clinical trials are inconclusive or if there are safety concerns or adverse events associated with the product candidates we develop, we may:

- lose any competitive advantages that such product candidates may have;
- be delayed in obtaining marketing approval for the subject product candidates, if at all;
- obtain approval for indications or patient populations that are not as broad as intended or desired;
- obtain approval with labeling that includes significant use or distribution restrictions, contraindications or safety warnings;
- be subject to changes with the way the product is administered;
- be required to perform additional clinical trials to support approval or be subject to additional post-marketing testing requirements;
- have regulatory authorities withdraw their approval of the product or impose restrictions on its distribution in the form of a modified risk evaluation and mitigation strategy;
- be sued;
- experience damage to our reputation; or
- not reach the milestones triggering payments from our collaborators.

The regulatory approval processes of the FDA and comparable foreign authorities are lengthy, time consuming and inherently unpredictable, and if we are ultimately unable to obtain regulatory approval for our product candidates, our business will be substantially harmed.

The time required to obtain approval by the FDA and comparable foreign authorities is inherently unpredictable but typically takes many years following the commencement of clinical trials and depends upon numerous factors, including the substantial discretion of the regulatory authorities. In addition, approval policies, regulations, or the type and amount of clinical data necessary to gain approval may change during the course of a product candidate's clinical development and may vary among jurisdictions. We have not obtained regulatory approval for any product candidate and it is possible that none of our existing product candidates or any product candidates we may seek to develop in the future will ever obtain regulatory approval.

The FDA or other regulatory authority, as applicable, may delay, limit or deny approval of our product candidates for many reasons, including the following:

- the FDA or comparable foreign regulatory authorities may disagree with the number, design, size, conduct or implementation of our clinical trials or require that additional clinical trials be conducted;
- we may be unable to demonstrate to the satisfaction of the FDA or comparable foreign regulatory authorities that a product candidate is safe and effective for its proposed indication;
- the results of clinical trials may not meet the level of statistical significance required by the FDA or comparable foreign regulatory authorities for approval;
- we may be unable to demonstrate that a product candidate's clinical and other benefits outweigh its safety risks;
- the CROs that are retained to conduct the clinical trials of our product candidates may take actions that materially adversely impact the clinical trials;
- the FDA or comparable foreign regulatory authorities may disagree with our interpretation of data from pre-clinical studies or clinical trials;
- the FDA or comparable foreign regulatory authorities may not accept data generated at the sites involved in the clinical trials for our product candidates;
- the FDA or comparable foreign regulatory authorities may not approve the formulation, labeling or specifications of our product candidates;
- the data collected from clinical trials of our product candidates may not be sufficient to support the submission of a BLA or other submission or to obtain regulatory approval in the United States or elsewhere;
- if the marketing application, if and when submitted, is reviewed by an advisory committee, the FDA or comparable foreign regulatory authorities may have difficulties scheduling an advisory committee meeting in a timely manner or the advisory committee may recommend against approval of our application or may recommend that the competent regulatory authorities require, as a condition of approval, additional pre-clinical studies or clinical trials, limitations on approved labeling or distribution and use restrictions;
- the FDA or comparable foreign regulatory authorities may require development of a Risk Evaluation and Mitigation Strategy as a condition of approval or post-approval;
- the FDA or comparable foreign regulatory authorities may restrict the use of our products to a narrow population;
- the FDA or comparable foreign regulatory authorities may fail to approve the manufacturing processes or facilities of third-party manufacturers with which we contract for clinical and commercial supplies; or
- the approval policies or regulations of the FDA or comparable foreign regulatory authorities may significantly change in a manner rendering our clinical data insufficient for approval.

This lengthy approval process as well as the unpredictability of future clinical trial results may result in our failing to obtain regulatory approval to market the product candidates we develop, which would significantly harm our business, results of operations and prospects. In addition, even if we or our collaborators were able to obtain approval, regulatory authorities may approve any of our product candidates for fewer or more limited indications than we request, may not approve the price we intend to charge for our products, may grant approval contingent on the performance of costly post-marketing clinical trials, or may approve a drug candidate with a label that does not include the labeling claims necessary or desirable for the successful commercialization of that product candidate. Any of the foregoing scenarios could materially harm the commercial prospects for the product candidates we develop.

We expect the product candidates we develop will initially be available as last-line treatments for patients with no other options, which could limit the size of the market for these product candidates.

Last-line treatments are made available to a small patient population with severe disease progression willing to tolerate risk/benefit profiles of more efficacious drugs accompanied by serious side effects. We expect that the product candidates we develop will initially receive regulatory approval only as last-line treatments. This could limit the initial size of the market for these product candidates, and we cannot predict when, if ever, such product candidates would receive regulatory approval for indications treating a more expansive patient population.

The manufacturing of the product candidates we develop is highly complex. Any issues that arise in the manufacturing process could have an adverse effect on our business, financial position or prospects.

The product candidates we develop will be subject to a complex, highly-regulated manufacturing process that will be subject to multiple risks. As a result of the complexities of this process, the cost to manufacture our CAR T-cell immunotherapy product will be generally higher than traditional small molecule chemical compounds, and the manufacturing process requires very minimal batch-to-batch variability, which is expensive to ensure. Our manufacturing process will be susceptible to product loss or failure due to logistical issues associated with the collection of white blood cells, or starting material, from healthy third-party donors, shipping such material to the manufacturing site, ensuring standardized production batch-to-batch in the context of mass production, freezing the manufactured product, shipping the final product globally, and infusing patients with the product. In addition, we may face manufacturing issues associated with interruptions in the manufacturing process, contamination, equipment or reagent failure, improper installation or operation of equipment, vendor or operator error, inconsistency in cell growth, and variability in product characteristics. Even minor deviations from normal manufacturing processes could result in reduced production yields, product defects, and other supply disruptions. If microbial, viral, or other contaminations are discovered in our product candidates or in the manufacturing facilities in which our product candidates are made, such manufacturing facilities may need to be closed for an extended period of time to investigate and remedy the contamination. Further, as product candidates are developed through pre-clinical to late stage clinical trials towards approval and commercialization, it is common that various aspects of the development program, such as manufacturing methods, are altered along the way in an effort to optimize processes and results. Such changes carry the risk that they will not achieve these intended objectives, and any of these changes could cause our product candidates to perform differently and affect the results of planned clinical trials or other future clinical trials.

Currently, the product candidates we develop are manufactured using processes appropriate for pre-clinical stage production by a third-party contract manufacturing organization, or CMO. Although we work with CMOs to ensure that commercially viable processes are available for mass production, there are risks associated with scaling to the level required for advanced clinical trials or commercialization, including, among others, cost overruns, potential problems with process scale-out, process reproducibility, stability issues, lot consistency, and timely availability of reagents or raw materials. We may ultimately be unable to reduce the cost of goods for the product candidates to levels that will allow for an attractive return on investment if and when those product candidates are commercialized.

We expect our manufacturing strategy for the product candidates we develop will continue to involve the use of one or more CMOs as well as establishing our own capabilities and infrastructure, including a manufacturing facility. We expect that development of our own manufacturing facility will provide us with enhanced control of material supply for both clinical trials and the commercial market, enable the more rapid implementation of process changes, and allow for better long-term margins. However, we have no experience as a company in developing a manufacturing facility and may never be successful in developing our own manufacturing facility or capability. We may establish multiple manufacturing facilities as we expand our commercial footprint to multiple geographies, which may lead to regulatory delays or prove costly. Even if we are successful, our manufacturing capabilities could be affected by cost-overruns, unexpected delays, equipment failures, labor shortages, natural disasters, power failures, regulatory issues and numerous other factors that could prevent us from realizing the intended benefits of our manufacturing strategy and have a material adverse effect on our business.

In addition, the manufacturing process for any products that we may develop is subject to FDA and foreign regulatory authority approval processes for the jurisdictions in which we or our collaborators will seek marketing approval for commercialization, and we will need to contract with manufacturers who can meet all applicable FDA and foreign regulatory authority requirements on an ongoing basis. If the manufacturing process is changed during the course of product development, FDA or foreign regulatory authorities could require us to repeat some or all previously conducted trials or conduct additional bridging trials, which could delay or impede our ability to obtain marketing approval. If we or our CMOs are unable to reliably produce product candidates or products to specifications acceptable to the FDA or other regulatory authorities, such as the FDA’s cGMP standards compliance, we may not obtain or maintain the approvals we need to further develop, conduct clinical trials for, and commercialize such products in the relevant territories. Even if we obtain regulatory approval for any of our product candidates, there is no assurance that either we or our CMOs will be able to manufacture the approved product to specifications acceptable to the FDA or other regulatory authorities, to produce it in sufficient quantities to meet the requirements for the potential launch of the product, or to meet potential future demand. Any of these challenges could delay completion of clinical trials, require bridging clinical trials or the repetition of one or more clinical trials, increase clinical trial costs, delay approval of our product candidate, impair commercialization efforts, increase our cost of goods, and have an adverse effect on our business, financial condition, results of operations and growth prospects.

Negative public opinion and increased regulatory scrutiny of genetic research and therapies involving gene engineering may damage public perception of our product candidates or adversely affect our ability to conduct our business or obtain regulatory approvals for our product candidates.

Our gene-editing technologies are novel. Public perception may be influenced by claims that gene editing is unsafe, and products incorporating gene editing may not gain the acceptance of the public or the medical community. In particular, our success will depend upon physicians specializing in our targeted diseases prescribing our product candidates as treatments in lieu of, or in addition to, existing, more familiar, treatments for which greater clinical data may be available. Any increase in negative perceptions of gene editing may result in fewer physicians prescribing our treatments or may reduce the willingness of patients to utilize our treatments or participate in clinical trials for our product candidates. Increased negative public opinion, or more restrictive government regulations in response thereto, would have a negative effect on our business or financial condition and may delay or impair the development and commercialization of our product candidates or demand for such product candidates. For example, in 2003, 20 subjects treated for X-linked severe combined immunodeficiency in two gene therapy studies using a murine gamma-retroviral vector, a viral delivery system, showed correction of the disease, but the studies were terminated after five subjects developed leukemia. Although none of our current product candidates utilize these gamma-retroviruses, our product candidates use a viral delivery system. Adverse events in clinical studies for the product candidates we develop or those of our competitors, even if not ultimately attributable to our or their product candidates, respectively (such as the many adverse events that typically arise from the transplant process), and any resulting publicity could result in increased governmental regulation, unfavorable public perception, potential regulatory delays in the testing or approval of our product candidates, stronger labeling for those product candidates that are approved and a decrease in demand for any such product candidates.

We or our collaborators may find it difficult to enroll patients in clinical studies on the product candidates we develop, which could delay or prevent clinical studies of the product candidates.

Identifying and qualifying patients to participate in clinical studies of the product candidates we develop is critical to our success. The timing of these clinical studies will depend, in part, on the speed of recruitment of patients to participate in testing such product candidates as well as completion of required follow-up periods. We or our collaborators may not be able to identify, recruit and enroll a sufficient number of patients, or those with required or desired characteristics to achieve diversity in a study, to complete the clinical studies for our product candidates in a timely manner. If patients are unwilling to participate in such studies because of negative publicity from adverse events in the biotechnology or gene or cell therapy industries or for other reasons, the timeline for recruiting patients, conducting studies and obtaining regulatory approval of potential products may be delayed. These delays could result in increased costs, delays in advancing our product candidates, delays in testing the effectiveness of our technology or termination of the clinical studies altogether.

In addition, clinical trials for the product candidates we develop will compete with other clinical trials for product candidates that are in the same therapeutic areas as our product candidates, and this competition may reduce the number and types of patients available to us, because some patients who might have opted to enroll in our trials may instead opt to enroll in a trial being conducted by one of our competitors. Because the number of qualified clinical investigators is limited, we expect to conduct some of the clinical trials at the same clinical trial sites that some of our competitors use, which may reduce the number of patients who are available for our clinical trials at such clinical trial sites. Moreover, because the product candidates we develop represent a departure from more commonly used methods for cancer treatment, potential patients and their doctors may be inclined to use conventional therapies, such as chemotherapy and stem cell transplants, rather than enroll patients in our future clinical trial or clinical trial of our collaborators.

Patient enrollment is affected by a variety of factors, including:

- severity of the disease under investigation;
- design of the clinical trial protocol;
- size and nature of the patient population;
- eligibility criteria for the trial in question;
- perceived risks and benefits of the product candidate under trial;
- proximity and availability of clinical trial sites for prospective patients;
- availability of competing therapies and clinical trials;
- clinicians’ and patients’ perceptions as to the potential advantages of the drug being studied in relation to other available therapies, including any new drugs that may be approved for the indications we are investigating;
- efforts to facilitate timely enrollment in clinical trials;
- patient referral practices of physicians; and
- our ability to monitor patients adequately during and after treatment.

Our competitors in the immuno-oncology space are developing products that similarly use CAR T-cells to seek out and destroy cancer cells. In addition to the factors identified above, patient enrollment in any clinical trials we may conduct may be adversely impacted by any negative outcomes our competitors may experience, including adverse side effects, clinical data showing inadequate efficacy or failures to obtain regulatory approval.

If we or our collaborators have difficulty enrolling a sufficient number of patients to conduct clinical studies as planned, we or our collaborators may need to delay, limit or terminate ongoing or planned clinical studies, any

of which could have a material adverse effect on our business and financial condition and on the value of the ADSs. Even if we are able to enroll a sufficient number of patients in our clinical trials, delays in patient enrollment may result in increased costs or may affect the timing or outcome of the planned clinical trials, which could prevent completion of these trials and adversely affect our ability to advance the development of the product candidates we develop.

Our product candidates may fail safety studies in clinical trials or may cause undesirable side effects that could delay or prevent their regulatory approval, limit the commercial profile of an approved label, or result in significant negative consequences following marketing approval, if any.

Our gene-editing technologies may not be sufficiently specific for their target sites, or they may not target unique sites within the genome of interest, which may result in random DNA recombination events. For example, off-target cleavage may lead to the production of double-strand breaks that overwhelm the cell's repair machinery and, as a consequence, yield chromosomal rearrangements and/or cell death. Off-target cleavage events also may result in random integration of donor DNA. As a result, off-target cleavage in T-cells may lead to undesirable side effects for patients, and consequently could cause delays, interruptions or suspensions of clinical trials and delays or denial of regulatory approval by the FDA or other regulatory authorities. Because clinical trials on the products we develop have not yet commenced, we do not know whether any of our product candidates will cause undesirable side effects.

Any undesirable side effects could cause us, our collaborators or regulatory authorities to interrupt, delay or halt clinical trials and could result in a more restrictive label or the delay or denial of regulatory approval by the FDA or other regulatory authorities. Further, if the product candidates we develop receive marketing approval and we or others identify undesirable side effects caused by the products or any other similar products after the approval, a number of potentially significant negative consequences could result, including:

- regulatory authorities may withdraw or limit their approval of the products;
- regulatory authorities may require the addition of labeling statements, such as a "boxed" warning or a contraindication;
- we may be required to create a medication guide outlining the risks of such side effects for distribution to patients;
- we or our collaborators may be required to change the way the products are distributed or administered or conduct additional clinical trials;
- we or our collaborators may decide to remove the products from the marketplace;
- we could be sued and held liable for injury caused to individuals exposed to or taking our products or products developed with our technologies; and
- our reputation may suffer.

Any of these events could prevent the affected products from (1) reaching the milestones triggering payment to Cellectis or (2) achieving or maintaining market acceptance and could substantially increase the costs of commercializing such products and significantly impact the ability of such products to generate revenues.

If the product candidates we develop do not achieve projected development and commercialization in the announced or expected timeframes, the further development or commercialization of our product candidates may be delayed, and our business will be harmed.

We sometimes estimate, or may in the future estimate, for planning purposes the timing of the accomplishment of various scientific, clinical, manufacturing, regulatory and other product development objectives. These milestones may include our expectations regarding the commencement or completion of scientific studies, clinical trials, the submission of regulatory filings, the receipt of marketing approval or

commercialization objectives. The achievement of many of these milestones may be outside of our control. All of these milestones are based on a variety of assumptions including, assumptions regarding capital resources and constraints, progress of development activities, and the receipt of key regulatory approvals or actions, any of which may cause the timing of achievement of the milestones to vary considerably from our estimates.

If we or our collaborators fail to achieve announced milestones in the expected timeframes, the commercialization of the product candidates may be delayed, our credibility may be undermined, and our business and results of operations may be harmed, and the trading price of the ADSs or ordinary shares may decline.

Further development and commercialization of our own product candidates will depend, in part, on strategic alliances with our collaborators. If our collaborators do not diligently pursue product development efforts, our progress may be delayed and our revenues may be deferred.

We expect to rely, to some extent, on our collaborators to provide funding in support of our own independent research and pre-clinical and clinical testing. Our technology is broad based, and we do not currently possess the financial resources necessary to fully develop and commercialize potential products that may result from our technologies or the resources or capabilities to complete the lengthy marketing approval processes that may be required for the products. Therefore, we plan to rely on strategic alliances to financially help us develop and commercialize our own biopharmaceutical products. As a result, our success depends, in part, on our ability to collect milestone and royalty payments from our collaborators. To the extent our collaborators do not aggressively pursue product candidates for which we are entitled to such payments or pursue such product candidates ineffectively, we will fail to realize these significant revenue streams, which could have an adverse effect on our business and future prospects. For example, Servier has options to acquire certain product candidates after we have completed specified product candidate development stages. If Servier chooses to exercise such an option, it will own the product and control its future development and commercialization. We will receive royalties on sales of the product, but will have no control over its commercialization.

If the alliances we currently have, such as Pfizer and Servier, or future collaborators with whom we may engage, are unable or unwilling to advance our programs, or if they do not diligently pursue product development and product approval, this may slow our progress and defer our revenues. Such failures would have an adverse effect on our ability to collect key revenue streams and, for this reason, would adversely impact our business, financial position and prospects. Our collaborators may sublicense or abandon product candidates or we may have disagreements with our collaborators, which would cause associated product development to slow or cease. There can be no assurance that our current strategic alliances will be successful, and we may require significant time to secure new strategic alliances because we need to effectively market the benefits of our technology to these future alliance partners, which may direct the attention and resources of our research and development personnel and management away from our primary business operations. Further, each strategic alliance arrangement will involve the negotiation of terms that may be unique to each collaborator. These business development efforts may not result in a strategic alliance or may result in unfavorable arrangements.

The loss of existing or future collaboration agreements would not only delay or potentially terminate the possible development or commercialization of products we may derive from our technologies, but it may also delay or terminate our ability to test target candidates for specific genes. If any collaborator fails to conduct the collaborative activities successfully and in a timely manner, the pre-clinical or clinical development or commercialization of the affected target candidates or research programs could be delayed or terminated.

Under typical collaboration agreements, we would expect to receive revenue for the research and development of a CAR T-cell immunotherapy product based on achievement of specific milestones, as well as royalties based on a percentage of sales of the commercialized products. Achieving these milestones will depend, in part, on the efforts of our partner as well as our own. If we, or any alliance partner, fail to meet specific milestones, then the strategic alliance may be terminated, which could reduce our revenues.

Under our collaboration agreement with Pfizer, at any time after the first anniversary of the effective date of the agreement, Pfizer will have the right to terminate the agreement at will upon 60 days' prior written notice, either in its entirety or on a target-by-target basis. Either party may terminate the agreement in its entirety upon written notice, if the other party commits a material breach that fundamentally frustrates the objectives or transactions contemplated by the agreement or affects substantially all of the research program and such breach remains uncured for 90 days from the date such written notice is provided. Either party may terminate the agreement on a target-by-target basis upon written notice, if the other party commits a material breach that relates to such target and such breach remains uncured for 90 days from the date such written notice is provided. The agreement may also be terminated upon written notice by Pfizer at any time in the event that we become bankrupt or insolvent. Further, the agreement provides Pfizer with a right to terminate any specific research project or research program under the agreement if we undergo a change of control.

Under our collaboration agreement with Servier, either party may terminate the agreement in its entirety in the event of the other party's material breach, which continues or remains uncured for 90 days after written notice is provided to the breaching party, or 30 days after written notice is provided with respect to a payment obligation breach. The parties may also terminate the agreement by mutual written consent. The agreement immediately and automatically terminates upon the expiration of Servier's last license option if Servier has not exercised any option to license under the agreement prior to such expiration. Servier has the right, at its sole discretion, to terminate the agreement in its entirety or with respect to specific products or product candidates, upon three months' prior written notice to us. Servier may also terminate the agreement at any time for product-related safety reasons. Either party may terminate the agreement in the event of the other party's bankruptcy or insolvency. Further, the agreement provides Servier with buy-out rights with respect to our interest in products and product candidates under the agreement if we undergo a change of control.

Even if we or our collaborators successfully complete clinical trials of our product candidates, those candidates may not be commercialized successfully for other reasons.

Even if we or our collaborators successfully complete clinical trials for one or more of the product candidates, those candidates may not be commercialized for other reasons, including:

- failing to receive regulatory approvals required to market them as drugs;
- being subject to proprietary rights held by others;
- failing to comply with GMP requirements;
- being difficult or expensive to manufacture on a commercial scale;
- having adverse side effects that make their use less desirable;
- failing to compete effectively with existing or new products or treatments commercialized by competitors; or
- failing to show long-term benefits sufficient to offset associated risks.

In addition, for any product candidates we develop through our strategic alliances, we will depend entirely upon the other party for marketing and sales of that product. These partners may not devote sufficient time or resources to the marketing and commercialization, or may determine not to pursue marketing and commercialization at all. Our business and results of operations will be negatively impacted by any failure of our collaborators to effectively market and commercialize and approved products.

Even if we obtain regulatory approval for a product candidate, our products will remain subject to ongoing regulatory requirements.

Even if we obtain regulatory approval in a jurisdiction for the product candidates we develop, they will be subject to ongoing regulatory requirements for manufacturing, labeling, packaging, storage, advertising, promotion, sampling, record-keeping, and submission of safety and other post-market information. Any

regulatory approvals received for the product candidates may also be subject to limitations on the approved indicated uses for which the product may be marketed or to the conditions of approval, or contain requirements for potentially costly post-marketing testing, including Phase 4 clinical trials, and surveillance to monitor the safety and efficacy of the product. For example, the holder of an approved BLA in the United States is obligated to monitor and report adverse events and any failure of a product to meet the specifications in the BLA. FDA guidance advises that patients treated with some types of gene therapy undergo follow-up observations for potential adverse events for as long as 15 years. Similarly, in the EU, pharmacovigilance obligations are applicable to all medicinal products. In addition to those, holders of a marketing authorization for gene or cell therapy products must detail, in their application, the measures they envisage to ensure follow-up of the efficacy and safety of these products. In cases of particular concern, marketing authorization holders for gene or cell therapy products in the EU may be required to design a risk management system with a view to identifying, preventing or minimizing risks, and may be obliged to carry out post-marketing studies. In the United States, the holder of an approved BLA must also submit new or supplemental applications and obtain FDA approval for certain changes to the approved product, product labeling or manufacturing process. Similar provisions apply in the EU. Advertising and promotional materials must comply with FDA rules and are subject to FDA review, in addition to other potentially applicable federal and state laws. Similarly, in the EU any promotion of medicinal products is highly regulated and, depending on the specific jurisdiction involved, may require prior vetting by the competent national regulatory authority.

In addition, product manufacturers and their facilities are subject to payment of user fees and continual review and periodic inspections by the FDA and other regulatory authorities for compliance with cGMP requirements and adherence to commitments made in the BLA or foreign marketing application. If we or a regulatory agency discovers previously unknown problems with a product such as adverse events of unanticipated severity or frequency, or problems with the facility where the product is manufactured or disagrees with the promotion, marketing or labeling of that product, a regulatory agency may impose restrictions relative to that product, the manufacturing facility or us, including requiring recall or withdrawal of the product from the market or suspension of manufacturing.

If we or our collaborators fail to comply with applicable regulatory requirements following approval of any of the product candidates we develop, national competent authorities may:

- issue a warning letter asserting that we are in violation of the law;
- seek an injunction or impose civil or criminal penalties or monetary fines;
- suspend or withdraw regulatory approval;
- suspend or terminate any ongoing clinical trials;
- refuse to approve a pending BLA or comparable foreign marketing application (or any supplements thereto) submitted by us or our collaborators;
- restrict the marketing, distribution or manufacturing of the product;
- seize or detain product or otherwise require the withdrawal or recall of product from the market;
- refuse to permit the import or export of products; or
- refuse to allow us to enter into supply contracts, including government contracts.

Any government investigation of alleged violations of law could require us to expend significant time and resources in response and could generate negative publicity. The occurrence of any event or penalty described above may inhibit ability to commercialize products and generate revenues. In addition, the FDA's policies, and policies of foreign regulatory agencies, may change and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our product candidates. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action, either in the United States or abroad. If we or our collaborators are slow or unable to adapt to changes in existing

requirements or the adoption of new requirements or policies, or if we or our collaborators are not able to maintain regulatory compliance, marketing approval that has been obtained may be lost and we may not achieve or sustain profitability, which would adversely affect our business, prospects, financial condition and results of operations.

We expect the product candidates we develop will be regulated as biological products, or biologics, and therefore they may be subject to competition sooner than anticipated.

The Biologics Price Competition and Innovation Act of 2009, or BPCIA, was enacted as part of the 2010 Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010, or collectively, the ACA, to establish an abbreviated pathway for the approval of biosimilar and interchangeable biological products. The regulatory pathway establishes legal authority for the FDA to review and approve biosimilar biologics, including the possible designation of a biosimilar as “interchangeable” based on its similarity to an approved biologic. Under the BPCIA, an application for a biosimilar product cannot be approved by the FDA until 12 years after the reference product was approved under a BLA. The law is complex and is still being interpreted and implemented by the FDA. As a result, its ultimate impact, implementation, and meaning are subject to uncertainty. While it is uncertain when such processes intended to implement BPCIA may be fully adopted by the FDA, any such processes could have a material adverse effect on the future commercial prospects for our biological products.

We believe that any of the product candidates we develop that is approved as a biological product under a BLA should qualify for the 12-year period of exclusivity. However, there is a risk that this exclusivity could be shortened due to congressional action or otherwise, or that the FDA will not consider the subject product candidates to be reference products for competing products, potentially creating the opportunity for generic competition sooner than anticipated. Moreover, the extent to which a biosimilar, once approved, will be substituted for any one of the reference products in a way that is similar to traditional generic substitution for non-biological products is not yet clear, and will depend on a number of marketplace and regulatory factors that are still developing.

Even if we or our collaborators obtain and maintain approval for the product candidates in the United States or another jurisdiction, we or our collaborators may never obtain approval for the same product candidates in other jurisdictions, which would limit market opportunities and adversely affect our business.

Approval of a product candidate in the United States by the FDA or by the requisite regulatory agencies in any other jurisdiction does not ensure approval of such product candidate by regulatory authorities in other countries or jurisdictions, and approval by one foreign regulatory authority does not ensure approval by regulatory authorities in other foreign countries or by the FDA. The approval process varies among countries and may limit our or our collaborators’ ability to develop, manufacture, promote and sell our product candidates internationally. Failure to obtain marketing approval in international jurisdictions would prevent the product candidates from being marketed outside of the jurisdictions in which regulatory approvals have been received. In order to market and sell the product candidates in the EU and many other jurisdictions, we and our collaborators must obtain separate marketing approvals and comply with numerous and varying regulatory requirements. The approval procedure varies among countries and may involve additional pre-clinical studies or clinical trials both before and post approval. In many countries, a product candidate must be approved for reimbursement before it can be approved for sale in that country. In some cases, the intended price for the product is also subject to approval. Further, while regulatory approval of a product candidate in one country does not ensure approval in any other country, a failure or delay in obtaining regulatory approval in one country may have a negative effect on the regulatory approval process in others. If we or our collaborators fail to comply with the regulatory requirements in international markets and/or receive applicable marketing approvals, the target market will be reduced and the ability to realize the full market potential of the subject product candidates will be harmed and our business will be adversely affected.

Depending on the results of clinical trials and the process for obtaining regulatory approvals in other countries, we or our collaborators may decide to first seek regulatory approvals of a product candidate in countries other than the United States, or we or our collaborators may simultaneously seek regulatory approvals in the United States and other countries, in which case we or our collaborators will be subject to the regulatory requirements of health authorities in each country in which we seek approvals. For example, we anticipate filing in 2015 an application for a CTA in the United Kingdom to initiate Phase 1 clinical trials on our lead product candidate, UCART19. Obtaining regulatory approvals from health authorities in countries outside the United States is likely to subject us or our collaborators to all of the risks associated with obtaining approval in the United States or the EU described herein.

We plan to seek orphan drug status for some or all of our product candidates, but we may be unable to obtain such designations or to maintain the benefits associated with orphan drug status, including market exclusivity, which may cause our revenue, if any, to be reduced.

We plan to seek orphan drug designation for some or all of our product candidates in specific orphan indications in which there is a medically plausible basis for the use of these products. Under the Orphan Drug Act, the FDA may grant orphan designation to a drug or biologic intended to treat a rare disease or condition, defined as a disease or condition with a patient population of fewer than 200,000 in the United States, or a patient population greater than 200,000 in the United States when there is no reasonable expectation that the cost of developing and making available the drug or biologic in the United States will be recovered from sales in the United States for that drug or biologic. Orphan drug designation must be requested before submitting a BLA. In the United States, orphan drug designation entitles a party to financial incentives such as opportunities for grant funding towards clinical trial costs, tax advantages, and user-fee waivers. After the FDA grants orphan drug designation, the generic identity of the drug and its potential orphan use are disclosed publicly by the FDA. Orphan drug designation does not convey any advantage in, or shorten the duration of, the regulatory review and approval process. Although we intend to seek orphan product designation for some or all of our product candidates, we may never receive such designations.

If a product that has orphan drug designation subsequently receives the first FDA approval for a particular active ingredient for the disease for which it has such designation, the product is entitled to orphan product exclusivity, which means that the FDA may not approve any other applications, including a BLA, to market the same biologic for the same indication for seven years, except in limited circumstances such as a showing of clinical superiority to the product with orphan product exclusivity or if FDA finds that the holder of the orphan drug exclusivity has not shown that it can assure the availability of sufficient quantities of the orphan drug to meet the needs of patients with the disease or condition for which the drug was designated. Even if we obtain orphan drug designation for a product candidate, we may not be the first to obtain marketing approval for any particular orphan indication due to the uncertainties associated with developing pharmaceutical products. Exclusive marketing rights in the United States may be limited if we seek approval for an indication broader than the orphan designated indication and may be lost if the FDA later determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantities of the product to meet the needs of patients with the rare disease or condition. Further, even if we obtain orphan drug exclusivity for a product, that exclusivity may not effectively protect the product from competition because different drugs with different active moieties can be approved for the same condition. Even after an orphan drug is approved, the FDA can subsequently approve the same drug with the same active moiety for the same condition if the FDA concludes that the later drug is safer, more effective, or makes a major contribution to patient care. Furthermore, the FDA can waive orphan exclusivity if we are unable to manufacture sufficient supply of our product.

Similarly, in Europe, a medicinal product may receive orphan designation under Article 3 of Regulation (EC) 141/2000. This applies to products that are intended for a life-threatening or chronically debilitating condition and either (a) such condition affects no more than five in 10,000 persons in the EU when the application is made, or (b) the product, without the benefits derived from orphan status, would unlikely generate sufficient return in the EU to justify the necessary investment. Moreover, in order to obtain orphan designation in

the EU it is necessary to demonstrate that there exists no satisfactory method of diagnosis, prevention or treatment of such condition authorized for marketing in the EU, or if such a method exists, the product will be of significant benefit to those affected by the condition.

In the EU, orphan medicinal products are eligible for financial incentives such as reduction of fees or fee waivers and applicants can benefit from specific regulatory assistance and scientific advice. Products receiving orphan designation in the EU can receive ten years of market exclusivity, during which time no similar medicinal product for the same indication may be placed on the market. An orphan product can also obtain an additional two years of market exclusivity in the EU for pediatric studies (Article 37, Regulation 1901/2006). However, the 10-year market exclusivity may be reduced to six years if, at the end of the fifth year, it is established that the product no longer meets the criteria for orphan designation—for example, if the product is sufficiently profitable not to justify maintenance of market exclusivity. Additionally, marketing authorization may be granted to a similar product for the same indication at any time if:

- the second applicant can establish that its product, although similar, is safer, more effective or otherwise clinically superior;
- the first applicant consents to a second orphan medicinal product application; or
- the first applicant cannot supply enough orphan medicinal product.

We may seek fast-track designation for some or all of our product candidates. There is no assurance that the FDA will grant such designation and, even if it does grant fast track designation to any of our product candidates, that designation may not actually lead to a faster development or regulatory review or approval process and it does not increase the likelihood that our product candidates will receive marketing approval in the United States.

We may seek fast-track designation and review for some or all of our other product candidates. If a drug is intended for the treatment of a serious or life-threatening condition or disease, the drug sponsor may apply for FDA fast track designation. The FDA has broad discretion whether or not to grant this designation. Thus, even if we believe a particular product candidate is eligible for this designation, we cannot assure you that the FDA would decide to grant it. Moreover, even if we do receive fast track designation, we may not experience a faster development process, review or approval compared to conventional FDA procedures. In addition, the FDA may withdraw fast track designation if it believes that the designation is no longer supported by data from our clinical development program.

We may seek a breakthrough therapy designation for our product candidates. Even if we achieve a breakthrough designation from FDA for the product candidates we develop, or, if applicable, by other national or international regulatory agencies, such designation may not lead to a faster development or regulatory review or approval process, and it does not increase the likelihood that our product candidates will receive marketing approval.

We may seek a breakthrough therapy designation for our product candidates in the future. A breakthrough therapy is defined as a product that is intended, alone or in combination with one or more other drugs, to treat a serious or life-threatening disease or condition, and preliminary clinical evidence indicates that the product may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints. For product candidates that have been designated as breakthrough therapies, interaction and communication between the FDA and the sponsor of the trial can help to identify the most efficient path for clinical development while minimizing the number of patients placed in ineffective control regimens. Designation as a breakthrough therapy is within the discretion of the FDA. Accordingly, even if we believe that our product candidates meet the criteria for designation as a breakthrough therapy, the FDA may disagree and instead determine not to make such designation. In any event, the receipt of a breakthrough therapy designation for a product candidate may not result in a faster development process, review or approval compared to products considered for approval under

conventional FDA procedures and does not assure ultimate approval by the FDA. In addition, even if one or more of our product candidates qualify as breakthrough therapies, the FDA may later decide that the products no longer meet the conditions for qualification.

Even if any of our product candidates are commercialized, they may not be accepted by physicians, patients, or the medical community in general, and may also become subject to market conditions that could harm our business.

Even if any of our product candidates receive marketing approval, the medical community may not accept such products as adequately safe and efficacious for their indicated use. Moreover, physicians may choose to restrict the use of the product, if, based on experience, clinical data, side-effect profiles and other factors, they are not convinced that the product is preferable to existing drugs or treatments. We cannot predict the degree of market acceptance of any product candidate that receives marketing approval, which will depend on a number of factors, including, but not limited to:

- the demonstration of the clinical efficacy and safety of the product;
- the approved labeling for the product and any required warnings;
- the advantages and disadvantages of the product compared to alternative treatments;
- our and any collaborator’s ability to educate the medical community about the safety and effectiveness of the product;
- the coverage and reimbursement policies of government and commercial third-party payors pertaining to the product; and
- the market price of the product relative to competing treatments.

Product liability lawsuits could divert our resources, result in substantial liabilities and reduce the commercial potential of our product candidates.

The risk that we may be sued on product liability claims is inherent in the development and commercialization of biopharmaceutical products. Side effects of, or manufacturing defects in, products that we develop could result in the deterioration of a patient’s condition, injury or even death. For example, our liability could be sought by patients participating in the clinical trials for our product candidates as a result of unexpected side effects resulting from the administration of these products. Once a product is approved for sale and commercialized, the likelihood of product liability lawsuits increases. Criminal or civil proceedings might be filed against us by patients, regulatory authorities, biopharmaceutical companies and any other third party using or marketing our products. These actions could include claims resulting from acts by our partners, licensees and subcontractors, over which we have little or no control. These lawsuits may divert our management from pursuing our business strategy and may be costly to defend. In addition, if we are held liable in any of these lawsuits, we may incur substantial liabilities and may be forced to limit or forgo further commercialization of the affected products.

In addition, regardless of merit or eventual outcome, product liability claims may result in: impairment of our business reputation; withdrawal of clinical trial participants; initiation of investigations by regulators; costs due to related litigation; distraction of management’s attention from our primary business; substantial monetary awards to trial participants, patients or other claimants; loss of revenue; exhaustion of any available insurance and our capital resources; the inability by us and our collaborators to commercialize our product candidates; and decreased demand for our product candidates, if approved for commercial sale.

We maintain product liability insurance coverage for damages caused by our product candidates with a €3.0 million annual aggregate coverage limit and general liability insurance with a €6.0 million per claim coverage limit, which we believe are customary amounts for companies in our industry. This coverage may be

insufficient to reimburse us for any expenses or losses we may suffer. Because all of our product candidates are in pre-clinical development stages, we currently do not carry clinical trial insurance for our product candidates. In addition, in the future, we may not be able to obtain or maintain sufficient insurance coverage at an acceptable cost or to otherwise protect against potential product or other legal or administrative liability claims by us or our partners, licensees or subcontractors, which could prevent or inhibit the commercial production and sale of any of our product candidates that receive regulatory approval, which could adversely affect our business.

Competition may increase further as a result of advances in the commercial applicability of technologies and greater availability of capital for investment in these industries. Our competitors, either alone or with collaborators, may succeed in developing, acquiring or licensing on an exclusive basis drug or biologic products that are more effective, safer, more easily commercialized, or less costly than our product candidates or may develop proprietary technologies or secure patent protection that we may need for the development of our technologies and products.

Even if we obtain regulatory approval of our product candidates, we may not be the first to market and that may affect the price or demand for our product candidates. Additionally, the availability and price of our competitors' products could limit the demand and the price we are able to charge for our product candidates. We may not be able to implement our business plan if the acceptance of our product candidates is inhibited by price competition or the reluctance of physicians to switch from existing methods of treatment to our product candidates, or if physicians switch to other new drug or biologic products or choose to reserve our product candidates for use in limited circumstances. A competitor could obtain orphan product exclusivity from the FDA with respect to such competitor's product. If such competitor product is determined to be the same product as one of the product candidates we develop, that may prevent us or our collaborators from obtaining approval from the FDA for such product candidate for the same indication for seven years, except in limited circumstances.

Coverage and reimbursement may be limited or unavailable in certain market segments for our product candidates, which could make it difficult for us to sell our product candidates profitably.

Successful sales of our product candidates, if approved, depend, in part, on the availability of adequate coverage and reimbursement from third-party payors.

Patients who are provided medical treatment for their conditions generally rely on third-party payors to reimburse all or part of the costs associated with their treatment. Adequate coverage and reimbursement from governmental healthcare programs, such as Medicare and Medicaid in the United States, and commercial payors are critical to new product acceptance.

Government authorities and third-party payors, such as private health insurers and health maintenance organizations, decide which drugs and treatments they will cover and the amount of reimbursement. Coverage and reimbursement by a third-party payor may depend upon a number of factors, including the third-party payor's determination that use of a product is:

- a covered benefit under its health plan;
- safe, effective and medically necessary;
- appropriate for the specific patient;
- cost-effective; and
- neither experimental nor investigational.

Policies for coverage and reimbursement for products vary among third-party payors. As a result, obtaining coverage and reimbursement approval of a product from a government or other third-party payor is a time-consuming and costly process that could require us or our collaborators to provide to each payor supporting scientific, clinical and cost-effectiveness data for the use of our products on a payor-by-payor basis, with no

assurance that coverage and adequate reimbursement will be obtained. Even if we obtain coverage for a given product, the resulting reimbursement payment rates might not be adequate for us to achieve or sustain profitability or may require co-payments that patients find unacceptably high. Additionally, third-party payors may not cover, or provide adequate reimbursement for, long-term follow-up evaluations required following the use of our product candidates.

Patients are unlikely to use our product candidates unless coverage is provided and reimbursement is adequate to cover a significant portion of the cost of our product candidates. Because our product candidates represent new approaches to the treatment of cancer and accordingly, may have a higher cost than conventional therapies and may require long-term follow up evaluations, the risk that coverage and reimbursement rates may be inadequate for us to achieve profitability may be elevated.

Government restrictions on pricing and reimbursement, as well as other healthcare payor cost-containment initiatives, may negatively impact our ability to generate revenues if we obtain regulatory approval for any of our product candidates.

Third-party payors, whether domestic or foreign, or governmental or commercial, are developing increasingly sophisticated methods of controlling healthcare costs. The continuing efforts of various governments, insurance companies, managed care organizations and other payors to contain or reduce healthcare costs may adversely affect one or more of the following:

- our ability or our collaborators' ability to set a price we believe is fair for our products, if approved;
- our ability or our collaborators' ability to obtain and maintain market acceptance by the medical community and patients;
- our ability to generate revenues and achieve profitability; and
- the availability of capital.

In both the United States and certain foreign jurisdictions, there have been a number of legislative and regulatory changes to the health care system that could impact our or our collaborators' ability to sell our products profitably. By way of example, in the United States, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act (collectively, the ACA) was enacted in March 2010 and is expected to have a significant impact on the provision of, and payment for, health care in the United States. The ACA was intended to broaden access to health insurance, reduce or constrain the growth of healthcare spending, enhance remedies against fraud and abuse, add new transparency requirements for the healthcare and health insurance industries, impose new taxes and fees on the health industry and impose additional health policy reforms.

Among the provisions of the ACA of importance to our potential product candidates are:

- an annual, nondeductible fee on any entity that manufactures or imports specified branded prescription drugs and biologic agents, apportioned among these entities according to their market share in certain government healthcare programs;
- an increase in the statutory minimum rebates a manufacturer must pay under the Medicaid Drug Rebate Program to 23.1% and 13.0% of the average manufacturer price for branded and generic drugs, respectively;
- a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 50% point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for a manufacturer's outpatient drugs to be covered under Medicare Part D;
- extension of a manufacturer's Medicaid rebate liability to covered drugs dispensed to individuals who are enrolled in Medicaid managed care organizations;

- expansion of eligibility criteria for Medicaid programs by, among other things, allowing states to offer Medicaid coverage to additional individuals and by adding new mandatory eligibility categories for certain individuals with income at or below 133% of the federal poverty level, thereby potentially increasing a manufacturer's Medicaid rebate liability;
- expansion of the entities eligible for discounts under the Public Health Service pharmaceutical pricing program; and
- a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research.

In addition, other legislative changes have been proposed and adopted since the ACA was enacted. These changes include aggregate reductions to Medicare payments to providers of 2% per fiscal year, which went into effect in April 2013 and will remain in effect through 2024 unless additional Congressional action is taken. In January 2013, the American Taxpayer Relief Act of 2012 was signed into law which, among other things, further reduced Medicare payments to several providers and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. Additional legislative proposals to reform healthcare and government insurance programs, along with the trend toward managed healthcare in the United States, could influence the purchase of medicines and reduce demand and prices for our products, if approved. This could harm our or our collaborators' ability to market any products and generate revenues. Cost containment measures that healthcare payors and providers are instituting and the effect of further healthcare reform could significantly reduce potential revenues from the sale of any of our product candidates approved in the future, and could cause an increase in our compliance, manufacturing, or other operating expenses.

In some countries, the proposed pricing for a biopharmaceutical product must be approved before it may be lawfully marketed. In addition, in certain foreign markets, the pricing of biopharmaceutical product is subject to government control and reimbursement may in some cases be unavailable. The requirements governing drug pricing vary widely from country to country. For example, the EU provides options for its Member States to restrict the range of medicinal products for which their national health insurance systems provide reimbursement and to control the prices of medicinal products for human use. An EU Member State may approve a specific price for the medicinal product or it may instead adopt a system of direct or indirect controls on the profitability of the company placing the medicinal product on the market. There can be no assurance that any country that has price controls or reimbursement limitations for biopharmaceutical products will allow favorable reimbursement and pricing arrangements for any of our products. Historically, biopharmaceutical products launched in the EU do not follow price structures of the United States and generally tend to have significantly lower prices.

We believe that pricing pressures will continue and may increase, which may make it difficult for us to sell our potential products that may be approved in the future at a price acceptable to us or any of our future collaborators.

Our future profitability, if any, depends, in part, on our ability to penetrate global markets, where we would be subject to additional regulatory burdens and other risks and uncertainties.

Our future profitability, if any, will depend, in part, on our ability and the ability of our collaborators to commercialize the product candidates we develop in markets throughout the world. Commercialization of our product candidates in various markets could subject us to risks and uncertainties, including:

- obtaining, on a country-by-country basis, the applicable marketing authorization from the competent regulatory authority;
- the burden of complying with complex and changing regulatory, tax, accounting and legal requirements in each jurisdiction that we pursue;
- differing medical practices and customs affecting acceptance in the marketplace;
- import or export licensing requirements;

- longer accounts receivable collection times;
- longer lead times for shipping;
- language barriers for technical training;
- reduced protection of intellectual property rights in some foreign countries;
- foreign currency exchange rate fluctuations;
- patients' ability to obtain reimbursement for products in various markets; and
- the interpretation of contractual provisions governed by foreign laws in the event of a contract dispute.

Sales of the products could also be adversely affected by the imposition of governmental controls, political and economic instability, trade restrictions and changes in tariffs.

We are subject to healthcare laws and regulations, which could expose us to the potential for criminal sanctions, civil penalties, exclusion from government healthcare programs, contractual damages, reputational harm and diminished profits and future earnings.

Healthcare providers, physicians and others will play a primary role in the recommendation and prescription of our products, if approved. Our arrangements with such persons and third-party payors must be structured in accordance with the broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we research, market, sell and distribute our products, if we obtain marketing approval. Restrictions under applicable federal, state and foreign healthcare laws and regulations include but are not limited to the following:

- The federal Anti-Kickback Statute, which prohibits, among other things, persons from knowingly and willfully soliciting, offering, receiving or providing remuneration (including any kickback, bribe or rebate), directly or indirectly, in cash or in kind, to induce or reward either the referral of an individual for, or the purchase or lease, order or recommendation of, any item, good, facility or service, for which payment may be made under federal healthcare programs such as Medicare and Medicaid.
- The federal civil and criminal false claims laws and civil monetary penalties laws, which impose criminal and civil penalties, including those from civil whistleblower or *qui tam* actions, against individuals or entities for knowingly presenting, or causing to be presented, claims for payment that are false or fraudulent or making a false statement to avoid, decrease, or conceal an obligation to pay money to the federal government.
- The federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which created new federal criminal statutes that prohibit executing a scheme to defraud any healthcare benefit program or knowingly and willingly falsifying, concealing or covering up a material fact or making false statements relating to healthcare matters.
- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, or HITECH, and its implementing regulations, which impose certain requirements on covered entities and their business associates, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information.
- The federal transparency requirements under the Physician Payments Sunshine Act, enacted as part of the ACA, that require applicable manufacturers of covered drugs, devices, biologics and medical supplies to track and annually report to CMS payments and other transfers of value provided to physicians and teaching hospitals and certain ownership and investment interests held by physicians or their immediate family members.
- Analogous laws and regulations in various U.S. states, such as state anti-kickback and false claims laws, which may apply to items or services reimbursed by any third-party payor, including commercial insurers, state marketing and/or transparency laws applicable to manufacturers that may be broader in scope than

U.S. federal requirements, state laws that require biopharmaceutical companies to comply with the biopharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the U.S. government, and state laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and may not have the same effect as HIPAA.

- Similar legislation is applicable in EU Member States, including by way of example and without limitation: the UK's Bribery Act 2010 or the French Decree No 3013-414 on Transparency of Benefits Given by Companies Manufacturing or Marketing Health and Cosmetic Products for Human Use (Décret n° 2013-414 du 21 mai 2013 relatif à la transparence des avantages accordés par les entreprises produisant ou commercialisant des produits à finalité sanitaire et cosmétique destinés à l'homme).

Ensuring that our business arrangements with third parties comply with applicable healthcare laws and regulations could be costly. It is possible that governmental authorities will conclude that our business practices do not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations were found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, disgorgement, individual imprisonment and exclusion from government funded healthcare programs, such as Medicare and Medicaid, any of which could substantially disrupt our operations. If the physicians or other providers or entities with whom we expect to do business are found not to be in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs.

Risks Related to Our Reliance on Third Parties

We expect to rely on third parties to conduct some or all aspects of our product manufacturing, protocol development, research and pre-clinical development, clinical testing and distribution, and these third parties may not perform satisfactorily.

We do not expect to independently conduct all aspects of our product manufacturing, protocol development, research and pre-clinical development and clinical testing as well as distribution and will rely on third parties for some of these activities. Under certain circumstances, these third parties may be entitled to terminate their engagements with us. If we need to enter into alternative arrangements, it could delay our product development activities.

In addition, in connection with our engagement of third parties, we expect to control only certain aspects of their activities. Our reliance on these third parties for product manufacturing, protocol development, research and pre-clinical development and clinical testing and distribution activities will reduce our control over these activities but will not relieve us of our responsibility to ensure compliance with all required regulations and study and trial protocols. If these third parties do not successfully carry out their contractual duties, meet expected deadlines or conduct our studies in accordance with regulatory requirements or our stated study and trial plans and protocols, or if there are disagreements between us and these third parties, we may not be able to complete, or may be delayed in completing, the pre-clinical studies and clinical trials required to support future regulatory submissions and approval of the product candidates we develop. In some such cases we may need to locate an appropriate replacement third-party relationship, which may not be readily available or on acceptable terms, which would cause additional delay with respect to the approval of our product candidates and would thereby have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, reliance on third-party manufacturers and/or distributors entails risks to which we would not be subject if we manufactured and distributed the product candidates ourselves, including:

- the inability to negotiate manufacturing and/or distribution agreements with third parties under commercially reasonable terms or at all, because the number of potential manufacturers and distributors is limited and each must be approved by the FDA or comparable foreign regulatory authorities and would need to develop approved processes for production or distribution of our products;

- that our third-party manufacturers or distributors may have little or no experience with our products and may therefore require a significant amount of support from us in order to implement and maintain the infrastructure and processes required to manufacture or distribute our product candidates;
- reduced control over manufacturing and distribution activities and quality control processes and the possibility that our contract manufacturers and distributors are not able to execute our manufacturing or distribution procedures and other logistical support requirements appropriately;
- that our contract manufacturers may not perform as agreed, may not devote sufficient resources to our products or may not remain in the contract manufacturing business for the time required to supply investigational products for our clinical trials or to successfully produce, store and supply our products once approved;
- that we may not own, or have equivalent necessary rights in, the intellectual property rights to any improvements made by our third-party manufacturers in the manufacturing process for our products;
- breach, termination or nonrenewal of our agreements by third-party manufacturers or distributors in a manner or at a time that is costly or damaging to us; and
- disruptions to the operations of our subcontractors or suppliers caused by conditions unrelated to our business or operations, including the bankruptcy of the manufacturer, distributor or supplier.

Any of these events could lead to clinical study delays or failure to obtain regulatory approval, or impact our ability to successfully commercialize future products.

We and our contract manufacturers are subject to significant regulation with respect to manufacturing our products. The manufacturing facilities on which we rely may not continue to meet regulatory requirements and have limited capacity.

All entities involved in the preparation of products for clinical studies or commercial sale, including our existing contract manufacturers for our product candidates, are subject to extensive regulation. For example, in the United States components of a finished CAR T-cell immunotherapy product approved for commercial sale or used in clinical studies must be manufactured in accordance with cGMP requirements. Similarly, all investigational medicinal products in the EU must be manufactured in compliance with Good Manufacturing Practices, or GMP. The FDA's cGMP regulations and comparable regulations in other jurisdictions govern manufacturing processes and procedures (including record keeping) and the implementation and operation of quality systems to control and assure the quality of investigational products and products approved for sale. Poor control of production processes can lead to the introduction of adventitious agents or other contaminants, or to inadvertent changes in the properties or stability of the product candidates we develop that may not be detectable in final product testing. In the United States, we or our contract manufacturers must supply all necessary documentation in support of a BLA on a timely basis and must adhere to the FDA's cGMP requirements enforced by the FDA through its facilities inspection program. Our facilities and quality systems and the facilities and quality systems of some or all of our third-party contractors must pass a pre-approval inspection for compliance with the applicable regulations as a condition of regulatory approval of our product candidates. In addition, the regulatory authorities may, at any time, audit or inspect a manufacturing facility involved with the preparation of our product candidates or the associated quality systems for compliance with the regulations applicable to the activities being conducted. If these facilities do not pass a pre-approval plant inspection, FDA approval of the products will not be granted.

Similarly, in the EU, Directive 2003/94/EC lays down the principles and guidelines of GMP in respect of medicinal products and investigational medicinal products and requires that products are consistently produced and controlled in accordance with the applicable quality standards. It also requires that medicinal products and investigational medicinal products that are imported from third countries are manufactured in accordance with standards at least equivalent to the GMP standards laid down in the EU. Directive 2003/94/EC, together with the detailed EU Guidelines on GMP, govern the quality management, personnel, premises, documentation,

production operations, quality control, outsources activities, complaints and product recall and self inspection. GMP inspections are performed by the competent authorities of the EU Member States, and are coordinated by the EMA in the case of medicinal products that are authorized through the EU centralized procedure.

If any of our third-party manufacturers fail to maintain regulatory compliance, the regulator can impose regulatory sanctions including, among other things, refusal to approve a pending application for a new product, or revocation or non-renewal of a pre-existing approval. As a result, our business, financial condition and results of operations may be materially harmed.

In addition, if supply from one approved manufacturer is interrupted, there could be a significant disruption in commercial supply of our products. Identifying and engaging an alternative manufacturer that complies with applicable regulatory requirements could result in further delay. Applicable regulatory agencies may also require additional studies if a new manufacturer is relied upon for commercial production. Switching manufacturers may involve substantial costs and is likely to result in a delay in our desired clinical and commercial timelines.

These factors could cause the delay of clinical studies, regulatory submissions, required approvals or commercialization of our product candidates, cause us to incur higher costs and prevent us from commercializing our products successfully. Furthermore, if our suppliers fail to meet contractual requirements, and we are unable to secure one or more replacement suppliers capable of production at a substantially equivalent cost, our clinical studies may be delayed or we could lose potential revenue.

Access to raw materials and products necessary for the conduct of clinical trials and manufacturing of our product candidates is not guaranteed.

We are dependent on third parties for the supply of various biological materials—such as cells, cytokines or antibodies—that are necessary to produce our product candidates. The supply of these materials could be reduced or interrupted at any time. In such case, we may not be able to find other acceptable suppliers or on acceptable terms. If key suppliers or manufacturers are lost or the supply of the materials is diminished or discontinued, we may not be able to develop, manufacture, and market our product candidates in a timely and competitive manner. In addition, these materials are subject to stringent manufacturing process and rigorous testing. Delays in the completion and validation of facilities and manufacturing processes of these materials could adversely affect the ability to complete trials and commercialize our products candidates.

We expect to rely on third parties to conduct, supervise and monitor our clinical studies, and if these third parties perform in an unsatisfactory manner, it may harm our business.

We expect to rely on medical institutions, clinical investigators, contract research organizations, or CROs, contract laboratories, and collaborators to carry out our clinical trials and to perform data collection and analysis. While we will have agreements governing their activities, we will have limited influence over their actual performance and will control only certain aspects of such third parties' activities. Nevertheless, we will be responsible for ensuring that each of our clinical trials is conducted in accordance with the applicable protocol, legal, regulatory, ethical and scientific standards, and our reliance on the third party does not relieve us of our regulatory responsibilities.

We and our CROs are required to comply with the FDA's and other regulatory authorities' good clinical practices, or GCP, cGMP, good laboratory practices, or GLP, and other applicable requirements for conducting, recording and reporting the results of our preclinical studies and clinical trials to assure that the data and reported results are credible and accurate and that the rights, integrity and confidentiality of clinical trial participants are protected. Regulatory authorities around the world, including the FDA and European authorities, enforce these requirements through periodic inspections of study sponsors, CROs, principal investigators and clinical trial sites. If we, our CROs, our investigators or trial sites fail to comply with applicable GCP, GLP and GMP requirements, the clinical data generated in our future clinical trials may be deemed unreliable and the FDA, EMA or other

regulatory authorities around the world may require us to perform additional clinical trials before issuing any marketing authorizations for our product candidates. Upon inspection, the FDA or EMA may determine that our clinical trials did not comply with GCP, GLP and GMP requirements, which may render the data generated in those trials unreliable or anyway not usable for the purpose of supporting the marketing authorization applications for our products. In addition, our future clinical trials will require a sufficient number of study subjects to evaluate the safety and efficacy of our product candidates. Accordingly, if, for example, our CROs fail to comply with these regulations or if trial sites fail to recruit a sufficient number of patients, we may be required to repeat such clinical trials, or anyway incur delays in the performance of such trials, which would delay the regulatory approval process for the approval of our product candidates.

Clinical trials conducted in reliance on third parties may be delayed, suspended, or terminated if:

- we are unable to negotiate agreements with third parties under reasonable terms;
- termination or nonrenewal of agreements with third parties occurs in a manner or at a time that is costly or damaging to us;
- the third parties do not successfully carry out their contractual duties or fail to meet regulatory obligations or expected deadlines; or
- the quality or accuracy of the data obtained by third parties is compromised due to their failure to adhere to clinical protocols, regulatory or ethical requirements, or for other reasons.

Third party performance failures may increase our costs, delay our ability to obtain regulatory approval, and delay or prevent starting or completion of clinical trials and delay or prevent commercialization of our product candidates. While we believe that there are numerous alternative sources to provide these services, in the event that we seek such alternative sources, we may not be able to enter into replacement arrangements without incurring delays or additional costs.

We may enter into agreements with third parties to sell and market any of the products candidates we develop on our own and for which we obtain regulatory approval, which may affect the sales of our own products and our ability to generate revenues.

Given our early development stage, we have no experience in sales, marketing and distribution of biopharmaceutical products. However, if any of our product candidates obtain marketing approval, we intend to develop sales and marketing capacity, either alone or with partners, by contracting with, or licensing, them to market any of our own products. Outsourcing sales and marketing in this manner may subject us to a variety of risks, including:

- our inability to exercise direct control over sales and marketing activities and personnel;
- failure or inability of contracted sales personnel to obtain access to or persuade adequate numbers of physicians to prescribe our products;
- potential disputes with third parties concerning sales and marketing expenses, calculation of royalties, and sales and marketing strategies; and
- unforeseen costs and expenses associated with sales and marketing.

If we are unable to partner with a third party that has adequate sales, marketing, and distribution capabilities, we may have difficulty commercializing our product candidates, which would adversely affect our business, financial condition, and ability to generate product revenues.

Our reliance on third parties requires us to share our trade secrets, which increases the possibility that a competitor will discover them or that our trade secrets will be misappropriated or disclosed.

Because we will rely on third parties for the advancement of our products platform, clinical trials, and manufacturing facilities, we must, at times, share trade secrets with them. We seek to protect our proprietary technology in part by entering into confidentiality agreements and, if applicable, material transfer agreements, collaborative research agreements, consulting agreements or other similar agreements with our collaborators, advisors, employees and consultants prior to beginning research or disclosing proprietary information. These agreements typically limit the rights of the third parties to use or disclose our confidential information, such as trade secrets. Despite the contractual provisions employed when working with third parties, the need to share trade secrets and other confidential information increases the risk that such trade secrets become known by our competitors, are inadvertently incorporated into the technology of others, or are disclosed or used in violation of these agreements. Given that our proprietary position is based, in part, on our know-how and trade secrets, a competitor's discovery of our trade secrets or other unauthorized use or disclosure would impair our competitive position and may have a material adverse effect on our business.

In addition, agreements with third parties typically restrict the ability of such third parties to publish data potentially relating to our trade secrets. Our academic collaborators typically have rights to publish data, provided that we are notified in advance and may delay publication for a specified time in order to secure our intellectual property rights arising from the strategic alliance. In other cases, publication rights are controlled exclusively by us, although in some cases we may share these rights with other parties. We also conduct joint research and product development that may require us to share trade secrets under the terms of our research and development partnerships or similar agreements.

Despite our efforts to protect our trade secrets, our competitors may discover our trade secrets, either through breach of these agreements, independent development or publication of information including our trade secrets in cases where we do not have proprietary or otherwise protected rights at the time of publication. A competitor's discovery of our trade secrets would impair our competitive position and have an adverse impact on our business.

Risks Related to Our Plant Products Business

Our plant product development efforts use complex integrated technology platforms and require substantial time and resources; these efforts may not be successful, or the rate of product improvement may be slower than expected.

The development of successful agricultural products using complex technology platforms such as ours requires significant levels of investment in research and development, including field testing, to demonstrate their effectiveness and can take several years or more. For the years ended December 31, 2013 and 2014, we spent €1.5 million and €1.2 million, respectively, on plant sciences research and development and royalty expenses. We intend to continue to invest in research and development to continue to improve the performance of our plant products. Our investment in research and development may not result in significant plant product revenues over the next several years, if ever.

Development of new or improved agricultural products involves risks of failure inherent in the development of products based on innovative and complex technologies. These risks include the possibility that:

- our plant products will fail to perform as expected in the field;
- our plant products will not receive necessary regulatory permits and governmental clearances in the markets in which we intend to sell them;
- our plant products may have poisonous effects on consumers;
- our plant products will be viewed as too expensive by our potential customers compared to competitive products;

- our plant products will be difficult to produce on a large scale or will not be economical to grow;
- proprietary rights of third parties will prevent us, our collaborators, or our licensees from marketing our plant products; and
- third parties may develop superior or equivalent plant products.

Our plant products are not yet available for commercial use.

Our plant products are in the early stages of development, and there is no established market for them. If we are not able to commercialize our existing products or new products on a significant scale, then we may not be successful in building a sustainable or profitable plant sciences business. Moreover, we expect to price our products based on our assessment of the value that we believe they provide to the customer, rather than on the cost of production. If our customers attribute a lower value to our products than we do, they may not be willing to pay the premium prices that we expect to charge. Pricing levels may also be negatively affected if our products are unsuccessful in producing the yields we expect.

Our crops are new, and producers may require instruction to successfully establish, grow and harvest our crops.

As part of our product development activities and customer support, we plan to provide agricultural producers with information and protocols regarding the establishment, management, harvest, transportation and storage of our crops. Such crop management recommendations may include equipment selection, planting and harvest timing, application of crop protection chemicals or herbicides and storage systems and protocols. Our general or specific protocols may not apply in all circumstances, may be improperly implemented, may not be sufficient, or may be incorrect, leading to reduced yields, crop failures or other production problems or losses by our customers. Such failures may harm our customer relationships, our reputation and our ability to successfully market our products, and may lead to liability claims against us. Further, the use of our seeds may require a change in current planting, rotation or agronomic practices, which may be difficult to implement or may discourage the use of our plant products by agricultural producers.

We plan to conduct field trials of our plant products with potential customers in various geographies. We will have limited control over field trials that are conducted by third parties and will depend on their ability to follow our suggested protocols. There are various reasons these trials may fail to succeed, including weather, disease or pests, planting our seeds too late in the growing seasons or the incorrect use of fertilizers. Statements by our potential customers about negative field trial experiences could harm our reputation, and the decision by these parties not to proceed with large-scale trials or seed purchases could harm our business, revenue and profitability.

The successful commercialization of our plant products depends on our ability to produce high-quality plants and seeds cost-effectively on a large scale and to accurately forecast demand for our plant products and we may be unable to do so.

The production of commercial-scale quantities of seeds requires the multiplication of the plants or seeds through a succession of plantings and seed harvests. The cost-effective production of high-quality, high-volume quantities of some of our plant products depends on our ability to scale our production processes to produce plants and seeds in sufficient quantity to meet demand. We cannot assure you that our existing or future seed production techniques will enable us to meet our large-scale production goals cost-effectively for the plant products in our pipeline. Even if we are successful in developing ways to increase yields and enhance quality, we may not be able to do so cost-effectively or on a timely basis, which could adversely affect our ability to achieve profitability. If we are unable to maintain or enhance the quality of our plants and seeds as we increase our production capacity, including through the expected use of third parties, we may experience reductions in customer demand, higher costs and increased inventory write-offs.

In addition, because of the length of time it takes to produce commercial quantities of marketable plants and seeds, we will need to make seed production decisions well in advance of plant product sales. Our ability to accurately forecast demand can be adversely affected by a number of factors outside of our control, including changes in market conditions, environmental factors, such as pests and diseases, and adverse weather conditions. A shortfall in the supply of our products may reduce product sales revenue, damage our reputation in the market and adversely affect customer relationships. Any surplus in the amount of plant products we have on hand may negatively impact cash flows, reduce the quality of our inventory and ultimately result in write-offs of inventory. Any failure on our part to produce sufficient inventory, or overproduction of a particular product, could harm our business, results of operations and financial condition. In addition, customers may cancel orders or request a decrease in quantity at any time prior to delivery of the plants or seeds, which may lead to a surplus of our plant products.

We face significant competition in plant biotechnology and many of our competitors have substantially greater financial, technical and other resources than we do.

The agricultural biotechnology market is characterized by a small number of large companies, which control the vast majority of patented seeds and technology. The majority of these competitors have substantially greater financial, technical and other resources, such as larger research and development staff, more experienced marketing and manufacturing organizations and more well-established sales forces, than us.

Our competitors in the agricultural biotechnology space include:

- Companies developing plants with enhanced properties: Arcadia Biosciences, Inc., Chromatin Inc., Cibus US LLC, Evogene Ltd., Danzinger Innovation Ltd. and Keygene N.V.
- Major seed/agrochemical companies: BASF SE, Bayer AG, DuPont Pioneer, Groupe Limagrain Holding SA, Monsanto Co., Syngenta AG, Takii & Company, LTD, The Dow Chemical Co. and The J.R. Simplot Co.

Technological developments by our competitors could render our products less competitive, resulting in reduced sales compared to our expectations. Our ability to compete effectively and to achieve commercial success depends, in part, on our ability to: control manufacturing and marketing costs; effectively price and market our plant products; successfully develop an effective marketing program, and an efficient distribution system; develop of new products with properties attractive to our customers, and commercialize of our products quickly without incurring major regulatory costs. We may not be successful in achieving these factors and any such failure may adversely affect our plant sciences business and its results of operations and financial condition.

Our plant sciences business is highly seasonal and subject to weather conditions and other factors beyond our control, which may cause our sales and operating results to fluctuate significantly.

The sale of plant products is dependent upon planting and growing seasons, which vary from year to year, and are expected to result in both highly seasonal patterns and substantial fluctuations in quarterly sales and profitability. As we have not yet made any sales of our plant products, we have not yet experienced the full nature or extent to which this business may be seasonal. Weather conditions and natural disasters, such as heavy rains, hurricanes, hail, floods, tornadoes, freezing conditions, drought or fire, also affect decisions by our customers about the types and amounts of seeds to plant and the timing of harvesting and planting such seeds. Disruptions that cause delays by our customers in harvesting or planting can result in the movement of orders to a future quarter, which would negatively affect the quarter and cause fluctuations in our operating results.

The successful commercialization of our plant products may face challenges from public perceptions of genetically engineered products and ethical, legal, environmental and social concerns. In addition, our products may become subject to government regulation.

The successful commercialization of our plant products depends, in part, on public acceptance of genetically engineered agricultural products. Any increase in negative perceptions of gene editing may result in decreased

market acceptance of our plant products. Increased negative public opinion, or more restrictive government regulations in response thereto, would have a negative effect on our plant sciences business and may delay or impair the development and commercialization of our plant products.

The commercial success of our plant products may be adversely affected by claims that biotechnology plant products are unsafe for consumption or use, pose risks of damage to the environment, or create legal, social and ethical dilemmas. If we are not able to overcome these concerns, our products may not achieve market acceptance. Any of the risks discussed below could result in expenses, delays or other impediments to our plant development programs or the market acceptance and commercialization of our plant products:

- public attitudes about the safety and environmental hazards of, and ethical concerns over, genetic research and biotechnology plant products, which could influence public acceptance of our technologies and plant products;
- public attitudes regarding, and potential changes to laws governing, ownership of genetic material, which could weaken our intellectual property rights with respect to our genetic material and discourage collaborators from supporting, developing or commercializing our products and technologies; and
- failure to maintain or secure consumer confidence in, or to maintain or receive governmental approvals for, our plant products.

In addition, changes in regulatory requirements could result in a substantial increase in the time and costs associated with developing our plant products and negatively impact our operating results.

In the United States, the United States Department of Agriculture, or USDA, regulates, among other things, the introduction (including the importation, interstate movement, or release into the environment) of organisms and products altered or produced through genetic engineering that are plant pests or that there is reason to believe are plant pests. Such organisms and products are considered “regulated articles.” However, a petitioner may submit a request for a determination by the USDA of “nonregulated status” for a particular article. A petition for determination of nonregulated status must include detailed information, including relevant experimental data and publications, field test reports, and a description of the genotypic differences between the regulated article and the nonmodified recipient organism, among other things. We have submitted a request for a determination of “nonregulated status” to the USDA for our potato product candidate and our no-trans-fat (high oleic) soybean product candidate. The USDA confirmed in writing that our potato product candidate is not deemed to be a “regulated article” under the Plant Protection Act because it does not contain genetic material from plant pests. While we believe that the USDA’s reasoning will extend to our other product candidates, we have not obtained a determination from USDA that any of our other product candidates are not “regulated articles” under these regulations. USDA’s regulations also require that companies obtain a permit or file a notification before engaging in the introduction (including the importation, interstate movement, or release into the environment such as field testing) of “regulated articles.” We cannot predict whether the USDA or advocacy groups will challenge our interpretation. Additionally, a change in the way the USDA interprets its regulations, or a change in regulations could subject our products to more burdensome regulations, thereby substantially increasing the time and costs associated with developing our plant products. Moreover, we cannot assure you that the USDA will apply this same analysis to any of our other plant products in development. Complying with USDA’s plant pest regulations, including permitting requirements, is a costly, time-consuming process and could delay or prevent the commercialization of our plant products.

Our plant products will also be subject to extensive FDA food product regulations. Under sections 201(s) and 409 of the Federal Food, Drug, and Cosmetic Act, any substance that is intentionally added to food is a food additive, and is therefore subject to FDA premarket review and approval, unless the substance is generally recognized, among qualified experts, as having been adequately shown to be safe under the conditions of its intended use (generally recognized as safe, or GRAS), or unless the use of the substance is otherwise excluded from the definition of a food additive. The FDA may classify some or all of our product candidates as containing a food additive that is not GRAS. Such classification would cause these product candidates to require pre-market approval, which could delay the commercialization of these products.

In the EU, genetically modified foods, or GM foods, can only be allowed on the market once they have been authorized subject to rigorous safety assessments. The procedures for evaluation and authorization of GM foods are governed by Regulation (EC) 1829/2003 on GM food and feed and Directive 2001/18/EC on the release of genetically modified organisms, or GMOs, into the environment. If the GMO is not to be used in food or feed, then an application must be made under Directive 2001/18/EC. If the GMO is to be used in food or feed (but it is not grown in the EU) then a single application for both food and feed purposes under Regulation 1829/2003 should be made. If the GMO is used in feed or food and it is also grown in the EU, an application for both cultivation and food/feed purposes needs to be carried out under Regulation (EC) 1829/2003. A different EU regulation, Regulation (EC) 1830/2003, regulates the labeling of products that contain GMOs that are placed on the EU market. There are currently legislative proposals in the EU that would allow EU Member States to restrict or prohibit growing GMOs in their territory, on a range of environmental grounds, even if such crops were previously authorized at EU level. Should these proposals become law, growing GMOs may become more difficult in individual EU Member States.

We cannot predict whether or when any jurisdiction will change its regulations with respect to our plant products. Advocacy groups have engaged in publicity campaigns and filed lawsuits in various countries against companies and regulatory authorities, seeking to halt biotechnology approval activities or influence public opinion against genetically engineered products. In addition, governmental reaction to negative publicity concerning our plant products could result in greater regulation of genetic research and derivative products or regulatory costs that render our plant products cost prohibitive.

We may be sued for product liability and if such lawsuits were determined adversely, we could be subject to substantial damages.

We may be held liable if any plant product we develop, or any product that uses or incorporates, any of our technologies, causes injury or is found otherwise unsuitable during product testing, production, marketing or sale. For example, the detection of unintended biotechnology material in pre-commercial seed, commercial seed varieties or the crops and products produced may result in the inability to market the crops grown or physical injury to consumers resulting in potential liability for us as the seed producer or technology provider. If this were to occur, we could be subject to claims by multiple parties based not only on the cost of our plant products but also on their lost profits and business opportunities. In addition, the detection of unintended biotechnology material in our seeds or in the environment could result in governmental actions such as mandated crop destruction, product recalls or environmental cleanup or monitoring. Concerns about seed quality related to biotechnology could also lead to additional regulations being imposed on our business, such as regulations related to testing procedures, mandatory governmental reviews of biotechnology advances, or the integrity of the food supply chain from the farm to the finished product.

Some of our plant products may end up in markets or countries in which they have not received regulatory approval, which may result regulatory challenges or lawsuits.

The scale of the commodity food industry may make it difficult to monitor and control the distribution of our plant products. As a result, our plant products may be sold inadvertently within jurisdictions where they are not approved for distribution. Such sales may lead to regulatory challenges or lawsuits against our company, which could result in significant expenses and management attention and have a material adverse effect on the price of our ADSs.

Our plant sciences activities are currently conducted at a limited number of locations, which makes us susceptible to damage or business disruptions caused by natural disasters.

Our headquarters and certain research and development operations are located at a single facility in New Brighton, Minnesota. Our seed production takes place primarily in the United States. Warehousing for seed storage is located primarily in Minnesota. We take precautions to safeguard our facilities, including insurance,

health and safety protocols, and off-site storage of critical research results and computer data. However, a natural disaster, such as a hurricane, drought, fire, flood, tornado or earthquake, could cause substantial delays in our operations, damage or destroy our equipment, inventory or development projects, and cause us to incur additional expenses.

Risks Related to Intellectual Property

Our ability to compete may decline if we do not adequately protect our proprietary rights.

Our commercial success depends, in part, on obtaining and maintaining proprietary rights to our intellectual property estate, including our product candidates, as well as successfully defending these rights against third-party challenges. We will only be able to protect our product candidates from unauthorized use by third parties to the extent that valid and enforceable patents, or effectively protected trade secrets, cover them. Our ability to obtain patent protection for our product candidates is uncertain due to a number of factors, including:

- we may not have been the first to invent the technology covered by our pending patent applications or issued patents;
- we cannot be certain that we were the first to file patent applications covering our product candidates, including their compositions or methods of use, as patent applications in the United States and most other countries are confidential for a period of time after filing;
- others may independently develop identical, similar or alternative products or compositions or methods of use thereof;
- our disclosures in patent applications may not be sufficient to meet the statutory requirements for patentability;
- any or all of our pending patent applications may not result in issued patents;
- we may not seek or obtain patent protection in countries that may eventually provide us a significant business opportunity;
- any patents issued to us may not provide a basis for commercially viable products, may not provide any competitive advantages, or may be successfully challenged by third parties;
- our compositions and methods may not be patentable;
- others may design around our patent claims to produce competitive products that fall outside of the scope of our patents; and
- others may identify prior art or other bases upon which to challenge and ultimately invalidate our patents or otherwise render them unenforceable.

Even if we have or obtain patents covering our product candidates or compositions, we may still be barred from making, using and selling our product candidates or technologies because of the patent rights of others. Others may have filed, and in the future may file, patent applications covering compositions, products or methods that are similar or identical to ours, which could materially affect our ability to develop successfully our product candidates or to commercialize successfully our products if approved. In addition, because patent applications can take many years to issue, there may be currently pending applications unknown to us that may later result in issued patents that our product candidates or compositions may infringe. These patent applications may have priority over patent applications filed by us.

Obtaining and maintaining a patent portfolio entails significant expense of resources. Part of such expense includes periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on patents and/or applications due over the course of several stages of prosecuting patent applications, and over the lifetime of maintaining and enforcing issued patents. We may or may not choose to pursue or maintain protection for particular intellectual property in our portfolio. If we choose to forgo patent protection or to allow a patent

application or patent to lapse purposefully or inadvertently, our competitive position could suffer. Furthermore, we employ reputable law firms and other professionals to help us comply with the various procedural, documentary, fee payment and other similar provisions we are subject to and, in many cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with the applicable rules. There are situations, however, in which failure to make certain payments or noncompliance with certain requirements in the patent process can result in abandonment or lapse of a patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, our competitors might be able to enter the market, which would have a material adverse effect on our business.

Legal action that may be required to enforce our patent rights can be expensive and may involve the diversion of significant management time. In addition, these legal actions could be unsuccessful and could also result in the invalidation of our patents or a finding that they are unenforceable. We may or may not choose to pursue litigation or other actions against those that have infringed on our patents, or have used them without authorization, due to the associated expense and time commitment of monitoring these activities. If we fail to protect or to enforce our intellectual property rights successfully, our competitive position could suffer, which could harm our results of operations.

Patents and patent applications involve highly complex legal and factual questions, which, if determined adversely to us, could negatively impact our patent position.

The patent positions of biopharmaceutical companies and other actors in our fields of business can be highly uncertain and typically involve complex scientific, legal and factual analyses. In particular, the interpretation and breadth of claims allowed in some patents covering biopharmaceutical compositions may be uncertain and difficult to determine, and are often affected materially by the facts and circumstances that pertain to the patented compositions and the related patent claims. The standards of the United States Patent and Trademark Office, or USPTO, are sometimes uncertain and could change in the future. Consequently, the issuance and scope of patents cannot be predicted with certainty. Patents, if issued, may be challenged, invalidated or circumvented. U.S. patents and patent applications may also be subject to interference proceedings, and U.S. patents may be subject to reexamination proceedings, post-grant review and/or *inter partes* review in the USPTO. Foreign patents as well may be subject to opposition or comparable proceedings in the corresponding foreign patent office, which could result in either loss of the patent or denial of the patent application or loss or reduction in the scope of one or more of the claims of the patent or patent application. In addition, such interference, reexamination, post-grant review, inter partes review and opposition proceedings may be costly. Accordingly, rights under any issued patents may not provide us with sufficient protection against competitive products or processes.

Furthermore, even if not challenged, our patents and patent applications may not adequately protect our products or prevent others from designing their products to avoid being covered by our claims. If the breadth or strength of protection provided by the patent applications we hold with respect to our product candidates is threatened, it could dissuade companies from collaborating with us to develop, and could threaten our ability to successfully commercialize, our product candidates. Furthermore, for U.S. applications in which all claims are entitled to a priority date before March 16, 2013, an interference proceeding can be provoked by a third party or instituted by the USPTO in order to determine who was the first to invent any of the subject matter covered by such patent claims.

In addition, changes in, or different interpretations of, patent laws in the United States and other countries may permit others to use our discoveries or to develop and commercialize our technology and products without providing any compensation to us, or may limit the scope of patent protection that we are able to obtain. The laws of some countries do not protect intellectual property rights to the same extent as U.S. laws and those countries may lack adequate rules and procedures for defending our intellectual property rights.

If we fail to obtain and maintain patent protection and trade secret protection of our product candidates, we could lose our competitive advantage and competition we face would increase, reducing any potential revenues and adversely affecting our ability to attain or maintain profitability.

Developments in patent law could have a negative impact on our business.

From time to time, the United States Supreme Court, or the Supreme Court, other federal courts, the United States Congress, the USPTO and similar foreign authorities may change the standards of patentability and any such changes could have a negative impact on our business.

The Leahy-Smith America Invents Act, or the America Invents Act, which was signed into law in 2011, includes a number of significant changes to U.S. patent law. These changes include a transition from a “first-to-invent” system to a “first-to-file” system, changes to the way issued patents are challenged, and changes to the way patent applications are disputed during the examination process. As a result of these changes, the patent law in the United States may favor larger and more established companies that have greater resources to devote to patent application filing and prosecution. The USPTO has developed new and untested regulations and procedures to govern the full implementation of the America Invents Act, and many of the substantive changes to patent law associated with the America Invents Act, and, in particular, the first-to-file provisions became effective on March 16, 2013. Substantive changes to patent law associated with the America Invents Act may affect our ability to obtain patents, and if obtained, to enforce or defend them. Accordingly, it is not clear what, if any, impact the America Invents Act will have on the cost of prosecuting our patent applications and our ability to obtain patents based on our discoveries and to enforce or defend any patents that may issue from our patent applications, all of which could have a material adverse effect on our business.

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed.

In addition to patent protection, because we operate in the highly technical field of development of therapies, we rely in part on trade secret protection in order to protect our proprietary technology and processes. However, trade secrets are difficult to protect. We expect to enter into confidentiality and intellectual property assignment agreements with our employees, consultants, outside scientific collaborators, sponsored researchers, and other advisors. These agreements generally require that the other party keep confidential and not disclose to third parties all confidential information developed by the party or made known to the party by us during the course of the party’s relationship with us. These agreements also generally provide that inventions conceived by the party in the course of rendering services to us will be our exclusive property. However, these agreements may be breached or held unenforceable and may not effectively assign intellectual property rights to us.

In addition to contractual measures, we try to protect the confidential nature of our proprietary information using physical and technological security measures. Such measures may not provide adequate protection for our proprietary information. For example, our security measures may not prevent an employee or consultant with authorized access from misappropriating our trade secrets and providing them to a competitor, and the recourse we have available against such misconduct may not provide an adequate remedy to protect our interests fully. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret can be difficult, expensive and time consuming, and the outcome is unpredictable. In addition, courts outside the United States may be less willing to protect trade secrets. Furthermore, our proprietary information may be independently developed by others in a manner that could prevent legal recourse by us. If any of our confidential or proprietary information, including our trade secrets, were to be disclosed or misappropriated, or if any such information was independently developed by a competitor, our competitive position could be harmed.

We will not seek to protect our intellectual property rights in all jurisdictions throughout the world and we may not be able to adequately enforce our intellectual property rights even in the jurisdictions where we seek protection.

Filing, prosecuting and defending patents on our product candidates in all countries and jurisdictions throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States could be less extensive than those in the United States, assuming that rights are obtained in the United States. In addition, the laws of some foreign countries do not protect intellectual property

rights to the same extent as federal and state laws in the United States. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States, or from selling or importing products made using our inventions in and into the United States or other jurisdictions.

Competitors may use our technologies in jurisdictions where we do not pursue and obtain patent protection to develop their own products and further, may export otherwise infringing products to territories where we have patent protection, but where our ability to enforce our patent rights is not as strong as in the United States. These products may compete with our products and our patents or other intellectual property rights may not be effective or sufficient to prevent such competition.

The laws of some foreign countries do not protect intellectual property rights to the same extent as the laws of the United States. Patent protection must ultimately be sought on a country-by-country basis, which is an expensive and time-consuming process with uncertain outcomes. Accordingly, we may choose not to seek patent protection in certain countries, and we will not have the benefit of patent protection in such countries. In addition, the legal systems of some countries, particularly developing countries, do not favor the enforcement of patents and other intellectual property protection, especially those relating to biopharmaceuticals or biotechnologies. As a result, many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions. Such issues may make it difficult for us to stop the infringement of our patents, if obtained, or the misappropriation of our other intellectual property rights. For example, many foreign countries, including the EU countries, have compulsory licensing laws under which a patent owner must grant licenses to third parties. In addition, many countries limit the enforceability of patents against third parties, including government agencies or government contractors. In these countries, patents may provide limited or no benefit. In those countries, we and our licensors may have limited remedies if patents are infringed or if we or our licensors are compelled to grant a license to a third party, which could materially diminish the value of those patents. This could limit our potential revenue opportunities. Accordingly, our and our licensors' efforts to enforce intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we own or license.

Furthermore, proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly, could put our patent applications at risk of not issuing and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded to us, if any, may not be commercially meaningful, while the damages and other remedies we may be ordered to pay such third parties may be significant. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

Third parties may assert ownership or commercial rights to inventions we develop or otherwise regard as our own.

Third parties may in the future make claims challenging the inventorship or ownership of our intellectual property. We have written agreements with collaborators that provide for the ownership of intellectual property arising from our strategic alliances. These agreements provide that we must negotiate certain commercial rights with such collaborators with respect to joint inventions or inventions made by our collaborators that arise from the results of the strategic alliance. In some instances, there may not be adequate written provisions to address clearly the allocation of intellectual property rights that may arise from the respective alliance. If we cannot successfully negotiate sufficient ownership and commercial rights to the inventions that result from our use of a third-party collaborator's materials when required, or if disputes otherwise arise with respect to the intellectual property developed through the use of a collaborator's samples, we may be limited in our ability to capitalize on the full market potential of these inventions. In addition, we may face claims by third parties that our agreements with employees, contractors, or consultants obligating them to assign intellectual property to us are ineffective, or are in conflict with prior or competing contractual obligations of assignment, which could result in ownership

disputes regarding intellectual property we have developed or will develop and could interfere with our ability to capture the full commercial value of such inventions. Litigation may be necessary to resolve an ownership dispute, and if we are not successful, we may be precluded from using certain intellectual property, or may lose our rights in that intellectual property. Either outcome could have a material adverse impact on our business.

Third parties may assert that our employees or consultants have wrongfully used or disclosed confidential information or misappropriated trade secrets.

We may employ individuals who were previously employed at universities or other biopharmaceutical companies, including our competitors or potential competitors. Although we try to ensure that our employees and consultants do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or our employees, consultants or independent contractors have inadvertently or otherwise used or disclosed intellectual property, including trade secrets or other proprietary information, of a former employer or other third parties. Litigation may be necessary to defend against these claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees.

A dispute concerning the infringement or misappropriation of our proprietary rights or the proprietary rights of others could be time consuming and costly, and an unfavorable outcome could harm our business.

There is significant litigation in the biopharmaceutical industry regarding patent and other intellectual property rights. Although we are not currently subject to any material pending intellectual property litigation, and are not aware of any such threatened litigation, we may be exposed to future litigation by third parties based on claims that our product candidates, technologies or activities infringe the intellectual property rights of others. If our development activities are found to infringe any such patents, we may have to pay significant damages or seek licenses to such patents. A patentee could prevent us from using the patented drugs or compositions. We may need to resort to litigation to enforce a patent issued to us, to protect our trade secrets, or to determine the scope and validity of third-party proprietary rights. For example, there are other entities that are seeking patent protection that could cover therapeutic products that target the CD19 antigen. We cannot assure you that third parties will not claim infringement of their patents or misappropriation of their proprietary technology without authorization, or challenge our patents and proprietary rights with respect to UCART19. If such third parties were to succeed in their allegations, our business would be materially and adversely affected.

From time to time, we may hire scientific personnel or consultants formerly employed by other companies involved in one or more areas similar to the activities conducted by us. Either we or these individuals may be subject to allegations of trade secret misappropriation or other similar claims as a result of prior affiliations. If we become involved in litigation, it could consume a substantial portion of our managerial and financial resources, regardless of whether we win or lose. We may not be able to afford the costs of litigation. Any adverse ruling or perception of an adverse ruling in defending ourselves against these claims could have a material adverse impact on our cash position and the price of the ADSs. Any legal action against us or our collaborators could lead to:

- payment of damages, potentially including treble damages if we are found to have willfully infringed a party’s patent rights;
- injunctive or other equitable relief that may effectively block our ability to further develop, commercialize, and sell products; or
- our or our collaborators’ being required to obtain a license under third-party intellectual property, and such license may not be available on commercially acceptable terms, if at all, all of which could have a material adverse impact on our cash position and business and financial condition. As a result, we could be prevented from commercializing current or future product candidates.

We may infringe intellectual property rights of others, which may prevent or delay our product development efforts and may prevent or increase the costs of our successfully commercializing our product candidates, if approved.

Our success will depend in part on our ability to operate without infringing the intellectual property and proprietary rights of third parties. We cannot assure you that our business operations, products and methods do not or will not infringe the patents or other intellectual property rights of third parties.

The biopharmaceutical industry is characterized by extensive litigation regarding patents and other intellectual property rights. Other parties may allege that our product candidates or the use of our technologies infringe patent claims or other intellectual property rights held by them or that we are employing their proprietary technology without authorization. Patent and other types of intellectual property litigation can involve complex factual and legal questions, and their outcome is uncertain. Any claim relating to intellectual property infringement that is successfully asserted against us may require us to pay substantial damages, including treble damages and attorney's fees if we are found to be willfully infringing another party's patents, for past use of the asserted intellectual property and royalties and other consideration going forward if we are forced to take a license. In addition, if any such claim were successfully asserted against us and we could not obtain such a license, we may be forced to stop or delay developing, manufacturing, selling or otherwise commercializing our products.

Even if we are successful in these proceedings, we may incur substantial costs and divert management time and attention in pursuing these proceedings, which could have a material adverse effect on us. If we are unable to avoid infringing the patent rights of others, we may be required to seek a license, defend an infringement action or challenge the validity of the patents in court, or redesign our products. Patent litigation is costly and time consuming. We may not have sufficient resources to bring these actions to a successful conclusion. In addition, intellectual property litigation or claims could force us to do one or more of the following:

- cease developing, selling or otherwise commercializing our product candidates;
- pay substantial damages for past use of the asserted intellectual property;
- obtain a license from the holder of the asserted intellectual property, which license may not be available on reasonable terms, if at all; and
- in the case of trademark claims, redesign, or rename trademarks we may own, to avoid infringing the intellectual property rights of third parties, which may not be possible and, even if possible, could be costly and time-consuming.

Any of these risks coming to fruition could have a material adverse effect on our business, results of operations, financial condition and prospects.

Issued patents covering our product candidates could be found invalid or unenforceable if challenged in court.

If we or one of our licensing partners initiated legal proceedings against a third party to enforce a patent covering our product candidate, the defendant could counterclaim that the patent covering our product candidate is invalid and/or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity and/or unenforceability are commonplace. Furthermore, third parties may petition courts for declarations of invalidity or unenforceability with respect to our patents or individual claims there. If successful, such claims could narrow the scope of protection afforded our product candidates and future products, if any. Grounds for a validity challenge include alleged failures to meet any of several statutory requirements, including lack of novelty, obviousness or non-enablement. Grounds for unenforceability assertions include allegations that someone connected with prosecution of the patent withheld relevant information from the USPTO, or made a misleading statement, during prosecution. Third parties may also raise similar claims before administrative bodies in the United States or abroad, even outside the context of litigation. Such mechanisms include

re-examination, post grant review and equivalent proceedings in foreign jurisdictions, e.g., opposition proceedings. Such proceedings could result in revocation or amendment of our patents in such a way that they no longer cover our product candidates or competitive products. The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to validity, for example, we cannot be certain that there is no invalidating prior art, of which we and the patent examiner were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, we would lose at least part, and perhaps all, of the patent protection on our product candidates. Such a loss of patent protection would have a material adverse impact on our business.

We may not be successful in obtaining or maintaining necessary rights to gene therapy product components and processes for our development pipeline through acquisitions and in-licenses.

We have rights, through licenses from third parties and under patents that we own, to the intellectual property to develop our gene therapy product candidates. Because our programs may involve additional product candidates that may require the use of proprietary rights held by third parties, the growth of our business will likely depend in part on our ability to acquire, in-license or use these proprietary rights. In addition, our product candidates may require specific formulations to work effectively and efficiently, and these rights may be held by others. We may be unable to acquire or in-license any compositions, methods of use, processes or other third-party intellectual property rights from third parties that we identify. The licensing and acquisition of third-party intellectual property rights is a competitive area, and a number of more established companies are also pursuing strategies to license or acquire third-party intellectual property rights that we may consider attractive. These established companies may have a competitive advantage over us due to their size and greater cash resources and clinical development and commercialization capabilities.

For example, we sometimes collaborate with academic institutions to accelerate our pre-clinical research or development under written agreements with these institutions. Typically, these institutions provide us with an option to negotiate a license to any of the institution's rights in technology resulting from the strategic alliance. Regardless of such right of first negotiation, we may be unable to negotiate a license within the specified time frame or under terms that are acceptable to us, and the institution may license such intellectual property rights to third parties, potentially blocking our ability to pursue our development and commercialization plans.

In addition, companies that perceive us to be a competitor may be unwilling to assign or license to us intellectual property rights that we require in order to successfully develop and commercialize our products. We also may be unable to obtain such a license or assignment on terms that would allow us to make an appropriate return on our investment. In either event, our business, financial condition and prospects for growth could suffer.

If we fail to comply with our obligations in the agreements under which we license intellectual property rights from third parties or otherwise experience disruptions to our business relationships with our licensors, we could lose license rights that are important to our business.

We are a party to a number of intellectual property license agreements that are important to our business and expect to enter into additional license agreements in the future. Our existing license agreements impose, and we expect that future license agreements will impose, various diligence, milestone payment, royalty and other obligations on us. If we fail to comply with our obligations under these agreements, or we are subject to a bankruptcy, our licensors may have the right to terminate the license, in which event we would not be able to market products covered by the license.

In addition, disputes may arise regarding the payment of the royalties due to licensors in connection with our exploitation of the rights we license from them. Licensors may contest the basis of royalties we retained and claim that we are obligated to make payments under a broader basis. In addition to the costs of any litigation we may face as a result, any legal action against us could increase our payment obligations under the respective agreement and require us to pay interest and potentially damages to such licensors.

In some cases, patent prosecution of our licensed technology is controlled solely by the licensor. If such licensor fails to obtain and maintain patent or other protection for the proprietary intellectual property we license from such licensor, we could lose our rights to such intellectual property or the exclusivity of such rights, and our competitors could market competing products using such intellectual property. In that event, we may be required to expend significant time and resources to develop or license replacement technology. If we are unable to do so, we may be unable to develop or commercialize the affected product candidates, which could harm our business significantly. In other cases, we control the prosecution of patents resulting from licensed technology. In the event we breach any of our obligations related to such prosecution, we may incur significant liability to our licensing partners.

Under each of the material exclusive licenses granted to us, the licensor controls the prosecution of patents covered by the license. Under our collaboration agreement with Pfizer, we and Pfizer each generally control the prosecution of our respective owned patents, and Pfizer has the first right to elect to control the prosecution of certain jointly-developed intellectual property. Under our collaboration agreement with Servier, we and Servier each generally control the prosecution of our respective owned patents, and we generally control the prosecution of joint patents, unless Servier exercises its option under the agreement to obtain an exclusive license to further develop, manufacture and commercialize a product candidate, in which case Servier will control prosecution of the joint patents. Licensing of intellectual property is of critical importance to our business and involves complex legal, business and scientific issues and is complicated by the rapid pace of scientific discovery in our industry. Disputes may arise regarding intellectual property subject to a licensing agreement, including:

- the scope of rights granted under the license agreement and other interpretation-related issues;
- the basis of royalties due to our licensors;
- the extent to which our technology and processes infringe on intellectual property of the licensor that is not subject to the licensing agreement;
- the sublicensing of patent and other rights under our collaborative development relationships;
- our diligence obligations under the license agreement and what activities satisfy those diligence obligations;
- the ownership of inventions and know-how resulting from the joint creation or use of intellectual property by our licensors and us and our partners; and
- the priority of invention of patented technology.

If disputes over intellectual property that we have licensed from third parties prevent or impair our ability to maintain our current licensing arrangements on acceptable terms, we may be unable to successfully develop and commercialize the affected product candidates.

Risks Related to Our Organization, Structure and Operation

We will need to develop and expand our company, and we may encounter difficulties in managing this development and expansion, which could disrupt our operations.

As of December 31, 2014, we had 89 full-time employees, and in connection with becoming a U.S. public company, we expect to increase our number of employees and the scope and location of our operations. To manage our anticipated development and expansion, including the development and the commercialization of our product candidates, we must continue to implement and improve our managerial, operational and financial systems, expand our facilities and continue to recruit and train additional qualified personnel. Also, our management may need to divert a disproportionate amount of its attention away from its day-to-day activities and devote a substantial amount of time to managing these development activities. Due to our limited resources, we may not be able to effectively manage the expansion of our operations or recruit and train additional qualified personnel. This may result in weaknesses in our infrastructure, give rise to operational mistakes, loss of business opportunities, loss of employees and reduced productivity among remaining employees. The physical expansion

of our operations may lead to significant costs and may divert financial resources from other projects, such as the development of our product candidates. If our management is unable to effectively manage our expected development and expansion, our expenses may increase more than expected, our ability to generate or increase our revenue could be reduced and we may not be able to implement our business strategy. Our future financial performance and our ability to commercialize our product candidates, if approved, and compete effectively will depend, in part, on our ability to effectively manage the future development and expansion of our company.

We depend on key management personnel and attracting and retaining other qualified personnel, and our business could be harmed if we lose key management personnel or cannot attract and retain other qualified personnel.

Our success depends to a significant degree upon the technical skills and continued service of certain members of our management team, including Dr. André Choulika, our co-founder and Chief Executive Officer; Dr. David Sourdive, our co-founder and Executive Vice President, Corporate Development; Dr. Mathieu Simon, our Chief Operating Officer; Dr. Philippe Duchateau, our Chief Scientific Officer; and Dr. Luc Mathis, the Chief Executive Officer of Cellectis Plant Sciences. The loss of the services of these key executive officers could have a material adverse effect on us. Our success also will depend upon our ability to attract and retain additional qualified management, marketing, technical, and sales executives and personnel. The failure to attract, integrate, motivate, and retain additional skilled and qualified personnel could have a material adverse effect on our business.

We compete for such personnel against numerous companies, including larger, more established companies with significantly greater financial resources than we possess. In addition, failure to succeed in our product candidates' development may make it more challenging to recruit and retain qualified personnel. There can be no assurance that we will be successful in attracting or retaining such personnel and the failure to do so could have a material adverse effect on our business, financial condition, and results of operations.

In order to induce valuable employees to remain at Cellectis, we have provided free shares and warrants to purchase ordinary shares that vest over time. The value to employees of free shares and warrants that vest over time may be significantly affected by movements in the price of our ordinary shares that are beyond our control, and may at any time be insufficient to counteract more lucrative offers from other companies.

Despite our efforts to retain valuable employees, members of our management, scientific and development teams may terminate their employment with us. The loss of the services of any of our key executive officers or other officers or senior employees within a short timeframe, and our inability to find suitable replacements could potentially harm our business, prospects, financial condition or results of operations. We do not maintain "key man" insurance policies on the lives of any of our employees. Our success also depends on our ability to continue to attract, retain and motivate highly skilled junior, mid-level, and senior managers as well as junior, mid-level, and senior scientific and medical personnel.

We must maintain effective internal control over financial reporting, and if we are unable to do so, the accuracy and timeliness of our financial reporting may be adversely affected, which could have a material adverse effect on our business, investor confidence and market price.

We must maintain effective internal control over financial reporting in order to accurately and timely report our results of operations and financial condition. In addition, once we are a public company, the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, will require, among other things, that we assess the effectiveness of our disclosure controls and procedures and the effectiveness of our internal control over financial reporting at the end of each fiscal year. We anticipate being first required to issue management's annual report on internal control over financial reporting, pursuant to Section 404 of the Sarbanes-Oxley Act, in connection with issuing our consolidated financial statements as of and for the year ending December 31, 2016.

The rules governing the standards that must be met for our management to assess our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act are complex and require significant

documentation, testing and possible remediation. These stringent standards require that our audit and finance committee be advised and regularly updated on management's review of internal control over financial reporting. In addition, our independent registered public accounting firm will be required to attest to the effectiveness of our internal controls over financial reporting beginning with our annual report following the date on which we are no longer an "emerging growth company," which may be up to five fiscal years following the date of this offering. Our management may not be able to effectively and timely implement controls and procedures that adequately respond to the increased regulatory compliance and reporting requirements that will be applicable to us as a public company. If we fail to staff our accounting and finance function adequately or maintain internal control over financial reporting adequate to meet the demands that will be placed upon us as a public company, including the requirements of the Sarbanes-Oxley Act, our business and reputation may be harmed and the price of the ADSs may decline. Furthermore, investor perceptions of us may be adversely affected, which could cause a decline in the market price of our ordinary shares.

Our failure to maintain certain tax benefits applicable to French technology companies may adversely affect our results of operations.

As a French technology company, we have benefited from certain tax advantages, including, for example, the research tax credit (*Crédit d'Impôt Recherche*), or CIR. The CIR is a French tax credit aimed at stimulating research and development. The CIR can be offset against French corporate income tax due and the portion in excess (if any) may be refunded at the end of a three fiscal-year period (or, sooner, for smaller companies such as ours). The CIR receivable of €3.8 million and €7.1 million as of December 31, 2013 and 2014, respectively is calculated based on our claimed amount of eligible research and development expenditures in France. The French tax authority with the assistance of the Research and Technology Ministry may audit each research and development program in respect of which a CIR benefit has been claimed and assess whether such program qualifies in its view for the CIR benefit. The French tax authorities may challenge our eligibility to, or our calculation of certain tax reductions and/or deductions in respect of our research and development activities and, should the French tax authorities be successful, we may be liable for additional corporate income tax, and penalties and interest related thereto, or we may not obtain the refunds for which we have applied, which could have a significant impact on our results of operations and future cash flows. Furthermore, if the French Parliament decides to eliminate, or reduce the scope or the rate of, the CIR benefit, either of which it could decide to do at any time, our results of operations could be adversely affected.

We may be forced to prematurely repay conditional advances if we fail to comply with our contractual obligations under applicable innovation grant agreements.

Since 2010, we have received multiple conditional advances totaling €4.4 million for innovation granted by the Banque Publique d'Investissement (formerly known as OSEO Innovation), other French national or local governmental entities as well as the European Commission. If we fail to comply with our contractual obligations under the applicable innovation grant agreements, we could be forced to repay the sums advanced ahead of schedule. For example, advances by OSEO depend on pursuing certain defined research programs. Similarly, the public financing from the European Commission is dedicated to pre-clinical research activities for UCART19. A finding that we are not pursuing the required programs could lead to repayment obligations. Such premature repayment could adversely affect our ability to finance our research and development projects. In addition, we cannot ensure that we will then have the additional financial means, the time or the ability to replace these financial resources with others.

We may be exposed to significant foreign exchange risk. Exchange rate fluctuations may adversely affect the foreign currency value of our ADSs.

We incur portions of our expenses and may in the future derive revenues in currencies other than the euro, in particular, the U.S. dollar. As a result, we are exposed to foreign currency exchange risk as our results of operations and cash flows are subject to fluctuations in foreign currency exchange rates. We currently do not

engage in hedging transactions to protect against uncertainty in future exchange rates between particular foreign currencies and the euro. Therefore, for example, an increase in the value of the euro against the U.S. dollar could be expected to have a negative impact on our revenue and earnings growth as U.S. dollar revenue and earnings, if any, would be translated into euros at a reduced value. We cannot predict the impact of foreign currency fluctuations, and foreign currency fluctuations in the future may adversely affect our financial condition, results of operations and cash flows. The ADSs will be quoted in U.S. dollars on the Nasdaq Global Market, or the Nasdaq, and our ordinary shares are trading in euros on the Alternext market of Euronext in Paris. Our financial statements are prepared in euros. Fluctuations in the exchange rate between euros and the U.S. dollar will affect, among other matters, the U.S. dollar value and the euro value of our ordinary shares and ADSs.

We may use hazardous chemicals and biological materials in our business. Any claims relating to improper handling, storage or disposal of these materials could be time consuming and costly.

We are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment, manufacture and disposal of hazardous materials and wastes. Our research and development processes may involve the controlled use of hazardous materials, including chemicals and biological materials. We cannot eliminate the risk of accidental contamination or discharge and any resultant injury from these materials. We may be sued for any injury or contamination that results from our use or the use by third parties of these materials, and our liability may exceed any insurance coverage and our total assets. Federal, state, local or foreign laws and regulations govern the use, manufacture, storage, handling and disposal of these hazardous materials and specified waste products, as well as the discharge of pollutants into the environment and human health and safety matters. Compliance with environmental laws and regulations may be expensive and may impair our research and development efforts. If we fail to comply with these requirements, we could incur substantial costs, including civil or criminal fines and penalties, clean-up costs or capital expenditures for control equipment or operational changes necessary to achieve and maintain compliance. In addition, we cannot predict the impact on our business of new or amended environmental laws or regulations or any changes in the way existing and future laws and regulations are interpreted and enforced. These current or future laws and regulations may impair our research, development or production efforts.

Our internal computer systems, or those of our third-party contractors or consultants, may fail or suffer security breaches, which could result in a material disruption of our product development programs.

Despite the implementation of security measures, our internal computer systems and those of our third-party contractors and consultants are vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. While we do not believe that we have experienced any such system failure, accident, or security breach to date, if such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our programs. For example, the loss of clinical trial data for our product candidates could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. To the extent that any disruption or security breach results in a loss of or damage to our data or applications or other data or applications relating to our technology or product candidates, or inappropriate disclosure of confidential or proprietary information, we could incur liabilities and the further development of our product candidates could be delayed.

We may acquire businesses or products, or form strategic alliances, in the future, and we may not realize the benefits of such acquisitions.

Our current strategy does not involve plans to acquire companies or technologies facilitating or enabling us to access to new medicines, new technologies, new research projects, or new geographical areas, or enabling us to express synergies with our existing operations. However, if such acquisitions were to become necessary or attractive in the future, we may not be able to identify appropriate targets or make acquisitions under satisfactory conditions, in particular, satisfactory price conditions. In addition, we may unable to obtain the financing for

these acquisitions under favorable conditions, and could be led to finance these acquisitions using cash that could be allocated to other purposes in the context of existing operations. If we acquire businesses with promising markets or technologies, we may not be able to realize the benefit of acquiring such businesses if we are unable to successfully integrate them with our existing operations and company culture. We may encounter numerous difficulties in developing, manufacturing and marketing any new products resulting from a strategic alliance or acquisition that delay or prevent us from realizing their expected benefits or enhancing our business. We cannot assure you that, following any such acquisition, we will achieve the expected synergies to justify the transaction, which could have a material adverse effect on our business, financial conditions, earnings and prospects.

Risks Related to This Offering and Ownership of Our Ordinary Shares and ADSs

The requirements of being a U.S. public company may strain our resources, divert management's attention and affect our ability to attract and retain executive management and qualified board members.

As a U.S. public company following this offering, we will incur legal, accounting, and other expenses that we did not previously incur. We will be subject to the Exchange Act, including the reporting requirements thereunder, the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Nasdaq listing requirements and other applicable securities rules and regulations. Compliance with these rules and regulations will increase our legal and financial compliance costs, make some activities more difficult, time-consuming or costly and increase demand on our systems and resources, particularly after we are no longer an "emerging growth company" and/or a foreign private issuer. For example, for so long as we remain a foreign private issuer, we will not be required to file with the SEC quarterly reports with respect to our business and results of operations, which are required to be made by domestic issuers pursuant to the Exchange Act. Nevertheless, following this offering, we intend to submit quarterly interim consolidated financial data to the SEC under cover of the SEC's Form 6-K.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, we will be required to furnish a report by our management on our internal control over financial reporting, including an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. However, while we remain an emerging growth company, we will not be required to include this attestation report on internal control over financial reporting issued by our independent registered public accounting firm. When our independent registered public accounting firm is required to undertake an assessment of our internal control over financial reporting, the cost of complying with Section 404 will significantly increase and management's attention may be diverted from other business concerns, which could adversely affect our business and results of operations. We may need to hire more employees in the future or engage outside consultants to comply with these requirements, which will further increase our cost and expense. If we fail to implement the requirements of Section 404 of the Sarbanes-Oxley Act in the required timeframe, we may be subject to sanctions or investigations by regulatory authorities, including the SEC and the Nasdaq. Furthermore, if we are unable to conclude that our internal control over financial reporting is effective, we could lose investor confidence in the accuracy and completeness of our financial reports, the market price of our ADSs could decline, and we could be subject to sanctions or investigations by regulatory authorities. Failure to implement or maintain effective internal control systems required of public companies could also restrict our future access to the capital markets.

In addition, enhanced legal and regulatory regimes and heightened standards relating to corporate governance and disclosure for public companies result in increased legal and financial compliance costs and make some activities more time consuming. Further, being a U.S. public company and a French public company will have an impact on disclosure of information and require compliance with two sets of applicable rules. This could result in uncertainty regarding compliance matters and higher costs necessitated by legal analysis of dual legal regimes, ongoing revisions to disclosure and adherence to heightened governance practices.

We expect to be a "passive foreign investment company" for U.S. federal income tax purposes, which could result in adverse U.S. federal income tax consequences to U.S. investors.

A non-U.S. corporation will be considered a passive foreign investment company, or PFIC, for any taxable year if either (1) at least 75% of its gross income for such year is passive income or (2) at least 50% of the value of its assets (based on an average of the quarterly values of the assets during such year) is attributable to assets that produce or are held for the production of passive income. Based on the value and composition of our assets, although not free from doubt, we expect to be a PFIC for U.S. federal income tax purposes for our current taxable year and potentially future taxable years. The determination of PFIC status is fact-specific, and separate determination must be made each taxable year as to whether we are a PFIC (after the close of each such taxable year). If we are a PFIC for any taxable year during which a U.S. holder (as defined in the section titled "Taxation—Material U.S. Federal Income Tax Considerations" in this prospectus) holds ADSs, the U.S. holder may be subject to adverse tax consequences, including (1) the treatment of all or a portion of any gain on disposition as ordinary income, (2) the application of an interest charge with respect to such gain and certain dividends and (3) compliance with certain reporting requirements. Each U.S. holder is strongly urged to consult its tax advisor regarding these issues and any available elections to mitigate such tax consequences. See the section titled "Taxation—Material U.S. Federal Income Tax Considerations" in this prospectus.

There has been no prior market for the ADSs and an active and liquid market for our securities may fail to develop, which could harm the market price of the ADSs.

Although our ordinary shares have been traded on the Alternext market of Euronext in Paris since February 7, 2007, there has been no public market for the ADSs or our ordinary shares in the United States. We anticipate our ADSs being approved for listing on the Nasdaq Global Market, but an active trading market for our ADSs may never develop or be sustained following this offering. The initial public offering price of our ADSs will be determined through negotiations between us and the underwriters. This initial public offering price may not be indicative of the market price of our ADSs or ordinary shares after this offering. In the absence of an active trading market for our ADSs or ordinary shares, investors may not be able to sell their ADSs at or above the initial public offering price or at the time that they would like to sell. The market price of ADSs and ordinary shares could be subject to wide fluctuations in response to many risk factors listed in this section, and others beyond our control, including:

- actual or anticipated fluctuations in our financial condition and operating results;
- our failure to develop and commercialize our product candidates;
- adverse results of delays in our or any of our competitors' pre-clinical studies or clinical trials;
- actual or anticipated changes in our growth rate relative to our competitors;
- competition from existing products or new products that may emerge;
- announcements by us, our collaborators or our competitors of significant acquisitions, strategic partnerships, joint ventures, strategic alliances, or capital commitments;
- adverse regulatory decisions, including failure to receive regulatory approval for any of our product candidates;
- the termination of a strategic alliance or the inability to establish additional strategic alliances;
- unanticipated serious safety concerns related to the use of any of our product candidates;
- failure to meet or exceed financial estimates and projections of the investment community or that we provide to the public;
- issuance of new or updated research or reports by securities analysts;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- ADS price and volume fluctuations attributable to inconsistent trading volume levels of our ADSs;

- price and volume fluctuations in trading of our ordinary shares on the Alternext market of the Euronext in Paris;
- additions or departures of key management or scientific personnel;
- disputes or other developments related to proprietary rights, including patents, litigation matters, and our ability to obtain patent protection for our technologies;
- our inability to obtain reimbursement by commercial third-party payors and government payors and any announcements relating to coverage policies or reimbursement levels;
- announcement or expectation of additional debt or equity financing efforts;
- sales of our ordinary shares or ADSs by us, our insiders or our other shareholders; and
- general economic and market conditions.

These and other market and industry factors may cause the market price and demand for our ADSs to fluctuate substantially, regardless of our actual operating performance, which may limit or prevent investors from readily selling their ADSs and may otherwise negatively affect the liquidity of our capital shares. In addition, the stock market in general, and biopharmaceutical companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of these companies.

After this offering, share ownership will remain concentrated in the hands of our principal shareholders and management, who will continue to be able to exercise a direct or indirect controlling influence on us.

We anticipate that our executive officers, directors, current 5% or greater shareholders and affiliated entities will beneficially own approximately % of our ordinary shares outstanding after this offering, assuming no exercise of the underwriters' option to purchase additional ADSs. As a result, these shareholders, acting together, will have significant influence over all matters that require approval by our shareholders, including the election of directors and approval of significant corporate transactions. Corporate action might be taken even if other shareholders, including those who purchase ADSs in this offering, oppose them. This concentration of ownership might also have the effect of delaying or preventing a change of control of our company that other shareholders may view as beneficial.

We have broad discretion in the use of the net proceeds from this offering and may not use them effectively.

Our management will have broad discretion in the application of the net proceeds that we receive from this offering, including applications for working capital and other general corporate purposes, which could include possible acquisitions in the future, and we may spend or invest these proceeds in a way with which our shareholders disagree. The failure by our management to apply these funds effectively could harm our business and financial condition. Pending their use, we may invest the net proceeds from this offering in a manner that does not produce income or that loses value. These investments may not yield a favorable return to our investors.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, the price of the ADSs and trading volume could decline.

The trading market for the ADSs depends in part on the research and reports that securities or industry analysts publish about us or our business. If few or no securities or industry analysts cover us, the trading price for the ADSs would be negatively impacted. If one or more of the analysts who covers us downgrades the ADSs or publishes incorrect or unfavorable research about our business, the price of the ADSs would likely decline. If one or more of these analysts ceases coverage of our company or fails to publish reports on us regularly, or downgrades the ADSs, demand for the ADSs could decrease, which could cause the price of the ADSs or trading volume to decline.

We do not currently intend to pay dividends on our securities, and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of the ADSs. In addition, French law may limit the amount of dividends we are able to distribute.

We have never declared or paid any cash dividends on our ordinary shares and do not currently intend to do so for the foreseeable future. We currently intend to invest our future earnings, if any, to fund our growth. Therefore, you are not likely to receive any dividends on your ADSs for the foreseeable future and the success of an investment in ADSs will depend upon any future appreciation in its value. Consequently, investors may need to sell all or part of their holdings of ADSs after price appreciation, which may never occur, as the only way to realize any future gains on their investment. There is no guarantee that the ADSs will appreciate in value or even maintain the price at which our shareholders have purchased the ADSs. Investors seeking cash dividends should not purchase the ADSs.

Further, under French law, the determination of whether we have been sufficiently profitable to pay dividends is made on the basis of our statutory financial statements prepared and presented in accordance with IFRS. In addition, payment of dividends may subject us to additional taxes under French law. Please see the section of this prospectus titled “Description of Share Capital—Key Provisions of Our By-laws and French Law Affecting Our Ordinary Shares—Rights, Preferences and Restrictions Attaching to Ordinary Shares” for further details on the limitations on our ability to declare and pay dividends and the taxes that may become payable by us if we elect to pay a dividend. Therefore, we may be more restricted in our ability to declare dividends than companies not based in France.

In addition, exchange rate fluctuations may affect the amount of euros that we are able to distribute, and the amount in U.S. dollars that our shareholders receive upon the payment of cash dividends or other distributions we declare and pay in euros, if any. These factors could harm the value of the ADSs, and, in turn, the U.S. dollar proceeds that holders receive from the sale of the ADSs.

If you purchase ADSs in this offering, you will experience substantial and immediate dilution.

If you purchase ADSs in this offering, you will experience substantial and immediate dilution of $ €( ) per ADS in the net tangible book value after giving effect to the offering at an assumed initial public offering price of $ per ADS, the U.S. dollar equivalent of the closing price of our ordinary shares on the Alternext market of Euronext in Paris on , 2015, because the price that you pay will be substantially greater than the net tangible book value per ordinary share represented by the ADSs that you acquire. This dilution is due in large part to the fact that our earlier investors paid substantially less than the public offering price when they purchased their ordinary shares. You will experience additional dilution upon exercise of any outstanding options or warrants to purchase ordinary shares under our equity incentive plans, if we issue free shares to our employees under our equity incentive plans or if we otherwise issue additional ordinary shares or ADSs below the public offering price. For a further description of the dilution that you will experience immediately after this offering, see the section of this prospectus titled “Dilution.”

Future sales of ordinary shares or ADSs by existing shareholders could depress the market price of the ADSs.

If our existing shareholders sell, or indicate an intent to sell, substantial amounts of ordinary shares or ADSs in the public market after the 180-day contractual lock-up and other legal restrictions on resale discussed in this prospectus lapse, the trading price of the ADSs could decline significantly and could decline below the public offering price. Upon completion of this offering, we will have outstanding ordinary shares, of which the ordinary shares represented by the ADSs sold in this offering and additional shares not subject to a lock-up agreement with our underwriters will be freely tradeable. Approximately shares are subject to a 180-day contractual lock-up, subject to limited, customary exceptions, with our underwriters. Merrill Lynch, Pierce, Fenner & Smith Incorporated and Jefferies LLC may permit our officers and directors to sell ordinary shares prior to the expiration of the lock-up agreements.

After the lock-up agreements pertaining to this offering expire, and based on the number of ordinary shares outstanding upon completion of this offering, additional ordinary shares (including shares represented by ADSs) will be eligible for sale in the public market, which ordinary shares are held by our directors and executive officers and will be subject to volume limitations under Rule 144 under the Securities Act. In addition, the ordinary shares issuable as free shares or under our equity incentive plans and the shares reserved for future issuance under our equity incentive plans and ordinary shares subject to outstanding warrants will become eligible for sale in the public market in the future, subject to certain legal and contractual limitations. If these additional shares are sold, or if it is perceived that they will be sold, in the public market, the trading price of the ADSs could decline substantially.

Following this offering, we intend to file one or more registration statements with the SEC covering ADSs (equivalent to an equal number of ordinary shares) available for future issuance under our equity incentive plans. Upon effectiveness of such registration statements, any shares subsequently issued under such plans will be eligible for sale in the public market, except to the extent that they are restricted by the lock-up agreements referred to above and subject to compliance with Rule 144 in the case of our affiliates. Sales of a large number of the shares issued under these plans in the public market could have an adverse effect on the market price of the ADSs.

Our By-laws and French corporate law contain provisions that may delay or discourage a takeover attempt.

Provisions contained in our By-laws and the corporate laws of France, the country in which we are incorporated, could make it more difficult for a third-party to acquire us, even if doing so might be beneficial to our shareholders. In addition, provisions of our By-laws impose various procedural and other requirements, which could make it more difficult for shareholders to effect certain corporate actions. These provisions include the following:

- under French law, a non-resident of France may have to file an administrative notice with French authorities in connection with a direct or indirect investment in us, as defined by administrative rulings; see the section of this prospectus titled “Limitations Affecting Shareholders of a French Company”;
- a merger (i.e., in a French law context, a share for share exchange following which our company would be dissolved without being liquidated into the acquiring entity and our shareholders would become shareholders of the acquiring entity) of our company into a company incorporated in the EU would require the approval of our board of directors as well as a two-thirds majority of the votes held by the shareholders present, represented by proxy or voting by mail at the relevant meeting;
- a merger of our company into a company incorporated outside of the EU would require the unanimous approval of our shareholders;
- under French law, a cash merger is treated as a share purchase and would require the consent of each participating shareholder;
- our shareholders have granted and may grant in the future our board of directors broad authorizations to increase our share capital or to issue additional ordinary shares or other securities (for example, warrants) to our shareholders, the public or qualified investors, including as a possible defense following the launching of a tender offer for our shares;
- our shareholders have preferential subscription rights proportionally to their shareholding in our company on the issuance by us of any additional securities as part of a cash capital increase or a capital increase by way of debt set-off. Such rights may only be waived by the extraordinary general meeting (by a two-thirds majority vote) of our shareholders or on an individual basis by each shareholder;
- our board of directors has the right to appoint directors to fill a vacancy created by the resignation or death of a director, subject to the approval by the shareholders of such appointment at the next shareholders’ meeting, which prevents shareholders from having the sole right to fill vacancies on our board;
- our board of directors can only be convened by our chairman or our managing director, if any, or, when no board meeting has been held for more than two consecutive months, by directors representing at least one third of the total number of directors;

- our board of directors meetings can only be regularly held if at least half of the directors attend either physically or by way of videoconference or teleconference enabling the directors' identification and ensuring their effective participation in the board's decisions;
- our shares take the form of bearer securities or registered securities, if applicable legislation so permits, according to the shareholder's choice. Issued shares are registered in individual accounts opened by us or any authorized intermediary (depending on the form of such shares), in the name of each shareholder and kept according to the terms and conditions laid down by the legal and regulatory provisions;
- approval of at least a majority of the votes held by shareholders present, represented by a proxy, or voting by mail at the relevant ordinary shareholders' general meeting is required to remove directors with or without cause;
- advance notice is required for nominations to the board of directors or for proposing matters to be acted upon at a shareholders' meeting, except that a vote to remove and replace a director can be proposed at any shareholders' meeting without notice;
- the crossing of certain ownership thresholds has to be disclosed and can impose certain obligations; see the section of this prospectus titled "Description of Share Capital—Declaration of Crossing of Ownership Thresholds;" and
- pursuant to French law, the sections of the By-laws relating to the number of directors and election and removal of a director from office may only be modified by a resolution adopted by a two-thirds majority vote of our shareholders present, represented by a proxy or voting by mail at the meeting.

You may not be able to exercise your right to vote the ordinary shares underlying your ADSs.

Holders of ADSs may exercise voting rights with respect to the ordinary shares represented by the ADSs only in accordance with the provisions of the deposit agreement. The deposit agreement provides that, upon receipt of notice of any meeting of holders of our ordinary shares, the depositary will fix a record date for the determination of ADS holders who shall be entitled to give instructions for the exercise of voting rights. Upon timely receipt of notice from us, if we so request, the depositary shall distribute to the holders as of the record date (1) the notice of the meeting or solicitation of consent or proxy sent by us and (2) a statement as to the manner in which instructions may be given by the holders.

You may instruct the depositary of your ADSs to vote the ordinary shares underlying your ADSs. Otherwise, you will not be able to exercise your right to vote, unless you withdraw the ordinary shares underlying the ADSs you hold. However, you may not know about the meeting far enough in advance to withdraw those ordinary shares. If we ask for your instructions, the depositary, upon timely notice from us, will notify you of the upcoming vote and arrange to deliver our voting materials to you. We cannot guarantee you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote your ordinary shares or to withdraw your ordinary shares so that you can vote them yourself. If the depositary does not receive timely voting instructions from you, it may give a proxy to a person designated by us to vote the ordinary shares underlying your ADSs in accordance with the recommendation of our board of directors. In addition, the depositary and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. This means that you may not be able to exercise your right to vote, and there may be nothing you can do if the ordinary shares underlying your ADSs are not voted as you requested.

Your right as a holder of ADSs to participate in any future preferential subscription rights or to elect to receive dividends in shares may be limited, which may cause dilution to your holdings.

According to French Law, if we issue additional securities for cash, current shareholders will have preferential subscription rights for these securities proportionally to their shareholding in our company unless they waive those rights at an extraordinary meeting of our shareholders (by a two-thirds majority vote) or individually by each shareholder. However, our ADS holders in the United States will not be entitled to exercise

or sell such rights unless we register the rights and the securities to which the rights relate under the Securities Act or an exemption from the registration requirements is available. In addition, the deposit agreement provides that the depositary will not make rights available to you unless the distribution to ADS holders of both the rights and any related securities are either registered under the Securities Act or exempted from registration under the Securities Act. Further, if we offer holders of our ordinary shares the option to receive dividends in either cash or shares, under the deposit agreement the depositary may require satisfactory assurances from us that extending the offer to holders of ADSs does not require registration of any securities under the Securities Act before making the option available to holders of ADSs. We are under no obligation to file a registration statement with respect to any such rights or securities or to endeavor to cause such a registration statement to be declared effective. Moreover, we may not be able to establish an exemption from registration under the Securities Act. Accordingly, ADS holders may be unable to participate in our rights offerings or to elect to receive dividends in shares and may experience dilution in their holdings. In addition, if the depositary is unable to sell rights that are not exercised or not distributed or if the sale is not lawful or reasonably practicable, it will allow the rights to lapse, in which case you will receive no value for these rights.

You may be subject to limitations on the transfer of your ADSs and the withdrawal of the underlying ordinary shares.

Your ADSs, which may be evidenced by American Depositary Receipts, or ADRs, are transferable on the books of the depositary. However, the depositary may close its books at any time or from time to time when it deems expedient in connection with the performance of its duties. The depositary may refuse to deliver, transfer or register transfers of your ADSs generally when our books or the books of the depositary are closed, or at any time if we or the depositary think it is advisable to do so because of any requirement of law, government or governmental body, or under any provision of the deposit agreement, or for any other reason subject to your right to cancel your ADSs and withdraw the underlying ordinary shares. Temporary delays in the cancellation of your ADSs and withdrawal of the underlying ordinary shares may arise because the depositary has closed its transfer books or we have closed our transfer books, the transfer of ordinary shares is blocked to permit voting at a shareholders’ meeting or we are paying a dividend on our ordinary shares. In addition, you may not be able to cancel your ADSs and withdraw the underlying ordinary shares when you owe money for fees, taxes and similar charges and when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to ADSs or to the withdrawal of ordinary shares or other deposited securities.

We are an “emerging growth company” and will be able to avail ourselves of reduced disclosure requirements applicable to emerging growth companies, which could make our ADSs less attractive to investors.

We are an “emerging growth company,” as defined in the JOBS Act, and we intend to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not “emerging growth companies” including not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. Although Section 107 of the JOBS Act provides that an emerging growth company can use the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards, we have irrevocably elected not to avail ourselves of this extended transition period. We cannot predict if investors will find the ADSs less attractive because we may rely on these exemptions available to emerging growth companies. If some investors find the ADSs less attractive as a result, there may be a less active trading market for the ADSs and the price of the ADSs may be more volatile. We may take advantage of these reporting exemptions until we are no longer an emerging growth company. We will remain an emerging growth company until the earliest of (1) the last day of the fiscal year in which we have total annual gross revenue of $1.0 billion or more; (2) the last day of our fiscal year following the fifth anniversary of the date of the completion of this offering; (3) the date on which we have issued more than $1.0 billion in nonconvertible debt during the previous three years; and (4) the date on which we are deemed to be a large accelerated filer under the rules of the SEC.

As a foreign private issuer, we are exempt from a number of rules under the U.S. securities laws and are permitted to file less information with the SEC than a U.S. company. This may limit the information available to holders of ADSs.

We are a "foreign private issuer," as defined in the SEC's rules and regulations and, consequently, we are not subject to all of the disclosure requirements applicable to public companies organized within the United States. For example, we are exempt from certain rules under the Exchange Act that regulate disclosure obligations and procedural requirements related to the solicitation of proxies, consents or authorizations applicable to a security registered under the Exchange Act, including the U.S. proxy rules under Section 14 of the Exchange Act. In addition, our officers and directors are exempt from the reporting and "short-swing" profit recovery provisions of Section 16 of the Exchange Act and related rules with respect to their purchases and sales of our securities. Moreover, while we currently make annual and semi-annual filings with respect to our listing on the Alternext market of Euronext in Paris and expect to file financial reports on an annual and semi-annual basis, we will not be required to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. public companies and will not be required to file quarterly reports on Form 10-Q or current reports on Form 8-K under the Exchange Act. Accordingly, although we intend to submit quarterly interim consolidated financial data to the SEC, there will be less publicly available information concerning our company than there would be if we were a U.S. public company.

As a foreign private issuer, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from Nasdaq corporate governance listing standards. These practices may afford less protection to shareholders than they would enjoy if we complied fully with corporate governance listing standards.

As a foreign private issuer listed on the Nasdaq Global Market, we will be subject to corporate governance listing standards. However, Nasdaq's rules permit a foreign private issuer like us to follow the corporate governance practices of its home country. Certain corporate governance practices in France, which is our home country, may differ significantly from corporate governance listing standards of the Nasdaq. For example, neither the corporate laws of France nor our By-laws require a majority of our directors to be independent, we could include non-independent directors as members of our compensation committee, and our independent directors would not necessarily hold regularly scheduled meetings at which only independent directors are present. In addition, home country practice in France does not require us to maintain a nominating and corporate governance committee or to maintain a compensation committee composed entirely of independent directors. Currently, we intend to follow home country practice in certain key respects. Therefore, our shareholders may be afforded less protection than they otherwise would have under corporate governance listing standards applicable to U.S. domestic issuers. A discussion of our current intentions with respect to our corporate governance practices is set forth in the section titled "Management—Corporate Governance Practices."

We may lose our foreign private issuer status in the future, which could result in significant additional cost and expense.

While we currently qualify as a foreign private issuer, the determination of foreign private issuer status is made annually on the last business day of an issuer's most recently completed second fiscal quarter and, accordingly, the next determination will be made with respect to us on June 30, 2015.

In the future, we would lose our foreign private issuer status if we to fail to meet the requirements necessary to maintain our foreign private issuer status as of the relevant determination date. For example, if more than 50% of our securities are held by U.S. residents and more than 50% of our executive officers or members of our board of directors are residents or citizens of the United States, we could lose our foreign private issuer status. Immediately following the closing of this offering, approximately   % of our outstanding ordinary shares will likely be held by U.S. residents (assuming that all purchasers in this offering are residents of the United States).

The regulatory and compliance costs to us under U.S. securities laws as a U.S. domestic issuer would be significantly more than costs we will incur as a foreign private issuer. If we are not a foreign private issuer, we

will be required to file periodic reports on Form 10-Q and current reports on Form 8-K, to file periodic reports and registration statements on U.S. domestic issuer forms with the SEC, which are more detailed and extensive in certain respects than the forms available to a foreign private issuer. We would be required under current SEC rules to prepare our financial statements in accordance with U.S. GAAP, rather than IFRS, and modify certain of our policies to comply with corporate governance practices associated with U.S. domestic issuers. Such conversion of our financial statements to U.S. GAAP will involve significant time and cost. In addition, we may lose our ability to rely upon exemptions from certain corporate governance requirements of the Nasdaq that are available to foreign private issuers such as the ones described above and exemptions from procedural requirements related to the solicitation of proxies.

U.S. investors may have difficulty enforcing civil liabilities against our company and directors and senior management and the experts named in this prospectus.

Certain members of our board of directors and senior management and those of our subsidiaries and certain experts named in this prospectus are non-residents of the United States, and all or a substantial portion of our assets and the assets of such persons are located outside the United States. As a result, it may not be possible to serve process on such persons or us in the United States or to enforce judgments obtained in U.S. courts against them or us based on civil liability provisions of the securities laws of the United States. Additionally, it may be difficult to assert U.S. securities law claims in actions originally instituted outside of the United States. Foreign courts may refuse to hear a U.S. securities law claim because foreign courts may not be the most appropriate forums in which to bring such a claim. Even if a foreign court agrees to hear a claim, it may determine that the law of the jurisdiction in which the foreign court resides, and not U.S. law, is applicable to the claim. Further, if U.S. law is found to be applicable, the content of applicable U.S. law must be proved as a fact, which can be a time-consuming and costly process, and certain matters of procedure would still be governed by the law of the jurisdiction in which the foreign court resides. In particular, there is some doubt as to whether French courts would recognize and enforce certain civil liabilities under U.S. securities laws in original actions or judgments of U.S. courts based upon these civil liability provisions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may be unenforceable in France. An award for monetary damages under the U.S. securities laws would be considered punitive if it does not seek to compensate the claimant for loss or damage suffered but is intended to punish the defendant. French law provides that a shareholder, or a group of shareholders, may initiate a legal action to seek indemnification from the directors of a corporation in the corporation’s interest if it fails to bring such legal action itself. If so, any damages awarded by the court are paid to the corporation and any legal fees relating to such action are borne by the relevant shareholder or the group of shareholders.

The enforceability of any judgment in France will depend on the particular facts of the case as well as the laws and treaties in effect at the time. The United States and France do not currently have a treaty providing for recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters. See the section titled “Enforcement of Civil Liabilities” in this prospectus.

Provisions in our collaboration agreement with Servier may prevent or delay a change in control.

Our collaboration agreement with Servier provides that if any third party begins to control us, directly or indirectly, by any means, or in the event that we engage in a change of control transaction, including, but not limited to, the sale of all or substantially all of our assets or all or substantially all of our assets that are material to the performance of our obligations under the collaboration agreement, then Servier has the right to buy-out our interest in the pre-candidate products, product candidates, and products as described under the collaboration agreement. We refer to this right to acquire such interest as the buy-out. In the event we fail to agree with Servier on the amount of payment for our interest in the pre-candidate products, product candidates or products within twenty days following Servier’s provision of a buy-out notice, then the buy-out payment would be determined by-third party valuators.

The buy-out may have the effect of delaying or preventing a change in control transaction involving us, or may reduce the number of companies interested in acquiring us. If Servier were to exercise the buy-out, it would

gain exclusive development and marketing rights to the pre-candidate products, product candidates and products developed under the collaboration agreement. Were this to happen, our successor would not receive milestone payments or royalty payments on net sales of any of the products sold to Servier in connection with the buy-out. These provisions could have the effect of delaying or preventing a change in control transaction involving Cellectis, or could reduce the number of companies interested in acquiring us.

The rights of shareholders in companies subject to French corporate law differ in material respects from the rights of shareholders of corporations incorporated in the United States.

We are a French company with limited liability. Our corporate affairs are governed by our By-laws and by the laws governing companies incorporated in France. The rights of shareholders and the responsibilities of members of our board of directors are in many ways different from the rights and obligations of shareholders in companies governed by the laws of U.S. jurisdictions. For example, in the performance of its duties, our board is required by French law to consider the interests of our company, its shareholders, its employees and other stakeholders, rather than solely our shareholders and/or creditors. It is possible that some of these parties will have interests that are different from, or in addition to, your interests as a shareholder. See the sections of this prospectus titled “Management—Corporate Governance Practices” and “Description of Share Capital.”

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, particularly the sections of this prospectus titled “Summary,” “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business,” contains forward-looking statements. All statements other than present and historical facts and conditions contained in this prospectus, including statements regarding our future results of operations and financial position, business strategy, plans and our objectives for future operations, are forward-looking statements. When used in this prospectus, the words “anticipate,” “believe,” “can,” “could,” “estimate,” “expect,” “intend,” “is designed to,” “may,” “might,” “plan,” “potential,” “predict,” “objective,” “should,” or the negative of these and similar expressions identify forward-looking statements. Forward-looking statements include, but are not limited to, statements about:

- the initiation, timing, progress and results of our pre-clinical and clinical studies, and our research and development programs;
- the initiation, timing, progress and results of our agricultural biotechnology research and development program;
- our ability to advance product candidates into, and successfully complete, clinical studies;
- our ability to advance plant products into, and successfully complete, field trials;
- the timing or regulatory filings and the likelihood of favorable regulatory outcomes and approvals;
- the regulatory treatment of our plant products;
- regulatory developments in the United States and foreign countries;
- the commercialization of our product candidates, if approved;
- the pricing and reimbursement of our product candidates, if approved;
- our ability to contract on commercially reasonable terms with CROs, third-party suppliers of biological raw materials and manufacturers;
- the implementation of our business model, strategic plans for our business, product candidates and technology;
- the scope of protection we are able to establish and maintain for intellectual property rights covering our product candidates and technology;
- the ability of third parties with whom we contract to successfully conduct, supervise and monitor clinical studies for our therapeutic product candidates or our plant products;
- estimates of our expenses, future revenues, capital requirements and our needs for additional financing;
- our ability to obtain additional funding for our operations;
- the potential benefits of our strategic alliances and our ability to enter into future strategic arrangements;
- the ability and willingness of collaborators pursuant to our strategic alliances to actively pursue development activities under our collaboration agreements;
- our receipt of milestone or royalty payments pursuant to our strategic alliances with Servier and Pfizer;
- our ability to maintain and establish collaborations or obtain additional grant funding;
- the rate and degree of market acceptance of or product candidates;
- our status as a passive foreign investment company;
- our financial performance;
- our ability to attract and retain key scientific and management personnel;
- our expectations regarding the period during which we qualify as an emerging growth company under the JOBS Act or as a foreign private issuer;

- developments relating to our competitors and our industry, including competing therapies; and
- other risks and uncertainties, including those listed under the caption "Risk Factors."

You should refer to the section of this prospectus titled "Risk Factors" for a discussion of important factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements. As a result of these factors, we cannot assure you that the forward-looking statements in this prospectus will prove to be accurate. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame or at all. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. The Private Securities Litigation Reform Act of 1995 and Section 27A of the Securities Act do not protect any forward-looking statements that we make in connection with this offering.

You should read this prospectus and the documents that we reference in this prospectus and have filed as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

This prospectus contains market data and industry forecasts that were obtained from industry publications. These data and forecasts involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. While we believe the market position, market opportunity and market size information included in this prospectus is generally reliable, such information is inherently imprecise.

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FOREIGN CURRENCY EXCHANGE RATES

The following table sets forth, for each period indicated, the low and high exchange rates for euros expressed in U.S. dollars, the exchange rate at the end of such period and the average of such exchange rates on the last day of each month during such period, based on the noon buying rate of the Federal Reserve Bank of New York for the euro. As used in this document, the term “noon buying rate” refers to the rate of exchange for the euro, expressed in U.S. dollars per euro, as certified by the Federal Reserve Bank of New York for customs purposes. The exchange rates set forth below are provided for reference only and to demonstrate trends in exchange rates. They should not be relied upon, and the actual exchange rates used throughout this prospectus may vary.

	Year Ended December 31,				
	2010	2011	2012	2013	2014
High	1.4536	1.4875	1.3463	1.3816	1.3927
Low	1.1959	1.2926	1.2062	1.2774	1.2101
Rate at end of period	1.3269	1.2973	1.3186	1.3779	1.2101
Average rate per period	1.3262	1.3931	1.2859	1.3281	1.3297

The following table sets forth, for each of the last six months, the low and high exchange rates for euros expressed in U.S. dollars and the exchange rate at the end of the month based on the noon buying rate as described above.

	September 2014	October 2014	November 2014	December 2014	January 2015	February 2015
High	1.3136	1.2812	1.2554	1.2504	1.2015	1.1462
Low	1.2628	1.2517	1.2394	1.2101	1.1279	1.1197
Rate at end of period	1.2628	1.2530	1.2438	1.2101	1.1290	1.1197

On March 6, 2015, the noon buying rate of the Federal Reserve Bank of New York for the euro was €1.00 = $1.0855.

Information presented on a constant currency basis in this prospectus is calculated by translating current year results at prior year average exchange rates. Management reviews and analyzes business results excluding the effect of foreign currency translation because they believe this better represents our underlying business trends.

In various places throughout this prospectus we show financial amounts in both U.S. dollars and euros. Unless otherwise stated, these translations, which are provided solely for convenience, are made at the exchange rate of €1.00 = $1.2101, the noon buying rate of the Federal Reserve Bank of New York on December 31, 2014.

MARKET INFORMATION

Our ordinary shares have been trading on the Alternext market of Euronext in Paris under the symbol “ALCLS” since February 2007.

The following table sets forth for the periods indicated the reported high and low closing sale prices per ordinary share on the Alternext market of Euronext in Paris.

Period	High	Low
Annual		
2010	€10.95	€ 6.41
2011	€ 9.30	€ 5.65
2012	€ 8.24	€ 4.80
2013	€ 7.70	€ 2.19
2014	€14.00	€ 2.40
Quarterly		
First Quarter 2013	€ 7.70	€ 5.90
Second Quarter 2013	€ 6.20	€ 4.54
Third Quarter 2013	€ 5.99	€ 4.36
Fourth Quarter 2013	€ 3.84	€ 2.19
First Quarter 2014	€ 7.16	€ 2.40
Second Quarter 2014	€13.50	€ 4.73
Third Quarter 2014	€14.00	€10.54
Fourth Quarter 2014	€12.90	€ 8.98
First Quarter 2015 (through March 9, 2015)	€33.70	€13.26
Month Ended		
January 2015	€26.28	€13.26
February 2015	€30.78	€24.02
March 2015 (through March 9, 2015)	€33.70	€31.40

On March 9, 2015, the last reported sale price of our ordinary shares on the Alternext market of Euronext in Paris was €31.40 per share.

USE OF PROCEEDS

We estimate that the net proceeds from the sale of ADSs in this offering will be approximately $ million, or $ million if the underwriters exercise their option to purchase additional ADSs in full, based on an assumed initial public offering price of $ per ADS, the U.S. dollar equivalent of the closing price of our ordinary shares on the Alternext market of Euronext in Paris on , 2015, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

A $1.00 increase (decrease) in the assumed initial public offering price of $ per ADS would increase (decrease) our net proceeds from this offering by $ million, assuming the number of ADSs offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions. Each increase or decrease of 1,000,000 in the number of ADSs offered by us would increase or decrease the net proceeds to us from the sale of the ADSs we are offering by $ million, assuming that the initial public offering price remains the same and after deducting underwriting discounts and commissions. The actual net proceeds payable to us will adjust based on the actual number of ADSs sold by us, the actual public offering price and other terms of this offering determined at pricing.

We currently expect to use the net proceeds from this offering as follows:

- approximately $ million to continue to develop our current proprietary immuno-oncology product candidates, which we believe will be sufficient to progress each of UCART19, UCART123, UCARTCS1 and UCART38 through phase 1 clinical trials and to commence phase 2 clinical trials on one or more of these product candidates;
- approximately $ million for further research and development regarding cell attributes and to develop our manufacturing processes and cell engineering technologies;
- approximately $ million to pursue new human therapeutics outside of oncology;
- approximately $ million to advance our agricultural biotechnology business; and
- the remainder, if any, for working capital and other general corporate purposes.

We currently have no specific plans as to how the net proceeds from this offering will be allocated beyond the expected uses specified above and therefore management will retain discretion with respect to the use of the remainder of the net proceeds of this offering. We may also use a portion of the net proceeds to acquire, license or invest in complementary products, technologies or businesses; however, we currently have no agreements or commitments to complete any such transaction.

This expected use of the net proceeds from this offering represents our intentions based upon our current plans and business conditions. As of the date of this prospectus, we cannot predict with certainty all of the particular uses for the net proceeds to be received upon the completion of this offering or the amounts that we will actually spend on the uses set forth above. The amounts and timing of our actual expenditures and the extent of clinical development may vary significantly depending on numerous factors, including the progress of our development efforts, the status of and results from pre-clinical studies and any ongoing clinical trials or clinical trials we may commence in the future, as well as any strategic alliances that we may enter into with third parties for our product candidates and any unforeseen cash needs. As a result, our management will retain broad discretion over the allocation of the net proceeds from this offering.

Pending our use of the net proceeds from this offering, we intend to invest the net proceeds in a variety of capital preservation investments, including short-term, investment-grade, interest-bearing instruments.

DIVIDEND POLICY

We have never declared or paid any cash dividends on our ordinary shares. We do not anticipate paying cash dividends on our equity securities, including the ADSs offered hereby, in the foreseeable future and intend to retain all available funds and any future earnings for use in the operation and expansion of our business.

Subject to the requirements of French law and our By-laws, dividends may only be distributed from our distributable profits, plus any amounts held in our available reserves, which are those reserves other than the legal and statutory reserves and the revaluation surplus. The section of this prospectus titled "Description of Share Capital—Key Provisions of Our By-laws and French Law Affecting Our Ordinary Shares—Rights, Preferences and Restrictions Attaching to Ordinary Shares" provides further details on the limitations on our ability to declare and pay dividends. Dividend distributions, if any, will be made in euros and converted into U.S. dollars with respect to the ADSs, as provided in the deposit agreement.

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CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of December 31, 2014 on:

- an actual basis; and
- an as adjusted basis to reflect our issuance and sale of ADSs in this offering at an assumed initial public offering price of $ per ADS, the U.S. dollar equivalent of the closing price of our ordinary shares on the Alternext market of Euronext in Paris on , 2015, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

You should read this table together with our financial statements and the related notes thereto beginning on page F-1, as well as the section of this prospectus titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the other financial information included elsewhere in this prospectus.

	As of December 31, 2014			
	Actual		As Adjusted(1)	
	in thousands			
	€	$	€	$
Cash and cash equivalents	112,347	135,951		
Non-current financial debt	2,824	3,417		
Share capital:				
Ordinary shares, €0.05 nominal value: 29,446,721 shares issued and outstanding, actual; shares issued and outstanding, as adjusted	1,472	1,781		
Premiums related to the share capital	192,842	233,358		
Treasury share reserve	(251)	(304)		
Currency translation adjustment	(762)	(922)		
Retained earnings	(132,536)	(160,382)		
Net loss	(972)	(1,176)		
Non controlling interests	(1,259)	(1,524)		
Total shareholders' equity	59,527	72,034		
Total capitalization	62,351	75,451		

(1) Each $1.00 increase or decrease in the assumed initial public offering price of $ per ADS, the U.S. dollar equivalent of the closing price of our ordinary shares on the Alternext market of Euronext in Paris on , 2015, would increase or decrease each of as adjusted cash and cash equivalents, total shareholders' equity and total capitalization by approximately $ million, assuming that the number of ADSs offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions. We may also increase or decrease the number of ADSs we are offering. Each increase or decrease of 1,000,000 in the number of ADSs offered by us would increase or decrease each of as adjusted cash and cash equivalents, total shareholders' equity and total capitalization by approximately $ million, assuming that the assumed initial public offering price remains the same, and after deducting underwriting discounts and commissions. The as-adjusted information discussed above is illustrative only and will adjust based on the actual public offering price and the actual number of ADSs offered by us.

The number of ordinary shares that will be outstanding after this offering is based on the number of shares outstanding as of December 31, 2014 and excludes:

- 433,411 ordinary shares issuable upon the exercise of non-employee warrants and employee warrants at weighted average exercise prices of €10.40 per share and €13.15 per share, respectively, and free shares (*actions gratuites*) for which the acquisition period has not yet expired;

- 50,000 free shares (*actions gratuites*) granted in 2015 under similar terms and conditions to the 2014 Free Share Plan for which the acquisition period has not yet expired;
- 1,395,000 ordinary shares issuable upon the exercise of the Kepler Warrants by Kepler Capital Markets SA upon our Instruction in accordance with the Contingent Equity Line Facility detailed under the "Description of Share Capital" section;
- 50,000 ordinary shares issuable upon the exercise of non-employee warrants by Trout Capital LLC at an exercise price of €6.00 per share;
- 7,354,930 ordinary shares reserved pursuant to a delegation of authority from our shareholders for grants of stock options, warrants and free ordinary or preferred shares to our directors, executive officers, employees, board observers, consultants and advisors; and
- 44,129,580 ordinary shares reserved pursuant to a delegation of authority from our shareholders for share capital increases by us through rights issuances and public or private offerings.

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DILUTION

If you invest in the ADSs, your ownership interest will be diluted to the extent of the difference between the public offering price per ADS paid by you and the as adjusted net tangible book value per ordinary share after this offering. Our net tangible book value as of December 31, 2014 was €58.5 million ($70.8 million), or €1.99 ($2.41) per ordinary share. Net tangible book value per ordinary share is determined by dividing (1) our total assets less our intangible assets and our total liabilities by (2) the number of ordinary shares outstanding as of December 31, 2014, or 29,446,721 ordinary shares.

After giving effect to our sale of ADSs (each representing one ordinary share) in this offering at an assumed initial public offering price of $ per ADS, the U.S. dollar equivalents of the closing price of our ordinary shares on the Alternext market of Euronext in Paris on , 2015, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us, our as adjusted net tangible book value as of December 31, 2014 would have been € ($), or € ($) per ordinary share (represented by ADSs). This amount represents an immediate increase in net tangible book value of € ($) per ordinary share to our existing shareholders and an immediate dilution in net tangible book value of € ($) per ordinary share to new investors.

The following table illustrates this dilution on a per ordinary share basis:

Assumed initial public offering price per ADS		€
Historical net tangible book value per ordinary share as of December 31, 2014	€1.99	
Increase in net tangible book value per ordinary share attributable to new investors participating in this offering	€	
As adjusted net tangible book value per ordinary share after this offering		€
Dilution per ordinary share to new investors participating in this offering		€

The dilution information discussed above is illustrative only and will change based on the actual initial public offering price. Each $1.00 increase or decrease in the assumed initial public offering price of $ per ADS, the U.S. dollar equivalents of the closing price of our ordinary shares on the Alternext market of Euronext in Paris on , 2015, would increase or decrease our as adjusted net tangible book value by approximately € ($), or approximately € ($) per ordinary share, and the dilution to new investors participating in this offering would be approximately € ($) per ADS, assuming that the number of ADSs offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting underwriting discounts and commissions. We may also increase or decrease the number of ADSs we are offering. An increase in the number of ADSs offered by us by 1,000,000 ADSs would increase the as adjusted net tangible book value by approximately € ($), or € ($) per ordinary share, and the dilution to new investors participating in this offering would be € ($) per ordinary share, assuming that the initial public offering price remains the same, and after deducting underwriting discounts and commissions. Similarly, a decrease in the number of ADSs offered by us by 1,000,000 ADSs would decrease the as adjusted net tangible book value by approximately € ($), or € ($) per ordinary share/ADS, and the dilution to new investors participating in this offering would be € ($) per ADS, assuming that the initial public offering price remains the same, and after deducting underwriting discounts and commissions. The as adjusted information discussed above is illustrative only and will be adjusted based on the actual public offering price, the number of ADSs offered by us and other terms of this offering determined at pricing.

If the underwriters exercise in full their option to purchase additional ADSs, the as adjusted net tangible book value per share after the offering would be € ($) per ordinary share, the increase in the as adjusted net tangible book value to existing shareholders would be € ($) per ordinary share, and the dilution to new investors participating in this offering would be € ($) per ordinary share.

The following table sets forth as of December 31, 2014 consideration paid to us in cash for ordinary shares purchased from us by our existing shareholders and by new investors participating in this offering. Amounts for ordinary shares purchased in this offering are based on an assumed initial public offering price of $ per ordinary share, the U.S. dollar equivalents of the closing price of our ordinary shares on the Alternext market of Euronext in Paris on , 2015, and before deducting underwriting discounts and commissions and estimated offering expenses payable by us:

	Ordinary Shares Purchased from Us		Total Consideration		Average Price per Ordinary Share
	Number	Percent	Amount	Percent	
Existing shareholders		%	€	%	€
New investors					
Total		100.0%	€	100.0%	

Each $1.00 increase or decrease in the assumed initial public offering price of $ per ADS, the U.S. dollar equivalents of the closing price of our ordinary shares on the Alternext market of Euronext in Paris on , 2015, would increase or decrease the total consideration paid by new investors participating in this offering by $ (€), assuming that the number of ADSs offered by us, as set forth on the cover page of this prospectus, remains the same and before deducting underwriting discounts and commissions. We may also increase or decrease the number of ADSs we are offering. An increase or decrease by 1,000,000 in the number of ADSs offered by us by 1,000,000 ADSs would increase or decrease the total consideration paid by new investors participating in this offering by $ (€), assuming that the initial public offering price remains the same and before deducting underwriting discounts and commissions. The information discussed in the table above is illustrative only and will be adjusted based on the actual public offering price, the number of ordinary shares and ADSs offered by us and other terms of this offering determined at pricing.

In addition, if the underwriters exercise in full their option to purchase additional ADSs, the number of ordinary shares held by the existing shareholders after this offering would be reduced to % of the total number of ordinary shares outstanding after this offering, and the number of ordinary shares held by new investors participating in this offering, as represented by ADSs, would increase to , or % of the total number of ordinary shares outstanding after this offering.

The tables and calculations above are based on the number of ordinary shares outstanding as of December 31, 2014, but do not include the following ordinary shares:

- 433,411 ordinary shares issuable upon the exercise of non-employee warrants and employee warrants at weighted average exercise prices of €10.40 per share and €13.15 per share, respectively, and free shares (*actions gratuites*) for which the acquisition period has not yet expired;
- 50,000 free shares (*actions gratuites*) granted in 2015 under similar terms and conditions to the 2014 Free Share Plan for which the acquisition period has not yet expired;
- 1,395,000 ordinary shares issuable upon the exercise of the Kepler Warrants by Kepler Capital Markets SA upon our Instruction in accordance with the Contingent Equity Line Facility detailed under the “Description of Share Capital” section;
- 50,000 ordinary shares issuable upon the exercise of non-employee warrants by Trout Capital LLC at an exercise price of €6.00 per share;
- 7,354,930 ordinary shares reserved pursuant to a delegation of authority from our shareholders for grants of stock options, warrants and free ordinary or preferred shares to our directors, executive officers, employees, board observers, consultants and advisors; and
- 44,129,580 ordinary shares reserved pursuant to a delegation of authority from our shareholders for share capital increases by us through rights issuances and public or private offerings.

SELECTED FINANCIAL DATA

The following selected consolidated statements of operations data for the years ended December 31, 2013 and 2014 and the selected consolidated statement of financial position data as of December 31, 2014 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. Our audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, or IASB.

The following selected consolidated financial data for the periods and as of the dates indicated are qualified by reference to and should be read in conjunction with our consolidated financial statements and related notes beginning on page F-1 of this prospectus, as well as the sections titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Foreign Currency Exchange Rates" included elsewhere in this prospectus.

Our historical results for any prior period do not necessarily indicate our results to be expected for any future period. Our interim financial results for the periods presented are not necessarily indicative of results for a full year or for any subsequent interim period.

	Year Ended December 31,		
	2013	2014	
	€	€	U.S. $ (1)
	in thousands, except share and per share data		
Statement of operations data:			
Total revenues and other income	12,724	26,453	32,011
Operating expenses and other operating income (expenses):			
Royalty expenses	(542)	(3,035)	(3,673)
Research and development expenses	(17,844)	(14,407)	(17,434)
Selling, general and administrative expenses	(19,034)	(13,114)	(15,869)
Other operating income	478	—	—
Redundancy plan	(1,865)	(491)	(594)
Other operating expenses	(445)	(651)	(788)
Operating loss	(26,528)	(5,245)	(6,347)
Loss from discontinued operations	(29,580)	(2,822)	(3,415)
Financial gain (loss)	(312)	7,095	8,586
Net loss	(56,419)	(972)	(1,176)
Earnings per share attributable to shareholders of Cellectis (2)			
Basic and diluted (3)	(2.68)	0.00	0.00
Number of shares used for computing			
Basic and diluted (2)	20,653,912	26,071,709	26,071,709

(1) Translated solely for convenience into dollars at an exchange rate of €1.00 = $1.2101, the noon buying rate of the Federal Reserve Bank of New York on December 31, 2014.
(2) See Note 26 to our financial statements for further details on the calculation of basic and diluted loss per ordinary share.
(3) Potential ordinary shares resulting from the exercise of share warrants and employee warrants are antidilutive since their conversion to ordinary shares would decrease loss per share from continuing operations. Consequently, the diluted earnings per share is equivalent to the basic earnings per share.

	As of December 31,		
	2013	2014	
	€	€	US $ (1)
		in thousands	
Statement of financial position data:			
Cash and cash equivalents	7,559	112,347	135,951
Total assets	28,875	137,614	166,527
Total shareholders’ equity	2,517	59,527	72,034
Total non-current liabilities	3,812	3,222	3,899
Total current liabilities	22,546	74,865	90,594

(1) Translated solely for convenience into dollars at an exchange rate of €1.00 = $1.2101, the noon buying rate of the Federal Reserve Bank of New York on December 31, 2014.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion contains forward-looking statements that involve certain risks and uncertainties. Our actual results could differ materially from those discussed in these statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this prospectus, particularly under the "Risk Factors" and "Special Note Regarding Forward-Looking Statements" sections.

Overview

We are a pioneering gene-editing company, employing our core proprietary technologies to develop best-in-class products in the emerging field of immuno-oncology. Our product candidates, based on gene-edited T-cells that express chimeric antigen receptors, or CARs, seek to harness the power of the immune system to target and eradicate cancers. We believe that CAR-based immunotherapy is one of the most promising areas of cancer research, representing a new paradigm for cancer treatment. We are designing next-generation immunotherapies that are based on gene-edited CAR T-cells. Our gene-editing technologies allow us to create allogeneic CAR T-cells, meaning they are derived from healthy donors rather than the patients themselves. We believe that the allogeneic production of CAR T-cells will allow us to develop cost-effective, "off-the-shelf" products and are capable of being stored and distributed worldwide. Our gene-editing expertise also enables us to develop product candidates that feature additional safety and efficacy attributes, including control properties designed to prevent them from attacking healthy tissues, to enable them to tolerate standard oncology treatments, and to equip them to resist mechanisms that inhibit immune-system activity. In addition to our focus on immuno-oncology, we are exploring the use of our gene-editing technologies in other therapeutic applications, as well as to develop healthier food products for a growing population.

We currently conduct our operations through two business segments, Therapeutics and Plants. Our Therapeutics segment is focused on the development of products in the field of immuno-oncology and of novel products outside immuno-oncology to treat other human diseases. Our Plants segment focuses on applying our gene-editing technologies to develop new generation plant products in the field of agricultural biotechnology through its own efforts or through alliances with other companies in the agricultural market.

Since our inception in early 2000, we have devoted substantially all of our financial resources to research and development efforts. Our current research and development focuses primarily on our CAR T-cell immunotherapy product candidates, including preparing to conduct clinical studies of our product candidates, providing general and administrative support for these operations and protecting our intellectual property. In addition, by leveraging our plant-engineering platform and the transformative potential of gene editing, we aim to create food products with consumer health benefits, adaptations for climate change or nutritional enhancements that address the needs of a growing population. We do not have any products approved for sale and have not generated any revenues from immunotherapy or agricultural biotechnology product sales.

We have entered into an alliance with Servier for the development of UCART19, our lead product candidate, and other product candidates directed at five molecular targets with respect to solid tumors. We may receive up to €820.8 million ($993.3 million) in payments from Servier pursuant to this alliance, including an upfront payment of €7.55 million ($9.1 million) and up to €813.3 million ($984.2 million) in potential milestone payments. Our alliance with Pfizer addresses the development of other CAR T-cell immunotherapies in the field of oncology. This strategic alliance is potentially worth up to $2.9 billion in payments by Pfizer to us, including an $80 million upfront payment and $2.8 billion in potential clinical and commercial milestone payments. Pfizer also purchased 10% of our then-outstanding equity in connection with this collaboration for €25.8 million ($31.2 million). We believe that both of these strategic transactions position us to compete in the promising field of immuno-oncology and add additional clinical and financial resources to our programs. See "—Collaboration Agreements."

In addition to our cash generated by operations (including payments under our strategic alliances), we have funded our operations primarily through private and public offerings of our equity securities, grant revenues,

payments received under intellectual property licenses, and reimbursements of research tax credits. Our ordinary shares have traded on the Alternext market of Euronext in Paris since February 7, 2007. From January 1, 2013 through December 31, 2014, we have received €61.0 million ($73.8 million) through sales of equity and €73.7 million ($89.1 million) in payments made to us under our collaboration agreements with Pfizer and Servier.

We have incurred net losses in nearly each year since our inception. Substantially all of our net losses resulted from costs incurred in connection with our development programs and from selling, general and administrative expenses associated with our operations. As we continue our intensive research and development programs, we expect to continue to incur significant expenses and may again incur operating losses in future periods. We anticipate that such expenses will increase substantially if and as we:

- continue the research and development of our immuno-oncology product candidates;
- continue the research and development of our agricultural product candidates;
- initiate clinical studies for, or additional pre-clinical development of, our immuno-oncology product candidates;
- multiply field trials of our agricultural product candidates;
- further develop and refine the manufacturing process for our immuno-oncology product candidates;
- change or add additional manufacturers or suppliers of biological materials;
- seek regulatory and marketing approvals for our product candidates, if any, that successfully complete development;
- establish a sales, marketing and distribution infrastructure to commercialize any products for which we may obtain marketing approval;
- seek to identify and validate additional product candidates;
- acquire or in-license other product candidates, technologies, germplasm or other biological material;
- make milestone or other payments under any in-license agreements;
- maintain, protect and expand our intellectual property portfolio;
- secure manufacturing arrangements for commercial production;
- seek to attract and retain new and existing skilled personnel;
- create additional infrastructure to support our operations as a public company; and
- experience any delays or encounter issues with any of the above.

We do not expect to generate material revenues from sales of our product candidates unless and until we successfully complete development of, and obtain marketing approval for, one or more of our product candidates, which we expect will take a number of years and is subject to significant uncertainty. Accordingly, we anticipate that we will need to raise additional capital, in addition to the net proceeds of this offering, prior to completing clinical development of any of our product candidates. Until such time that we can generate substantial revenues from sales of our product candidates, if ever, we expect to finance our operating activities through a combination of milestone payments received pursuant to our strategic alliances, equity offerings, debt financings, government

or other third-party funding and collaborations, and licensing arrangements. However, we may be unable to raise additional funds or enter into such arrangements when needed on favorable terms, or at all, which would have a negative impact on our financial condition and could force us to delay, limit, reduce or terminate our development programs or commercialization efforts or grant to others rights to develop or market product candidates that we would otherwise prefer to develop and market ourselves. Failure to receive additional funding could cause us to cease operations, in part or in full.

Historically, we also operated a Tools and Services segment, whose purpose was to develop and to sell genome engineering tools, engineered cells lines and services to biological research laboratories. The operations of the Tools and Services segment were primarily conducted through the activities of our subsidiaries Cellectis Bioresearch, Ectycell, Cellectis Bioresearch Inc. and Cellectis AB. In light of our current strategic goals, our board of directors decided to initiate a plan to wind down the Tools and Services segment, and, beginning in 2013, we gradually reduced the operations conducted in this segment. Other than the run-off of legacy contracts, following the divestiture of Cellectis AB in August 2014, the Tools and Services segment does not have any operations. In connection with our discontinuation of operations in the Tools and Services segment, we approved redundancy plans, which resulted in the termination of 45 employees throughout 2014.

Our financial statements for 2013 and 2014 have been prepared in accordance with International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, or IASB.

Collaboration Agreements

Research Collaboration and License Agreement with Pfizer

In June 2014, we entered into a Research Collaboration and License Agreement with Pfizer pursuant to which we will collaborate to conduct discovery and pre-clinical development activities to generate CAR T-cells directed at Pfizer- and Cellectis-selected targets in the field of human oncology. Pursuant to the agreement, Pfizer made an upfront, non-refundable $80.0 million payment to us, concurrent with Pfizer’s €25.8 million equity investment in our company. In addition, the strategic alliance provides for payments of up to $185.0 million per product that is directed against a Pfizer-selected target, with aggregate potential clinical and commercial milestone payments totaling up to $2.8 billion. We are also eligible to receive from Pfizer tiered royalties on annual net sales of any products that are commercialized by Pfizer that contain or incorporate certain of our intellectual property at rates in the high single-digit percentages.

Except as required of us by our collaboration agreement with Servier, until the earlier of (1) the completion or termination of a four-year term or (2) the filing by Cellectis of an IND for certain targets to which we retain rights, we and our affiliates may not grant rights under certain of our intellectual property and intellectual property developed in the course of the collaboration to develop or commercialize CAR T-cells in the field of human oncology, other than certain specified non-commercial collaborations.

Research, Product Development, Option, License and Commercialization Agreement with Servier

In February 2014, we entered into a Research, Product Development, Option, License and Commercialization Agreement with Servier. Pursuant to this agreement, we are responsible for the research and development of our UCART19 product candidate up to and including the Phase 1 clinical trial. We are similarly responsible for the research and development of five additional product candidates consisting of allogeneic anti-tumor adoptive T-cells directed against particular targets selected by Servier.

Pursuant to the agreement, Servier made an upfront payment of €7.55 million ($9.1 million) and, upon its exercise of each license option provided for in the agreement, Servier will pay us a lump sum license fee. We are eligible to receive from Servier aggregate additional payments of up to €813.3 million ($984.2 million),

comprising payments upon the exercise of options granted to Servier under the agreement and payments upon the occurrence of certain specified development and commercial milestones. Pursuant to the agreement, we are also eligible to receive tiered royalties ranging in the high single-digit percentages based on annual net sales of commercialized products.

Financial Operations Overview

Revenues and Other Income

Revenues

We currently derive substantially all our revenues from payments pursuant to our collaboration agreements with Pfizer and Servier, patent licensing arrangements, royalties on licensed products or technologies and research and development services. Our collaboration agreements provide for non-refundable upfront payments that we receive upon execution of the relevant agreement, milestone payments that we are entitled to receive when the triggering event has occurred, and royalty payments. The triggering event for a milestone payment may be the receipt of favorable scientific results, regulatory approval, or marketing of products developed pursuant to the agreement. Royalties are based on sales of licensed products or technologies. They are recognized in accordance with the terms of the licensing agreement when sales can be determined reliably and there is reasonable assurance that the receivables from outstanding royalties will be collected.

Our ability to generate product revenues and become profitable depends upon our and our collaborators' ability to successfully develop and commercialize products. If we fail to become profitable or are unable to sustain profitability on a continuing basis, then we may be unable to continue our operations at planned levels and be forced to reduce our operations.

In addition, from the beginning of 2014, we gradually reduced the operations of our Tools and Services segment. Following the divestiture of Cellectis AB at the end of August 2014, we no longer receive significant revenues from the sale of services and research development contracts.

Other Income

Government Grants

Due to the innovative nature of our product candidate development programs, we have benefited from a certain number of sources of assistance from the French government or local public authorities, intended to finance our research and development efforts or the recruitment of specific personnel. Government grants that offset expenses that we incur for those research programs are recognized as other income in the period in which the expenses that are reimbursable pursuant to the grant have been incurred.

Research Tax Credit

The research tax credit (*crédit d'impôt recherche*), or CIR, is granted to companies by the French tax authorities in order to encourage them to conduct technical and scientific research. Companies demonstrating that they have research expenditures that meet the required CIR criteria receive a tax credit that may be used for the payment of their income tax due on the fiscal year in which the expenditures were incurred and during the next three fiscal years. If taxes due are not sufficient to cover the full amount of the tax credit at the end of the three-year period, the difference is repaid to us in cash by the French tax authorities. We also satisfy certain criteria that qualify us as a small/middle size company and permit us to request immediate payment of the CIR. The expenditures taken into account for the calculation of the CIR only involve research expenses.

The main characteristics of the CIR are the following:

- the CIR results in a cash inflow to us from the tax authorities;
- a company's corporate income tax liability does not limit the amount of the CIR; and
- the CIR is not included in the determination of the corporate income tax.

We have concluded that the CIR meets the definition of a government grant as defined in IAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*, and that the classification as other income within operating loss in our statement of operations is appropriate.

Operating Expenses and Other Operating Income (Expenses)

Our operating expenses and other operating income (expenses) consist primarily of royalty expenses, research and development expenses and selling, general and administrative expenses.

Royalty Expenses

We have entered into several license agreements to obtain access to technology that we use in our product development efforts. Royalty expenses consist of in-licensing costs, which reflect royalties we pay to use rights granted to us. Depending on the contractual provisions, royalty expenses are either proportional to revenues generated by using the patents or fixed annual royalties.

Research and Development Expenses

We engage in substantial research and development efforts to develop innovative CAR T-cell immunotherapy and agricultural product candidates. Research and development expense consists primarily of:

- personnel costs, including salaries, related benefits and share-based compensation, for our employees engaged in scientific research and development functions;
- cost of third-party contractors such as contract research organizations, or CROs, and academic institutions involved in pre-clinical or clinical trials that we may conduct, or third-party contractors involved in field trials;
- purchases of biological raw materials, real-estate leasing costs as well as conferences and travel costs; and
- certain other expenses, such as expenses for use of laboratories and facilities for our research and development activities.

Our research and development efforts are focused on our existing product candidates, including the advancement of our lead product candidate, UCART19, to the filing in 2015 of an application for a CTA in the United Kingdom. We use our employee and infrastructure resources across multiple research and development programs directed toward developing our cell-based platform and for identifying and developing product candidates. We manage certain activities such as pre-clinical research and manufacture of product candidates through our partner institutions or other third-party vendors. Due to the number of ongoing projects and our ability to use resources across several projects, we do not record or maintain information regarding the costs incurred for our research and development programs on a program-specific basis.

Our research and development efforts are central to our business and account for a significant portion of our operating expenses. We expect that our research and development costs will increase in the foreseeable future as we implement our new clinical trials, manufacture pre-commercial clinical trial and pre-clinical study materials,

expand our research and development and process development efforts, seek regulatory approvals for our product candidates that successfully complete clinical trials, access and develop additional technologies, and hire additional personnel to support our research and development efforts. This is because product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of development, primarily due to the increased size and duration of later-stage clinical trials. Likewise, in our plant products business, we expect our research and development expenses to increase over the next several years as we develop new agricultural product candidates and advance them through field trials toward commercial proof of concept.

We cannot determine with certainty the duration and completion costs of our future clinical trials of our product candidates or if, when, or to what extent we will generate revenues from the commercialization and sale of any of our product candidates, or those of our collaborators, that might obtain regulatory approval. We also cannot determine with certainty the duration and completion costs of our future field trials of our agricultural product candidates or if, when, or to what extent we will generate revenues from the commercialization and sale of any of our agricultural product candidates that might obtain regulatory approval. We may never succeed in achieving regulatory approval for any product candidates. The duration, costs and timing of clinical trials and development of our product candidates will depend on a variety of factors, including:

- the scope, rate of progress and expense of our ongoing as well as any additional pre-clinical studies, clinical trials and other research and development activities;
- clinical trial and early-stage results;
- the terms and timing of regulatory approvals;
- the expense of filing, prosecuting, defending and enforcing patent claims and other intellectual property rights;
- the ability to market, commercialize and achieve market acceptance for any product candidate that we may develop in the future; and
- the scope, rate of progress and expense of our ongoing as well as any additional studies for our agricultural product candidates, field trials and other research and development activities.

Selling, General and Administrative Expenses

Selling, general and administrative expenses consist primarily of employee-related expenses for executive, business development, intellectual property, finance, legal and human resource functions. Administrative expenses also include facility-related costs and service fees, other professional services and recruiting fees.

We anticipate that our selling, general and administrative expenses will increase in the future as we increase our headcount to support the expected growth in our research and development activities and the potential commercialization of our product candidates. We also anticipate increased expenses associated with being a public company in the United States, including costs related to audit, legal, regulatory and tax-related services associated with maintaining compliance with U.S. exchange listing and SEC requirements, director and officer insurance premiums, and investor relations costs.

Redundancy Plans

In the second half of 2013, we recognized an expense of €1.9 million in connection with a redundancy plan that included the winding-down of our Tools and Services segment, as well as our decision to discontinue some of our research and development programs. In July 2014 we implemented a second redundancy plan and recognized an expense of €0.3 million. During the year 2014 we made payments of €1.2 million in connection with these redundancy plans.

Financial Gain (Loss)

Financial revenues consist of interest income and exchange gains associated with transactions in foreign currencies. Financial expense consists of exchange losses associated with transactions in foreign currencies. Transactions in foreign currencies are translated into euros at the exchange rates effective at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into euros using the exchange rate effective at that date. The resulting exchange gains or losses are recorded in the consolidated statements of income as financial revenues or expense. Financial gain (loss) reflects the net impact of financial revenues and financial expenses.

Critical Accounting Policies and Estimates

Our financial statements are prepared in accordance with IFRS. Some of the accounting methods and policies used in preparing our financial statements under IFRS are based on complex and subjective assessments by our management or on estimates based on past experience and assumptions deemed realistic and reasonable based on the circumstances concerned. The actual value of our assets, liabilities and shareholders' equity and of our losses could differ from the value derived from these estimates if conditions changed and these changes had an impact on the assumptions adopted. We believe that the most significant management judgments and assumptions in the preparation of our financial statements are described below. See Note 3 to our consolidated financial statements for the years ended December 31, 2014 and 2013.

Revenue Recognition

Collaboration Agreements and Licenses

We enter into research collaboration agreements that may consist of non-refundable upfront payments, payments for the sale of rights to technology, milestone payments, and royalties. In addition, we license our technology to third parties, which may be part of the research collaboration agreements.

Non-refundable upfront payments are deferred and recognized as revenue over the period of the collaboration agreement. Sales of technology pursuant to non-cancelable, non-refundable fixed-fee arrangements are recognized when such technology is delivered to the co-contracting party and our exclusive rights to access the technology have stopped.

Milestone payments represent amounts received from our collaborators, the receipt of which is dependent upon the achievement of certain scientific, regulatory, or commercial milestones. We recognize milestone payments when the triggering event has occurred, there are no further contingencies or services to be provided with respect to that event, and the co-contracting party has no right to require refund of payment. The triggering events may be scientific results achieved by us or another party to the arrangement, regulatory approvals, or the marketing of products developed under the arrangement.

Royalty revenues arise from our contractual entitlement to receive a percentage of product sales achieved by co-contracting parties. Royalty revenues are recognized on an accrual basis in accordance with the terms of the collaboration agreement when sales can be determined reliably and there is reasonable assurance that the receivables from outstanding royalties will be collected.

Revenues from licenses are recognized ratably over the period of the license agreements.

Sales of Products and Services

Revenues on sales of products and services are recognized when significant risks and rewards of ownership have been transferred to the buyer. Accumulated costs on product orders in process are recorded in inventories. We also offer research services to customers, which are recognized as revenues when the services are rendered , either on a time and materials basis, or ratably over the contract period for fixed payment arrangements.

Research Tax Credit

The research tax credit (*Crédit d'Impôt Recherche*), or CIR, is granted to entities by the French tax authorities in order to encourage them to conduct technical and scientific research. We apply for the CIR for research expenditures incurred in each fiscal year and recognize the amount claimed in the line item "Other income" in the same fiscal year.

Other Government Grants

We receive government grants for advanced research programs we conduct alone or in connection with other unrelated entities. This government aid is provided for and managed by French state-owned entities, and specifically BpiFrance, formerly named OSEO Innovation. We, alone or with other unrelated entities, enter into multi-year contractual arrangements for the financing of a specific research program. This arrangement may consist of subsidies only, conditional advances only or both subsidies and conditional advances. Subsidies and conditional advances are paid in fixed installments at predetermined contractual dates, subject generally to milestones based on progress of the research and documentation. Subsidies received are non-refundable. Conditional advances received are subject to a nil or low interest rate depending on contractual provisions. If and when the research program has generated an amount of revenues equal to or higher than the amount set forth in the original contract, contractual repayment is required. In addition, if we decide to stop the research program, the conditional advance may be repayable.

For conditional advances, and in accordance with IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*, the advantage resulting from a nil or low interest rate as compared to a market interest rate is considered and accounted for as a government grant. A financial liability is recognized for proceeds received from the conditional advance less the grant, and interest expense is subsequently imputed at a market interest rate.

Goodwill and Asset Impairment

Goodwill

Business combinations concluded after January 1, 2011 are measured and recognized in accordance with the revised version of IFRS 3 *Business Combinations*:

- The consideration transferred is measured at the fair value of the assets contributed, equity instruments issued and liabilities incurred at the transfer date. The identifiable assets and liabilities of the company acquired are measured at fair value at the acquisition date.

- Direct costs related to the business combination are recognized as other operating expenses when incurred. Costs directly attributable to the acquisition include legal and other professional fees.

- Contingent consideration is measured at fair value at the date control becomes effective.

- We measure goodwill at the acquisition date as:

  - the fair value of the consideration transferred,

  - less the net amount recognized of the identifiable assets acquired and liabilities assumed measured in accordance with IFRS 3 *Business Combinations*.

Intangible assets such as patents, trademarks and contracts are recognized as identifiable assets acquired, and are recorded separately from goodwill if, at the acquisition date, they meet the definition of intangible assets

under IAS 38 *Intangible Assets*. According to the standard, assets meet the definition of an intangible asset if they are identifiable, controlled by the company, bring future economic benefits and their fair value can be measured reliably. An intangible asset is identifiable if it may be separated from the acquired entity or if it arises as a result of legal or contractual rights.

During the year ended December 31, 2013 we recognized an impairment charge of €27.1 million for the Tools and Services segment, of which €26.8 million was related to goodwill. In 2014, the remaining goodwill of €1.1 million was impaired based on the final sales price of Cellectis AB.

Impairment of Tangible and Intangible Assets

We test amortizable intangible assets and depreciable tangible assets for impairment when there is an indicator of impairment. We test intangible assets in progress, non-amortizable intangible assets and goodwill for impairment at least once a year. Impairment tests involve comparing the carrying amount of cash-generating units with their recoverable amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. If the carrying amount of any asset is below its recoverable amount, we recognize an impairment loss to reduce the carrying amount to the recoverable amount.

During the year ended December 31, 2013 we recognized an impairment charge of €27.1 million for the Tools and Services segment, of which €0.3 million was related to tangible assets.

Results of Operations

Comparisons for the Years Ended December 31, 2014 and 2013

Revenues. For the years ended December 31, 2014 and 2013, we recorded revenues of €21.6 million and €5.4 million, respectively. The increase of €16.3 million, or 303%, reflects revenues of €9.0 million from Pfizer, €2.9 million from Servier and €4.9 million from license revenue. The income was partially offset by the decrease of revenues from the Tools and Services segment associated with the discontinuation of its operations.

Other income. For the years ended December 31, 2014 and 2013, we recorded other income of €4.8 million and €7.4 million, respectively. The decrease of €2.6 million, or 34.4%, primarily reflects the discontinuation of €1.7 million in research subsidies related to research programs that were terminated in 2013 and 2014.

Royalty expenses. For the years ended December 31, 2014 and 2013, we recorded expenses related to royalties of €3.0 million and €542,000 respectively. The increase of €2.5 million is due primarily to increased license and royalty payments associated with our license agreements with Life Technologies and Institut Pasteur.

Research and development expenses. For the years ended December 31, 2014 and 2013, we recorded research and development expenses of €14.4 million and €17.8 million, respectively. The decrease of €3.4 million, or 19.3%, was primarily attributable to a €3.0 million decrease in purchases and external expenses resulting from the winding down of the Tools and Services segment and the discontinuation of its operations (other than the run-off of legacy contracts).

Selling, general and administrative expenses. For the years ended December 31, 2014 and 2013, we recorded selling, general and administrative expenses of €13.1 million and €19.0 million, respectively. The decrease of €5.9 million, or 31.1%, reflects primarily (1) a decrease of personnel expenses of €2.4 million due to headcount reduction, (2) a decrease of €3.1 million in legal fees, as we settled an intellectual property dispute at the end of 2013, and (3) a decrease of €1.7 million related to non-recurring set-up costs incurred in 2013 in connection with the establishment of Scéil operations. These reductions were partially offset by a provision of €1.1 million related to the reimbursement of a research grant.

Other operating income. For the year ended December 31, 2013, we recorded other operating income of €478,000 primarily as a result of the reversal of litigation provisions.

Redundancy plan. In the year ended December 31, 2013, we recognized an expense of €1.9 million in connection with a redundancy plan that included the winding-down of our Tools and Services segment, as well as our decision to discontinue some of our research and development programs. During the year ended December 31, 2014, we recognized expenses of €491,000 related to the cost of a second redundancy plan implemented in July 2014.

Other operating expenses. For the years ended December 31, 2014 and 2013, we recorded other operating expenses of €651,000 and €445,000, respectively.

Financial revenues. For the years ended December 31, 2014 and 2013, we recorded financial revenues of €7.6 million and €468,000, respectively. This increase of approximately €7.1 million reflects foreign exchange gains on our bank accounts denominated in U.S. dollars related to the $80.0 million upfront payment from Pfizer received in August 2014. From this date to December 31, 2014, the U.S. dollar exchange rate versus the Euro increased by approximately 10.4%.

Financial expenses. For the years ended December 31, 2014 and 2013, we recorded financial expenses of €527,000 and €780,000, respectively.

Income / loss from continuing operations. For the years ended December 31, 2014 and 2013, we recorded a gain from continuing operations of €1.9 million and a loss from continuing operations of €26.8 million, respectively. The improvement of €28.7 million resulted from the factors described above.

Loss from discontinued operations. For the years ended December 31, 2014 and 2013, we recorded losses from discontinued operations of €2.8 million and €29.6 million, respectively. The decrease of €26.8 million reflects primarily an impairment expense that we recognized in connection with the winding-down of our operations in the Tools and Services segment in 2013.

Loss attributable to non-controlling interests. For the years ended December 31, 2014 and 2013, the portion of net losses attributable to non-controlling interests was €992,000 and €1.0 million, respectively.

Segment Results

The following tables summarize segment revenues and segment operating profit (loss) for the years ended December 31, 2014 and 2013:

	2014 € in thousands			2013 € in thousands		
	Plants	**Therapeutics**	**Total reportable segments**	**Plants**	**Therapeutics**	**Total reportable segments**
Segment revenues	**1,156**	**22,738**	**23,894**	**1,283**	**6,566**	**7,849**
Inter-segment revenues	(91)	(1,171)	(1,262)	—	(599)	(599)
Revenues with Cellectis AB (discontinued operations)	—	(1,005)	(1,005)	—	(1,888)	(1,888)
External revenues	1,065	20,562	21,627	1,283	4,079	5,362
Operating loss before tax	**(948)**	**(4,297)**	**(5,245)**	**(1,000)**	**(25,528)**	**(26,528)**
Depreciation and amortization	(74)	(1,271)	(1,345)	(86)	(1,762)	(1,848)
Impairment losses on non-financial assets	—	(27)	(27)	—	(347)	(347)
Capital expenditure	134	221	354	134	499	633

We primarily evaluate the operating performance of each segment based on segment revenues and operating profit or loss. The operations of Cellectis S.A. are included in the Therapeutics segment. We do not review any asset or liability information by segment or region.

Intersegment transactions among the reportable segments include allocations of research and development expenses and selling, general and administrative expenses by us to our subsidiaries. These intersegment expenses are priced at cost, plus a mark-up of 4-10%, depending on the nature of the service. We also allocate a portion of the rent expense relating to our corporate headquarters.

Therapeutics segment

External revenues in our Therapeutics segment increased by €16.5 million, from €4.1 million for the year ended December 31, 2013 to €20.6 million for the year ended December 31, 2014. The increase was due primarily to our alliances with Pfizer and Servier, which were signed in June 2014 and February 2014, respectively. Segment operating loss before tax decreased by €21.2 million, from €25.5 million for the year ended December 31, 2013 to €4.3 million for the year ended December 31, 2014. This change resulted primarily from the increase in revenues and from the winding-down of the Tools and Services segment and from a reduction of administrative expenses, as a result of lower professional fees and non-recurrence of expenses related to establishment of Scéil operations in 2013.

Plants segment

External revenues in our Plants segment decreased by €218,000, from €1.3 million for the year ended December 31, 2013 to €1.1 million for the year ended December 31, 2014. Segment operating loss before tax was €1.0 million for the year ended December 31, 2013 compared to segment operating loss of €948,000 for the year ended December 31, 2014.

Liquidity and Capital Resources

Introduction

We have incurred losses and cumulative negative cash flows from operations since our inception in 2000, and we anticipate that we will continue to incur losses for at least the next several years. We expect that our research and development and selling, general and administrative expenses will continue to increase and, as a result, we will need additional capital to fund our operations, which we may raise through a combination of equity offerings, debt financings, other third-party funding, marketing and distribution arrangements and other collaborations, strategic alliances and licensing arrangements.

We have funded our operations since inception primarily through private and public offerings of our equity securities, grant revenues, payments received under patent licenses, reimbursements of research tax credit claims and payments under our strategic alliances with Pfizer and Servier. Our ordinary shares have been traded on the Alternext market of Euronext in Paris since February 7, 2007. In March 2014, we completed a private placement of 4,000,000 ordinary shares to institutional investors for gross proceeds of €20.5 million. In July 2014, in connection with our collaboration agreement with Pfizer, we issued 2,786,924 ordinary shares, representing 10% of our then-outstanding ordinary shares, to Pfizer for gross proceeds of €25.8 million. In November 2014, we issued shares in connection with the exercise of non-employee warrants for gross proceeds of €13.4 million. In addition to the foregoing transactions, we also realized cash proceeds of €2.3 million for the year ended December 31, 2013 through the issuance and sale of ordinary shares pursuant to employee and non-employee warrants. As of December 31, 2014, we had cash and cash equivalents of €112.3 million. Cash in excess of immediate requirements is invested in accordance with our investment policy, primarily with a view to liquidity and capital preservation. Currently, our funds are held in bank accounts, money market funds and fixed bank deposits primarily in France.

Historical Changes in Cash Flows

The table below summarizes our sources and uses of cash for the years ended December 31, 2014 and 2013:

	As of December 31, 2014	As of December 31, 2013
	€ in thousands	
Net cash flows provided by (used in) operating activities of continuing operations	42,473	(19,144)
Net cash flows (used in) investing activities of continuing operations	(1,353)	(459)
Net cash flows provided by financing activities of continuing operations	57,904	5,194
Total	**99,024**	**(14,409)**

We had net cash flows used in operating activities from continuing operations €19.1 million in December 31, 2013 versus net cash provided by operating activities from continuing operations of €42.5 million for the year ended December 31, 2014. Substantially all of our cash expenditures during these years related to our research and development efforts, including the advancement of our lead product candidate, UCART19, for which we expect to file an application for a CTA in the United Kingdom in 2015. The increase in cash from operating activities during 2014 is primarily due to payments received from Servier and Pfizer during 2014.

Our net cash flows used in investing activities from continuing operations was €459,000 for the year ended December 31, 2013 compared to net cash used in investing activities from continuing operations of €1.4 million for the year ended December 31, 2014. During both years, these amounts include the acquisitions of industrial and laboratory equipment required to conduct our research programs, as well as changes in non-current financial assets and liabilities. For the year ended December 31, 2014, cash provided by investing activities from continuing operations also includes the proceeds from the sale of Cellectis AB.

Our net cash flows provided by financing activities from continuing operations were €5.2 million and €57.9 million for the years ended December 31, 2013 and 2014, respectively. The amount in 2014 includes proceeds from the issuance and sale of ordinary shares to institutional investors in March 2014, to Pfizer in July 2014, and in connection with the exercise of non-employees warrants in November 2014.

Conditional Advances

We have benefited from multiple conditional advances from BpiFrance, formerly named OSEO Innovation, which do not accrue interest and whose repayments are conditional on the technical and/or commercial success of our products. As of December 31, 2014, we had a total of €3.4 million of outstanding conditional advances, including €596,000 that we expect will be repaid before December 2015. For further details of these conditional advances, see Note 13.2 to our audited consolidated financial statements for the years ended December 31, 2013 and 2014.

Contractual Obligations

The following table discloses aggregate information about material contractual obligations and periods in which payments were due as of December 31, 2014. Future events could cause actual payments to differ from these estimates.

	Total	2015	2016-17	2018-19	Thereafter
			€ in thousands		
Finance lease agreements	314	266	48	—	—
Conditional advances	3,364	596	452	516	1,800
Facility lease agreements	2,876	1,278	1,598	—	—
License agreements	19,026	814	2,077	2,089	14,045
Total contractual obligations	25,579	2,954	4,175	2,605	15,845

The commitment amounts in the table above are associated with contracts that are enforceable and legally binding and that specify all significant terms, including fixed or minimum services to be used, fixed, minimum or variable price provisions, and the approximate timing of the actions under the contracts. The table does not include obligations under agreements that we can cancel without a significant penalty.

Operating capital requirements

To date, we have not generated any revenues from therapeutic or agricultural product sales. We do not know when, or if, we will generate any revenues from product sales. We do not expect to generate significant revenues from product sales unless and until we obtain regulatory approval of and commercialize one of our current or future product candidates. We anticipate that we will continue to generate losses for the foreseeable future, and we expect the losses to increase as we continue the development of, and seek regulatory approvals for, our product candidates, and begin to commercialize any approved products. We are subject to all risks incident in the development of new gene therapy products, and we may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect our business. We are also subject to all risks incident in the development of new agricultural products, and we may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect our business. Upon the closing of this offering, we expect to incur additional costs associated with operating as a public company in the United States. We anticipate that we will need substantial additional funding in connection with our continuing operations.

We believe our cash and cash equivalents, together with the net proceeds of this offering and our cash flow from operations (including payments we expect to receive pursuant to our collaboration agreements) and government funding of research programs will be sufficient to fund our operations through at least 2017. However, we may require additional capital for the further development of our existing product candidates and may also need to raise additional funds sooner to pursue other development activities related to additional product candidates.

Until we can generate a sufficient amount of revenues from our products, if ever, we expect to finance a portion of future cash needs through public or private equity or debt offerings. Additional capital may not be available on reasonable terms, if at all. If we are unable to raise additional capital in sufficient amounts or on terms acceptable to us, we may have to significantly delay, scale back or discontinue the development or commercialization of one or more of our product candidates. If we raise additional funds through the issuance of additional debt or equity securities, it could result in dilution to our existing shareholders, increased fixed payment obligations and these securities may have rights senior to those of our ordinary shares. If we incur indebtedness, we could become subject to covenants that would restrict our operations and potentially impair our competitiveness, such as limitations on our ability to incur additional debt, limitations on our ability to acquire, sell or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. Any of these events could significantly harm our business, financial condition and prospects.

Our forecast of the period of time through which our financial resources will be adequate to support our operations is a forward-looking statement and involves risks and uncertainties, and actual results could vary as a result of a number of factors. We have based this estimate on assumptions that may prove to be wrong, and we could use our available capital resources sooner than we currently expect. Our future funding requirements, both near and long-term, will depend on many factors, including, but not limited to:

- the initiation, progress, timing, costs and results of pre-clinical and clinical studies for our product candidates;

- the initiation, progress, timing, costs and results of field trials for our agricultural product candidates;

- the outcome, timing and cost of regulatory approvals by U.S. and non-U.S. regulatory authorities, including the possibility that regulatory authorities will require that we perform more studies than those that we currently expect;
- the ability of our product candidates to progress through clinical development successfully;
- the ability of our agricultural product candidates to progress through late stage development successfully, including through field trials;
- the cost of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights;
- our need to expand our research and development activities;
- our need and ability to hire additional personnel;
- our need to implement additional infrastructure and internal systems, including manufacturing processes for our product candidates;
- the effect of competing technological and market developments; and
- the cost of establishing sales, marketing and distribution capabilities for any products for which we may receive regulatory approval.

If we cannot expand our operations or otherwise capitalize on our business opportunities because we lack sufficient capital, our business, financial condition and results of operations could be materially adversely affected.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements as defined under Securities and Exchange Commission rules.

Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

We seek to engage in prudent management of our cash and cash equivalents, mainly cash on hand and common financial instruments (typically short- and mid-term deposits). Furthermore, the interest rate risk related to cash, cash equivalents and common financial instruments is not significant based on the quality of the financial institutions with which we work.

Foreign Currency Exchange Risk

We derive a significant portion of our revenues, including payments under our collaboration agreement with Pfizer in U.S. dollars. We also purchase some supplies in the United States, and these purchases are invoiced in U.S. Dollars. A currency mismatch arises from Cellectis having a centralized cost base, denominated primarily in Euros. Our financial condition and results of operations are measured and recorded in the relevant local base currency and then translated each month into Euros for inclusion in our consolidated financial statements. We translate balance sheet amounts at the exchange rates in effect on the date of the balance sheet, while income and cash flow items are translated at the average rate of exchange in effect for the relevant period. Our exposure to currencies other than the U.S. dollar is negligible.

We have not adopted a hedging mechanism to protect our business activity against fluctuations in exchange rates. We cannot rule out the possibility that a significant increase in our business, particularly in the United States, may result in greater exposure to exchange rate risk. We would then consider adopting an appropriate policy for hedging against these risks.

Inflation Risk

We do not believe that inflation has had a material effect on our business, financial condition or results of operations. If our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, financial condition and results of operations.

JOBS Act Exemptions

We qualify as an "emerging growth company" as defined in the JOBS Act. As an emerging growth company, we may take advantage of specified reduced disclosure and other requirements that are otherwise applicable generally to public companies. These provisions include:

- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act;
- only two years of audited financial statements in addition to any required interim financial statements and correspondingly reduced disclosure in management's discussion and analysis of financial condition and results of operations; and
- to the extent that we no longer qualify as a foreign private issuer, (1) reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements; and (2) exemptions from the requirements of holding a non-binding advisory vote on executive compensation, including golden parachute compensation.

We may take advantage of these exemptions for up to five years or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company upon the earliest to occur of (1) the last day of the fiscal year in which we have more than $1.0 billion in annual revenues; (2) the date we qualify as a "large accelerated filer," with at least $700 million of equity securities; (3) the issuance, in any three-year period, by our company of more than $1.0 billion in non-convertible debt securities held by non-affiliates; and (4) the last day of the fiscal year ending after the fifth anniversary of our initial public offering. We may choose to take advantage of some but not all of these exemptions. For example, Section 107 of the JOBS Act provides that an emerging growth company can use the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. Given that we currently report and expect to continue to report under IFRS as issued by the IASB, we have irrevocably elected not to avail ourselves of this extended transition period and, as a result, we will adopt new or revised accounting standards on the relevant dates on which adoption of such standards is required by the IASB. We have taken advantage of reduced reporting requirements in this prospectus. Accordingly, the information contained herein may be different than the information you receive from other public companies in which you hold equity securities.

BUSINESS

Overview

We are a pioneering gene-editing company, employing our core proprietary technologies to develop best-in-class products in the emerging field of immuno-oncology. Our product candidates, based on gene-edited T-cells that express chimeric antigen receptors, or CARs, seek to harness the power of the immune system to target and eradicate cancers. We believe that CAR-based immunotherapy is one of the most promising areas of cancer research, representing a new paradigm for cancer treatment. We are designing next-generation immunotherapies that are based on gene-edited CAR T-cells. Our gene-editing technologies allow us to create allogeneic CAR T-cells, meaning they are derived from healthy donors rather than the patients themselves. We believe that the allogeneic production of CAR T-cells will allow us to develop cost-effective, off-the-shelf products that are capable of being stored and distributed worldwide. Our gene-editing expertise also enables us to develop product candidates that feature additional safety and efficacy attributes, including control properties designed to prevent them from attacking healthy tissues, to enable them to tolerate standard oncology treatments, and to equip them to resist mechanisms that inhibit immune-system activity. In addition to our focus on immuno-oncology, we are exploring the use of our gene-editing technologies in other therapeutic applications, as well as to develop healthier food products for a growing population.

Cancer is the second-leading cause of death in the United States and accounts for one in four deaths. Immuno-oncology seeks to harness the power of the body's immune system to target and kill cancer. A key to this effort is a type of white blood cell known as the T-cell, which plays an important role in identifying and killing cancer cells. Unfortunately, cancer cells often develop mechanisms to evade the immune system. CARs, which are engineered receptors that can be expressed on the surface of the T-cell, provide the T-cell with a specific targeting mechanism, thereby enhancing its ability to seek, identify, interact with and destroy tumor cells bearing a selected antigen. Research and development of CAR T-cell immunotherapies currently focuses on two approachs: autologous and allogeneic therapies. Autologous CAR T-cell immunotherapies modify a patient's own T-cells to target specific antigens that are located on cancer cells. This type of therapy requires an individualized immunotherapy product for each patient and is currently being tested in clinical trials by several biotechnology and pharmaceutical companies. In contrast, an allogeneic CAR T-cell immunotherapy is an approach by which a cancer patient is infused with a mass-produced, off-the-shelf immunotherapy product derived from a healthy T-cell donor. Our initial focus is on developing allogeneic treatments, and we believe that we are the leading company pursuing this approach.

Gene editing is a type of genetic engineering in which DNA is inserted, deleted, repaired or replaced from a precise location in the genome. The most fundamental challenge of gene editing is the need to specifically and efficiently target a precise DNA sequence within a gene. Our proprietary nuclease-based gene-editing technologies, combined with 15 years of genome engineering experience, allow us to edit any gene with highly precise insertion, deletion, repair and replacement of DNA sequences. Our nucleases, including a particular class of proteins derived from transcription activator-like effectors act like DNA scissors to edit genes at precise target sites and allow us to design allogeneic CAR T-cells. Our patented PulseAgile electroporation technology allows us to efficiently deliver our nucleases into human cells while preserving cell viability, making it particularly well-suited for a large-scale manufacturing process. We believe these technologies will enable our products to be manufactured, stored, distributed broadly and infused into patients in an off-the-shelf approach.

We are developing products internally and through recently established strategic alliances with Pfizer Inc., or Pfizer, and Les Laboratoires Servier SAS, or Servier. In addition to our three proprietary pre-clinical programs, we are jointly pursuing six pre-clinical programs with Pfizer and Servier, and we may pursue up to 24 additional targets, nine of which would be wholly owned by us. Our objective is to file one Investigational New Drug, or IND, application (or foreign equivalent), per year. Our lead product candidate, UCART19, is an engineered T-cell product candidate that targets CD19, an antigen located on cancer cells in acute lymphoblastic leukemia, or ALL, and chronic lymphocytic leukemia, or CLL. We expect to file in 2015 for a Clinical Trial Authorization, or CTA, in the United Kingdom for UCART19, and Servier has an option under the collaboration

agreement to acquire the exclusive rights to further develop and commercialize UCART19. Our strategic alliances include potential milestone payments to us of up to $3.9 billion and high single-digit royalties on future sales. We believe that our alliances with Pfizer and Servier validate our technology platform, our expertise in the CAR-T field and the strength of our intellectual property portfolio.

Our vision is to leverage the potential of gene editing to deliver revolutionary products that address unmet medical needs, as well as to provide healthier food for a growing population across the world. Our initial focus is to apply our leadership in gene-editing technology to develop and commercialize best-in-class allogeneic CAR T-cell products in the area of immuno-oncology.

Our Strengths

We believe our leadership position in gene editing is based on the following competitive strengths:

- ***Proprietary Gene-Editing Technology with High Precision and Efficacy.*** Coupled with 15 years of gene-editing experience, our flagship tools, TALEN and PulseAgile, enable us to efficiently modify or inactivate any target gene in a highly efficient, specific and precise manner. We believe these key attributes provide advantages over alternative gene-editing methods. Moreover, our proprietary PulseAgile electroporation platform enables high-efficiency introduction of nucleases into cells while maintaining a high percentage of viable cells. This allows us to modify the genetic makeup of our product candidates effectively while achieving yields of sufficient quantity for large-scale manufacturing. Our CEO is one of the pioneers and first researchers in the area of nuclease-based genome engineering.
- ***Novel Approach to CAR-T: Off-the-shelf, allogeneic and engineered CAR T-cell based therapies.*** We are engineering our product candidates to achieve desired clinical attributes. By editing and engineering the genomes of the T-cell, we have been able to establish smart CAR T-cells that can include the following traits:
  - *Allogeneic and non-alloreactive with a suicide gene.* A major challenge with any allogeneic approach is minimizing the risk of graft-versus-host disease, or GvHD. GvHD occurs when T-cells from a donor recognize the recipient patient's healthy tissues as foreign and then attack them. Similarly, the patient's healthy T-cells may recognize the new engineered T-cells as foreign and try to reject them. We believe we can disable the mechanism that triggers donor-derived T-cells to attack a patient's healthy tissues while maintaining their ability to attack tumor cells. We are also engineering the T-cell product candidates to include a suicide gene that enables us to direct their elimination by administering a drug to the patient.
  - *Compatibility with concurrent oncology treatments.* We are designing our T-cell product candidates to be compatible with standard oncology treatments, including steroids and drugs such as alemtuzumab, fludarabine and clofarabine, that otherwise impair or destroy T-cell functions or act as lymphodepleting agents that target the patient's cancer cells and weaken the immune system.
  - *Ability to bypass key immune checkpoint regulators.* Our CAR T-cell product candidates are designed to bypass certain elements of the immune system that restrict the activity of the immune system, otherwise known as immune checkpoint regulators. Immune checkpoint regulators can shield the tumor from the immune system and overly restrict—or negatively regulate—the immune response. We engineer our T-cells to inactivate receptors, such as PD-1, that make the cell susceptible to checkpoint inhibition mechanisms that tumors use to suppress attack by the immune system.
  - *Novel multi-chain CAR architecture.* We are developing a novel CAR design that adds multiple extra-cellular or intra-cellular functional domains. This multi-chain approach is intended to create CARs with improved activity, specificity and thus an expanded range of applications.
  - *Commercially scalable under a cGMP-compatible manufacturing process.* We are developing a highly cost-effective and robust manufacturing process. Our products are designed to be frozen, available off-the-shelf, and commercially scalable through cGMP that are compatible with regulations promulgated by the U.S. FDA or with comparable standards in other jurisdictions.

- ***Validating Strategic Alliances with Pfizer and Servier in Oncology.*** We have entered into an alliance with Servier for the development of UCART19, our lead product candidate, and other product candidates directed at five molecular targets with respect to solid tumors. We may receive up to €820.8 million ($993.3 million) in payments from Servier pursuant to this strategic alliance, including a €7.55 million ($9.1 million) initial payment and up to €813.3 million ($984.2 million) in potential option, clinical and commercial milestone payments. Our alliance with Pfizer addresses the development of other CAR T-cell immunotherapies in the field of oncology. Pursuant to this strategic alliance, we may receive up to $2.9 billion in payments from Pfizer, including an $80.0 million upfront payment and up to $2.8 billion in potential clinical and commercial milestone payments. Pfizer also purchased 10% of our then-outstanding ordinary shares in connection with this collaboration for €25.8 million ($31.2 million). We believe that both of these strategic transactions position us to compete in the promising field of immuno-oncology and add additional clinical and financial resources to our programs.
- ***Extensive Patent Portfolio.*** We own 87 patent families (consisting of approximately 51 issued patents and an additional 155 patent applications) and have in-licensed an additional 29 patent families. Our intellectual property portfolio provides significant protections over our product candidates, including protections for the main products we use in the manufacturing process; manufacturing steps, including cell electroporation and genetic modifications; engineered T-cells; single-chain and multi-chain CARs expressed at the surface of T-cells; specific gene inactivation; the suicide gene; and allogeneic as well as autologous treatment strategies using our T-cell products.

Our Immuno-oncology Pipeline

Our lead immuno-oncology product candidates, which we refer to as UCARTs, are all allogeneic CAR T-cells engineered to be used for treating any patient with a particular cancer type. Each UCART product candidate targets a selected tumor antigen and bears specific engineered attributes, such as compatibility with specific medical regimens that cancer patients may undergo. UCART is the first therapeutic product line that we are developing using our gene-editing platform to address unmet medical needs in oncology. All of our product candidates are currently in the discovery or pre-clinical proof-of-concept phase, and the following chart highlights some of these product candidates that we expect to be the subject of a CTA filing or to enter into pre-clinical studies in 2015:

Product Name	Targeted Indication	Discovery	CAR-T Engineering	In Vitro Assays	In Animals	CTA / IND filing	Alliance
UCART19	Acute Lymphoblastic Leukemia (ALL) Chronic Lymphocytic Leukemia (CLL)	✓	✓	✓	✓	2015	Servier
UCART123	Acute Myeloid Leukemia (AML)	✓	✓	✓	✓		Wholly-Owned
UCART38	Multiple Myeloma (MM)	✓	✓		Q4 2015		Wholly-Owned
UCARTCS1	Multiple Myeloma (MM)	✓			Q4 2015		Wholly-Owned

UCART19, our lead product candidate, is being developed pursuant to our alliance with Servier. UCART19 is an engineered T-cell product candidate that bears a CAR targeting the CD19 antigen which drives its ability to target and kill CD19-bearing cells, such as B-cell malignancies. We are also developing our wholly-owned product candidates UCART123, UCARTCS1 and UCART38, which are in various stages of early development. UCART 123, UCARTCS1 and UCART38 are engineered T-cell products that bear CARs that seek to kill cells expressing targets CD123, CS1 and CD38, respectively, which are found in other hematologic tumors, such as acute myeloid leukemia, or AML, and multiple myeloma, or MM.

Strategic Alliances

In addition to the development of our own portfolio of product candidates targeting tumor-associated antigens, we have pursued a strategy of forging strong pharmaceutical alliances. We believe that our approach to

CAR T-cell development has been validated by our strategic alliances with Servier and Pfizer. Our strategic alliances include potential milestone payments to us of up to $3.9 billion and high single digit royalties on future sales.

Collaboration with Servier

In February 2014, we entered into a strategic collaboration agreement with Servier to develop and commercialize product candidates targeting leukemia and solid tumors. Pursuant to the agreement, Servier made an upfront payment of €7.55 million ($9.1 million). In addition, the strategic alliance provides for aggregate additional payments of up to €813.3 million ($984.2 million), comprising payments upon the exercise of each option granted to Servier and payments upon the occurrence of certain specified development and commercial milestones. We are also eligible to receive tiered royalties ranging in the high single-digit percentages based on annual net sales of commercialized products. This agreement covers the development and the potential commercialization of the lead product candidate, UCART19, as well as other product candidates directed at five targets for solid tumors. Under the terms of the agreement, we will be responsible for the research and development of certain product candidates through the end of Phase 1 clinical trials. We granted Servier an exclusive option to obtain an exclusive, worldwide license on a product candidate-by-product candidate basis, with respect to UCART19 and each target selected by Servier and developed under the agreement, to further develop, manufacture and commercialize such product in the field of anti-tumor adoptive immunotherapy. Upon exercising each such option, Servier will assume responsibility for the further clinical development, manufacture and commercialization of the relevant product candidate.

Collaboration with Pfizer

In June 2014, we entered into a global strategic collaboration agreement with Pfizer pursuant to which we will collaborate to conduct discovery and pre-clinical development activities to generate CAR T-cells directed at targets selected by Pfizer or us in the field of oncology. Pursuant to the agreement, Pfizer made an upfront, non-refundable $80.0 million payment to us, concurrent with Pfizer’s equity investment in our Company. In addition, the strategic alliance provides for up to $2.8 billion in potential clinical and commercial milestone payments. We are also eligible to receive tiered royalties ranging in the high single-digit percentages based on annual net sales of commercialized products. We may also receive funding for research and development costs associated with the Pfizer-selected targets and for four Cellectis-selected targets within the alliance. Pfizer has exclusive rights to pursue development and commercialization of products for a total of 15 targets of their choice.

Our Strategy

Our strategy is to leverage the transformative potential of our unique gene-editing technologies and expertise through two product platforms: our cell engineering platform designed to deliver therapeutic products and our plant engineering platform designed to deliver healthier food to a growing population.

The key elements of our strategy are to:

- **Advance our allogeneic UCART19 immunotherapy product candidate into clinical trials.** We anticipate filing in 2015 an application for a CTA, which is the United Kingdom’s equivalent of an IND in the United States, to initiate a Phase 1 single-arm open-label dose escalation trial of UCART19 in patients with CLL or ALL. We expect to present preliminary data in 2016.
- **Advance our additional UCART product candidates into clinical trials.** We have a deep pipeline of promising immunotherapy product candidates in various stages of development, which we plan to develop and advance into clinical trials. Based upon pre-clinical results to date, we expect several of our product candidates to enter into clinical trials in the coming years. We plan to continue to leverage our cell-engineering platform to develop additional UCART products and to expand our clinical pipeline of CAR T-cell product candidates in the coming years.

- **Leverage our existing and potential future alliances to advance our research and to bring products to market.** Our strategic alliances with Pfizer and Servier for the development of CAR T-cell applications in oncology provide us with funding for research and development, and may provide milestone payments and royalties on sales. We may enter into additional strategic alliances to facilitate our development and commercialization of CAR T-cell immunotherapy products.
- **Expand our product pipeline to other therapeutic indications with unmet medical needs.** We intend to continue using our gene-editing technologies in therapeutic applications beyond immuno-oncology, including the treatment of chronic infectious diseases, autoimmune diseases and allergic diseases.
- **Develop plant products for the multibillion dollar agricultural-biotechnology market through the use of our gene-editing platform.** We are applying our gene-editing technologies to create food products with consumer health benefits, adaptations for climate change or nutritional enhancements that address the needs of a growing population. By selecting and inactivating target genes in certain agricultural crops, we believe we can produce unique variants with consumer benefits. For example, we are developing a potato that could be stored safely in cold conditions, new soybean breeds with improved oil qualities and protein content and reduced-gluten wheat. We also intend to integrate additional crops into our product pipeline, including canola, corn and rice.

Immunotherapy: Turning the Immune System into "Smart Drugs"

The immune system has evolved to protect the body from invading pathogens or external harmful materials by identifying these foreign bodies through "non-self" antigens, which are molecular signatures that they carry and are foreign to the body. A central function of the immune system is to discriminate between "self," which is recognized through antigens normally present in the body and borne by cells, proteins, sugars or lipids, and non-self, which is detected through abnormal or foreign antigens. Cancer cells thrive, in part, because they trick the immune system into treating them as self, even though they express abnormal antigens, and thus immune tolerance occurs when the immune system fails to recognize and attack tumors. Breaking immune tolerance is an important aspect of most immuno-oncology-based therapeutics because it enables the immune system to recognize and treat tumors as non-self and lead to tumor destruction.

The immune system recognizes non-self danger signals and responds to threats at a cellular level. The immune system may be conceptualized as comprising two arms. The first arm, known as the innate immune system, recognizes non-specific signals of infection or abnormalities as a first line of defense. The innate immune system is the initial response to an infection, and the response is the same every time regardless of prior exposure to the infectious agent. The second arm, known as the adaptive immune system, is composed of highly specialized cells and provides long-term specific recognition and protection from infectious agents and abnormal processes such as cancer. The adaptive immune response is further subdivided into antibody-based responses and cellular responses, which include T-cell-based immune responses. The most significant components of the cellular aspect of the adaptive immune response are T-cells, which are specialized cells that generally mature in the thymus. T-cells are involved in both sensing and killing infected or abnormal cells, as well as coordinating the activation of other cells and mounting an immune response.

Although the immune system is designed to identify and destroy foreign or abnormal protein-bearing tumor cells, this process is often defective in cancer patients. Additionally, cancer cells employ a number of mechanisms to escape immune detection and attack to suppress the effect of the immune response.

Immunotherapy is a type of treatment that modifies, stimulates, or re-directs certain parts of the immune system to fight diseases, such as cancer. Immunotherapy works by stimulating a patient's own immune system or by turning its attacks towards harmful targets, such as cancer cells. Immunotherapy can also be pursued by giving patients engineered immune cells, such as CAR T-cells to target certain cells. Immunotherapy is playing an increasingly large role in treating cancer, chronic infectious diseases, autoimmune diseases and allergic diseases.

T-cells and T-cell Receptors (TCRs)

T-cells are a class of white blood cells that carry a specific TCR at their surface, that allows them to recognize and kill other cells that express antigens foreign to the individual. Normal cells express a set of specific molecules, called human leukocyte antigen, or HLA, at their surface. HLA is associated with small fragments, or peptides of the proteins expressed or processed inside the cell. Abnormal or foreign proteins expressed in a cell (viruses, for example) can attach to HLAs at the cell's surface and be recognized by T-cells through these HLA-peptide complexes and identified as foreign antigens. This recognition triggers the activation of the T-cells, which destroy the foreign HLA-peptide complex-bearing cell, secrete specific hormones attracting other immune-competent cells to their location, and start multiplying to establish a full immune response.

An activated T-cell can kill a foreign antigen-bearing cell every 15 minutes and can do so at least a thousand times. It can also multiply hundreds of thousands of times, so long as there remains a presence of the foreign antigen in the body. Unlike antibodies that mainly diffuse passively through the body and its circulating fluids, T-cells actively leave blood vessels or lymphoid organs and travel through the tissues of the body where they can attack foreign antigens. Once the antigen is eliminated from the body, the T-cells run out of stimulation and die off, with only a fraction surviving as "memory T-cells," which can react promptly should the antigen reappear in the body.

There is a high variability of HLA molecules in the population. Therefore, if a cell is introduced into a person and originally comes from another individual that is not HLA-matched, it will bear, at its surface, HLA-peptide complexes that are recognized as foreign and will be killed by the T-cells of the recipient. This mechanism of graft rejection has been a major limitation to transplanting patients with allogeneic tissues. Reciprocally, if T-cells are grafted from one individual to another and start recognizing as foreign the normal HLA-peptide complexes at the surface of all tissues of the grafted individual, then they may attack and kill those healthy tissues, leading to GvHD, which can be very severe, and potentially fatal, if left untreated. GvHD has been a major limitation to the use of allogeneic T-cells when treating patients.

Cancerous cells express abnormal antigens and can be killed by T-cells. However, cancer may grow and spread to various organs when T-cells with cancer-specific receptors are in low numbers, of poor quality, or rendered inactive by suppressive mechanisms employed by tumor tissues. T-cells are a key armament when fighting cancers. They play a particularly significant role if they are tailored to target tumors, and even more so if their genes are edited to overcome tumor defenses, to make T-cells compatible with other anti-cancer drugs that can be combined with them, and to prevent GvHD, which would allow the use of allogeneic T-cells.

Chimeric Antigen Receptor (CARs)

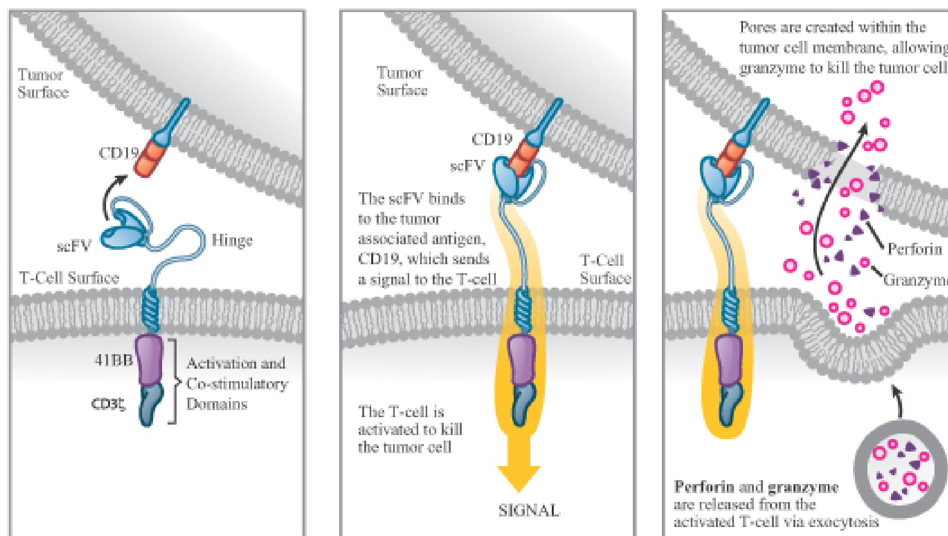
CARs are engineered molecules that, when present at the surface of T-cells, enable them to recognize specific proteins or antigens that are present on the surface of other cells. These receptors are typically used to graft the specificity of an antibody derived from a single cell, or a monoclonal antibody, onto a T-cell and provide it with a specific targeting mechanism to seek, identify, interact with and destroy the tumor cells bearing a selected antigen associated with that tumor also known as the tumor-associated antigen, or TAA. The expression of some genes, or combinations of genes, can be associated with certain classes of cancers. It is sometimes possible to identify TAAs that are expressed at various levels by tumor cells from a given cancer type. These TAAs may also be normally expressed by other tissues at different stages of development.

T-cells with CARs are referred to as CAR T-cells. Whereas natural T-cell receptors, or TCRs, only recognize antigens bound to an HLA molecule at a cell's surface, a CAR is able to directly recognize antigens that are present at the targeted cell's surface. It is believed that upon cell-to-cell contact between a CAR T-cell and an antigen-bearing targeted cell, antigen recognition by the CAR "activates" the CAR T-cell, triggering it to multiply, attack and kill its target through the release of "hole-forming" proteins, known as perforins, and "degradation enzymes," known as granzymes, that enter the targeted cell through the perforin-formed holes and carry out the killing. The activation of a T-cell through a CAR results in a target-associated "kill and amplify" chain reaction that eradicates the tumor.

CARs are constructed by assembling components, or domains, from different proteins, including:

- In the extracellular space, one or more target binding domains, coming from ligands, such as antibodies or receptors, that can recognize their targets on the outside of the T-cell;
- A hinge that anchors the target binding domains at the T-cell's surface and helps position the target binding domains relative to their targets;
- Trans-membrane domains that anchor the CAR at the T-cell's surface relative to the T-cells; and
- A set of activating or silencing domains, which are located within the T-cell's interior, that deliver appropriate signals to the T-cells leading to T-cell activation or repression according to the T-cell environment. Such signals may induce tumor cell killing, hormone secretion and CAR T-cell multiplication.

The following diagram shows the mechanism by which a CAR T-cell is believed to attack a tumor cell:



Recent immuno-oncology advancements have shown the potential to cure certain cancers by harnessing the body's immune system to fight cancer cells. For example,

- in a recent study at the Perelman School of Medicine at the University of Pennsylvania, 27 of 30 (or 90%) of patients, including adults and children, with acute lymphoblastic leukemia who had relapsed multiple times or failed to respond to standard therapies went into remission after receiving a CAR-based immunotherapy, and 78% of the patients were alive six months after treatment; and
- in February 2014, a trial conducted at Memorial Sloan Kettering Cancer Center and the National Cancer Institute reported that 14 of 16 patients with advanced large B-cell lymphoma that had been treated to that point with CAR-based therapies had experienced complete responses.

Based on these advancements, immuno-oncology has become a new frontier for treatment, and we believe it is one of the most promising areas of development within oncology.

Limitations of Current Autologous Treatments

Many of the CAR T-cell immunotherapy treatments currently under development are created through an autologous approach in which the patient's own T-cells are engineered to fight cancer cells. Part of our scientific basis for pursuing allogeneic approaches rests in the recognized limitations of autologous approaches, including:

- Autologous treatments must be specifically designed for each patient due to significant patient-to-patient variability in the quality of the T-cell;
- Autologous treatments can bear high costs due to the necessity of designing a bespoke treatment for each patient and the effort consumed in modifying and growing each patient's T-cells; and
- At this time, autologous treatments cannot be mass produced, may involve significant production time, and require patients be treated at select advanced facilities.

Although some autologous approaches to CAR T-cell have recently demonstrated encouraging clinical data, we believe our allogeneic approach provides developmental benefits.

Our Gene-Editing Approach to Allogeneic CAR T-cell Therapy

The most fundamental challenge of genome engineering is the need to specifically and efficiently target a precise DNA sequence within a complex genome. Our founder and CEO, Dr. André Choulika, was one of the pioneers and first researchers in nuclease-based genome engineering in the early 1990s and has been integral in the development and advancement of gene-editing tools.

Our proprietary gene-editing platform relies on our capacity to custom design DNA-sequence specific cutting enzymes, or nucleases, for any chosen gene we need to modify and our capability to introduce such custom-made nucleases into the living cells we want to engineer. Our platform relies on precisely chosen protein families that can specifically recognize unique DNA sequences and can be tailored to target such sequences in any chosen gene or genetic region.

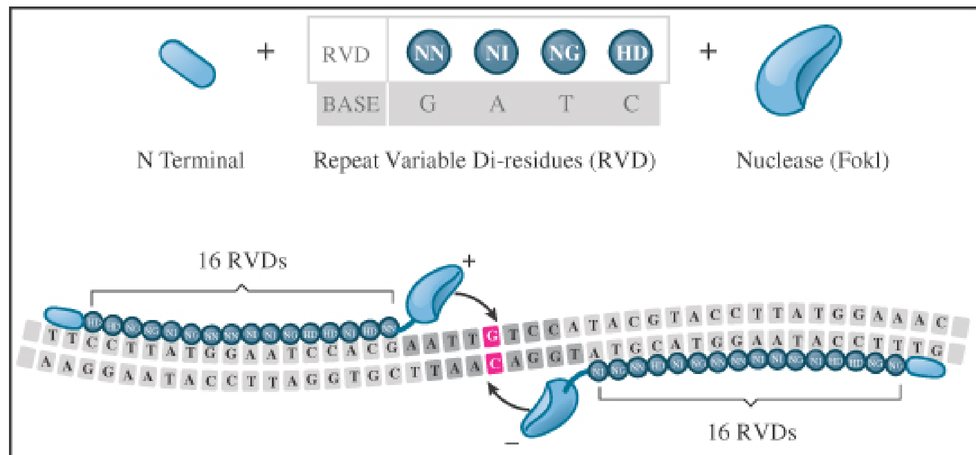
We are currently developing an allogeneic CAR T-cell therapy approach based on our technology platform that combines multi-chain CARs, TALEN and PulseAgile to address the opportunities for improvement discussed above. Our approach aims to deliver an off-the-shelf product with the following benefits:

- *Market Access*. Enable products to be shipped globally, thereby reducing deployment obstacles;
- *Cost-effectiveness*. Streamlined manufacturing process has the potential reduce costs;
- *Novel Features*. Develop products with specific safety and control properties;
- *Compatibility*. Develop products taking into consideration the current standards of cancer care; and
- *Consistency*. Qualify and develop cancer products that are designed for optimal dosage, while reducing batch-to-batch variability.

TALEN—Proprietary Gene-editing Technology

The flagship nuclease structure we use for gene editing is based on a class of proteins derived from transcription activator-like effectors, or TALE. TALEN products are designed by fusing the DNA-cutting domain of a nuclease to TALE domains, which can be tailored to specifically recognize a unique DNA sequence. These fusion proteins serve as readily targetable "DNA scissors" for genome engineering applications that enable us to perform targeted genome modifications such as sequence insertion, deletion, repair and replacement in living cells.

The following diagram shows the structure of a TALEN. The DNA binding domain of TALEN is composed of DNA binding units (repeat variable di-residues or RVDs) that individually recognize the base pair, assembled to recognize DNA. The specificity of this recognition is mediated by two amino-acids (NN, NI, NG, HD), the RVDs that directly interact with the base of the DNA.



We believe the key benefits of TALEN technology are:

- *Precision.* It is possible to design a TALEN that will cleave at any selected region in any gene, giving us the ability to achieve the desired genetic outcome with any gene in any living species.
- *Specificity and Selectivity.* TALEN may be designed to limit its DNA cleavage to the desired sequence and to avoid cutting elsewhere in the genome. This parameter is essential, especially for therapeutic applications, because unwanted genomic modifications potentially could lead to harmful effects for the patient. In addition, gene editing requires only a transient presence of TALEN, thus preserving the integrity and functionality of the T-cell's genome.
- *Efficiency.* A large percentage of cells treated by the nuclease bear the desired genomic modification after treatment is completed. In our gene-editing processes, more than 75% of the T-cells treated by TALEN to inactivate one gene bear the desired genomic modification. We believe TALEN's high efficiency will be important to the cost-effectiveness of a manufacturing process involving the generation of gene-edited T-cells.

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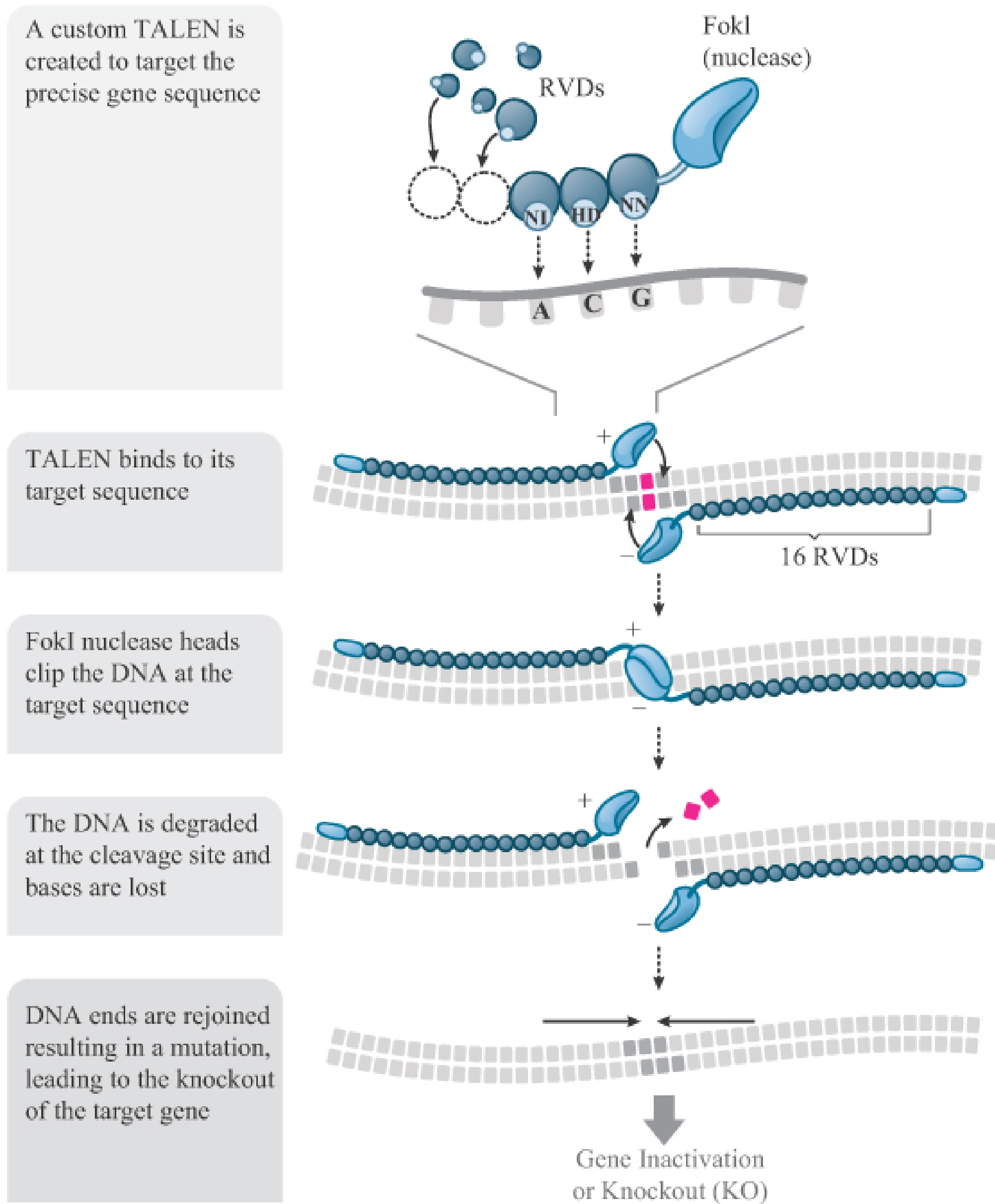
The following diagram shows the mechanism by which TALEN inactivates, or knocks out, a gene:



We are able to assemble long arrays of modular domains with predictable specificity for a chosen sequence of DNA unique within a genome. When a TALEN is present, its TALE domains recognize a unique target DNA sequence and thereby direct the enzyme to the proper chromosomal location. Once bound to its target DNA sequence, the DNA cleaving-domain of the TALEN induces a DNA break at the targeted location to induce permanent DNA modifications. We believe TALEN stands out among nucleases as exceptionally precise, accurate and efficient to perform gene inactivation.

Other Types of Gene Editing Technologies

We have developed a strong expertise and capacity in meganuclease technologies, which involve enzymes capable of recognizing very large unique DNA sequences. In addition, using the flexibility of the TALE domain, we have developed new classes of custom-designed nucleases, such as compact TALEN and mega-TALE nucleases that combine meganucleases and TALEN technology. Compact-TALEN is built with a single TALE molecule fused to a fragment of a chosen meganuclease that carries limited DNA sequence recognition functionality but fully functional DNA-cleaving activity. These chimeric proteins are smaller in size than classical TALEN, which can facilitate their delivery to cells. In contrast, mega-TALEs use a full-size meganuclease to enhance their DNA sequence recognition capacities, while demonstrating enhanced precision. In addition, we have discovered a new class of nuclease that we named BurrH nucleases, also based on arrays of single DNA-base recognizing modular domains.

PulseAgile—Electroporation Technology

In order to perform gene editing, we use our proprietary PulseAgile electroporation technology to introduce nucleases inside the target T-cell where they can access the cell's DNA. Electroporation allows messenger RNA, or mRNA, molecules coding for the nuclease to enter into the cell, where it is translated into the nuclease protein that can cut into the cell's DNA. The mRNA molecules are rapidly degraded by the cell, which means that the nuclease is only expressed for a short time.

PulseAgile electroporation uses a unique electrical field wave-form that, in combination with a proprietary buffer solution, enables molecules, such as nucleases, to enter efficiently into the cell while maintaining a high percentage of viable cells. PulseAgile technology is particularly effective due to the shape of the electrical field that includes high voltage peaks, which are optimized to create transient holes in the cell membrane, followed by lower voltage pulses that help mRNA migrate into the cells. In addition, PulseAgile is optimized to preserve high cell viability and thus suited for large-scale manufacturing. For example, T-cells that undergo TALEN encoding mRNA electroporation maintain cell viability of approximately 90%.

Next-Generation Products Based on Multi-chain CAR

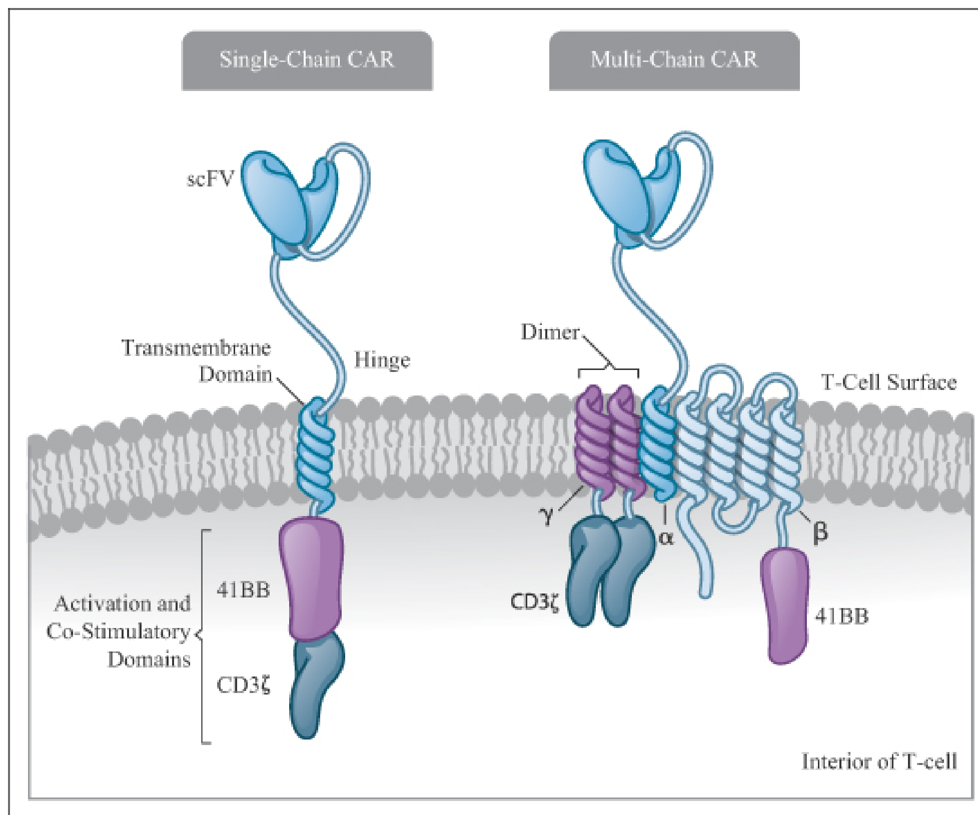
Historically, CAR components have been assembled into a linear CAR molecule, known as a “single-chain” CAR. We have developed another architecture, which we call “multi-chain” CAR, that is currently based on the structure of the high-affinity IgE receptor, which is normally absent in T-cells. The multi-chain CAR is composed of several membrane-bound proteins that naturally assemble at the cell's surface and, as described below, have several benefits.

CAR architectures generally utilize a single polypeptide chain, which requires multiple appending of domains to enable a configuration that provides both the T-cell activation and co-stimulation needed for optimal T-cell responses. Typically, the target-binding domain of a CAR consists of a single-chain variable fragment of an antibody comprising variable domains of large polypeptide subunits, or heavy chains, and small polypeptide subunits, or light chains, joined by a short linker peptide. This structure allows the expression of the CAR as a single-chain protein. One limitation of single-chain CAR architecture is the small number of features that it is able to add to a cell. With single-chain CARs, each additional feature, or domain, has to hinge on the transmembrane structure. As a result, single-chain CARs are structured so that as domains are added, they are inevitably located further away from the transmembrane structure. When protein domains are not located close to the transmembrane structure, they tend to be less stable or active, which limits the number of domains that can be added.

We have developed a novel multi-subunit CAR architecture that overcomes these structural issues and expands the functional possibilities that can be brought to a T-cell. Our multi-chain CAR is currently based on the architecture of a specific high affinity antibody receptor, IgE, that is normally absent from T-cells. This architecture offers the potential for inclusion of multiple intra-cellular signaling domains, all optimally located at their natural distance from the membrane. In other words, our multi-chain CAR offers additional positions close to the cell membrane so that domains can be more flexibly located relative to the cell's transmembrane structure. This also facilitates the implementation of multiple recognition domains, allowing the recognition of not only a single antigen, but also of patterns of multiple antigen expression. This novel multi-subunit architecture allows the construction of CARs with both improved activity and specificity and thus an expanded range of applications.

CARs, whether single or multi-chain, are means to redirect T-cell activity toward cells bearing selected antigens. Our platform allows us to design CARs and to optimize their design depending on where and how their target is expressed on the surface of cancer cells.

The following diagram shows the distinction between single-chain CARs and multi-chain CARs:



Nuclease Technology and T-cells: The Design Process

Our T-cell gene-editing process involves two engineering rounds:

Step 1: Add Genes, such as a CAR

In the first round, genetic material is added to the T-cell's genome using a viral vector—a benign modified virus that cannot replicate autonomously but can efficiently deliver such genetic material into a cell with which it is in contact. In particular, we use replication-deficient viral vectors derived from a specific type of virus, known

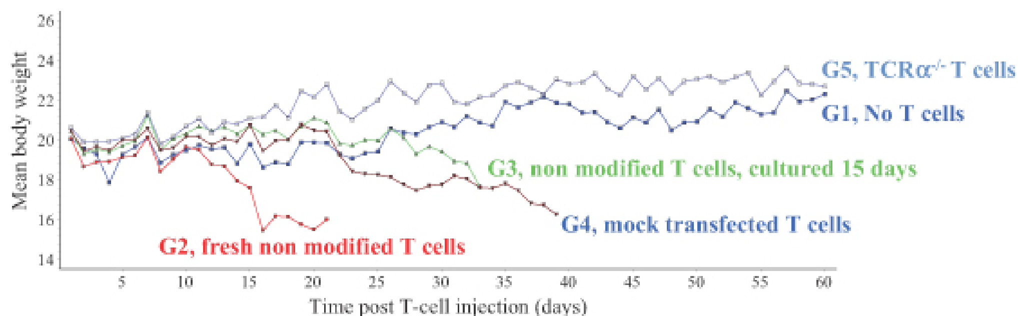
as lentivirus, to establish integration. The genetic material added includes a gene-coding for a CAR, which becomes a new receptor at the T-cell's surface that allows it to recognize and bind to a target molecule that is present at the surface of other cells. At this stage, we can also add additional genes to these cells that confer specific properties. For example, we add suicide genes, which code for proteins that can make T-cells susceptible to certain drugs and enable us to deplete our engineered T-cells at our discretion by administering a drug to the patient.

*Step 2: Gene Editing to Inactivate Genes, such as the TCR*a, *PD-1, CD52*

In the second round, we use our PulseAgile electroporation technology to introduce specific TALEN mRNA into the T-cells to inactivate a number of genes that are naturally present in the genome of these T-cells.

TCRs at the surface of T-cells allow them to recognize other cells that express foreign, non-self, antigens (for example, cells infected by a virus or cells coming from another individual). Non-modified allogeneic T-cells bear functional TCRs and, if injected into a patient, can potentially recognize non-self on that patient's tissues and start to attack them. For this reason, all of our UCART product candidates undergo the inactivation of a gene coding for TCRa, a key component of the natural antigen receptor of T-cells, to suppress their alloreactivity. The engineered T-cells lack functional TCRs and are no longer capable of recognizing foreign antigens. As a result, when injected into a patient, the engineered T-cell does not recognize the tissues of the host patient as foreign and thus avoids attacking the patient's tissues. This could avoid the GvHD that can be sometimes be observed when allogeneic TCR-positive T-cells are infused into some patients.

The figure below depicts the suppression of alloreactivity in T-cells engineered to lack functional TCRs. The figure summarizes experiments in which we injected mice with T-cells engineered for the inactivation of TCRa while injecting other mice with non-engineered T-cells with functional TCRs. We then measured the effects of such injections on mean body weight, which serves as a proxy for the impact of GvHD.



Once modified, the T-cells of our UCART products are amplified. The desired TCR-less T-cells are then purified from the undesired T-cells that may still contain TCR, and finally frozen. We perform a battery of specialized testing techniques and various quality assurance and quality control assays to further validate cellular functional integrity following gene editing.

The absence of a TCR at the surface of our UCART product candidates is a key feature that allows them to be used as allogeneic off-the-shelf products. Other genes can also be inactivated in this round to confer specific attributes to the T-cells. They can be made resistant, and therefore compatible, with specific medical regimens used during the course of cancer treatments. For example, we inactivate the CD52 gene, which codes for the target of alemtuzumab, a monoclonal antibody indicated for CLL patients, that would otherwise destroy our engineered T-cells. Likewise, we believe we can inactivate the dCK2 or GR genes in order to make our T-cells respectively resistant to fludarabin or to corticoids that are used for several types of cancer patients.

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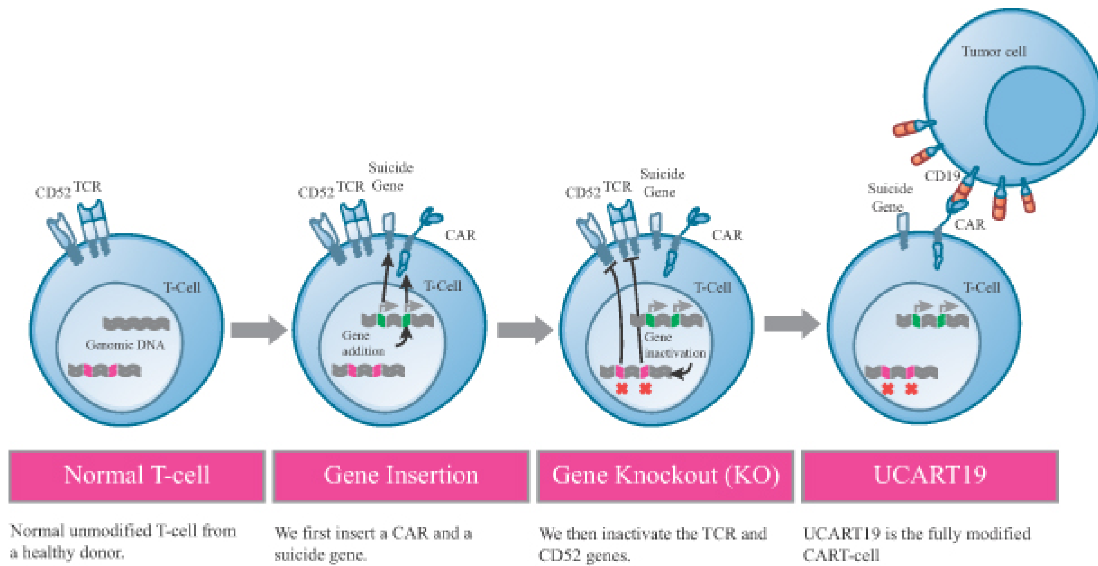
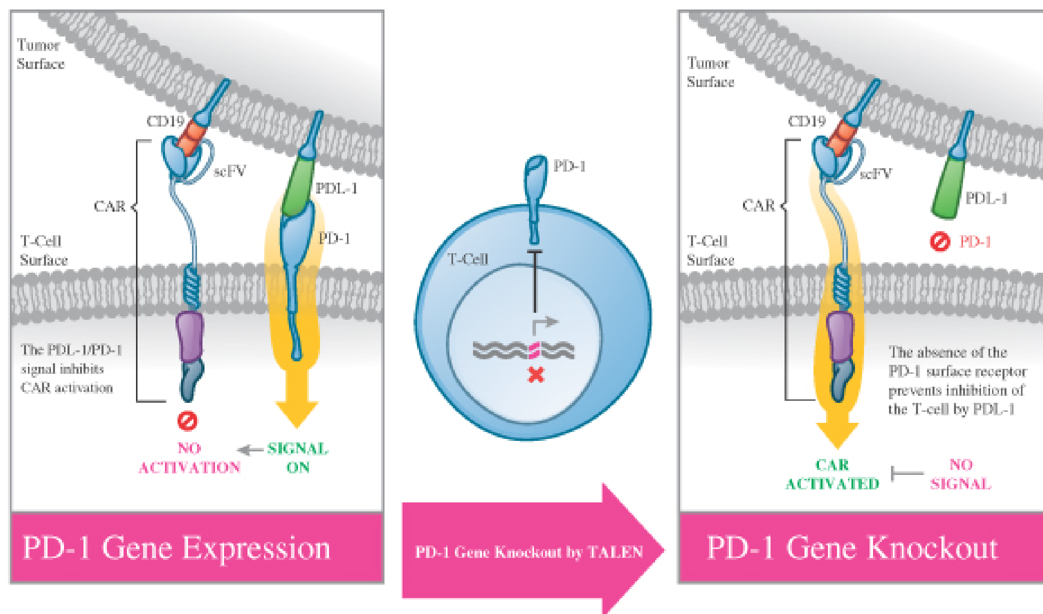
The following diagram shows the key stages in our engineering of UCART19:



Our engineered T-cell could also be made insensitive to inhibition signals, which diminishes immune system activity, that may be present within the tumor microenvironment and that usually block T-cell attacks. For example, we inactivate the PD-1 gene in our engineered T-cells so that they would no longer be subject to checkpoint regulator inhibition by tumors expressing PDL-1, a common anti-immune defense mechanism found in cancer.

The following diagram shows the inactivation of the PD-1 gene to suppress checkpoint inhibition in the T-cell:



Using our ability to add and to inactivate genes, our platform has the flexibility to deliver smart T-cells designed for specific indications and purposes.

Key Benefits of our UCART Approach

We believe our CAR T approach and manufacturing process has the potential to provide the following benefits:

- *Market Access*. Enable products to be shipped globally, thereby reducing deployment obstacles.

  Our UCART product candidates are intended to enable universal market access driven by an allogeneic approach. Current autologous treatments require dedicated infrastructure, which could limit their availability to only a few select sites. Because our UCART product candidates are designed to be frozen and available off-the-shelf, they could be shipped globally at any time and administered immediately to patients when needed, including in local clinics.

- *Cost-effectiveness*. Streamlined manufacturing process has the potential to reduce costs.

  Our manufacturing process is a benefit to our UCART product candidate line that could contribute to the design of a reasonably priced product. Our manufacturing process produces UCART products from healthy, tested and qualified donor T-cells. Moreover, because our process is powered by our nucleases and our proprietary PulseAgile electroporation systems, we expect to be able to inactivate genes in a highly efficient manner that avoids harming T-cells during processing, which could allow us to manufacture quality UCART products at high yields. This could enable us to manufacture in bulk, and we expect that T-cells from one healthy donor, and one manufacturing run of UCART, could be used to create 500-1,000 doses of product. These efficiencies could allow us to reduce costs to patients and produce competitive gross profit margins.

- *Novel Features*. Develop products with specific safety and control properties.

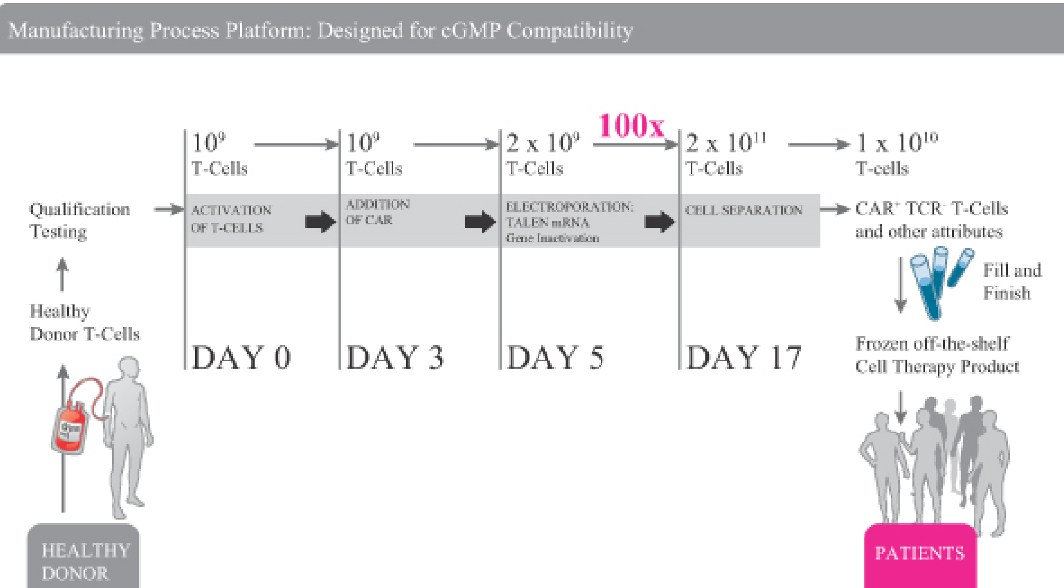
  We aim to engineer T-cells for specific clinical results that enhance safety and provide greater control over cellular activity. For example, our research includes disabling T-cells from attacking a patient’s healthy tissues, designing T-cells to be compatible with standard oncology treatments, enabling our engineered T-cells to surpass key immune checkpoint regulators that can protect tumors from the immune system, and building into our products a suicide gene that directs the natural clearance of allogeneic T-cells with the addition of a drug.

- *Compatibility*. Develop products taking into consideration the current standards of cancer care.

  We are researching augmenting T-cells to resist and be compatible with compounds that cancer patients are exposed to, including standard oncology treatments, such as specific monoclonal antibody therapies, corticoids, or other relevant chemotherapies. We are pursuing treatment options that would allow patients to be treated with our engineered T-cells after being treated with traditional approaches that would impair T-cell function or viability.

- *Consistency*. Qualify and develop cancer products that are designed for optimal dosage, while reducing batch-to-batch variability.

  Our frozen, off-the-shelf UCART product candidates are intended to be produced pursuant to GMP and are extensively tested. Like other pharmaceutical products, we expect that their quality will be controlled to ensure consistency over time and from batch to batch. This is a significant difference from autologous approaches currently reported to be in clinical development. In these autologous settings, where the donor of T-cells is the very patient who will receive the CAR-bearing cells, a specific batch of T-cells must be made for each patient and, in some cases, sufficient T-cells may not be available from the patient to create the autologous product.



UCART Pipeline

We are developing a series of product candidates for advanced solid and hematologic malignancies.

Our lead immuno-oncology product candidates, which we refer to as UCARTs, are all allogeneic CAR T-cells engineered to be used for treating any patient with a particular cancer type. Each UCART product candidate targets a selected tumor antigen and bears specific engineered attributes, such as compatibility with specific medical regimens that cancer patients may undergo. UCART is the first therapeutic product line that we are developing with our gene-editing platform to address unmet medical needs in oncology. We are focusing our initial internal pipeline in the liquid tumor space or leukemias, targeting diseases with high unmet needs such as ALL, CLL, acute myeloblastic lymphoma, or AML, and multiple myeloma, or MM. All of our product candidates are currently in the discovery or pre-clinical proof-of-concept phase, and the following chart highlights some of these product candidates that we expect to be the subject of a CTA filing or to enter into pre-clinical studies in 2015:

Product Name	Targeted Indication	Discovery	CAR-T Engineering	In Vitro Assays	In Animals	CTA / IND filing	Alliance
UCART19	Acute Lymphoblastic Leukemia (ALL) Chronic Lymphocytic Leukemia (CLL)	✓	✓	✓	✓	2015	Servier
UCART123	Acute Myeloid Leukemia (AML)	✓	✓	✓	✓		Wholly-Owned
UCART38	Multiple Myeloma (MM)	✓	✓		Q4 2015		Wholly-Owned
UCARTCS1	Multiple Myeloma (MM)	✓			Q4 2015		Wholly-Owned

UCART19 for Acute Lymphoblastic Leukemia and Chronic Lymphocytic Leukemia

UCART19, our lead product candidate, is an allogeneic, off-the-shelf product designed to exhibit high efficacy in fighting hematological malignancies bearing the B-lymphocyte antigen CD19, or CD19. UCART19 is currently undergoing pre-clinical studies in animal subjects. We have completed most of the pre-clinical studies and we currently expect to file an application for a CTA in 2015.

Targeted Indications

Acute Lymphoblastic Leukemia

ALL is a clonal disease of the bone marrow in which immature lymphoid precursors are arrested in development (with abnormal expression of genes, as a result of chromosomal translocations), proliferate and replace the normal hematopoietic cells of the marrow and in other organs, particularly the liver, spleen, and lymph nodes. ALL patients present symptoms related to infiltration by leukemic cells of the marrow or organs, or symptoms relating to the decreased production of normal marrow element resulting to varying degrees in anemia, thrombocytopenia, neutropenia, lymphadenopathy and splenomegaly. ALL develops rapidly, within a few days or a few weeks of the first symptoms. According to the National Cancer Institute's Surveillance, Epidemiology, and End Results, or SEER, Program, approximately 6,000 new cases of ALL are diagnosed in the United States each year, leading to about 1,400 deaths in 2013. Most occur in children, but 40% are in adults aged 20 years or older. About 80% of all children with ALL are cured. In contrast, the cure rate of adult ALL has remained at 20-40% over the past 30 years. ALL accounts for approximately 20% of adult leukemias, and for more than one quarter of all cancers in children.

Chronic Lymphocytic Leukemia

CLL is a chronic disease of the blood that develops slowly and is characterized by an excess of white blood cells. In healthy individuals, B-lymphocytes produced by the bone marrow are replaced in a few days. In the case of chronic lymphoid leukemia, the B-lymphocytes produced by the bone marrow accumulate in the blood, the ganglia, the spleen and the bone marrow, instead of dying within a few days or months to be replaced by others. Prognosis depends on the disease stage at diagnosis as well as the presence or absence of high-risk markers. CLL is the most common leukemia in the developed countries (approximately one-third of all new leukemia cases) with an incidence of four cases per 100,000 people per year. CLL primarily affects the elderly, with a median age at diagnosis of approximately 70 years. Efforts by competitors are ongoing to develop CAR adoptive immunotherapies for CLL and ALL through autologous approaches. The initial results in a recently published CAR clinical trial are very encouraging.

Other CD-19 positive indications

There are other CD19 positive B-lymphocyte tumors. Non-Hodgkin's lymphomas, or NHL, are a group of hematological cancers, 85% of which are B-lymphocyte-derived and express CD19. In the United States, there are approximately 70,000 new NHL cases diagnosed per year, with incidence from 2.5 cases per 100,000 persons in the 20- to 24-year age-group, to 44.6 cases per 100,000 individuals by age 60 to 64, to more than 100 cases per 100,000 individuals older than 75. For example, B-lymphocyte derived NHL include:

- Diffuse Large B-Cell Lymphoma (31% of NHL)
- Follicular Lymphoma (22% of NHL)
- Mucosa-Associated Lymphoid Tissue (MALT) Lymphoma (7.5% of NHL)
- Small Cell Lymphocytic Lymphoma–Chronic Lymphocytic Leukemia (7% of NHL)
- Mantle Cell Lymphoma (6% of NHL)

Product Features

UCART19 is an allogeneic T-cell product intended for the treatment of CD19-expressing hematologic malignancies, which develop in ALL and CLL.

UCART19 is designed to become active, proliferate, secrete cytokines and kill CD19-bearing B-cell malignancies upon contact with such cells, following administration to patients. Activation of UCART19 is driven by contact between its anti-CD19 CAR and the CD19 protein on the surface of tumor cells.

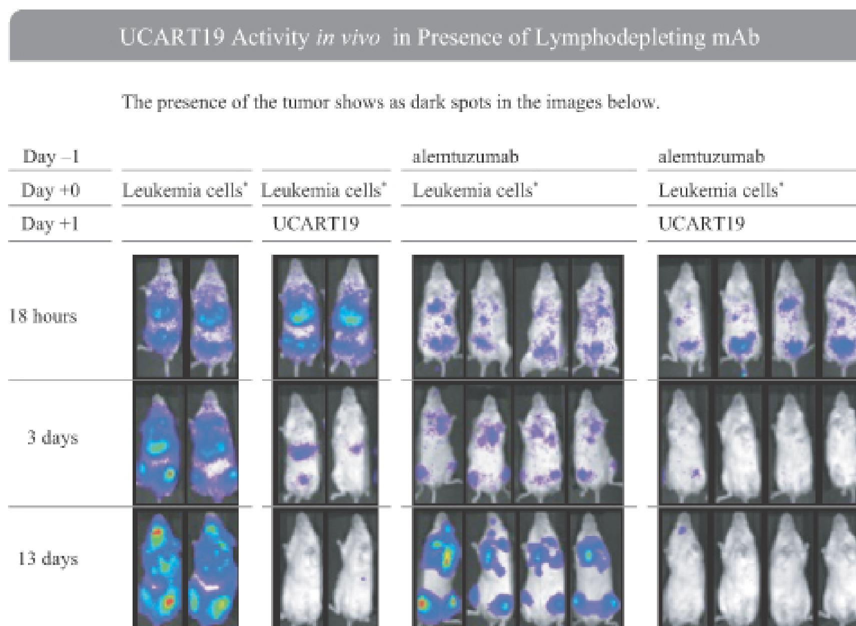
UCART19 cells bear a CAR targeting the CD19 antigen that drives their capacity to kill CD19-bearing cells. Moreover, as all UCART product candidates, UCART19 lacks the TCR responsible for recognition of non-self antigens by the T-cells, which allows use of any donor T-cells to produce UCART19, without the potential for GvHD. In addition, UCART19 cells lack CD52, a protein expressed on the cell surface that makes T-cells sensitive to alemtuzumab, a drug often used to treat CLL patients. This feature allows for engraftment of the cells in conjunction with a potential alemtuzumab treatment.

UCART19 activation could potentially lead to eradication of CD19-expressing cancer cells through T-cell mediated killing of such cancer cells and potentially pro-inflammatory immune system production as well as CAR T-cell amplification.

Pre-clinical Findings

UCART19 has been evaluated both in vitro and in animal studies, with promising results.

In vitro studies demonstrated efficient killing of human CD19-bearing cells by UCART19. Animal studies were conducted in mice injected both with UCART19 and human CD19-bearing tumor cells. UCART19 was tested for its potential to induce GvHD. As expected, mice receiving unmodified T-cells from a human donor showed GvHD, while mice receiving the UCART19 cells that lack the TCR showed no GvHD. In these experiments, all mice receiving tumor cells but no T-cells showed strong tumor progression. In most of the mice that received the tumor, it was eradicated within 13 days after receiving UCART19 cells, and partial responses were observed in the remaining mice. In addition, our studies also show that UCART19 cells were resistant to alemtuzumab in mice.



We believe our promising pre-clinical results, coupled with the results obtained by others in human autologous clinical trial settings showing high rates of complete remission in late-stage ALL and CLL patients, are positive indicators that our off-the-shelf UCART19 product may successfully eradicate CD19-bearing tumors when infused into patients.

Development Strategy

UCART19 will be manufactured for purposes of conducting clinical trials in accordance with GMP in 2015. An additional animal study of the anti-tumor effect of UCART19 will be performed with an early batch representative of the GMP product in 2015.

Based upon our pre-clinical results, we plan to file in 2015 an application for a CTA in the United Kingdom, which is the equivalent of an IND in the United States and, depending on the timing of regulatory approval, if obtained, we plan to initiate a Phase 1 single-arm dose escalation open label trial of UCART19 in patients with CLL or ALL with no further treatment options. We expect preliminary data to become available in 2016.

Servier has an option on all rights to UCART19, and should Servier choose to exercise that option, they may license the product to a third party. This option may be exercised after completion of Phase 1 clinical trials.

UCART123 for Acute Myeloid Leukemia

UCART123 is an allogeneic engineered T-cell product designed for the treatment of hematologic malignancies expressing the interleukin-3 low affinity receptor, or CD123, that develop in AML.

Targeted Indication

Acute Myeloid Leukemia

AML is an abnormal proliferation of myeloid stem cells blocked at an early stage of differentiation. AML is due to the proliferation of blasts—cells that give rise to white blood cells that have become tumoral—in the bone marrow which can then no longer ensure the production of healthy blood cells. As a consequence, red blood cells, normal white blood cells and platelet counts drop in AML patients. If left untreated in an acute leukemia, AML progresses rapidly and is fatal within weeks. The frequency of acute myeloid leukemias increases after the age of 40, the average age being 65. AML is the most common acute leukemia affecting adults, and its incidence increases with age. AML is estimated to account for approximately 1.8% of cancer deaths in the United States.

Product Features

UCART123 is designed to kill CD123-bearing tumor cells upon contact with such cells, following administration to patients. UCART123 bears a CAR targeting the CD123 antigen, allowing UCART123 to specifically target CD123-bearing malignancies, in order to recognize and kill CD123-bearing cancer cells. In addition, as with all UCART products, UCART123 lacks the TCR.

Development Strategy

UCART123 is at an early pre-clinical stage of development. Depending on the success of pre-clinical investigations, we expect that UCART123 will be manufactured in large scale according to GMP in 2015 for purposes of conducting clinical trials according to GMP. Depending on requirements from the relevant regulatory authorities, preliminary studies may be required before applying for a CTA in the United Kingdom, an IND in the United States or a foreign equivalent.

UCARTCS1 and UCART38 for Multiple Myeloma

UCARTCS1 and UCART38 are allogeneic engineered T-cell products designed for the treatment of CS1-expressing or CD38-expressing hematologic malignancies which develop in multiple myeloma (MM).

Targeted Indication

Multiple Myeloma

MM, more commonly known as Kahler's disease, is a disorder of the bone marrow caused by an uncontrolled proliferation of plasmocytes (blood cells of the family of white blood cells) specialized in the production of antibodies. In Kahler's disease, the plasmocytes that proliferate all come from one abnormal plasmocyte. Abnormal plasma cells accumulate in the bone marrow where they interfere with the development of normal blood cells. As a consequence, red blood cells, normal white blood cells and platelet counts drop in MM patients. MM is a relatively rare cancer that affects mainly people aged over 60. There are 6.1 new MM cases per 100,000 people each year. The five-year survival rate is estimated at 45%. MM is the second-most common hematological malignancy in the United States and accounts for 1.4% of all cancers.

Product Features

UCARTCS1 and UCART38 are designed to kill CS1-expressing or CD38-expressing tumor cells, respectively, upon contact with such cells, following administration to patients. Activation of UCARTCS1 or UCART38 is driven by contact between their anti-CS1 or anti-CD38 CAR and the CS1 or CD38 protein on the surface of tumor cells.

Development Strategy

UCARTCS1 and UCART38 are at discovery stage and have not yet entered into pre-clinical studies. We plan on advancing the development of these two products through pre-clinical studies in late 2015 and early 2016. We are aiming at filing for a Phase 1 trial of at least one of these two products for a population of MM patients in 2016.

Other Products in Our Pipeline

The other products in our pipeline are at early stages of development. We expect that they will be developed through pre-clinical studies in 2016, and we believe we will be able to start filing CTAs in the United Kingdom, INDs in the United States or foreign equivalents in 2017.

Our Strategic Alliances with Pfizer and Servier

We have signed collaboration agreements with Pfizer and Servier, which we believe validate our research and approach to CAR-T. Our strategic alliances include potential milestone payments to us of up to $3.9 billion and royalties on future sales.

Research Collaboration and License Agreement with Pfizer

In June 2014, we entered into a Research Collaboration and License Agreement with Pfizer pursuant to which we will collaborate to conduct discovery and pre-clinical development activities to generate CAR T-cells directed at Pfizer- and Cellectis-selected targets in the field of human oncology. We granted Pfizer an exclusive, worldwide, royalty-bearing, sublicensable license, on a target-by-target basis, under certain of our intellectual property to make, use, sell, import, and otherwise commercialize products directed at the Pfizer-selected targets in the field of human oncology.

Under the agreement, we are obligated to use commercially reasonable efforts to develop, for each Cellectis-selected target, at least one product candidate. Pfizer granted us a non-exclusive, worldwide, royalty-free license, with sublicensing rights under certain conditions, under certain of its intellectual property to conduct research, and to make, use, sell, import and otherwise commercialize products directed at Cellectis-selected targets.

Pursuant to the agreement, Pfizer made an upfront, non-refundable $80.0 million payment to us, concurrent with Pfizer's €25.8 million ($31.2 million) equity investment in our company. In addition, the strategic alliance provides for payments of up to $185.0 million per product that is directed against a Pfizer-selected target, with aggregate potential clinical and commercial milestone payments totaling up to $2.8 billion. We are also eligible to receive from Pfizer tiered royalties on annual net sales of any products that are commercialized by Pfizer that contain or incorporate certain of our intellectual property at rates in the high single-digit percentages.

Except as required of us by our collaboration agreement with Servier, until the earlier of (1) the completion or termination of a four-year term or (2) the filing by Cellectis of an IND for certain targets to which we retain rights, we and our affiliates may not grant rights under certain of our intellectual property and intellectual property developed in the course of the collaboration to develop or commercialize CAR T-cells in the field of human oncology, other than certain specified non-commercial collaborations.

Unless earlier terminated in accordance with the agreement, our agreement with Pfizer will expire on a product-by-product and country-by-country basis, until the later of (1) the expiration of the last to expire of the licensed patents covering such product; (2) the loss of regulatory exclusivity afforded such product in such country, and (3) the tenth anniversary of the date of the first commercial sale of such product in such country; however, in no event shall the term extend, with respect to a particular licensed product, past the twentieth anniversary of the first commercial sale for such product. At any time after the first anniversary of the effective date of the agreement, Pfizer will have the right to terminate the agreement at will upon 60 days' prior written notice, either in its entirety or on a target-by-target basis. Either party may terminate the agreement, in its entirety or on a target-by-target basis, upon 90 days' prior written notice in the event of the other party's uncured material breach. The agreement may also be terminated upon written notice by Pfizer at any time in the event that we become bankrupt or insolvent.

Research, Product Development, Option, License and Commercialization Agreement with Servier

In February 2014, we entered into a Research, Product Development, Option, License and Commercialization Agreement with Servier. Pursuant to this agreement, we are responsible for the research and development of our UCART19 product up to and including the Phase 1 clinical trial. We are similarly responsible for the research and development of five additional product candidates consisting of allogeneic anti-tumor adoptive T-cells directed against particular targets selected by Servier. Pursuant to the agreement, we granted Servier the right to exercise an exclusive option to obtain an exclusive, worldwide license, on a product candidate-by-product candidate basis, with respect to each product candidate selected by Servier and developed under the agreement. Upon Servier's exercise of each option, we shall grant Servier an exclusive, worldwide, royalty-bearing, sublicensable license under certain of our patents and know-how covering the respective product candidate to develop, manufacture and commercialize such product in the field of anti-tumor adoptive immunotherapy, and Servier will assume responsibility for the further clinical development, manufacture and commercialization of such product. During the term of the agreement, we are prohibited from researching, developing, or commercializing any product directed against a target that is used for the same purpose as it is used with a product candidate developed under the agreement.

Pursuant to the agreement, Servier made an upfront payment of €7.55 million ($9.1 million) and, upon its exercise of each license option provided for in the agreement, Servier will pay us a lump sum license fee. We are

eligible to receive from Servier aggregate additional payments of up to €813.3 million ($984.2 million), comprising payments upon the exercise of options granted to Servier under the agreement and payments upon the occurrence of certain specified development and commercial milestones. Pursuant to the agreement, we are also eligible to receive tiered royalties ranging in the high single-digit percentages based on annual net sales of commercialized products.

Unless earlier terminated, the agreement will expire upon the expiration of the last to expire of the patents covering a product licensed pursuant to the agreement. Either party may terminate the agreement for the other party's uncured material breach upon 90 days' prior written notice to the breaching party, or 30 days' notice if such breach relates to a payment obligation. The parties may also terminate the agreement by mutual consent. The agreement immediately and automatically terminates upon the expiration of Servier's last license option in the event Servier has not exercised any option to license in accordance with the agreement prior to such expiration. Servier has the right, at its sole discretion, to terminate the agreement in its entirety or with respect to specific products, upon three months' prior written notice to us. Servier may also terminate the agreement at any time for product-related safety reasons. Either party may terminate the agreement in the event of the other party's bankruptcy or insolvency. In the event that Servier does not exercise its option to license a product candidate, we may independently pursue all activities related to such product candidate and/or license such product candidate and the associated intellectual property to a third party. For such purpose, Servier granted us a non-exclusive, sublicensable license under any such Servier-controlled intellectual property for which we will pay tiered royalties on annual net revenues at rates ranging in the low single-digit percentages.

Raw Materials

We are dependent on specialized third parties, who are subject to stringent manufacturing requirements and regulations, for the supply of various biological materials—such as cells, cytokines or antibodies—that are necessary to produce our product candidates. We source these raw materials on a purchase order basis and do not have long-term supply contracts in place. However, we believe that competitive pricing is achieved because there are a number of potential long-term replacements to each of our suppliers. Generally, the prices of the principal biological raw materials that we purchase are stable. To the extent that we are exposed to price fluctuations, we generally do not expect, in the near term, to be able to pass on cost increases because of the early development stage of our product candidates.

Applications of Our Technology in Agricultural Biotechnology

Cellectis Plant Sciences, or CPS, was established in 2010 and currently focuses on the development and commercialization of plant products. As the global population continues to increase, so too does the global food market. The current U.S. market size of major crops such as potato, soybean and wheat is estimated to be $4.0 billion, $40.0 billion and $10.0 billion, respectively. By leveraging our plant-engineering platform and the transformative potential of gene editing, we aim to create food products with consumer health benefits, adaptations for climate change or nutritional enhancements that address the needs of a growing population. We believe we have the unique opportunity to develop products at a much lower cost than currently developed transgenic plants and to do so within a shorter timeline.

Gene Editing in Agricultural Biotechnology

The underlying process of targeted gene editing using plant nucleases is no different than the process we apply to human organisms and cells. We seek to create a sequence-specific DNA break in a gene-of-interest and allow the cell's natural repair machinery to create a stable change at that location in the genome. The resulting changes can precisely alter certain genes to remove potentially harmful proteins or to confer specific traits.

Plant breeders have been crossbreeding varieties and selecting advantageous traits for thousands of years. The aim of targeted gene editing is to simply speed up that process by incorporating changes into elite

germplasm known from wild ancestors or from other species altogether, to produce the best possible attributes faster and more cheaply. This gene-editing approach is more predictable, more reliable, and more effective than current techniques. CPS is applying our plant gene-editing platform to a broad range of horticultural and agronomic plant species. CPS performs transient expression of nucleases into a single-cell protoplast system by proprietary transformation technologies to allow precise gene editing, while avoiding the presence of foreign DNA in the final product. Following the completion of this gene-editing step, the modified plant single cell is re-grown into a fully functional plant and multiplied. The creation of these new varieties is already applicable to a wide range of crop families.

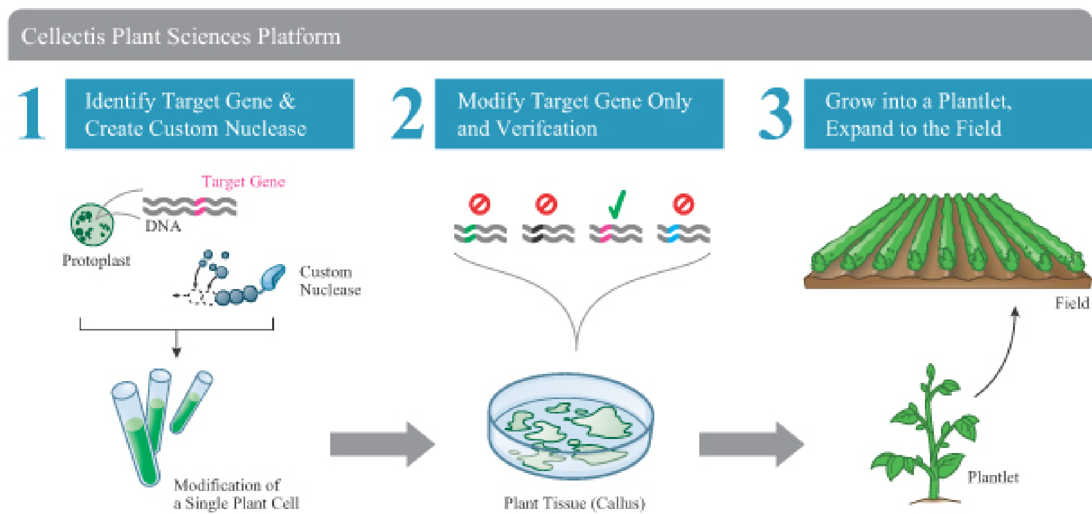
Market Dynamics

Following 20 years of industry consolidation, the current agricultural biotechnology market is dominated by a small number of large companies, such as Bayer AG, DuPont Pioneer, Groupe Limagrain Holding SA, Monsanto Co., Syngenta AG and The Dow Chemical Co. The small number of companies is also due in part to the high costs associated with product development and regulatory approval, which limit the capacity of small players to grow. Published data from industry sources indicate that the development of biotech plants takes 13 years and costs an average of $136 million, of which about $35 million are spent in regulatory science and regulatory affairs. In addition to these features, the development of transgenic crops is dependent on a set of technologies controlled by major companies. This creates a barrier for new small companies or startup companies willing to develop new crops.

TALEN Technology Platform in Agricultural Biotechnology

We aim to create food products with consumer health benefits by leveraging our plant-engineering platform and the transformative potential of gene editing. We edit genes naturally present in the plant genomes through temporary expression of TALEN products to knock out genes, which creates engineered plants that bear mutated endogenous, or non-foreign, genes. Our goal is to quickly develop a large number of traits in key crops, obtain regulatory clearance and field validation data, and become a new leader in the agricultural biotechnology landscape.

We believe we have the unique opportunity to develop products at a much lower cost than currently developed transgenic plants and to do so within a shorter timeline.



Based on the USDA letter dated August 28, 2014, confirming that CPS's potato products fall outside of the scope of plant regulation, we seek to enter the U.S. agricultural biotechnology market by using our proprietary TALEN technology, which we believe will enable us to expedite the trait development process to 6-10 years and significantly lower the cost associated with development. In addition, our gene-editing approach results in transgene-free food products. We believe this will result in simpler, shorter and cheaper regulatory pathway because our products may avoid the significant expenses and long process associated with plant deregulation. We thus believe CPS will have the ability to commercialize its products quickly without incurring major regulatory costs or going through time-consuming deregulation studies.

By leveraging our plant-engineering platform and the transformative potential of gene editing, we aim to create food products with consumer health benefits, adaptations for climate change or nutritional enhancements that address the needs of a growing population. We are developing products in a range of highly valuable plants, including soybean, potato, canola and wheat. In addition, we believe our processes can be adjusted to virtually any crop.

Cellectis Agricultural Biotechnology Products

Our current agricultural biotechnology product candidates are depicted in the following diagram, which assumes that the same regulatory scientific rationale would apply to all these product candidates:

Product	Trait	Discovery	Estimated Field trial
Soybean	Low trans fat	✓	2015
	Low linolenic oil	ongoing	2016
	Low transfat/low linolenic oil stack	ongoing	2017
	Protein content	ongoing	2017
Potato	Cold storage	✓	2015
	Browning reduction	ongoing	2016
	Cold storage/Browning reduction stack (fries variety)	ongoing	2018
	Cold storage/Browning reduction stack (chips variety)	ongoing	2018
Canola	Improved oil	ongoing	2016
	Nitrogen use efficiency	ongoing	2018
Wheat	Low gluten	ongoing	2017

Upon the successful completion of a field trial, it generally takes three to four years to establish a commercial proof of concept and following commercial proof of concept, an additional three years to grow sufficient quantities for commercialization.

The typical development pathway of our agricultural product candidates go through:

(1) Research proof of concept—the proof that the intended mutations have been achieved and that they lead to the intended phenotype, obtained in greenhouse and in a variety that is adapted for research work,

(2) Field trial—proof that, when planted in fields, the same mutated variety leads to the intended phenotype,

(3) Implementation in elite background—crossing (possibly multiple times) of the mutated variety with high yield "elite" varieties to place the trait into that commercial grade genetic context,

(4) Commercial proof of concept—two field trials testing for the yield of the mutated elite variety. It is usually assumed that, at that stage, most development risks intrinsic to the trait, are eliminated,

(5) Commercialization—selling seeds on the market.

We may choose to partner selected programs with third parties that have developed elite germplasm when such varieties are not readily available.

Our current main product candidates are:

High Oleic Soybean

Soybean oil is low in monounsaturated fatty acids compared to canola and olive oils. Consumption of oils high in monounsaturated fats is considered healthier, and such oils typically have a longer shelf life and enhanced oxidative stability. Partial hydrogenation is often undertaken to improve soybean oil's fatty acid profile. However, a negative consequence of hydrogenation is the production of trans-fatty acids, which when consumed raises low-density lipoprotein, or LDL, cholesterol levels and contributes to cardio-vascular diseases.

We are developing a new variety of soybean with a high oleic acid and low linoleic acid content, which eliminates the need for hydrogenation and the creation of trans-fats. This new variety has a fatty acid profile very similar to olive oil, with the added benefit of a decrease of approximately 20% in saturated fatty acids compared to standard soybean oil. The trait with improved soybean oil has been achieved by the knock-out of a single gene, FAD-2.

Cold Storable Potato

During the cold storage of potatoes, starch is converted into reducing sugars through a process known as "cold-induced sweetening." Once these cold-stored potatoes are cooked at temperatures above 250°F, the free amino acids and reducing sugars interact to form browning and acrylamide. The National Toxicology Program has reported that acrylamide is "reasonably anticipated to be a human carcinogen." The International Agency for Research on Cancer similarly considers acrylamide to be a "probable human carcinogen" based on studies in laboratory animals.

The worldwide market for potatoes sold as raw material is approximately $30 billion. Potato processing adds significant value to that raw material. As an example, the potato chips market is valued at $16 billion, of which $10 billion, or approximately two-thirds of which is owned by PepsiCo's Frito-Lay brand. Companies operating in the potato market lose a portion of raw material potatoes that must be stored. This loss, which is estimated to be approximately 10%, results from a combination of sprouting and browning, both of which can be avoided by colder storage. However, cold storage traditionally has been limited by the cold-induced sweetening that results from this type of storage. A cold storable potato, like the one developed by CPS, can address sprouting and browning as well as the traditional storage limitations.

CPS is developing a non-transgenic potato product by knocking-out a single gene, the vacuolar invertase (VInv) gene. Through this technology, we have developed a potato that can be cold stored but does not produce acrylamide during cooking. Our strategy is to generate the modification in potato varieties, develop them for a particular market segment and partner with a processor industry leader in other market segments. The public availability of commercial germplasm allowed us to develop the product in-house and obtain a phenotypic demonstration showing reduction of free sugars and of acrylamide after cold storage. Field trials are expected to start in 2015.

High Oleic Canola

We are also developing a new breed of Canola with high oleic acid, low linoleic acid and linolenic oil, similar to our soybean product.

Reduced Gluten Wheat

In 2013, wheat was the second-most produced cereal grain globally. A key component of wheat is gluten. Gluten gives elasticity to dough, helping it rise and keep its shape and often gives texture to the final product. However, gluten found in wheat can also be responsible for adverse immune system reactions. People sensitive to gluten generally feel better on a diet with less gluten.

We are working to remove the components of gluten responsible for that harmful immune reaction. The gluten-reduced wheat program is at an early stage of development.

Scéil, Our IPS Banking Business

In addition to our core gene-editing business, we also have a subsidiary, Scéil-FZ-LLC, or Scéil, that collects tissue cells from individual clients and transforms them into induced pluripotent stem cells, or iPS cells. Scéil then stores these iPS cells for the duration of the client's lifetime. iPS cells are stem cells that have been reprogrammed to restore their full and original capacity to differentiate into any tissue type of the body. The preserved iPS cells maintain their existing "fitness" levels at the time the sample is taken, while the rest of the individual's cells continue to age. These iPS cells may later be retrieved and used in future regenerative medical treatments to repair damaged tissues and reverse, or even cure, disease. Scéil is the first and only company in the world to offer individuals the chance to have a sample of their cells transformed into iPS cells. Currently, Scéil is operating only in the Middle East.

Intellectual Property

We seek to protect and enhance proprietary technology, inventions, and improvements that are commercially important to the development of our business by seeking, maintaining, and defending patent rights, whether developed internally or licensed from third parties. We will also seek to rely on regulatory protection afforded through orphan drug designations, data exclusivity, market exclusivity and patent term extensions where available.

To achieve this objective, we maintain a strategic focus on identifying and licensing key patents that provide protection and serve as an optimal platform to enhance our intellectual property and technology base.

Historical Perspectives

Cellectis was founded in early 2000. In June 2000, Institut Pasteur provided us with exclusive rights to its gene-editing patent portfolio. This patent portfolio includes patents relating to homologous recombination and rare-cutting endonucleases (also named meganucleases), respectively, for genetic engineering in living cells.

Since 2002, we have filed a large number of patent applications, many now issued as patents, for custom-made meganucleases, and uses thereof, that specifically target a desired genetic sequence in a genome. In 2014, we entered into a cross-licensing agreement with Precision Biosciences, Inc., or Precision, in settlement of patent litigation and patent proceedings related to this technology. Pursuant to this cross-license, we licensed our patents and patent applications in this area to Precision, and Precision licensed its relevant patents and patent applications to us.

In 2010, we acquired a portfolio of patents and patent applications relating to electroporation methods and devices. In addition, in 2014, we entered into a series of agreements with Life Technologies Corporation (now Thermo Fisher Scientific Inc.) pursuant to which we received a non-exclusive sublicense under certain patents and patent applications related to the research and therapeutic uses of TALEN. In 2011, we entered into an exclusive license agreement with the Regents of the University of Minnesota (UMN) pursuant to which we in-licensed one patent family related to a new generation of customized rare-cutting endonucleases, in connection with which we have registered the trademark TALEN in certain jurisdictions outside of the United States. We also have a pending trademark application for TALEN in the United States that is under opposition. This patent portfolio comprises five patents in the United States and one European patent.

Since 2012, we have filed about 30 new patent applications related to the CAR T-cell technology. Included in this patent portfolio are patent applications relating to manufacturing allogeneic immune cells and to CAR

design, including multi-subunit CARs. In addition, we have filed a number of patent applications related to new TALEN structures (for example, compact TALEN, methylation TALEN, codes) and alternatives to the TALEN structure (BurrH).

In October 2014 and March 2014, we exclusively in-licensed two patent portfolios from Ohio State Innovation Foundation and University College London, respectively. The Ohio State Innovation Foundation patent portfolio includes an international patent application relating to CARs directed to cancer marker CS1. The University College London patent portfolio includes patent applications relating to a polypeptide expressing the suicide gene RQR8, and uses thereof.

Current Intellectual Property Portfolio

As a result of the licensing opportunities described below and our continuing research and development efforts, our intellectual property estate now contains patent applications that cover our products, including claims that cover:

- methods central to genome engineering and gene editing, including methods of homologous recombination, nuclease-based gene targeting, replacement, insertions and/or knock-out;
- the main products we use in the manufacturing process, including nucleases such as TALEN™, meganucleases and Cas9;
- manufacturing steps, including cell electroporation, transformation and genetic modifications;
- engineered cells;
- plant traits;
- single-chain and multi-subunit CARs expressed at the surface of T-cells;
- specific gene inactivation and the suicide gene; and
- allogeneic and autologous treatment strategies using our T-cell products.

The issued patents in our portfolio consist of approximately 14 Cellectis-owned and 12 in-licensed U.S. patents, 10 Cellectis-owned and 2 in-licensed European patents, 25 Cellectis-owned and 4 in-licensed patents in other jurisdictions, including Australia, Canada, China, Hong Kong, India, Israel, Japan, Korea, Mexico and Singapore.

The pending patent applications in our portfolio consist of approximately 33 Cellectis-owned and 3 in-licensed U.S. patent applications, 16 Cellectis-owned and 2 in-licensed European patent applications, 35 Cellectis-owned and 21 in-licensed patent applications pending in other jurisdictions, including Australia, Brazil, Canada, China, Hong Kong, India, Israel, Japan, Korea, Mexico and Singapore, and 25 Cellectis-owned and 2 in-licensed Patent Cooperation Treaty (PCT) applications.

Our portfolio includes a total of 67 owned and in-licensed patents, covering approximately 87 patent families and a total of 137 owned and in-licensed patent applications, covering approximately 29 patent families. Within our most advanced family of UCART product candidates, each product candidate relies upon one or more patent rights protecting various technologies, including rights relating to:

- the genetic editing of T-cells, using TALEN technology or meganuclease technology, covered by 12 Cellectis-owned patent families and three in-licensed patent families;
- the insertion of transgenes into T-cells using electroporation of mRNA, covered by three Cellectis-owned patent families;
- the appending of attributes to T-cells, covered by two Cellectis-owned patent families and one in-licensed patent family;
- the molecular structure of CARs, covered by four Cellectis-owned patent families; and

- specific CARs that target selected antigen markers are covered by approximately 13 Cellectis-owned patent applications and one in-licensed patent family.

Similarly, our most advanced plant product candidates each rely upon one or more patent rights relating to:

- the genetic editing of plants using TALEN technology, covered by four Cellectis-owned patent families and two in-licensed patent families;
- the genetic editing of plants using meganuclease technology, covered by eight Cellectis-owned patent families and one in-licensed patent family;
- the genetic editing of plants using CRISPR technology, covered by two Cellectis-owned patent families and four in-licensed patent families; and
- specific plant traits, which are covered by two Cellectis-owned patent families.

Individual patent terms extend for varying periods of time, depending upon the date of filing of the patent application, the date of patent issuance, and the legal term of patents in the countries in which they are obtained. In most countries in which we file patent applications, including the United States, the patent term is 20 years from the date of filing of the first non-provisional application to which priority is claimed. In certain instances, a patent term can be extended under certain circumstances. For example, in the United States, the term of a patent that covers an FDA-approved drug may be eligible for a patent term restoration of up to five years to effectively compensate for the patent term lost during the FDA regulatory review process, subject to several limitations discussed below under “—Our Intellectual Property Strategy.” Also, in the United States, a patent’s term may be lengthened by patent term adjustment, which compensates a patentee for administrative delays by the U.S. Patent and Trademark Office in granting a patent, or may be shortened if a patent is terminally disclaimed over an earlier-filed patent. Our issued patents will expire on dates ranging from 2015 to 2035. If patents are issued on our pending patent applications, the resulting patents are projected to expire on dates ranging from 2023 to 2035. However, the actual protection afforded by a patent varies on a product-by-product basis, from country-to-country, and depends upon many factors, including the type of patent, the scope of its coverage, the availability of regulatory-related extensions, the availability of legal remedies in a particular country, and the validity and enforceability of the patent.

Material Exclusive Licenses Granted to Cellectis

Licenses from Institut Pasteur

In 2000, we entered into three license agreements with L’Institut Pasteur, or Pasteur, pursuant to which we in-licensed a substantial portion of Pasteur’s gene-editing patent portfolio. The details of these three license agreements are provided below.

In June 2000, we entered into an agreement with Pasteur, later amended in 2002, 2003, 2008, and 2013 (collectively, the “First June 2000 Agreement”), pursuant to which we were granted an exclusive, worldwide, royalty-bearing, sublicenseable license under certain patents and know-how owned by Pasteur, L’Université Pierre et Marie Curie, L’Institut Curie, and Le Centre National de Recherche Scientifique relating to certain meganucleases to use, manufacture, and sell products and to practice processes covered by such patents. The exclusivity of the license grant under the First June 2000 Agreement is subject to certain exploitation rights previously granted to third parties under the licensed patents for (i) the production of a specified enzyme, (ii) the use of a specified plasmid, and (iii) internal research.

In June 2000, we also entered into an agreement with Pasteur, later amended in 2003 (collectively, the “Second June 2000 Agreement”), acting on its own behalf and on the Boston Children Hospital’s behalf, pursuant to which it granted to us an exclusive, worldwide, royalty-bearing, sublicenseable license under certain patents and know-how owned by Pasteur and the Boston Children’s Hospital relating to certain chimeric endonucleases for chromosomal gene editing by homologous recombination in cells to use, manufacture, and sell

products and to practice processes covered by such patents. The license granted under the Second June 2000 Agreement is non-exclusive, however, with respect to the licensed processes applied to human gene therapy. In the event that Pasteur has the possibility to grant exploitation rights for applications to human gene therapy, it must immediately inform us, and we may amend our agreement with Pasteur to obtain such exploitation rights.

The exclusivity of each of the licenses granted under the First June 2000 Agreement and the Second June 2000 Agreement is further contingent upon our continued diligence in designing, developing, and obtaining the required regulatory authorizations necessary to sell the respective licensed products and processes.

In October 2000, we entered into an agreement with Pasteur, later amended in 2003, 2004, 2005, and 2007 (collectively, the “October Agreement”), pursuant to which we obtained an exclusive, worldwide, royalty-bearing, sublicenseable license under certain patents and know-how owned by Pasteur relating to a method of homologous recombination to make, use, and sell products and to implement processes covered by such patents. The exclusivity of the license granted under the October Agreement is subject to a license granted to a third party under the licensed patents in the domain of genes that encode for Erythropoietin.

We may only grant sub-licenses under our Pasteur agreements with Pasteur’s prior approval, which is deemed to have been given if Pasteur does not object to a proposed sub-license within a specified period of time from notice of the proposed sublicense and which may only be withheld for serious cause.

Pursuant to the terms of each of the First June 2000 Agreement and the Second June 2000 Agreement, we made cash payments to Pasteur in an aggregate amount of 600,000 French Francs for each agreement with respect to the entry into the agreement and the reimbursement of license fees. Pursuant to the terms of the October Agreement, we made cash payments to Pasteur in the aggregate amount of 500,000 French Francs with respect to the entry into the agreement and the reimbursement of license fees and 250,000 Euros in connection with the execution of amendments. Under each of the First June 2000 Agreement and the Second June 2000 Agreement, we are also required to pay Pasteur an ongoing royalty fee equal to a low- to mid-single digit percentage of our net income with respect to licensed products under the respective agreement. With respect to sublicenses granted under the First June 2000 Agreement and the Second June 2000 Agreement, we are also required to pay Pasteur a percentage of all payments received under such sublicenses, subject in certain cases to minimum payment amounts based on net revenues of the applicable sublicensee. Under the October Agreement, we are also required to pay Pasteur an ongoing royalty fee equal to a low-single digit percentage of our net income with respect to licensed products under the October Agreement. With respect to sublicenses granted under the October Agreement, we are required to pay Pasteur a tiered percentage of all compensation received by us during the applicable year under the sublicense agreement, subject in certain cases to minimum payment amounts based on net revenues of the applicable sublicensee.

The terms of each of our agreements with Pasteur will expire upon the expiration of the last-to-expire of the respective patents licensed to us pursuant to the applicable agreement. We expect the last to expire patent under the First June 2000 Agreement to expire on February 2, 2016, the last to expire patent under the Second June 2000 Agreement to expire on February 3, 2020 and the last to expire patent under the October Agreement to expire on April 3, 2020. We and Pasteur may each terminate any of our agreements with Pasteur in the event of the other party’s breach of an obligation under the applicable agreement, which remains uncured for 90 days following receipt of notice of such breach from the terminating party. Pasteur may immediately terminate such agreements if we challenge or contest the validity of any of the licensed patents under the respective agreement before a court or patents office. In addition, we and Pasteur may terminate any of the agreements, upon 60 days’ prior notice, in connection with certain insolvency-related judicial proceedings instituted against the other party. Further, we have the right to terminate any of these agreements for any reason immediately upon notice to Pasteur.

License from Regents of the University of Minnesota

In January 2011, we entered into an exclusive license agreement with Regents of the University of Minnesota, or UMN. Pursuant to this agreement, as amended in 2012 and 2014, we and our affiliates were

granted an exclusive, worldwide, royalty-bearing, sublicenseable license, under certain patents and patent applications owned by UMN, to make, use, sell, import, and otherwise dispose of products covered by the licensed patents, for all fields of use. These licensed patents relate to TALEN molecules and their use in gene editing. Pursuant to the agreement, we are required to achieve certain specified research- and sales-related milestones.

Pursuant to the terms of the agreement, we paid UMN an upfront license fee in the amount of $250,000 upon the effective date of the license agreement. We are also required to pay to UMN low-single digit percentage royalties on net sales of licensed products by us, and are subject to minimum annual royalties of $60,000 per year due to UMN. We are also required to pay UMN a percentage of all revenues received by us under sublicenses. We are also required to pay UMN milestone payments up to a total of $290,000 in the aggregate upon the occurrence of specified events and to pay certain patent-related expenses incurred under the agreement for prosecuting and maintaining the licensed patents. If we undergo a change of control and wish to assign all of our rights and duties under the agreement, we will be required to pay UMN an additional transfer fee.

The license agreement will expire upon the expiration of the last to expire valid claim of the licensed patents. UMN may terminate the agreement upon advance written notice in the event of our insolvency or bankruptcy, and immediately upon written notice in the event that we challenge the validity or enforceability of any licensed patent in a court or other applicable authority. We and UMN may terminate the agreement by written notice in the event of the other party's breach that has not been cured within a specified number of days after receiving notice of such breach.

License from Ohio State Innovation Foundation

In October 2014, we entered into an exclusive license agreement with Ohio State Innovation Foundation. Pursuant to this agreement, we were granted an exclusive, worldwide, royalty-bearing, sublicenseable license under certain patents and patent applications owned by Ohio State Innovation Foundation to use, make, distribute, sell, lease, loan or import products or process covered by the licensed patents, for any and all activities relating to cancer immunotherapy. The licensed portfolio includes an international patent application relating to CAR directed to cancer marker CS1. Pursuant to the agreement, we must use diligence and commercially reasonable efforts to commercialize licensed products or processes, including achieving certain milestone events by specified deadlines, subject to our ability to extend such deadlines upon payment of certain fees.

Pursuant to the terms of the agreement, we paid Ohio State Innovation Foundation an upfront license fee in the amount of $100,000. We are required to pay an annual license maintenance fee of $20,000 from 2015 onward until our first sale of a licensed product. We are also required to pay to Ohio State Innovation Foundation low single-digit percentage royalties on net sales of licensed products and licensed processes by us and are subject to minimum annual royalties due to Ohio State Innovation Foundation of $100,000. We are also required to pay Ohio State Innovation Foundation a percentage of royalties paid to us by sublicensees. We are also required to pay Ohio State Innovation Foundation milestone payments up to a total of $1,950,000 in the aggregate upon the occurrence of certain development-related events prior to deadlines specified in the agreement.

Unless earlier terminated, the license agreement will expire upon the expiration of the last to expire valid claim of the licensed patents, which we expect will be on May 2, 2034. We may terminate the agreement at our option by giving 90 days' written notice. Ohio State Innovation Foundation may immediately terminate the agreement, any part of the licensed patent rights or the agreement's exclusivity if we fail to make required payments under the agreement and such breach continues for sixty days after delivery of written notice from Ohio State Innovation Foundation or if we breach any other provision of the agreement and fail to cure such breach within 60 days after delivery of written notice from Ohio State Innovation Foundation. Ohio State Innovation Foundation may also terminate the agreement if we or our affiliate initiates any proceeding or action challenging the validity, enforceability or scope of any of the patent rights or assists a third party in such a proceeding or action. The agreement automatically terminates if we file for bankruptcy or become bankrupt or

insolvent, our board of directors elects to liquidate our assets or dissolve our business, we cease business operations, we make an assignment for the benefit of creditors or if we are otherwise placed in the hands of a receiver, assignee or trustee, whether by our voluntary act or otherwise.

Other Exclusive Licenses Granted to Cellectis

With respect to our plant sciences business, we have filed nine patent applications in connection with new soybean, tobacco and potato traits. These new traits have been obtained mainly by using TALEN, which is protected by the UMN and the Cellectis TALEN patent portfolios.

License Agreements from Regents of the University of Minnesota

In December 2014, Cellectis Plant Sciences, or CPS, entered into an exclusive license with the Regents of the University of Minnesota, or UMN, pursuant to which CPS was granted an exclusive, worldwide, sublicensable license under a specified patent application owned by UMN relating to the use of the CRISPR technology to make use, and commercialize products covered by the licensed patents in any field of use. Pursuant to the terms of the agreement, CPS must use commercially reasonable efforts to commercialize the licensed technology and to manufacture, offer to sell, and sell licensed products as soon as practicable and to maximize sales. CPS must also achieve certain sales- and patent-related milestones.

Pursuant to the terms of the agreement, CPS paid UMN an upfront license fee payment in the amount of $130,000 in connection with entering into the agreement. CPS is also required to pay UMN a tiered annual fee that increases from $20,000 to $225,000 based on the occurrence of certain specified events, including the grant of a sublicense to a third party, as well as patent-related expenses incurred under the agreement in prosecuting and maintaining the licensed patents. CPS is also required to pay UMN a percentage of all revenues received by it under sublicenses. If CPS undergoes a change of control and wishes to assign all of its rights and duties under the agreement, CPS will have to pay UMN a specified transfer fee.

Unless earlier terminated, the agreement will continue in effect until no licensed patent is active and until no licensed patent application is pending, which we expect will be on March 24, 2034. UMN may terminate the agreement for CPS' uncured breach of the agreement upon 90 days' prior written notice, or 60 days' prior written notice if the breach relates to CPS' payment obligations under the agreement. UMN may also terminate the agreement, upon 10 days' prior written notice, if CPS files for bankruptcy or becomes insolvent. UMN may also immediately terminate the agreement if CPS or its agents or representatives commences or maintains an action in any court or before any governmental agency asserting or alleging the invalidity or unenforceability of the licensed patent rights. CPS may terminate the agreement for UMN's uncured breach of the agreement upon 90 days' prior written notice. CPS may also terminate the agreement at any time upon 60 days' prior written notice.

In January 2015, CPS entered into a second exclusive license with UMN, pursuant to which CPS was granted an exclusive, worldwide, sublicensable license under specified patent applications owned by UMN relating to gene targeting technology. Pursuant to the terms of the agreement, CPS must use commercially reasonable efforts to commercialize the licensed technology and to manufacture, offer to sell, and sell licensed products as soon as practicable and to maximize sales. CPS must also achieve certain sales- and patent-related milestones.

Pursuant to the terms of this second agreement, CPS paid UMN an upfront fee in the amount of $20,000 in connnection with entering into the agreement. CPS is also required to pay UMN a tiered annual fee that increases from $5,000 to $25,000 based on the occurrence of certain specified events, as well as patent-related expenses incurred under the agreement in prosecuting and maintaining the licensed patents. CPS is also required to pay UMN an upfront fee upon granting of a sublicense and a percentage of all revenues received by it under such sublicenses. If CPS undergoes a change of control and wishes to assign all of its rights and duties under the agreement, CPS will have to pay UMN a specified transfer fee.

Unless earlier terminated, this second agreement will continue in effect until no licensed patent is active and until no licensed patent application is pending, which we expect will be June 19, 2033. UMN may terminate the agreement for CPS' uncured breach of the agreement upon 90 days' prior written notice, or 60 days' prior written notice if the breach relates to CPS' payment obligations under the agreement. UMN may also terminate the agreement, upon 10 days' prior written notice, if CPS files for bankruptcy or becomes insolvent. UMN may also immediately terminate the agreement if CPS or its agents or representatives commences or maintains an action in any court or before any governmental agency asserting or alleging the invalidity or unenforceability of the licensed patent rights. CPS may terminate the agreement for UMN's uncured breach of the agreement upon 90 days' prior written notice. CPS may also terminate the agreement at any time upon 60 days' prior written notice.

Our Intellectual Property Strategy

We believe our current layered patent estate, together with our efforts to develop and patent next generation technologies, provides us with substantial intellectual property protection. However, the area of patent and other intellectual property rights in biotechnology is an evolving one with many risks and uncertainties.

Our strategy is also to develop and obtain additional intellectual property covering innovative manufacturing processes and methods for genetically engineering T-cells expressing new constructs and for genetically engineering plants expressing new traits. To support this effort, we have established expertise and development capabilities focused in the areas of pre-clinical research and development, manufacturing and manufacturing process scale-up, quality control, quality assurance, regulatory affairs and clinical trial design and implementation. Thus, we expect to file additional patent applications to expand this layer of our intellectual property estate.

The term of individual patents depends upon the legal term of the patents in the countries in which they are obtained. In most countries in which we file, the patent term is 20 years from the date of filing of the first non-provisional application to which priority is claimed. In the United States, a patent's term may be lengthened by patent term adjustment, which compensates a patentee for administrative delays by the U.S. Patent and Trademark Office in granting a patent, or may be shortened if a patent is terminally disclaimed over an earlier-filed patent. The term of a patent that covers an FDA-approved drug may also be eligible for a patent term restoration of up to five years under the Hatch-Waxman Act, which is designed to compensate for the patent term lost during the FDA regulatory review process. The length of the patent term restoration is calculated based on the length of time the drug is under regulatory review. A patent term restoration under the Hatch-Waxman Act cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval and only one patent applicable to an approved drug may be restored. Moreover, a patent can only be restored once, and thus, if a single patent is applicable to multiple products, it can only be extended based on one product. Similar provisions are available in Europe and certain other foreign jurisdictions to extend the term of a patent that covers an approved drug. When possible, depending upon the length of clinical trials and other factors involved in the filing of a BLA, we expect to apply for patent term extensions for patents covering our product candidates and their methods of use.

Our commercial success may depend in part on our ability to obtain and maintain patent and other proprietary protection for commercially important technology, inventions and know-how related to our business; defend and enforce our patents; preserve the confidentiality of our trade secrets; and operate without infringing the valid enforceable patents and proprietary rights of third parties. Our ability to stop third parties from making, using, selling, offering to sell or importing our products may depend on the extent to which we have rights under valid and enforceable patents or trade secrets that cover these activities. With respect to both licensed and company-owned intellectual property, we cannot be sure that patents will be granted with respect to any of our pending patent applications or with respect to any patent applications filed by us in the future, nor can we be sure that any of our existing patents or any patents that may be granted to us in the future will be commercially useful in protecting our commercial products and methods of manufacturing the same.

We may rely, in some circumstances, on trade secrets to protect our technology. However, trade secrets can be difficult to protect. We seek to protect our proprietary technology and processes, in part, by entering into confidentiality agreements with our employees, consultants, scientific advisors and contractors. We also seek to preserve the integrity and confidentiality of our data and trade secrets by maintaining physical security of our premises and physical and electronic security of our information technology systems. While we have confidence in these individuals, organizations and systems, agreements or security measures may be breached, and we may not have adequate remedies for any breach. In addition, our trade secrets may otherwise become known or be independently discovered by competitors. To the extent that our consultants, contractors or collaborators use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions.

Competition

The biotechnology and pharmaceutical industries put significant resources toward developing novel and proprietary therapies for the treatment of cancer, which often incorporate novel technologies and incorporate valuable intellectual property. We compete with companies in the immunotherapy space, as well as companies developing novel targeted therapies for cancer. In addition, our products will compete with existing standards of care for the diseases that our product candidates target. We anticipate that we will face intense and increasing competition from many different sources, including new and established biotechnology and pharmaceutical companies, academic research institutions, governmental agencies and public and private research institutions.

Our competitors include:

- Gene-editing space: CRISPR Therapeutics, Inc., Editas Medicine, Inc., Intellia Therapeutics, Inc., Precision BioSciences, Inc. and Sangamo BioSciences, Inc.
- CAR space: Bellicum Pharmaceuticals, Inc., Celgene Corporation (in collaboration with bluebird bio, Inc.), Intrexon, Inc., Kite Pharma, Inc. and Novartis AG.
- Cell-therapy space: Adaptimmune Ltd., Juno Therapeutics, Inc., Lion Biotechnologies, Inc. and Unum Therapeutics, Inc.
- Agricultural biotechnology space:
  - Companies developing plants with enhanced properties: Arcadia Biosciences, Inc., Chromatin Inc., Cibus US LLC, Evogene Ltd., Danzinger Innovation Ltd. and Keygene N.V.
  - Major seed/agrochemical companies: BASF SE, Bayer AG, DuPont Pioneer, Groupe Limagrain Holding SA, Monsanto Co., Syngenta AG, Takii & Company, LTD, The Dow Chemical Co. and The J.R. Simplot Co.

Due to the promising therapeutic effect of T-cell therapies in clinical exploratory trials, we anticipate substantial direct competition from other existing and new competitors developing these therapies. In particular, we expect to compete with therapies with tumor infiltrating lymphocytes, or TILs, that are naturally occurring tumor-reactive T-cells harvested, propagated *ex vivo* and re-infused into patients. We also expect to compete with therapies using genetically engineered T-cells, rendered reactive against tumor-associated antigens prior to their administration to patients. However, we believe that all of our competitors, are currently focused on autologous therapies, as opposed to our allogeneic approach. In addition, we differentiate ourselves by using our gene-editing capabilities to add specific features to our T-cell products, such as cancer drug resistance or resistance to checkpoint inhibition.

We also face competition from non-cell based treatments offered by companies such as Amgen Inc., AstraZeneca plc, Bristol-Myers Squibb Company, Incyte Corporation, Merck & Co., Inc., and F. Hoffman-La Roche AG. Immunotherapy is further being pursued by several biotech companies as well as by large-cap pharma. Many of our current or potential competitors, either alone or with their collaboration partners, have significantly greater financial resources and expertise in research and development, manufacturing, pre-clinical

testing, conducting clinical trials, and marketing approved products than we do. Mergers and acquisitions in the pharmaceutical, biotechnology and gene therapy industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These competitors also compete with us in recruiting and retaining qualified scientific and management personnel and establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize products that are safer, more effective, have fewer or less severe side effects, are more convenient or are less expensive than any products that we may develop. Our competitors also may obtain FDA or other regulatory approval for their products more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market. The key competitive factors affecting the success of all of our programs are likely to be their efficacy, safety, and convenience.

Government Regulation and Product Approval

Government Regulation of Biological Products

We are subject to extensive regulation. We expect our cell product candidates to be regulated as biologics. Governmental authorities, including the FDA and comparable regulatory authorities in other countries, regulate the design, development, testing, manufacturing, safety, efficacy, labeling, storage, record-keeping, advertising, promotion and marketing of pharmaceutical products, including biologics. Non-compliance with applicable requirements can result in fines and other judicially imposed sanctions, including product seizures, import restrictions, injunctive actions and criminal prosecutions of both companies and individuals. In addition, administrative remedies can involve requests to recall violative products; the refusal of the government to enter into supply contracts; or the refusal to approve pending product approval applications until manufacturing or other alleged deficiencies are brought into compliance. The FDA also has the authority to cause the withdrawal of approval of a marketed product or to impose labeling restrictions.

The FDA categorizes human cell- or tissue-based products as either minimally manipulated or more than minimally manipulated, and has determined that more than minimally manipulated products require clinical trials to demonstrate product safety and efficacy and the submission of a BLA for marketing authorization.

Our product candidates must be approved by the FDA before they may be legally marketed in the United States and by the appropriate foreign regulatory agencies before they may be legally marketed in foreign countries. Generally, our activities in foreign countries will be subject to regulation that is similar in nature and scope as that imposed in the United States, although there can be important differences. Additionally, some significant aspects of regulation in Europe are addressed in a centralized way, but country-specific regulation remains essential in many respects. The process for obtaining regulatory marketing approvals and the subsequent compliance with appropriate federal, state, local and foreign statutes and regulations require the expenditure of substantial time and financial resources.

Ethical, social and legal concerns about gene therapy, genetic testing and genetic research could result in additional regulations restricting or prohibiting the processes we may use. Federal and state agencies, congressional committees and foreign governments have expressed interest in further regulating biotechnology. More restrictive regulations or claims that our products are unsafe or pose a hazard could prevent us from commercializing any products in one or more jurisdictions. New government requirements may be established that could delay or prevent regulatory approval of our product candidates under development. It is impossible to predict whether legislative changes will be enacted, regulations, policies or guidance changed, or interpretations by agencies or courts changed, or what the impact of such changes, if any, may be.

Set forth below is a description of the process of obtaining U.S. government approval for biological product development. Similar processes apply in other jurisdictions.

U.S. Biological Product Development

In the United States, the FDA regulates biologics under the Federal Food, Drug, and Cosmetic Act, or FDCA, and the Public Health Service Act, or PHSA, and their implementing regulations. Biologics are also subject to other federal, state and local statutes and regulations. The process required by the FDA before biologic product candidates may be marketed in the United States and the subsequent compliance with appropriate federal, state, local and foreign statutes and regulations require the expenditure of substantial time and financial resources. Failure to comply with the applicable U.S. requirements at any time during the product development process, approval process or after approval, may subject an applicant to administrative or judicial sanctions. These sanctions could include, among other actions, the FDA's refusal to approve pending applications, withdrawal of an approval, a clinical hold, untitled or warning letters, product recall requests or withdrawals from the market, labeling restrictions, product seizures, total or partial suspension of production or distribution injunctions, import restrictions, fines, refusals of government contracts, restitution, disgorgement, or civil or criminal penalties for both companies and individuals. Any agency or judicial enforcement action could have a material adverse effect on us.

Our biological product candidates must be approved by the FDA through the Biologics License Application, or BLA, process before they may be legally marketed in the United States. The process required by the FDA before a biologic may be marketed in the United States generally involves the following:

- completion of extensive nonclinical, sometimes referred to as pre-clinical laboratory tests, pre-clinical animal studies and formulation studies in accordance with applicable regulations, including the FDA's GLP regulations;
- submission to the FDA of an IND, which must become effective before clinical trials may begin and must be updated annually;
- performance of adequate and well-controlled clinical trials in accordance with applicable IND and other clinical trial-related regulations, sometimes referred to as good clinical practices, or GCPs, to establish the safety and efficacy of the proposed product candidate for each proposed indication;
- submission to the FDA of a BLA;
- satisfactory completion of an FDA pre-approval inspection of the manufacturing facility or facilities where the active pharmaceutical ingredient, or API, and finished product are produced to assess compliance with the FDA's cGMP requirements to assure that the facilities, methods and controls are adequate to preserve the product's identity, strength, quality, purity and potency;
- FDA review and approval of the BLA prior to any commercial marketing or sale of the product in the United States.

The data required to support a BLA is generated in two distinct development stages: pre-clinical and clinical. The pre-clinical development stage generally involves laboratory evaluations of drug chemistry, formulation and stability, as well as studies to evaluate toxicity in animals, which support subsequent clinical testing. The conduct of the pre-clinical studies must comply with federal regulations, including GLPs.

Where a trial involving the deliberate transfer of (1) recombinant DNA or (2) DNA or RNA derived from recombinant DNA into one or more human research participants (including recombinant DNA molecules, and/or organisms and viruses containing recombinant DNA molecules) (a gene therapy trial) is conducted at, or sponsored by, institutions receiving NIH funding for recombinant DNA research, a protocol and related documentation is submitted to and the trial is registered with the NIH Office of Biotechnology Activities, or OBA, prior to the submission of an IND to the FDA. This is done pursuant to the NIH Guidelines for Research Involving Recombinant or Synthetic Nucleic Acid Molecules, or NIH Guidelines. Compliance with the NIH Guidelines is mandatory for investigators at institutions receiving NIH funds for research involving recombinant DNA, however many companies and other institutions not otherwise subject to the NIH Guidelines voluntarily follow them. The NIH is responsible for convening the RAC, a federal advisory committee, which discusses protocols that raise novel

or particularly important scientific, safety or ethical considerations at one of its quarterly public meetings. The OBA will notify the FDA of the RAC's decision regarding the necessity for full public review of a gene therapy protocol. RAC proceedings and reports are posted to the OBA web site and may be accessed by the public.

The sponsor must submit the results of the pre-clinical studies, together with manufacturing information, analytical data, any available clinical data or literature and a proposed clinical protocol, to the FDA as part of an IND before any clinical testing may proceed. An IND is a request for authorization from the FDA to administer an investigational drug product to humans. The IND must become effective before clinical trials may begin. The IND automatically becomes effective 30 days after receipt by the FDA, unless during that time the FDA raises concerns or questions regarding the proposed clinical trials. In such a case, the FDA may place the IND on clinical hold and the IND sponsor and the FDA must resolve any outstanding concerns before the clinical trial can begin. With gene therapy protocols, if the FDA allows the IND to proceed, and the RAC decides that full public review of the protocol is warranted but did not take place before the IND review is complete, the FDA will request at the completion of its IND review that sponsors delay initiation of the protocol until after completion of the RAC review process. The FDA may also impose clinical holds on a product candidate at any time before or during clinical trials due to safety concerns or non-compliance. Accordingly, we cannot be sure that submission of an IND will result in the FDA allowing clinical trials to begin, or that, once begun, issues will not arise that could cause the trial to be suspended or terminated.

Clinical trials involve the administration of the investigational product to human subjects under the supervision of qualified investigators, generally physicians not employed by or under the trial sponsor's control, in accordance with GCPs, which include the requirement that all research subjects provide their informed consent for their participation in any clinical trial. Clinical trials are conducted under protocols detailing, among other things, the objectives of the clinical trial, dosing procedures, subject selection and exclusion criteria, and the parameters to be used to monitor subject safety and assess efficacy. Each protocol, and any subsequent amendments to the protocol, must be submitted to the FDA as part of the IND. Further, each clinical trial must be reviewed and approved by an independent institutional review board, or IRB, at or servicing each institution at which the clinical trial will be conducted. An IRB is charged with protecting the welfare and rights of trial participants and considers such items as whether the risks to individuals participating in the clinical trials are minimized and are reasonable in relation to anticipated benefits. The IRB also approves the informed consent form that must be provided to each clinical trial subject or his or her legal representative and must monitor the clinical trial until completed.

All gene therapy experiments and clinical trials are also subject to review and oversight by an institutional biosafety committee, or IBC, a local institutional committee that reviews and oversees basic and clinical research conducted at that institution. The IBC assesses the safety of the research and identifies any potential risk to public health or the environment.

There are also requirements governing the reporting of ongoing clinical trials and completed clinical trial results to public registries. Sponsors of clinical trials of FDA-regulated products, including biologics, are required to register and disclose certain clinical trial information, which is publicly available at www.clinicaltrials.gov. Information related to the product, patient population, phase of investigation, study sites and investigators, and other aspects of the clinical trial is then made public as part of the registration. Sponsors are also obligated to discuss the results of their clinical trials after completion. Disclosure of the results of these trials can be delayed until the new product or new indication being studied has been approved.

Human clinical trials are typically conducted in three sequential phases that may overlap or be combined:

- *Phase 1*. The biological product candidate is initially introduced into healthy human subjects and tested for safety. In the case of some products for severe or life-threatening diseases, especially when the product may be too inherently toxic to ethically administer to healthy volunteers, if pre-clinical testing warrants, the initial human testing may be conducted in patients.

- *Phase 2*. The biological product candidate is evaluated in a limited patient population with the condition of interest to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases and to determine dosage tolerance, optimal dosage and dosing schedule.

- *Phase 3*. Clinical trials are undertaken to further evaluate dosage, clinical efficacy, potency and safety in an expanded patient population with the condition of interest at geographically dispersed clinical trial sites. These clinical trials are intended to establish the overall risk to benefit ratio of the product and provide an adequate basis for approval, including appropriate product labeling.

Post-approval clinical trials, sometimes referred to as “Phase 4” clinical trials, may be conducted after initial marketing approval. These clinical trials are used to gain additional experience from the treatment of patients in the intended therapeutic indication, particularly for long-term safety follow-up. The FDA recommends that sponsors observe subjects for potential gene therapy-related delayed adverse events for a 15-year period, including a minimum of five years of annual examinations followed by ten years of annual queries, either in person or by questionnaire, of study subjects.

During all phases of clinical development, regulatory agencies require extensive monitoring and auditing of all clinical activities, clinical data, and clinical trial investigators. Annual progress reports detailing the results of the clinical trials must be submitted to the FDA. Written IND safety reports must be promptly submitted to the FDA, the NIH, IRB and the investigators for serious and unexpected adverse events, any findings from other studies, tests in laboratory animals or *in vitro* testing that suggest a significant risk for human patients, or any clinically important increase in the rate of a serious suspected adverse reaction over that listed in the protocol or investigator brochure. The sponsor must submit an IND safety report within 15 calendar days after the sponsor determines that the information qualifies for reporting. The sponsor also must notify the FDA of any unexpected fatal or life-threatening suspected adverse reaction within seven calendar days after the sponsor’s initial receipt of the information. Phase 1, Phase 2 and Phase 3 clinical trials may not be completed successfully within any specified period, if at all. The FDA or the sponsor or its data safety monitoring board may suspend or terminate a clinical trial at any time on various grounds, including a finding that the research patients are being exposed to an unacceptable health risk, including risks inferred from other unrelated immunotherapy trials. Similarly, an IRB can suspend or terminate approval of a clinical trial at its institution if the clinical trial is not being conducted in accordance with the IRB’s requirements or if the biological product has been associated with unexpected serious harm to patients.

Human immunotherapy products are a new category of therapeutics. Because this is a relatively new and expanding area of novel therapeutic interventions, there can be no assurance as to the length of the trial period, the number of patients the FDA will require to be enrolled in the trials in order to establish the safety, efficacy, purity and potency of immunotherapy products, or that the data generated in these trials will be acceptable to the FDA to support marketing approval.

Concurrently with clinical trials, companies usually complete additional animal studies and must also develop additional information about the physical characteristics of the biological product as well as finalize a process for manufacturing the product in commercial quantities in accordance with cGMP requirements. To help reduce the risk of the introduction of adventitious agents with use of biological products, the PHSA emphasizes the importance of manufacturing control for products whose attributes cannot be precisely defined. The manufacturing process must be capable of consistently producing quality batches of the product candidate and, among other things, the sponsor must develop methods for testing the identity, strength, quality, potency and purity of the final biological product. Additionally, appropriate packaging must be selected and tested and stability studies must be conducted to demonstrate that the biological product candidate does not undergo unacceptable deterioration over its shelf life.

U.S. Review and Approval Processes for Biological Product Candidates

After the completion of clinical trials of a biological product candidate, FDA approval of a BLA must be obtained before commercial marketing of the biological product. The BLA must include results of product development, laboratory and animal studies, human trials, information on the manufacture and composition of the product, proposed labeling and other relevant information. The testing and approval processes require substantial time and effort and there can be no assurance that the FDA will accept the BLA for filing and, even if filed, that any approval will be granted on a timely basis, if at all.

Under the Prescription Drug User Fee Act, or PDUFA, as amended, each BLA must be accompanied by a significant user fee. The FDA adjusts the PDUFA user fees on an annual basis. PDUFA also imposes an annual product fee for biological products and an annual establishment fee on facilities used to manufacture prescription biological products. Fee waivers or reductions are available in certain circumstances, including a waiver of the application fee for the first application filed by a small business. Additionally, no user fees are assessed on BLAs for products designated as orphan drugs, unless the product also includes a non-orphan indication.

Within 60 days following submission of the application, the FDA reviews a BLA submitted to determine if it is substantially complete before the agency accepts it for filing. The FDA may refuse to file any BLA that it deems incomplete or not properly reviewable at the time of submission and may request additional information. In this event, the BLA must be resubmitted with the additional information. The resubmitted application also is subject to review before the FDA accepts it for filing. Once the submission is accepted for filing, the FDA begins an in-depth substantive review of the BLA. The FDA reviews the BLA to determine, among other things, whether the proposed product is safe and potent, or effective, for its intended use, and has an acceptable purity profile, and whether the product is being manufactured in accordance with cGMP regulations to assure and preserve the product’s identity, safety, strength, quality, potency and purity. The FDA may refer applications for novel biological products or biological products that present difficult questions of safety or efficacy to an advisory committee, typically a panel that includes clinicians and other experts, for review, evaluation and a recommendation as to whether the application should be approved and under what conditions. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions. During the biological product approval process, the FDA also will determine whether a Risk Evaluation and Mitigation Strategy, or REMS, is necessary to assure the safe use of the biological product candidate. A REMS may be imposed to ensure safe use of the drug, and could include medication guides, physician communication plans, or elements to assure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. If the FDA concludes a REMS is needed, the sponsor of the BLA must submit a proposed REMS. The FDA will not approve a BLA without a REMS, if required.

Before approving a BLA, the FDA will inspect the facilities at which the product candidate is manufactured. The FDA will not approve the product candidate unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. For immunotherapy products, the FDA also will not approve the product if the manufacturer is not in compliance with the current good tissue practice, or GTP requirements, to the extent applicable. These requirements are set out in FDA regulations and guidance documents and govern the methods used in, and the facilities and controls used for, the manufacture of human cells, tissues, and cellular and tissue based products, or HCT/Ps, which are human cells or tissue intended for use in implantation, transplantation, infusion, or transfer into a human recipient. The primary intent of the GTP requirements is to ensure that cell and tissue based products are manufactured in a manner designed to prevent the introduction, transmission and spread of communicable disease. FDA regulations also require tissue establishments to register and list their HCT/Ps with the FDA and, when applicable, to evaluate donors through screening and testing. Additionally, before approving a BLA, the FDA may inspect one or more clinical sites to assure that the clinical trials were conducted in compliance with IND trial requirements and GCP requirements. To assure cGMP, GTP and GCP compliance, an applicant must incur significant expenditure of time, money and effort in the areas of training, record keeping, production, and quality control.

Notwithstanding the submission of relevant data and information, the FDA may ultimately decide that the BLA does not satisfy its regulatory criteria for approval and deny approval. Data obtained from clinical trials are not always conclusive and the FDA may interpret data differently than we interpret the same data. If the agency decides not to approve the BLA in its submitted form, the FDA will issue a complete response letter that describes all of the specific deficiencies in the BLA identified by the FDA. The deficiencies identified may be minor, for example, requiring labeling changes, or major, for example, requiring additional clinical trials. Additionally, the complete response letter may include recommended actions that the applicant might take to place the application in a condition for approval. If a complete response letter is issued, the applicant may either resubmit the BLA, addressing all of the deficiencies identified in the letter, or withdraw the application.

If a product candidate receives regulatory approval, the approval may be significantly limited to specific diseases and dosages or the indications for use may otherwise be limited, which could restrict the commercial value of the product.

Further, the FDA may require that certain contraindications, warnings or precautions be included in the product labeling. The FDA may impose restrictions and conditions on product distribution, prescribing, or dispensing in the form of a REMS, or otherwise limit the scope of any approval. In addition, the FDA may require post marketing clinical trials, sometimes referred to as Phase 4 clinical trials, designed to further assess a biological product's safety and effectiveness, and testing and surveillance programs to monitor the safety of approved products that have been commercialized.

In addition, unless a waiver is granted, under the Pediatric Research Equity Act, or PREA, a BLA or supplement to a BLA must contain data to assess the safety and effectiveness of the product for the claimed indications in all relevant pediatric subpopulations and to support dosing and administration for each pediatric subpopulation for which the product is safe and effective. The Food and Drug Administration Safety and Innovation Act, or FDASIA, requires that a sponsor who is planning to submit a marketing application for a drug or biological product that includes a new active ingredient, new indication, new dosage form, new dosing regimen or new route of administration submit an initial Pediatric Study Plan, or PSP, within sixty days after an end-of-Phase 2 meeting or as may be agreed between the sponsor and FDA. The initial PSP must include, among other things, an outline of the pediatric study or studies that the sponsor plans to conduct, including to the extent practicable study objectives and design, age groups, relevant endpoints and statistical approach, or a justification for not including such detailed information, and any request for a deferral of pediatric assessments or a full or partial waiver of the requirement to provide data from pediatric studies along with supporting information. FDA and the sponsor must reach agreement on the PSP. A sponsor can submit amendments to an agreed-upon initial PSP at any time if changes to the pediatric plan need to be considered based on data collected from nonclinical studies, early phase clinical trials, and/or other clinical development programs. The FDA may grant deferrals for submission of data or full or partial waivers. Unless otherwise required by regulation, PREA does not apply to any product for an indication for which orphan designation has been granted. However, if only one indication for a product has orphan designation, a pediatric assessment may still be required for any applications to market that same product for the non-orphan indication(s).

One of the performance goals agreed to by the FDA under the PDUFA is to review 90% of standard BLAs in 10 months and 90% of priority BLAs in six months, whereupon a review decision is to be made. The FDA does not always meet its PDUFA goal dates for standard and priority BLAs and its review goals are subject to change from time to time. The review process and the PDUFA goal date may be extended by three months if the FDA requests or the BLA sponsor otherwise provides additional information or clarification regarding information already provided in the submission within the last three months before the PDUFA goal date.

Orphan Drug Designation

Under the Orphan Drug Act, a sponsor may request and the FDA may grant orphan designation to a drug or biologic intended to treat a rare disease or condition, which is generally a disease or condition that affects fewer

than 200,000 individuals in the United States, or if it affects more than 200,000 individuals in the United States and there is no reasonable expectation that the cost of developing and making available in the United States drug or biologic for this type of disease or condition will be recovered from sales in the United States for that product. Orphan drug designation must be requested before submitting a BLA. After the FDA grants orphan drug designation, the generic and trade name, if any, of the drug or biologic and the rare disease or condition for which orphan-drug designation was granted are disclosed publicly by the FDA. The orphan drug designation does not convey any advantage during, or shorten the duration of, the regulatory review or approval process.

If a product that has orphan drug designation subsequently receives the first FDA approval for the disease or condition for which it has such designation, the product is entitled to orphan product exclusivity, which means that the FDA may not approve any other applications, including a full BLA, to market the same drug or biologic for the same indication for seven years, except in limited circumstances, such as a showing of clinical superiority to the product with orphan drug exclusivity. Orphan drug exclusivity does not prevent FDA from approving a different drug or biologic for the same disease or condition, or the same drug or biologic for a different disease or condition. Among the other benefits of orphan drug designation are tax credits for certain research and a waiver of the BLA application user fee.

A designated orphan drug may not receive orphan drug exclusivity if it is approved for a use that is broader than the indication for which it received orphan designation. Orphan exclusivity also could block the approval of one of our products for seven years if a competitor obtains approval of the same drug or biologic as defined by the FDA or if our product candidate is determined to be contained within the competitor’s product for the same indication or disease. In addition, exclusive marketing rights in the United States may be lost if the FDA later determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantities of the product to meet the needs of patients with the rare disease or condition.

The criteria for designating an “orphan medicinal product” in the EU are similar to those in the United States. Such designation can be requested in the case of products that are intended for the diagnosis, prevention or treatment of a life-threatening or chronically debilitating condition and either (a) such condition affects no more than five in 10,000 persons in the EU when the application is made, or (b) the product, without the benefits derived from orphan status, would unlikely generate sufficient return in the EU to justify the necessary investment. Moreover, in order to obtain orphan designation it is necessary to demonstrate that there exists no satisfactory method of diagnosis, prevention or treatment of such condition authorized for marketing in the EU, or if such a method exists, the product will be of significant benefit to those affected by the condition.

In the EU, orphan medicinal products are eligible for financial incentives as well as specific regulatory assistance and scientific advice. Products receiving orphan designation in the EU can receive ten years of market exclusivity, during which time no similar medicinal product for the same indication may be placed on the market. An orphan product can also obtain an additional two years of market exclusivity in the EU for pediatric studies. No extension to any supplementary protection certificate can be granted on the basis of pediatric studies for orphan indications.

However, the 10-year market exclusivity may be reduced to six years in certain circumstances, including for example if, at the end of the fifth year, it is established that the product is sufficiently profitable not to justify maintenance of market exclusivity.

There can be no assurance that we will receive orphan drug designation for any product candidates in the United States, in the EU or in any other market.

Expedited Development and Review Programs

The FDA has a Fast Track program that is intended to expedite or facilitate the process for reviewing new drugs and biological products that meet certain criteria. Specifically, new products are eligible for Fast Track

designation if they are intended to treat a serious or life-threatening disease or condition and demonstrate the potential to address unmet medical needs for the disease or condition. Fast Track designation applies to the combination of the product and the specific indication for which it is being studied. The sponsor of a new drug or biologic may request the FDA to designate the drug or biologic as a Fast Track product candidate at any time during the clinical development of the product candidate. Unique to a Fast Track product, the FDA may consider the review of sections of the BLA on a rolling basis before the complete application is submitted, if the sponsor provides a schedule for the submission of the sections of the BLA, the FDA agrees to accept sections of the BLA and determines that the schedule is acceptable, and the sponsor pays any required user fees upon submission of the first section of the BLA.

Any product candidate, submitted to the FDA for approval, including a product with a Fast Track designation, may also be eligible for other types of FDA programs intended to expedite development and review, such as priority review and accelerated approval. A product candidate is eligible for priority review if it has the potential to provide safe and effective therapy where no satisfactory alternative therapy exists or a significant improvement in the treatment, diagnosis or prevention of a disease compared to marketed products. The FDA will attempt to direct additional resources to the evaluation of an application for a new product candidate designated for priority review in an effort to facilitate the review, and aims to review such applications within six months as opposed to ten months for standard review. Additionally, a product candidate may be eligible for accelerated approval. Product candidates studied for their safety and effectiveness in treating serious or life-threatening illnesses and that provide meaningful therapeutic benefit over existing treatments may receive accelerated approval which means that they may be approved on the basis of adequate and well-controlled clinical trials establishing that the product candidate has an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit, or on the basis of an effect on a clinical endpoint other than irreversible morbidity or mortality or other clinical benefit, taking into account the severity, rarity, or prevalence of the condition and the availability or lack of alternative treatments. As a condition of approval, the FDA may require that a sponsor of a drug or biological product candidate receiving accelerated approval perform adequate and well-controlled post-marketing clinical trials. In addition, the FDA currently requires as a condition for accelerated approval pre-approval of promotional materials, which could adversely impact the timing of the commercial launch of the product. Fast Track designation, priority review and accelerated approval do not change the standards for approval but may expedite the development or approval process.

Breakthrough Therapy Designation

Under the provisions of the Food and Drug Administration Safety and Innovation Act, or FDASIA, enacted in 2012, the FDA established a Breakthrough Therapy Designation which is intended to expedite the development and review of products that treat serious or life-threatening conditions. A breakthrough therapy is defined as a drug that is intended, alone or in combination with one or more other drugs, to treat a serious or life-threatening disease or condition, and preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. The designation includes all of the features of Fast Track designation, as well as more intensive FDA interaction and guidance. The Breakthrough Therapy Designation is a distinct status from both accelerated approval and priority review, but these can also be granted to the same product candidate if the relevant criteria are met.

The FDA must take certain actions, such as holding timely meetings and providing advice, intended to expedite the development and review of an application for approval of a breakthrough therapy. All requests for breakthrough therapy designation will be reviewed within 60 days of receipt, and FDA will either grant or deny the request.

Where applicable, we plan to request Fast Track and Breakthrough Therapy Designation for our product candidates, including UCART19. Even if we receive one or both of these designations for our product candidates, the FDA may later decide that our product candidates no longer meets the conditions for qualification. In addition, these designations may not provide us with a material commercial advantage.

Post-Approval Requirements

Maintaining compliance with applicable federal, state, and local statutes and regulations requires the expenditure of substantial time and financial resources. Rigorous and extensive FDA regulation of biological products continues after approval, particularly with respect to cGMP requirements. Any products for which we receive FDA approval will be subject to continuing regulation by the FDA, including, among other things, record-keeping requirements, reporting of adverse experiences with the product, providing the FDA with updated safety and efficacy information, product sampling and distribution requirements, and complying with FDA promotion and advertising requirements, which include, among others, standards for direct-to-consumer advertising, restrictions on promoting products for uses or in patient populations that are not described in the product's approved uses (known as off-label use), limitations on industry-sponsored scientific and educational activities, and requirements for promotional activities involving the internet. Although physicians may prescribe legally available products for off-label use that they deem to be appropriate in their professional medical judgment, manufacturers may not market or promote such off-label uses.

Other post-approval requirements applicable to biological products include reporting of cGMP deviations that may affect the identity, potency, purity and overall safety of a distributed product, record-keeping requirements, reporting of adverse effects, reporting updated safety and efficacy information, and complying with electronic record and signature requirements. After a BLA is approved, the product may also be subject to official lot release. In this case, as part of the manufacturing process, the manufacturer is required to perform certain tests on each lot of the product before it is released for distribution. If the product is subject to official release by the FDA, the manufacturer submits samples of each lot of product to the FDA together with a release protocol showing a summary of the history of manufacture of the lot and the results of all of the manufacturer's tests performed on the lot. The FDA also may perform certain confirmatory tests on lots of some products before releasing the lots for distribution by the manufacturer. In addition, the FDA conducts laboratory research related to the regulatory standards on the safety, purity, potency, and effectiveness of biological products.

In addition, we and any third-party manufacturers of our products will be required to comply with applicable requirements in the cGMP regulations, including quality control and quality assurance and maintenance of records and documentation. We rely, and expect to continue to rely, on third parties for the production of clinical and commercial quantities of our products in accordance with cGMP regulations. cGMP regulations require among other things, quality control and quality assurance as well as the corresponding maintenance of records and documentation and the obligation to investigate and correct any deviations from cGMP. Manufacturers and other entities involved in the manufacture and distribution of approved products are required to register their establishments with the FDA and certain state agencies, and are subject to periodic announced and unannounced inspections by the FDA and certain state agencies for compliance with cGMP and other laws. Accordingly, manufacturers must continue to expend time, money, and effort in the area of production and quality control to maintain cGMP compliance. Discovery of problems with a product after approval may result in restrictions on a product, manufacturer, or holder of an approved BLA, including, among other things, recall or withdrawal of the product from the market. In addition, changes to the manufacturing process are strictly regulated, and depending on the significance of the change, may require prior FDA approval before being implemented. Other types of changes to the approved product, such as adding new indications and claims, are also subject to further FDA review and approval.

The FDA also may require post-marketing testing, known as Phase 4 testing, and surveillance to monitor the effects of an approved product. Discovery of previously unknown problems with a product or the failure to comply with applicable FDA requirements can have negative consequences, including adverse publicity, judicial or administrative enforcement, warning letters from the FDA, mandated corrective advertising or communications with doctors, and civil or criminal penalties, among others. Newly discovered or developed safety or effectiveness data may require changes to a product's approved labeling, including the addition of new warnings and contraindications, and also may require the implementation of other risk management measures. Also, new government requirements, including those resulting from new legislation, may be established, or the FDA's policies may change, which could delay or prevent regulatory approval of our products under development.

U.S. Patent Term Restoration and Marketing Exclusivity

The Biologics Price Competition and Innovation Act, or BPCIA, amended the PHSA to authorize the FDA to approve similar versions of innovative biologics, commonly known as biosimilars. A competitor seeking approval of a biosimilar must file an application to establish its molecule as highly similar to an approved innovator biologic, among other requirements. The BPCIA, however, bars the FDA from approving biosimilar applications for 12 years after an innovator biological product receives initial marketing approval. This 12-year period of data exclusivity may be extended by six months, for a total of 12.5 years, if the FDA requests that the innovator company conduct pediatric clinical investigations of the product.

The first biological product submitted under the abbreviated approval pathway that is determined to be interchangeable with the reference product has exclusivity against other biologics submitting applications under the abbreviated approval pathway for the lesser of (1) one year after the first commercial marketing, (2) 18 months after approval if there is no legal challenge, (3) 18 months after the resolution in the applicant's favor of a lawsuit challenging the biologic's patents if an application has been submitted, or (4) 42 months after the application has been approved if a lawsuit is ongoing within the 42-month period.

Depending upon the timing, duration and specifics of the FDA approval of the use of our product candidates, some of our U.S. patents, if granted, may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Act of 1984, commonly referred to as the Hatch-Waxman Act. The Hatch-Waxman Act permits a patent restoration term of up to five years, as compensation for patent term lost during product development and the FDA regulatory review process. However, patent term restoration cannot extend the remaining term of a patent beyond a total of 14 years from the product's approval date. The patent term restoration period is generally one-half the time between the effective date of an IND and the submission date of a BLA plus the time between the submission date of a BLA and the approval of that application. Only one patent applicable to an approved product is eligible for the extension and the application for the extension must be submitted prior to the expiration of the patent. The U.S. Patent and Trademark Office, in consultation with the FDA, reviews and approves the application for any patent term extension or restoration. In the future as applicable, we may apply for restoration of patent term for one of our currently owned or licensed patents seeking restored patent life beyond its current expiration date, depending on the expected length of the clinical trials and other factors involved in the filing of the relevant BLA.

Pediatric exclusivity is another type of regulatory market exclusivity in the United States. Pediatric exclusivity, if granted, adds six months to existing exclusivity periods and patent terms. This six-month exclusivity, which attaches to and runs from the end of other exclusivity protection or patent term, may be granted based on the voluntary completion of a pediatric trial in accordance with an FDA-issued "Written Request" for such a trial.

Other U.S. Healthcare Laws and Compliance Requirements

In the United States, our activities are subject to regulation by various federal, state and local authorities in addition to the FDA, including but not limited to, the Centers for Medicare and Medicaid Services, or CMS, other divisions of the U.S. Department of Health and Human Services (e.g., the Office of Inspector General), the U.S. Department of Justice, or DOJ, and individual U.S. Attorney offices within the DOJ, and state and local governments. For example, sales, marketing and scientific/educational grant programs must comply with the anti-fraud and abuse provisions of the Social Security Act, the false claims laws, the privacy provisions of the Health Insurance Portability and Accountability Act, or HIPAA, and similar state laws, each as amended.

The federal Anti-Kickback Statute prohibits, among other things, any person or entity, from knowingly and willfully offering, paying, soliciting or receiving any remuneration, directly or indirectly, overtly or covertly, in cash or in kind, to induce or in return for purchasing, leasing, ordering or arranging for the purchase, lease or order of any item or service reimbursable under Medicare, Medicaid or other federal healthcare programs. The

term remuneration has been interpreted broadly to include anything of value. The Anti-Kickback Statute has been interpreted to apply to arrangements between pharmaceutical manufacturers on one hand and prescribers, purchasers, and formulary managers on the other. There are a number of statutory exceptions and regulatory safe harbors protecting some common activities from prosecution. The exceptions and safe harbors are drawn narrowly and practices that involve remuneration that may be alleged to be intended to induce prescribing, purchasing or recommending may be subject to scrutiny if they do not qualify for an exception or safe harbor. Failure to meet all of the requirements of a particular applicable statutory exception or regulatory safe harbor does not make the conduct per se illegal under the Anti-Kickback Statute. Instead, the legality of the arrangement will be evaluated on a case-by-case basis based on a cumulative review of all of its facts and circumstances. Our practices may not in all cases meet all of the criteria for protection under a statutory exception or regulatory safe harbor.

Additionally, the intent standard under the Anti-Kickback Statute was amended by the ACA to a stricter standard such that a person or entity no longer needs to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation. In addition, the ACA codified case law that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the federal False Claims Act (discussed below).

The civil monetary penalties statute imposes penalties against any person or entity who, among other things, is determined to have presented or caused to be presented a claim to a federal health program that the person knows or should know is for an item or service that was not provided as claimed or is false or fraudulent.

The federal False Claims Act prohibits, among other things, any person or entity from knowingly presenting, or causing to be presented, a false claim for payment to, or approval by, the federal government or knowingly making, using, or causing to be made or used a false record or statement material to a false or fraudulent claim to the federal government. As a result of a modification made by the Fraud Enforcement and Recovery Act of 2009, a claim includes "any request or demand" for money or property presented to the U.S. government. Recently, several pharmaceutical and other healthcare companies have been prosecuted under these laws for allegedly providing free product to customers with the expectation that the customers would bill federal programs for the product. Other companies have been prosecuted for causing false claims to be submitted because of the companies' marketing of the product for unapproved, and thus non-reimbursable, uses.

HIPAA created new federal criminal statutes that prohibit knowingly and willfully executing, or attempting to execute, a scheme to defraud or to obtain, by means of false or fraudulent pretenses, representations or promises, any money or property owned by, or under the control or custody of, any healthcare benefit program, including private third-party payors and knowingly and willfully falsifying, concealing or covering up by trick, scheme or device, a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services.

Also, many states have similar fraud and abuse statutes or regulations that apply to items and services reimbursed under Medicaid and other state programs, or, in several states, apply regardless of the payor.

We may also be subject to data privacy and security regulations by both the federal government and the states in which we conduct our business. HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, or HITECH, and its implementing regulations, imposes requirements relating to the privacy, security and transmission of individually identifiable health information. Among other things, HITECH makes HIPAA's privacy and security standards directly applicable to business associates independent contractors or agents of covered entities that receive or obtain protected health information in connection with providing a service on behalf of a covered entity. HITECH also created four new tiers of civil monetary penalties, amended HIPAA to make civil and criminal penalties directly applicable to business associates, and gave state attorneys general new authority to file civil actions for damages or injunctions in federal courts to enforce the federal HIPAA laws and seek attorneys' fees and costs associated with pursuing federal civil actions.

In addition, state laws govern the privacy and security of health information in specified circumstances, many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts.

Additionally, the federal Physician Payments Sunshine Act, enacted as part of the ACA, and its implementing regulations, require certain manufacturers of drugs, devices, biological and medical supplies for which payment is available under Medicare, Medicaid or the Children’s Health Insurance Program (with certain exceptions) to report information related to certain payments or other transfers of value made or distributed to physicians and teaching hospitals, or to entities or individuals at the request of, or designated on behalf of, the physicians and teaching hospitals and to report annually certain ownership and investment interests held by physicians and their immediate family members.

In order to distribute products commercially, we will need to comply with state laws that require the registration of manufacturers and wholesale distributors of drug and biological products in a state, including, in certain states, manufacturers and distributors who ship products into the state even if such manufacturers or distributors have no place of business within the state. Some states also impose requirements on manufacturers and distributors to establish the pedigree of product in the chain of distribution, including some states that require manufacturers and others to adopt new technology capable of tracking and tracing product as it moves through the distribution chain. Several states have enacted legislation requiring pharmaceutical and biotechnology companies to establish marketing compliance programs, file periodic reports with the state, make periodic public disclosures on sales, marketing, pricing, clinical trials and other activities, and/or register their sales representatives, as well as to prohibit pharmacies and other healthcare entities from providing certain physician prescribing data to pharmaceutical and biotechnology companies for use in sales and marketing, and to prohibit certain other sales and marketing practices. All of our activities are also potentially subject to federal and state consumer protection and unfair competition laws.

If our operations are found to be in violation of any of the federal and state healthcare laws described above or any other governmental regulations that apply to us, we may be subject to penalties, including without limitation, civil, criminal and/or administrative penalties, damages, fines, disgorgement, exclusion from participation in government programs, such as Medicare and Medicaid, injunctions, private “*qui tam*” actions brought by individual whistleblowers in the name of the government, or refusal to allow us to enter into government contracts, contractual damages, reputational harm, administrative burdens, diminished profits and future earnings, and the curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business and our results of operations.

Coverage, Pricing and Reimbursement

Sales of our products will depend, in part, on the extent to which our products, if approved, will be covered and reimbursed by third-party payors, such as government health programs, commercial insurance and managed healthcare organizations. These third-party payors are increasingly reducing reimbursements for medical products and services. The process for determining whether a third-party payor will provide coverage for a drug product typically is separate from the process for setting the price of a drug product or for establishing the reimbursement rate that a payor will pay for the drug product once coverage is approved. Third-party payors may limit coverage to specific drug products on an approved list, also known as a formulary, which might not include all of the approved drugs for a particular indication.

In order to secure coverage and reimbursement for any product candidate that might be approved for sale, we may need to conduct expensive pharmacoeconomic studies in order to demonstrate the medical necessity and cost-effectiveness of the product candidate, in addition to the costs required to obtain FDA or other comparable regulatory approvals. Whether or not we conduct such studies, our product candidates may not be considered medically necessary or cost-effective. A third-party payor’s decision to provide coverage for a drug product does not imply that an adequate reimbursement rate will be approved. Further, one payor’s determination to provide

coverage for a product does not assure that other payors will also provide coverage for the product. Even if coverage is obtained from third party payors, reimbursement may not be sufficient to enable us to maintain price levels high enough to realize an appropriate return on our investment in product development.

The containment of healthcare costs has become a priority of federal, state and foreign governments, and the prices of drugs have been a focus in this effort. The U.S. government, state legislatures and foreign governments have shown significant interest in implementing cost-containment programs, including price controls, restrictions on reimbursement and requirements for substitution of generic products. Similar policies and laws have been adopted by many EU Member States. Adoption of price controls and cost-containment measures, and adoption of more restrictive policies in jurisdictions with existing controls and measures, could further limit our net revenue and results. Decreases in third-party reimbursement for our product candidate or a decision by a third-party payor to not cover our product candidate could reduce physician usage of the product candidate and have a material adverse effect on our sales, results of operations and financial condition.

In addition, in some foreign countries, the proposed pricing for a drug must be approved before it may be lawfully marketed. The requirements governing drug pricing vary widely from country to country. For example, the EU provides options for its Member States to restrict the range of medicinal products for which their national health insurance systems provide reimbursement and to control the prices of medicinal products for human use. A Member State may approve a specific price for the medicinal product or it may instead adopt a system of direct or indirect controls on the profitability of the company placing the medicinal product on the market. For example, in France, effective access to the market assumes that our future products will be supported by the hospital (through an agreement for local communities) or reimbursed by social security. The price of medications is negotiated with the Economic Committee for Health Products, or CEPS. There can be no assurance that any country that has price controls or reimbursement limitations for pharmaceutical products will allow favorable reimbursement and pricing arrangements for any of our product candidates. Historically, products launched in the EU do not follow price structures of the United States and generally tend to be significantly lower.

Healthcare Reform and Subsequent Legislation

In March 2010, President Obama enacted the ACA, which has the potential to substantially change healthcare financing and delivery by both governmental and private insurers, and significantly impact the pharmaceutical and biotechnology industry. The ACA will impact existing government healthcare programs and will result in the development of new programs.

Among the ACA’s provisions of importance to the pharmaceutical and biotechnology industries, in addition to those otherwise described above, are the following:

- an annual, nondeductible fee on any entity that manufactures or imports certain specified branded prescription drugs and biologic agents apportioned among these entities according to their market share in some government healthcare programs;
- an increase in the statutory minimum rebates a manufacturer must pay under the Medicaid Drug Rebate Program to 23.1% and 13% of the average manufacturer price for most branded and generic drugs, respectively and a cap on the total rebate amount for innovator drugs at 100% of the Average Manufacturer Price, or AMP;
- a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 50% point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for the manufacturers’ outpatient drugs to be covered under Medicare Part D;
- extension of manufacturers’ Medicaid rebate liability to covered drugs dispensed to individuals who are enrolled in Medicaid managed care organizations;

- expansion of eligibility criteria for Medicaid programs by, among other things, allowing states to offer Medicaid coverage to additional individuals and by adding new mandatory eligibility categories for individuals with income at or below 133% of the federal poverty level, thereby potentially increasing manufacturers' Medicaid rebate liability;
- expansion of the entities eligible for discounts under the Public Health Service pharmaceutical pricing program; and
- a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research.

We anticipate that the ACA will result in additional downward pressure on coverage and the price that we receive for any approved product in the United States, and could seriously harm our business. Any reduction in reimbursement from Medicare and other government programs may result in a similar reduction in payments from private payors. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability, or commercialize our product candidates, if approved. In addition, it is possible that there will be further legislation or regulation that could harm our business, financial condition, and results of operations.

Other legislative changes have been proposed and adopted in the United States since the ACA was enacted. On August 2, 2011, the Budget Control Act of 2011 among other things, created measures for spending reductions by Congress. A Joint Select Committee on Deficit Reduction, tasked with recommending a targeted deficit reduction of at least $1.2 trillion for the years 2013 through 2021, was unable to reach required goals, thereby triggering the legislation's automatic reduction to several government programs. This includes aggregate reductions to Medicare payments to providers of 2% per fiscal year, which started in April 2013. On January 2, 2013, President Obama signed into law the American Taxpayer Relief Act of 2012, or the ATRA, which, among other things, also reduced Medicare payments to several providers, including hospitals, imaging centers and cancer treatment centers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. We expect that additional federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, and in turn could significantly reduce the projected value of certain development projects and reduce our profitability.

Additional Regulation

In addition to the foregoing, state and federal laws regarding environmental protection and hazardous substances, including the Occupational Safety and Health Act, the Resource Conservancy and Recovery Act and the Toxic Substances Control Act, affect our business. These and other laws govern our use, handling and disposal of various biological, chemical and radioactive substances used in, and wastes generated by, our operations. If our operations result in contamination of the environment or expose individuals to hazardous substances, we could be liable for damages and governmental fines. We believe that we are in material compliance with applicable environmental laws and that continued compliance therewith will not have a material adverse effect on our business. We cannot predict, however, how changes in these laws may affect our future operations.

European Union Drug Development

In the EU, our future product candidates may also be subject to extensive regulatory requirements. As in the United States, medicinal products can only be marketed if a marketing authorization from the competent regulatory agencies has been obtained.

Similar to the United States, the various phases of pre-clinical and clinical research in the European Union are subject to significant regulatory controls. Although the EU Clinical Trials Directive 2001/20/EC has sought to harmonize the EU clinical trials regulatory framework, setting out common rules for the control and

authorization of clinical trials in the EU, the EU Member States have transposed and applied the provisions of the Directive differently. This has led to significant variations in the Member State regimes. To improve the current system, a new Regulation No. 536/2014 on clinical trials on medicinal product candidates for human use, which will repeal Directive 2001/20/EC, was adopted on April 16, 2014 and published in the European Official Journal on May 27, 2014. The new Regulation aims at harmonizing and streamlining the clinical trials authorization process, simplifying adverse event reporting procedures, improving the supervision of clinical trials, and increasing their transparency. The new Regulation entered into force on June 16, 2014 but will apply not earlier than May 28, 2016. Until then the Clinical Trials Directive 2001/20/EC will continue to apply. In addition, the transitional provisions of the new Regulation offer, under certain conditions, the clinical trial sponsors the possibility to choose between the requirements of the Directive and the Regulation for a limited amount of time.

Under the current regime, before a clinical trial can be initiated it must be approved in each of the EU Member States where the trial is to be conducted by two distinct bodies: the National Competent Authority, or NCA, and one or more Ethics Committees, or ECs. Under the current regime all suspected unexpected serious adverse reactions, or SUSARs, to the investigational product that occur during the clinical trial have to be reported to the NCA and ECs of the Member State where they occurred.

European Union Drug Review and Approval

In the EU, medicinal products can only be commercialized after obtaining a Marketing Authorization, or MA. The same rules also apply in the EFTA Member States (Norway, Iceland and Liechtenstein). There are two types of marketing authorizations:

The Community MA, which is issued by the European Commission through the Centralized Procedure, based on the opinion of the Committee for Medicinal Products for Human Use, or CHMP, of the European Medicines Agency, or EMA, and which is valid throughout the entire territory of the EU. The Centralized Procedure is mandatory for certain types of products, such as biotechnology medicinal products, orphan medicinal products, and medicinal products containing a new active substance indicated for the treatment of AIDS, cancer, neurodegenerative disorders, diabetes, auto-immune and viral diseases. The Centralized Procedure is also mandatory for so-called Advance Therapy Medicinal Products (or ATMPs). ATMPs comprise gene therapy, somatic cell and tissue engineered products. In this regard, on May 28, 2014, the EMA issued a recommendation that Cellectis' UCART19 be considered a gene therapy product under Regulation (EC) No 1394/2007 on ATMPs. The Centralized Procedure is optional for products containing a new active substance not yet authorized in the EEA, or for products that constitute a significant therapeutic, scientific or technical innovation or which are in the interest of public health in the EU. Under the Centralized Procedure, the CHMP serves as the scientific committee that renders opinions about the safety, efficacy and quality of human products on behalf of the EMA. The CHMP is composed of experts nominated by each Member State's national drug authority, with one of them appointed to act as Rapporteur for the co-ordination of the evaluation with the possible assistance of a further member of the Committee acting as a Co-Rapporteur. The CHMP has 210 days to adopt an opinion as to whether a marketing authorization should be granted. The process usually takes longer as additional information is requested, which triggers clock-stops in the procedural timelines. Based on the CHMP's opinion the European Commission will adopt a decision on the granting of the marketing authorization. In case of ATMPs, the EMA's Committee for Advanced Therapies, a multidisciplinary committee of experts on ATMPs, will prepare a draft opinion which will be submitted to the CHMP before the latter adopts its final opinion.

Under the above described procedure, before granting the MA, the EMA makes an assessment of the risk-benefit balance of the product on the basis of scientific criteria concerning its quality, safety and efficacy.

In the EU, new products authorized for marketing (i.e., reference products) qualify for eight years of data exclusivity and an additional two years of market exclusivity upon marketing authorization. The data exclusivity period prevents generic applicants from relying on the preclinical and clinical trial data contained in the dossier

of the reference product when applying for a generic marketing authorization in the EU during a period of eight years from the date on which the reference product was first authorized in the EU. The market exclusivity period prevents a successful generic applicant from commercializing its product in the EU until ten years have elapsed from the initial authorization of the reference product in the EU. The ten-year market exclusivity period can be extended to a maximum of eleven years if, during the first eight years of those ten years, the marketing authorization holder obtains an authorization for one or more new therapeutic indications which, during the scientific evaluation prior to their authorization, are held to bring a significant clinical benefit in comparison with existing therapies.

The EU also provides opportunities for market exclusivity. For example, products receiving orphan designation in the EU can receive ten years of market exclusivity, during which time no similar medicinal product for the same indication may be placed on the market. An orphan product can also obtain an additional two years of market exclusivity in the EU for pediatric studies. No extension to any supplementary protection certificate can be granted on the basis of pediatric studies for orphan indications.

The criteria for designating an "orphan medicinal product" in the EU are similar in principle to those in the United States. Under Article 3 of Regulation (EC) 141/2000, a medicinal product may be designated as orphan if (1) it is intended for the diagnosis, prevention or treatment of a life-threatening or chronically debilitating condition; (2) either (a) such condition affects no more than five in 10,000 persons in the EU when the application is made, or (b) the product, without the benefits derived from orphan status, would not generate sufficient return in the EU to justify investment; and (3) there exists no satisfactory method of diagnosis, prevention or treatment of such condition authorized for marketing in the EU, or if such a method exists, the product will be of significant benefit to those affected by the condition, as defined in Regulation (EC) 847/2000. Orphan medicinal products are eligible for financial incentives such as reduction of fees or fee waivers and are, upon grant of a marketing authorization, entitled to ten years of market exclusivity for the approved therapeutic indication. The application for orphan drug designation must be submitted before the application for marketing authorization. The applicant will receive a fee reduction for the marketing authorization application if the orphan drug designation has been granted, but not if the designation is still pending at the time the marketing authorization is submitted. Orphan drug designation does not convey any advantage in, or shorten the duration of, the regulatory review and approval process.

The 10-year market exclusivity may be reduced to six years if, at the end of the fifth year, it is established that the product no longer meets the criteria for orphan designation, for example, if the product is sufficiently profitable not to justify maintenance of market exclusivity. Additionally, marketing authorization may be granted to a similar product for the same indication at any time if:

- The second applicant can establish that its product, although similar, is safer, more effective or otherwise clinically superior;
- The applicant consents to a second orphan medicinal product application; or
- The applicant cannot supply enough orphan medicinal product.

Food Oversight Responsibilities Between USDA and FDA, Including Transgenic or Genetically Modified Organisms

In the United States, the FDA and the USDA Food Safety Inspection Service, or FSIS, are primarily responsible for overseeing food regulation and safety, although as many as fifteen federal agencies also play a role in U.S. food regulation, including several other agencies within USDA.

FSIS is responsible for ensuring the safety, wholesomeness, and correct packaging and labeling of the nation's commercial supply of meat, poultry, egg products, and catfish. The agency's main authorizing statutes are the Poultry Products Inspection Act, Federal Meat Inspection Act, Agricultural Marketing Act, and the Egg

Products Inspection Act. To carry out its mission, FSIS deploys almost 8,000 inspection program personnel to the more than 6,000 establishments around the country to ensure food manufactures are following the proper procedures to reduce the risks of foodborne illnesses such as *Salmonella*, *Escherichia coli*, *Listeria monocytogenes*, and *Campylobacter*.

USDA has regulatory jurisdiction over transgenic crops through the Animal and Plant Health Inspection Service, or APHIS. Under the Plant Protection Act, USDA requires anyone who wishes to import, transport interstate, or plant a “regulated article” to apply for a permit or notify APHIS that the introduction will be made. Regulated articles are defined as “any organism which has been altered or produced through genetic engineering . . . which USDA determines is a plant pest or has reason to believe is a plant pest.” The petition process can be a multi-year process that varies based on a number of factors, including APHIS’ familiarity with similar products, the type and scope of the environmental review conducted, and the number and types of public comments received. APHIS conducts a comprehensive science-based review of the petition to assess, among other things, plant pest risk, environmental considerations pursuant to the National Environmental Policy Act of 1969, or NEPA, and any potential impact on endangered species. If, upon the completion of the review, APHIS grants the petition, the product is no longer deemed a “regulated article” and the petitioner may commercialize the product, subject to any conditions set forth in the decision. If APHIS does not determine the product to be non-regulated, the product may be subject to extensive regulation, including permitting requirements for import, handling, interstate movement, and release into the environment, and inspections.

We have submitted a petition for a determination of “nonregulated status” to the APHIS for our potato product candidate and our No Trans Fat (High Oleic) Soybean product candidates. APHIS has granted the petition for our potato product candidate and has not yet made a determination on our soybean product candidate. There can be no guarantee of the timing or success in obtaining nonregulated status from APHIS for our other crops or that the governing regulations will not change. Government regulations, regulatory systems, and the politics that influence them vary widely among jurisdictions and change often.

As part of its National Organic Program, USDA also regulates GMOs, or genetically modified (“GM”) foods, to the extent that food manufacturers can use the “USDA Organic” label on their products. The use of genetic engineering, or GMOs, is prohibited in USDA organic products. According to USDA, this means, for example, that an organic farmer cannot plant GMO seeds, an organic cow cannot eat GMO alfalfa or corn, and an organic soup producer cannot put any GM ingredients into its soup. To label products with the USDA organic seal, farmers and food processors must show they are not using GMOs and that they are protecting their products from contact with GMOs (along with other prohibited substances) from farm to table.

FDA has jurisdiction to regulate more than 80 percent of the U.S. food supply. It derives its regulatory power from the Federal Food, Drug, and Cosmetic Act (“FDCA”), which has been amended over time by several subsequent laws. FDA’s oversight of food safety and security is primarily carried out by its Center for Food Safety and Applied Nutrition (“CFSAN”). To execute its responsibilities, FDA has a team of 900 investigators and 450 analysts in the foods program who conduct inspections and collect and analyze product samples. FDA typically does not perform pre-market inspection for foods. FDA also regulates ingredients, packaging, and labeling of foods, including nutrition and health claims and the nutrition facts panel. Foods are typically not subject to premarket review and approval requirements, with limited exceptions.

For its part, FDA regulates foods made with GMOs under its 1992 “Statement of Policy: Foods Derived from New Plant Varieties.” Under this policy, FDA regulates foods derived from GM plant varieties consistent with the framework for non-GM foods. In most cases, foods derived from GM plant varieties are not subject to premarket review and approval. In some cases, however, such foods will be considered to contain “food additives” that require premarket review and approval. FDA offers a voluntary consultation process to determine whether foods derived from GM plant varieties will be subject to these more stringent regulatory requirements.

FDA does not currently require manufacturers to label foods made with GMOs as such, but permits voluntary labeling pursuant to a 2001 guidance document. This policy has been the subject of pressure from consumer groups and there can be no guaranty that it will not change in the future. Additionally, two states have passed, and nearly half of U.S. states have considered, mandatory GMO labeling laws to date.

Other Regulatory Matters

French Pharmaceutical Company Status

To date, we do not have the status of pharmaceutical establishment, and therefore, cannot either manufacture the product candidates we develop or directly consider their marketing. Obtaining the pharmaceutical establishment license, either as distributor, operator, importer or as manufacturer, requires the submission of a request file specific to each of the mentioned qualifications with the *Agence nationale de sécurité du médicament et des produits de santé* (ANSM), which only grants it after review of this file and evaluation, usually after verification that the company has adequate premises, the necessary personnel and an adapted structure with satisfactory procedures for carrying out the proposed pharmaceutical activities.

We currently entrust CMOs with the manufacturing of clinical batches and intend to continue relying on CMOs for the production of the first commercial batches. We may consider internalizing production once our first product candidate is approved by regulatory authorities.

Employees

As of December 31, 2014, we had 93 employees, 89 of whom are full-time, 33 of whom hold Ph.D. or M.D. degrees, 68 of whom were engaged in research and development activities and 25 of whom were engaged in business development, legal, finance, information systems, facilities, human resources or administrative support. As of December 31, 2014, 76 of our employees were located in France and 17 of our employees were located in the United States. None of our employees is subject to a collective bargaining agreement. We consider our relationship with our employees to be good.

Facilities

We lease two facilities in Paris for administrative and research and development activities. The first lease of a 967 square-meter facility commenced on October 1, 2011 and will terminate on October 8, 2015. The second lease of a 3,064 square-meter facility commenced on April 1, 2011 and has a 10-year initial term expiring on April 1, 2021. We also lease a 17,485 square-foot facility in New Brighton, Minnesota. The lease commenced on October 15, 2012 and expires on October 14, 2017. In addition, we recently signed an engagement letter to sign a lease for a 12,052 square-foot facility in New York, New York for administrative and research and development activities. We believe that our existing facilities are adequate to meet our current needs, and that suitable additional alternative spaces will be available in the future on commercially reasonable terms.

Legal Proceedings

From time to time, we may be involved in various claims and legal proceedings relating to claims arising out of our operations. We are not currently a party to any legal proceedings that, in the opinion of our management, are likely to have a material adverse effect on our business. Regardless of outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

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MANAGEMENT

Executive Officers and Directors

The following table sets forth information regarding our executive officers and directors as of January 1, 2015. Unless otherwise stated, the address for our executive officers and directors is 8, rue de la Croix Jarry, 75013 Paris, France.

Name	Age	Position(s)
Executive Officers:		
André Choulika, Ph.D.	50	Chief Executive Officer, Chairman of the Board and Co-Founder
Mathieu Simon, M.D.	58	Director, Executive Vice President, Chief Operating Officer
David Sourdive, Ph.D.	48	Director, Executive Vice President, Corporate Development and Co-Founder
Philippe Duchateau, Ph.D.	52	Chief Scientific Officer
Thierry Moulin	57	Chief Financial Officer
Luc Mathis, Ph.D.	45	Chief Executive Officer, Cellectis Plant Sciences
Non-Employee Directors:		
Alain Godard	69	Director
Pierre Bastid	60	Director
Laurent Arthaud	52	Director
Annick Schwebig, M.D.	64	Director

André Choulika, Ph.D., is one of the founders of Cellectis and has been our Chairman of the Board and Chief Executive Officer since 2000. He has also been President of Cellectis Plant Sciences since August 2010. From 1997 to 1999, Dr. Choulika worked as a post-doctoral fellow in the Division of Molecular Medicine at Boston Children's Hospital, where he was a pioneer in the analysis and use of meganucleases to modify complex genomes. He has also served on the boards of directors of several biotechnology companies. After receiving his PhD in molecular virology from the University of Paris VI (Pierre et Marie Curie), he completed a research fellowship in the Harvard Medical School Department of Genetics. Dr. Choulika also has management training from the HEC (Challenge +). Based on Dr. Choulika's deep knowledge of the company and scientific experience, we believe Dr. Choulika has the appropriate set of skills to serve as our chief executive officer and member of our board of directors.

Mathieu Simon, M.D., has served as a director since June 14, 2013, as Executive Vice-President since 2012 and as Chief Operating Officer since 2013. Dr. Simon was the Director and Chairman of the Board of Cellectis AB from 2013 to 2014 and has been a Director of Ectycell. Prior to joining us, from 2000 to 2010 Dr. Simon was Senior Vice President Head of Global Pharmaceutical Operations at Pierre Fabre SA. From 1994 to 2010, Dr. Simon led several Wyeth subsidiaries as General Manager (including Italy and Belgium). From 1994 to 1997, he served as Group Vice President of Marketing and Clinical Affairs for Wyeth International in Philadelphia, USA. From 2000 and 2010, Dr. Simon was a Director of Wyeth S.p.A., Farmindustria, and Pharma in Italy. Dr. Simon graduated from medical school at the University of Paris in 1982. Dr. Simon today is an advisor at the European Commission D.G. Research and Innovation (Horizon 2020). We believe Dr. Simon's extensive business and leadership experience in the pharmaceutical industry qualifies him to serve as a member of our board of directors.

David Sourdive, Ph.D., is a co-founder of Cellectis and has held the position of Executive Vice President, Corporate Development since 2008. Dr. Sourdive has also been a member of our board of directors since 2000. From 2009 to 2012, he served as President of Ectycell SAS, and since 2012, he has served on its supervisory committee. Since February 2014, Dr. Sourdive has also served on the board of directors of Mediterranean Institute for Life Sciences. He previously served on the boards of directors of Cellectis AB, Medicen Paris

Region and Seine Saint Denis Avenir. From 1998 to 2000, he directed the biotechnologies laboratory of the Centre d'Etudes du Bouchet for the French Ministry of Defense. From 1997 to 1998, Dr. Sourdive worked at one of the leading laboratories in viral immunology at Emory University in Atlanta, Georgia. His work there was focused on immunological T-cell memory. Dr. Sourdive graduated from the École Polytechnique and received his PhD in molecular virology at the Institut Pasteur. He also has management training from the HEC (Challenge +). We believe Dr. Sourdive's extensive experience in business and the biotechnology industry qualifies him to serve on our board of directors.

Philippe Duchateau, Ph.D., joined Cellectis in 2001 to pioneer the field of genome engineering. After receiving his PhD in 1993 in biochemistry and molecular biology at the Institut Pasteur (Lille, France), he completed a research fellowship from 1993 to 2001 at the University of California, San Francisco (United States) within the Cardiovascular Research Institute. He is co-inventor of numerous patents in the field of nucleases and genome engineering and co-authors on more than 50 scientific publications and co-editor of one book entitled "Site-directed Insertion of Transgenes." As head of Cellectis's Research department since 2004, he helped to the development of the Cellectis Technologies. Philippe Duchateau has served as Chief Scientific Officer since 2012.

Thierry Moulin joined us as Chief Financial Officer in 2014. Thierry Moulin has been a partner at TMBB Consulting since 2008. He was also previously the Chief Financial Officer of Vergnet SA, Ermewa and Toshiba TEC and was a member of the board of directors of Vergnet SA. Mr. Moulin has specialized in the administrative and financial management of industrial groups in France, such as AIRSEC Industries and Süd-Chemie, as well as internationally, including in Japan from 1986 to 2008. He worked as an auditor from 1982 to 1986 after graduating from Rouen Business School.

Luc Mathis, Ph.D., has been Chief Executive Officer of Cellectis Plant Sciences since 2012. He previously served as Business Development Director of Cellectis from 2006 to 2011. From 2001 to 2005, he was a research scientist at Centre National de la Recherche Scientifique. After receiving his PhD in developmental biology at the Pasteur Institute in 1997, he completed post-doctoral studies at the California Institute of Technology from 1998 to 2000. Mr. Mathis previously served on the board of directors of the Association Française de Biotechnologies Vegetales and currently serves on the board of directors of the French-American Chamber of Commerce in Minneapolis.

Alain Godard has served as a member of our board of directors since October 2007. Since 2002, Mr. Godard has been a consultant in plant biotechnology and management. He has been the Chief Executive Officer SARL Godard & Co. since June 2009, and he also serves on the board of directors of Fermentalg SA. He previously served as chairman of the management board of Aventis Cropscience from 1999 to 2001 and served on the executive committee of Aventis Cropscience for the same period. He held several executive positions at Rhône-Poulenc Agrochimie since joining in 1975, and he became CEO of the company in 1991 and chairman and CEO in 1995. Mr. Godard was appointed to the executive committee of the Rhône-Poulenc group in 1997, where he oversaw operations in the field of animal and plant health and the group's Asia region. In 1999 he was an active player in the merger of Hoechst and Rhône-Poulenc, which resulted in the founding of Aventis. Mr. Godard is a graduate of the École Nationale Supérieure Agronomique de Toulouse. He began his agronomy career in 1967 in Africa as a researcher at the l'Institut de Recherche pour les Huiles et Oléagineux (institute for research on oils and oleaginous plants). We believe Mr. Godard's leadership and management experience in the plant biotechnology field qualifies him to serve as a member of our board of directors.

Pierre Bastid has served as a member of our board of directors since October 28, 2011. He has been a member of the board of directors of HOUGOU S.A. since May 23, 2011. He also currently serves on the boards of directors of HOUGOU Développement S.A., Louise 342-344 S.A., Crystal Sunrise S.A., Shango S.A., Hebioso S.A., Les Bastidons S.A., Nepteam S.A.S., Krishna S.C. and La Chartreuse B S.C. From 2005 to 2011, he served as the President and Chief Executive Officer of Converteam Group S.A.S. (formerly Alstom Power Conversion). From June 2011 to July 2014, he was also a member of board of directors of Zaka S.A. From 2008 to 2011, Mr. Bastid served as President and a member of the board of directors of CVT Holding S.A.S. and as

President of Financière CVT S.A.S. From 2009 to 2011, he served as President of CMC Kilimanjaro, CMC Everest, CMC Mac Kinley, CMC Elbrouz and CMC K2. He was a Manager at Damballah S.C. from 2011 to 2012. We believe Mr. Bastid's extensive business experience qualifies him to serve as a member on our board of directors.

Laurent Arthaud has served as a member of our board of directors since October 28, 2011. Mr. Arthaud has been the Managing Director of Life Sciences and Ecotechnologies for Bpifrance Investissement (formerly CDC Enterprises, a subsidiary of Caisse des Dépôts) since 2012. From 2006 to 2012, Mr. Arthaud held the position of Deputy CEO at CDC Entreprises. Since 2009 Mr. Arthaud has also directed InnoBio, an investment fund managed by Bpifrance Investissement as part of the FSI France Investissement program. From 1999 to 2004 he served as Vice President of Aventis Capital, an investment subsidiary of the pharmaceuticals group Aventis, and as President of Pharmavent Partners from 2004 to 2006. Mr. Arthaud is a graduate of the École Polytechnique and the l'École Nationale de Statistique et d'Administration Économique. We believe Mr. Arthaud's extensive investment experience in the biotechnology industry qualifies him to serve as a member on our board of directors.

Annick Schwebig, M.D., has served as a member of our board of directors since October 28, 2011. In 2000, she founded the French subsidiary of Actelion, of which she is the General Manager. Actelion is a biopharmaceuticals company specializing in innovative treatments to serve unmet medical needs. She is also President of the Biotechnologies Committee within the LEEM (French Pharmaceutical Industry Association's) since 2000, which coordinates studies on cell therapies and nanomedicine, as well as General Secretary of the Alliance for Research and Innovation in Health Industries (ARIIS). A graduate of the University of Paris medical school, Dr. Schwebig worked as a senior manager at the biopharmaceuticals company Bristol-Myers Squibb for 17 years from 1983 to 2000. We believe Dr. Schwebig's extensive experience in the biopharmaceutical industry qualifies her to serve as a member on our board of directors.

Each of Dr. Schwebig and Messrs. Bastid and Arthaud has been appointed to our board of directors pursuant to the Investment Agreement. See "Related-Party Transactions—Transactions with Our Principal Shareholders, Directors and Executive Officers—Investment Agreement."

Family Relationships

There are no family relationships among any of our executive officers or directors.

Board Composition

Under French law and our By-laws, our board of directors must be composed of between three and eight members. Within this limit, the number of directors is determined by our shareholders. Directors are elected, re-elected and may be removed at a shareholders' general meeting with a simple majority vote of our shareholders. Pursuant to our By-laws, our directors are elected for three-year terms. In accordance with French law, our By-laws also provide that our directors may be removed with or without cause by the affirmative vote of the holders of at least a majority of the votes of the shareholders present, represented by a proxy or voting by mail at the relevant ordinary shareholders' meeting, and that any vacancy on our board resulting from the death or resignation of a director, provided there are at least three directors remaining, may be filled by vote of a majority of our directors then in office provided that there has been no shareholders meeting since such death or resignation. Directors chosen or appointed to fill a vacancy shall be elected by the board for the remaining duration of the current term of the replaced director. The appointment must then be ratified at the next shareholders' general meeting. In the event the board would be composed of less than three directors as a result of a vacancy, the remaining directors shall immediately convene a shareholders' general meeting to elect one or several new directors so there are at least three directors serving on the board, in accordance with French law.

We currently have seven directors. The following table sets forth the names of our directors, the years of their initial appointment as directors and the expiration dates of their current term.

Name	Current Position	Year of Initial Appointment	Term Expiration Year
André Choulika, Ph.D.	Chairman	2000	2015
Mathieu Simon, M.D.	Director	2013	2016
David Sourdive, Ph.D.	Director	2000	2015
Alain Godard	Director	2007	2015
Pierre Bastid	Director	2011	2017
Laurent Arthaud	Director	2011	2017
Annick Schwebig, M.D.	Director	2011	2017

In addition, Institut Pasteur was designated as an observer to our board of directors in 2002, and its current term expires in 2015.

Director Independence

As a foreign private issuer, under the listing requirements and rules of Nasdaq, we are not required to have independent directors on our board of directors, except with respect to our audit and finance committee, for which the Nasdaq listing requirements permit specified phase-in schedules.

Our board of directors has determined that, applying the applicable rules and regulations of the SEC and the Nasdaq listing standards, all of our directors, except Drs. Choulika, Sourdive and Simon, qualify as “independent directors.” In making such determination, our board considered the relationships that each non-employee director has with us and all other facts and circumstances our board of directors deemed relevant in determining the director’s independence, including the number of ordinary shares beneficially owned by the director and his or her affiliated entities.

Role of the Board in Risk Oversight

Our board of directors is primarily responsible for the oversight of our risk management activities and has delegated to the audit and finance committee the responsibility to assist our board in this task. While our board oversees our risk management, our management is responsible for day-to-day risk management processes. We believe this division of responsibilities is the most effective approach for addressing the risks we face. Our board expects our management to consider risk and risk management in each business decision, to proactively develop and monitor risk management strategies and processes for day-to-day activities and to effectively implement risk management strategies adopted by the board.

Corporate Governance Practices

As a French *société anonyme*, we are subject to various corporate governance requirements under French law. In addition, as a foreign private issuer listed on the Nasdaq Global Market, we will be subject to the Nasdaq corporate governance listing standards. However, the Nasdaq Global Market’s listing standards provide that foreign private issuers are permitted to follow home country corporate governance practices in lieu of the Nasdaq rules, with certain exceptions. Certain corporate governance practices in France may differ significantly from corporate governance listing standards. For example, neither the corporate laws of France nor our By-laws require that (i) a majority of our directors be independent, (ii) our compensation committee include only independent directors, or (iii) our independent directors hold regularly scheduled meetings at which only independent directors are present. Other than as set forth below, we currently intend to comply with the corporate governance listing standards of Nasdaq to the extent possible under French law. However, we may choose to change such practices to follow home country practice in the future.

Although we are a foreign private issuer, we are required to comply with Rule 10A-3 of the Exchange Act, relating to audit committee composition and responsibilities. Rule 10A-3 provides that the audit committee must have direct responsibility for the nomination, compensation and choice of our auditors, as well as control over the performance of their duties, management of complaints made, and selection of consultants. Under Rule 10A-3, if the laws of a foreign private issuer's home country require that any such matter be approved by the board of directors or the shareholders of the Company, the audit committee's responsibilities or powers with respect to such matter may instead be advisory. Under French law, the audit committee may only have an advisory role and appointment of our statutory auditors, in particular, must be decided by our shareholders at our annual meeting.

In addition, Nasdaq rules require that a listed company specify that the quorum for any meeting of the holders of share capital be at least 33 ⅓% of the outstanding shares of the company's common voting stock. We intend to follow our French home country practice, rather than complying with this Nasdaq rule. Consistent with French Law, our By-laws provide that when first convened, general meetings of shareholders may validly convene only if the shareholders present or represented hold at least (1) 20% of the voting shares in the case of an ordinary general meeting or of an extraordinary general meeting where shareholders are voting on a capital increase by capitalization of reserves, profits or share premium, or (2) 25% of the voting shares in the case of any other extraordinary general meeting. If such quorum required by French law is not met, the meeting is adjourned. There is no quorum requirement under French law when an ordinary general meeting or an extraordinary general meeting where shareholders are voting on a capital increase by capitalization of reserves, profits or share premium is reconvened, but the reconvened meeting may consider only questions that were on the agenda of the adjourned meeting. When any other extraordinary general meeting is reconvened, the required quorum under French law is 20% of the shares entitled to vote. If a quorum is not met at a reconvened meeting requiring a quorum, then the meeting may be adjourned for a maximum of two months. See the section of this prospectus titled "Description of Share Capital—Key Provisions of Our By-laws and French Law Affecting Our Ordinary Shares."

Further, Nasdaq rules require that listed companies have a nominations committee comprised solely of independent directors. We intend to follow our French home country practice, as described under "—Board Composition," rather than complying with this Nasdaq rule.

Board Committees

The board of directors has established an audit and finance committee and a compensation committee, each of which operates pursuant to a separate charter adopted by our board of directors. The board of directors has also established a scientific committee. The composition and functioning of all of our committees will comply with all applicable requirements of the French Commercial Code, the Exchange Act, the Nasdaq Global Market, and the rules and regulations of the SEC.

In accordance with French law, committees of our board of directors will only have an advisory role and can only make recommendations to our board of directors. As a result, decisions will be made by our board of directors taking into account non-binding recommendations of the relevant board committee.

Audit and Finance Committee. Our audit and finance committee reviews our internal accounting procedures, consults with and reviews the services provided by our independent registered public accountants and assists our board of directors in its oversight of our corporate accounting and financial reporting. Currently, our audit and finance committee is comprised of three members of the board of directors: Messrs. Bastid, Godard and Arthaud.

The duties specifically assigned to the audit and finance committee by our board of directors include, but are not limited to:

- with regard to our financial statements:
  - review on a preliminary basis and express its opinion on the draft annual and quarterly financial statements prior to the board of directors officially receiving the financial statements;
  - examine the critical accounting policies and practices of the Company, including their relevance and consistency used for the preparation of the Company's financial statements and the group's consolidated financial statements and rectify any failure to comply with these policies and practices;
  - monitor the scope of consolidation and review, where necessary, any explanations in connection thereto;
  - interview, when necessary, the statutory auditors, the chairman of the board of directors, the chief executive officer, the chief financial officer, the employees in charge of our internal controls or any other management personnel; these discussions may take place, where required, without the presence of the chairman of our board of directors and the chief executive officer; and
  - examine—prior to their publication—the draft annual and interim financial statements, the draft annual report and any other draft financial statements (including projected financial statements) prepared for the needs of upcoming material transactions together with the related press releases;
- with regard to internal controls:
  - assess the efficiency and quality of internal control systems and procedures within the group;
  - examine, with the persons in charge of the internal audit, and, if necessary, outside of the presence of the chairman of the board of directors and the chief executive officer, the contingency and action plans with respect to internal audit, the findings following the implementation of these actions and the recommendations and follow-up actions in connection therewith; and
  - entrust the internal audit department with any mission which the committee deems necessary;
- with regard to external controls:
  - examine any question relating to the appointment, renewal or dismissal of our statutory auditors and their fees regarding the performance of their control review functions;
  - oversee the rules relating to the use of the statutory auditors for assignments other than the audit of the financial statements and, more generally, ensure that we comply with the principles guaranteeing the statutory auditors' independence;
  - at least annually, review and discuss the information provided by management and the auditors relating to the independence of the audit firm;
  - pre-approve any mission entrusted to the statutory auditors which is outside of the scope of the annual audit;
  - review every year with the statutory auditors all fees paid to by the Company and the group to any networks to which the auditors belong, their work plan, their findings and recommendations, as well as actions taken by us following such recommendations;
  - review and discuss with the statutory auditors their opinion on the effectiveness of management's assessment of internal controls over financial reporting and any matters that have come to the attention of the statutory auditors that lead them to believe that modification to our disclosures about changes in internal control over financial reporting is necessary for management's certifications pursuant to Section 302 of the Sarbanes-Oxley Act;

  - discuss if necessary any points of disagreement between the statutory auditors and the officers of the Company that may arise within the scope of these operations; and
  - review and discuss with the statutory auditors the plans for, and the scope of, the annual audit and other examinations; and
- with regard to risks:
  - review on a regular basis the financial situation, the cash position and the material risks and undertakings of the group; and
  - review the risk management policy and the process implemented to evaluate and manage these risks.

Compensation Committee. Our compensation committee assists our board of directors in reviewing the compensation of our executive officers and directors and makes recommendations in respect thereof. Currently, our compensation committee is comprised of two members of the board of directors: Mr. Godard and Dr. Schwebig. The principal duties and responsibilities of our compensation committee include, but are not limited to:

- review the compensation of our employees and managers of the group (fixed and variable compensations, bonus, etc.) and make any recommendation to our board of directors in connection therewith;
- review equity incentive plans (non-employee warrants, stock options, restricted (free) shares, etc.) and make recommendations to our board of directors in connection therewith;
- make recommendations to our board of directors regarding the compensation, pension and insurance plans, benefits in kind and other various pecuniary rights, of officers, as well as the allocation of equity incentive instruments granted to executive officers and directors of the Company;
- evaluate and make recommendations on the compensation policies and programs of executive officers and on the compensation of directors;
- recommend the approval, adoption and amendment of all cash- and equity-based incentive compensation plans in which any of our executive officers or directors participate and all other equity-based plans;
- review any proposed employment agreement with, and any proposed severance or retention plans or agreements applicable to, any of our executive officers;
- review, at least annually, corporate goals and objectives relevant to the compensation of our executive officers; and
- evaluate the performance of the executive officers in light of corporate goals and objectives and recommend compensation levels for these executive officers based on those evaluations and any other factors the compensation committee deems appropriate.

Code of Business Conduct and Ethics

We have adopted a Code of Business Conduct and Ethics, or the Code of Conduct, that is applicable to all of our employees, executive officers and directors. Following the completion of this offering, the Code of Conduct will be available on our website at *www.cellectis.com*. Our board of directors will be responsible for overseeing the Code of Conduct and will be required to approve any waivers of the Code of Conduct for employees, executive officers and directors. We expect that any amendments to the Code of Conduct, or any waivers of its requirements, will be disclosed on our website.

Compensation of Directors and Executive Officers

The aggregate compensation paid and benefits in kind granted by us to our current executive officers and directors, including share-based compensation, for the year ended December 31, 2014, was €1.7 million.

Service Agreements

Mr. Godard, a member of our board of directors, entered into two service agreements with us and provided consultancy services in the area of (1) global development strategy and (2) specific development of agricultural biotechnology activities. We paid €32,000 in compensation for those services in each of fiscal year 2013 and 2012.

Change of Control Benefits

We seek to balance the potential costs of change of control provisions with the costs that would arise from fear of job loss and other distractions that may result from potential, rumored or actual changes of control. As a result, after careful evaluation of the implications and economics of a change of control plan, on September 4, 2014, our board of directors adopted a change of control plan. As amended on December 11, 2014, the change of control plan provides benefits for our executive officers and several other senior employees of our company.

Pursuant to the change of control plan, the severance package shall be paid if, within the 36-month period following a change of control of our company, one of the following events occurs:

- non-renewal or dismissal other than for gross misconduct (*faute lourde*) of the employees or executives concerned; and
- for Drs. Choulika and Sourdive only, resignation as a result of a significant reduction of their duties or compensation.

The severance package shall be equal to 24 months of compensation increased by an amount equal to the maximum target bonus to which the employees or executives concerned may be entitled for the year of their departure (or for Dr. Choulika only, two times such target bonus), or, in the absence of such a target bonus, 1.5 times the last annual bonus paid to them during the 12 months prior to their departure.

The severance package shall be in addition to any legal and conventional severance payments owed to the employees or executives concerned.

A “change of control” is defined by reference to Article L.233-3 of the French Commercial Code, which provides that one or more persons acting alone or in concert are considered to control a company if (1) they have direct or indirect ownership of a majority of the voting rights or a proportion of the voting rights allowing de facto control of the decisions made by the shareholders, provided that such control is presumed if no shareholder holds a greater proportion of the voting rights; or (2) they have the power to appoint or dismiss a majority of the board of directors.

Limitations on Liability and Indemnification Matters

Under French law, provisions of By-laws that limit the liability of directors and officers are prohibited. However, French law allows *sociétés anonymes* to contract for and maintain liability insurance against civil liabilities incurred by any of their directors and officers involved in a third-party action, provided that they acted in good faith and within their capacities as directors or officers of the company. Criminal liability cannot be indemnified under French law, whether directly by the company or through liability insurance.

We expect to maintain customary liability insurance coverage for our directors and executive officers, including insurance against liability under the Securities Act, and we intend to enter into agreements with our directors and executive officers to provide contractual indemnification. With certain exceptions and subject to limitations on indemnification under French law, these agreements will provide for indemnification for damages and expenses including, among other things, attorneys’ fees, judgments, fines and settlement amounts incurred by any of these individuals in any action or proceeding arising out of his or her actions in that capacity. We believe that this insurance and these agreements are necessary to attract qualified directors and executive officers.

These contractual indemnification agreements may discourage shareholders from bringing a lawsuit against our directors and executive officers for breach of their fiduciary duty. These provisions also may have the effect of reducing the likelihood of derivative litigation against directors and executive officers, even though such an action, if successful, might otherwise benefit us and our shareholders. Furthermore, a shareholder's investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these insurance agreements.

Certain of our non-employee directors may, through their relationships with their employers or partnerships, be insured against certain liabilities in their capacity as members of our board of directors.

Equity Incentives

We believe that our ability to grant incentive awards is a valuable and necessary compensation tool that allows us to attract and retain the best available personnel for positions of substantial responsibility, provides additional incentives to employees and promotes the success of our business. Due to French corporate law and tax considerations, we have granted several different equity incentive instruments to our directors, executive officers, employees and other service providers. These are:

- employee warrants (otherwise known as *bons de souscription de parts de créateurs d'entreprise* or BSPCE), granted only to employees of Cellectis;
- non-employee warrants (otherwise known as *bons de souscription d'actions* or BSA), granted only to non-employee directors and other service providers not eligible for employee warrants; and
- restricted, or free, shares (otherwise known as *actions gratuites*).

Our board of directors' authority to grant these equity incentive instruments and the aggregate amount authorized to be granted under these instruments must be approved by a two-thirds majority of the shares held by our shareholders present, represented or voting by mail at the relevant extraordinary shareholders' meeting. Such extraordinary general meeting shall determine the aggregate amount of equity incentive instruments to be granted and the period during which such authorization may be used by our board, which cannot exceed 18 months for non-employee warrants and employee warrants and 38 months for stock option and restricted (free) shares, in each case beginning from the date of the applicable shareholders' approval. The authority of our board to grant equity incentives may be extended or increased only by extraordinary shareholders' meetings. As a result, we typically request that our shareholders authorize new pools of equity incentive instruments at every annual shareholders' meeting.

Employee warrants and non-employee warrants are usually granted under similar terms. They expire ten years after the date of grant if not exercised earlier according to their vesting schedule. In general, employee warrants and non-employee warrants no longer continue to vest following termination of the employment, office or service of the holder and all vested shares must be exercised within post-termination exercise periods set forth in the grant documents. In the event of certain changes in our share capital structure, such as a consolidation or share split or dividend, French law and applicable grant documentation provides for appropriate adjustments of the numbers of shares issuable and/or the exercise price of the outstanding warrants.

Employee Warrants (BSPCE)

Employee warrants were granted only to employees of Cellectis who are French tax residents, since these employee warrants carry favorable tax and social security treatment for French tax residents. Similar to stock options, they entitle a holder to exercise the warrant for the underlying vested shares at an exercise price per share determined by our board of directors equal to the higher of (1) the fair market value of an ordinary share on the date of grant and (2) if the company has carried out a capital increase within six months prior to the attribution of employee warrants, the issue price of such capital increase.

Employee warrants may only be issued by growth companies meeting certain criteria. Most significantly, the issuer must have been registered for less than 15 years and 25% of the issuer's share capital must have been continuously held since the company's formation by natural persons or by holding companies, of which 75% of such holding company's share capital is held by natural persons. The calculation of such threshold does not include venture capital mutual investment fund (*fonds commun de placement à risques*), specialized professional funds (*fonds professionnels spécialisés*), private equity funds (*fonds professionnels de capital investissement*), local investment funds (*fonds d'investissement de proximité*) and innovation-focused mutual funds (*fonds commun de placement dans l'innovation*).

We are no longer eligible to issue employee warrants since we no longer satisfy the legal conditions necessary to issue such employee warrants.

Our outstanding employee warrants were generally granted (1) either subject to a three-year vesting schedule under which one-third (1/3) of the employee warrants vest upon the first anniversary of grant and one-third (1/3) at the expiration of each year thereafter, subject to continued service, or (2) subject to a five-year vesting schedule under which 40% of the employee warrants vest upon the second anniversary of grant and 20% at the expiration of each year thereafter, subject to continued service. In each case, any warrant which is not exercised before the tenth anniversary of the date of grant will automatically lapse. Some of our employee warrants provide that in the event of a change in control, as defined in the relevant grant documents, unvested warrants will automatically vest in full.

As of December 31, 2014, 212,670 employee warrants exercisable for an aggregate of 220,886 ordinary shares at a weighted average exercise price of €13.15 per share, were outstanding, of which 16,000 employee warrants are held by our directors and executive officers.

Non-Employee Warrants (BSA)

Non-employee warrants are granted by our board of directors to service providers who are not eligible for employee warrants. In addition to any exercise price payable by a holder upon the exercise of any non-employee warrant, non-employee warrants need to be subscribed for at a price at least equal to ten percent (10%) of the price of the underlying ordinary shares, which subscription price is meant to reflect the fair market value of the applicable warrants on the date of grant. There is no legal limitation to the size of the non-employee warrant pool.

Our non-employee warrants are generally granted subject to a two-year vesting, subject to continued service.

Excluding the Kepler Warrants and the Trout Warrants, as of December 31, 2014, 40,000 non-employee warrants exercisable for an aggregate of 41,549 ordinary shares at a weighted average exercise price of €10.40 per share, were outstanding, all of which are held by one of our directors and exercisable at the date hereof. For further information on the Kepler Warrants and the Trout Warrants, see "Description of Share Capital—Other Outstanding Securities."

Free Shares

Under our 2012, 2013 and 2014 Free Share Plans, we have granted free shares to certain of our employees and officers. Our current plan, the 2014 Free Share Plan, was adopted by our board of directors on April 10, 2014.

Free shares may be granted to any individual employed by us or by any affiliated company. Free shares may also be granted to our Chairman, our general manager and to our deputy general managers. However, no free share may be granted to a beneficiary holding more than 10% of our share capital or to a beneficiary who would hold more than 10% of our share capital as a result of such grant.

Our board of directors has the authority to administer the 2012, 2013 and 2014 Free Share Plans. Subject to the terms of the 2012, 2013 and 2014 Free Share Plans, our board determines the recipients, the dates of grant, the number of free shares to be granted and the terms and conditions of the free shares, including the length of their acquisition period (starting on the grant date, during which the beneficiary holds a right to acquire shares for free but has not yet acquired any shares) and holding period (starting when the shares are issued and definitively acquired but may not be transferred by the recipient) within the limits determined by the shareholders. Our shareholders have determined that the acquisition period must be at least two years from the date of grant and the holding period must be two years from the end of the acquisition period, with no holding period applicable to beneficiaries for whom the acquisition period was four years or longer.

The board of directors has the authority to modify awards outstanding under our 2012, 2013 and 2014 Free Share Plans, subject to the consent of the beneficiary for any modification adverse to such beneficiary. For example, the board has the authority to release a beneficiary from the continued service condition during the acquisition period after the termination of the employment.

The free shares granted under our 2012, 2013 and 2014 Free Share Plans will be definitively acquired at the end of the acquisition period as set by our board of directors subject to continued service during the acquisition period, except if the board releases a given beneficiary from this condition upon termination of his/her employment contract. At the end of the acquisition period, the beneficiary will be the owner of the shares. However, the shares may not be sold, transferred or pledged during the holding period. In the event of disability before the end of the acquisition period, the free shares shall be definitively acquired by the beneficiary on the date of disability. In the event the beneficiary dies during the acquisition period, the free shares shall be definitively acquired at the date of the request of allocation made by his or her beneficiaries in the framework of the inheritance provided that such request is made within six months from the date of death.

As of the date of this prospectus:

- 82,123 free shares granted under the 2012 Free Share Plan were acquired on September 18, 2014 and are under the holding period of two years, of which 44,325 shares are held by our directors and officers;
- 70,000 free shares granted under the 2013 Free Share Plan will be acquired on March 19, 2015, subject to the continued service of the beneficiaries, of which 30,000 free shares have been granted to our directors and officers;
- 98,000 free shares granted under the 2014 Free Share Plan will be acquired on April 10, 2016, subject to the continued service of the beneficiaries, of which 75,000 free shares have been granted to our directors and officers; and
- 50,000 free shares granted in 2015 under terms and conditions similar to the 2014 Free Share Plan will be acquired on January 8, 2017, subject to the continued service of the beneficiary, who is an executive officer.

Cellectis Plant Sciences

In December 2014, our subsidiary Cellectis Plant Sciences granted options representing a 9.4% interest to a small group of its employees and two of our directors and executive officers, and it reserved an additional 0.6% for further grants. Cellectis Plant Sciences made these grants to provide incentives for these employees that are directly linked to the performance of Cellectis Plant Sciences, rather than Cellectis as a whole.

RELATED-PARTY TRANSACTIONS

Since January 1, 2011, we have engaged in the following transactions with our directors, executive officers and holders of more than 5% of our outstanding voting securities and their affiliates, which we refer to as our related-parties.

Transactions with Our Principal Shareholders, Directors and Executive Officers

Investment Agreement

On September 14, 2011, Bpifrance Participations (formerly Fonds Stratégique d'Investissement), Mr. Pierre Bastid, Dr. David Sourdive, Dr. André Choulika and our company entered into an investment agreement, or the Investment Agreement, in connection with the investment by Bpifrance Participations and Mr. Pierre Bastid each of €25 million in Cellectis. Pursuant to the Investment Agreement, (1) Dr. Sourdive and Dr. Choulika entered into lock-up agreements that expires on November 3, 2015, (2) the parties have undertaken to vote, as shareholders and/or as board members, in favor of (a) the appointment of two board members proposed by Bpifrance Participations (currently Mr. Laurent Arthaud and Dr. Annick Schwebig), (b) the appointment of one board member proposed by Mr. Pierre Bastid (currently himself), (c) the appointment of one non-voting observer proposed by Mr. Pierre Bastid (as of the date of this prospectus, no one holds such position), (3) the parties have agreed that certain strategic decisions cannot be taken by Cellectis without the prior approval of two-thirds of the members of our board of directors and (4) the parties have agreed that certain strategic decisions must be approved by the majority of the members of our board of directors before being taken by Cellectis.

Further to this Investment Agreement, our By-laws have been amended to reflect the strategic decisions that are referred to in clauses (3) and (4) above. These strategic decisions are described under "Description of Share Capital—Key Provisions of Our By-laws and French Law Affecting Our Ordinary Shares—Directors—Decisions Subject to the Prior Approval of the Board of Directors."

The parties to the Investment Agreement intend to terminate the agreement and their concert pursuant to the agreement upon the listing of the ADSs on the Nasdaq Global.

Transactions with Institut Pasteur

We expensed license royalties of €255,000 and €1.68 million to Institut Pasteur, a former shareholder of Cellectis, in fiscal years 2013 and 2014, respectively. In addition, Cellectis Bioresearch sold products to Institut Pasteur in fiscal year 2013 for an amount of €7,000.

Pfizer purchased 10% of our then-outstanding ordinary shares on July 31, 2014. Revenues from Pfizer for the years ended December 31, 2013 and 2014 were €250,000 and €9.24 million, respectively. The outstanding receivables were €1.22 million as of December 31, 2014.

Conditional advances and subsidies

Bpifrance, which is a shareholder of Cellectis, has granted us conditional advances and subsidies. See Note 13 of our audited consolidated financial statements.

Agreements with Our Directors and Executive Officers

Director and Executive Officer Compensation

See "Management—Compensation of Directors and Executive Officers" for information regarding compensation of directors and executive officers.

Indemnification Agreements

In connection with this offering, we intend to enter into indemnification agreements with each of our directors and executive officers. See the section of this prospectus titled "Management—Limitations on Liability and Indemnification Matters."

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Related-Party Transactions Policy

Prior to the completion of this offering, we expect to adopt a related-party transaction policy that sets forth our procedures for the identification, review, consideration and approval or ratification of related-party transactions. The policy will become effective immediately upon the completion of this offering. For purposes of our policy only, a related-party transaction is a transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships, in which we and any related parties are, were or will be participants, which are not (1) in the ordinary course of business, (2) at arms' length and (3) in which the amount involved exceeds $120,000. Transactions involving compensation for services provided to us as an employee or director are not covered by this policy. For purposes of this policy, a related party is any executive officer, director (or nominee for director) or beneficial owner of more than five percent (5%) of any class of our voting securities, including any of their respective immediate family members and any entity owned or controlled by such persons.

Under the policy, related-party transactions must be reported to us by all related parties. If a transaction has been identified as a related-party transaction, our management must present information regarding the related-party transaction to our board of directors for review, consideration and approval. Certain transactions may be presented to the Audit and Finance Committee, which will determine whether the transaction is a related-party transaction, in which case the related-party transaction will be submitted to our board of directors. The presentation will include a description of, among other things, the material facts, the interests in the transaction, direct and indirect, of the related parties, the benefits to us of the transaction and whether the transaction is on terms that are comparable to the terms available to or from, as the case may be, an unrelated third-party or to or from employees generally. In addition, under our Code of Business Conduct and Ethics, our employees and directors have an affirmative responsibility to disclose any transaction or relationship that reasonably could be expected to give rise to a conflict of interest. In considering related-party transactions, our board, or to the extent permitted by applicable law an independent committee of our board, will take into account the relevant available facts and circumstances including, but not limited to:

- the benefits and perceived benefits to us;
- the opportunity costs of alternative transactions;
- the materiality and character of the related party's interest;
- the actual or apparent conflict of interest of the related party; and
- the terms available to or from, as the case may be, unrelated third parties or to or from employees generally.

The policy requires that, in determining whether to approve, ratify or reject a related-party transaction, our board of directors, or if permitted by applicable law an independent committee of our board, must consider, in light of known circumstances, whether the transaction is in, or is not inconsistent with, our best interests and those of our shareholders, as our board, or if permitted by applicable law an independent committee of our board, determines in the good faith exercise of its discretion.

PRINCIPAL SHAREHOLDERS

The following table sets forth information with respect to the beneficial ownership of our ordinary shares as of December 31, 2014 for:

- each beneficial owner of more than 5% of our outstanding ordinary shares;
- each of our directors and executive officers; and
- all of our directors and executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the SEC. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to those securities and include ordinary shares that can be acquired within 60 days of December 31, 2014. The percentage ownership information shown in the table prior to this offering is based upon 29,446,721 ordinary shares outstanding as of December 31, 2014. The percentage ownership information shown in the table after this offering is based upon ordinary shares outstanding, assuming the sale of ordinary shares and ADSs by us in this offering and no exercise of the underwriters' option to purchase additional ADSs. The percentage ownership information shown in the table after this offering if the underwriters' option to purchase additional ADSs is exercised in full is based upon ordinary shares outstanding, assuming the sale of ordinary shares and ADSs by us in this offering assuming the exercise in full of the underwriters' option to purchase additional ADSs.

Except as otherwise indicated, all of the shares reflected in the table are ordinary shares and all persons listed below have sole voting and investment power with respect to the shares beneficially owned by them, subject to applicable community property laws. The information is not necessarily indicative of beneficial ownership for any other purpose.

In computing the number of ordinary shares beneficially owned by a person and the percentage ownership of that person, we deemed outstanding ordinary shares subject to options and warrants held by that person that are immediately exercisable or exercisable within 60 days of December 31, 2014. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person. Beneficial ownership representing less than 1% is denoted with an asterisk (*). The information in the table below is based on information known to us or ascertained by us from public filings made by the shareholders in France. Except as otherwise indicated in the table below, addresses of the directors, executive officers and named beneficial owners are in care of Cellectis, 8, rue de la Croix Jarry, 75013 Paris, France.

Name of Beneficial Owner	Ordinary Shares Beneficially Owned Prior to this Offering		Ordinary Shares Beneficially Owned After this Offering
	Number	Percentage	Percentage
5% Shareholders:			
Bpifrance Participations	3,048,139	10.35%	
Pfizer, Inc. (1)	2,786,924	9.46%	
Directors and Executive Officers:			
André Choulika, Ph.D	1,007,074	3.42%	
Mathieu Simon, M.D.	10,000	*	
David Sourdive, Ph.D.(2)	1,004,208	3.41%	
Philippe Duchateau, Ph.D.(3)	16,325	*	
Thierry Moulin	—	*	
Luc Mathis, Ph.D.(4)	19,347	*	
Alain Godard(5)	40,001	*	
Pierre Bastid	3,298,944	11.20%	
Laurent Arthaud	—	*	
Annick Schwebig, M.D.	1,940	*	
All directors and executive officers as a group (10 persons)	5,397,839	18.33%	

* Represents beneficial ownership of less than one per cent.

(1) The address of Pfizer, Inc. is 235 East 42nd Street, New York, New York 10017. Shares beneficially owned by Pfizer, Inc. were acquired by Pfizer OTC B.V. on July 31, 2014 in the context of a share capital increase in connection with the Research and Collaboration Agreement between Pfizer Inc. and Cellectis S.A., dated June 17, 2014.

(2) Includes 174,340 ordinary shares that are beneficially owned by Dr. Sourdive's wife.

(3) The ordinary shares shown include 8,000 ordinary shares that Dr. Duchateau has the right to acquire pursuant to employee warrants.

(4) The ordinary shares shown include 8,000 ordinary shares that Mr. Mathis has the right to acquire pursuant to employee warrants.

(5) The ordinary shares include 40,000 ordinary shares that Mr. Godard has the right to acquire pursuant to non-employee warrants.

DESCRIPTION OF SHARE CAPITAL

The following description of our share capital summarizes certain provisions of our By-laws. Such summaries do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all of the provisions of our By-laws as they will be in effect upon the completion of this offering, copies of which have been filed as exhibits to the registration statement of which this prospectus forms a part.

General

As of December 31, 2014, our outstanding share capital consisted of a total of 29,446,721 issued and fully paid ordinary shares, with nominal value €0.05 per share.

As of December 31, 2014, to our knowledge, approximately:

- 7.9 million, or 27%, of our outstanding ordinary shares were held of record by 27 residents of the United States; and
- 9.7 million, or 33%, of our outstanding ordinary shares were held of record by 3,000 residents of France.

Under French law, our By-laws set forth only our issued and outstanding share capital as of the date of the By-laws. Our fully diluted share capital represents all issued and outstanding shares, as well as all potential shares which may be issued upon exercise of outstanding employee warrants, employee share options and non-employee warrants, as approved by our shareholders and granted by our board of directors.

Upon closing of this offering, our outstanding share capital will consist of ordinary shares, nominal value €0.05 per share (or if the underwriters exercise their option to purchase additional ADSs in full).

Reconciliation of the Shares Outstanding Prior to this Offering

Shares outstanding at December 31, 2010	11,645,436
Number of ordinary shares issued in connection with the share capital increases of October 28, 2011 and November 10, 2011	*1,933,333*
Number of ordinary shares issued in connection with the exercise of employee warrants and non-employee warrants	*549,677*
Shares outstanding at December 31, 2011	14,128,446
Number of ordinary shares issued in connection with the reimbursement of bonds and payment of interest of said bonds with ordinary shares	*6,304,660*
Number of ordinary shares issued in connection with the exercise of employee warrants and non-employee warrants	*43,157*
Shares outstanding at December 31, 2012	20,476,263
Number of ordinary shares issued in connection with the exercise of employee warrants and non-employee warrants	*606,054*
Shares outstanding at December 31, 2013	21,082,317
Number of ordinary shares issued in connection with the share capital increases of March 24, 2014 and July 31, 2014	*6,786,924*
Number of ordinary shares issued in connection with the definitive acquisition of free shares of September 29, 2014	*82,123*
Number of ordinary shares issued in connection with the share capital increases of November 13, 2014 in connection with the exercise of non-employee warrants	*1,495,357*
Shares outstanding at December 31, 2014	29,446,721

History of Securities Issuances

Since January 1, 2011, the following events have changed the number of our issued and outstanding ordinary shares:

- On January 27, 2011, we issued 28,500 shares for a total subscription amount of €93,209.25 as a result of the exercise of employee warrants and non-employee warrants.
- On October 28, 2011, we issued 521,177 shares for a total subscription amount of €1,549,373.41 as a result of the exercise of employee warrants.
- On October 28, 2011 and November 10, 2011, we issued an aggregate of 1,933,333 shares in connection with a contribution agreement entered into between us and the then shareholders of Cellartis in connection with a contribution of shares of Cellartis equity.
- On January 24, 2012, we issued 1,344 shares for a total subscription amount of €12,096 as a result of the exercise of employee warrants and non-employee warrants.
- On February 10, 2012, we issued 264 shares for a total subscription amount of €2,376 as a result of the exercise of employee warrants and non-employee warrants.
- On February 10, 2012, we issued 6,304,660 shares in connection with the reimbursement of bonds redeemable in shares and payment of interest of said bonds redeemable in shares.
- On April 10, 2012, we issued 41,549 shares for a total subscription amount of €197,997.61 as a result of the exercise of non-employee warrants.
- On April 29, 2013, we issued 761 shares for a total subscription amount of €6,849 as a result of the exercise of non-employee warrants.
- On September 19, 2013, we issued 293 shares for a total subscription amount of €2,637 as a result of the exercise of non-employee warrants.
- On November 4, 2013, we issued 605,000 shares for a total subscription amount of €2,315,650 in connection with the exercise of warrants held by Kepler Capital Markets SA.
- On March 24, 2014, we issued 4,000,000 ordinary shares in a private placement to a number of institutional investors at a price of €5.13 per share for a total subscription amount of €20,520,000.
- On July 31, 2014, we issued 2,786,924 ordinary shares in the context of a share capital increase to the benefit of Pfizer OTC B.V. at a price of €9.25 per share for a total subscription amount of €25,779,047.
- On September 29, 2014, the acquisition period for 82,123 free shares expired and such shares were issued accordingly.
- On November 13, 2014, we issued 1,495,357 ordinary shares in connection with the exercise of non-employee warrants for a total subscription amount of €13,383,162.

Other Outstanding Securities

Contingent Equity Line Facility

Our board of directors has implemented on December 11, 2012 a Contingent Equity Line Facility the purpose of which is to improve our financial flexibility. To that end, our board of directors has decided to issue 2,000,000 non-employee warrants (*bons de souscription d’actions*), or the Kepler Warrants, at a price of €0.001 per warrant to Kepler Capital Markets SA, or Kepler. Under the terms of the Kepler Warrants which are further detailed in a Warrants Issue Agreement entered between us and Kepler on December 20, 2012, as amended on June 6, 2013 and October 7, 2013, we are entitled to instruct Kepler to exercise a number of Kepler Warrants, or the Instruction, and therefore subscribe for new shares to be subsequently issued by us, it being specified that (1) each Kepler Warrant shall entitle Kepler to subscribe to one share and (2) the number of shares issued as result of each Instruction is capped to 300,000 shares.

The exercise price of the Kepler Warrants shall be equal to (1) the weighted average price of our shares on the Alternext market of Euronext in Paris for a 3-trading day period starting 1 day prior to the Instruction date minus (2) a discount of 10.0%.

The Kepler Warrants shall lapse on the earlier of (1) December 20, 2015 or (2) the date on which all Kepler Warrants will be exercised.

As of December 31, 2014, 1,395,000 Kepler Warrants remain outstanding.

Trout Warrant Agreement

On March 24, 2014, we entered into a warrant agreement with Trout Capital LLC, or Trout Capital, to compensate Trout Capital for its services in connection with a private placement to institutional investors in March 2014.

Pursuant to this agreement, we issued to Trout Capital 50,000 non-employee warrants (*bons de souscription d'actions*), or the Trout Warrants, at a price of €0.60 per Trout Warrant. These warrants give Trout the right to subscribe for ordinary shares of our company at an exercise price of €6.00 per share. The Trout Warrants will expire on March 24, 2016.

Shareholder Authorizations Regarding Share Capital

At a shareholders' meeting held on February 16, 2015, our board of directors received the following authorizations from shareholders:

- delegations of authority to increase our share capital by issuing ordinary shares or other securities giving access to our share capital, through rights issues, public offerings and/or private placements for the maximum duration permitted under French law (18 to 26 months depending on the delegations) within a maximum aggregate potential dilution of 44,129,580 shares (representing   % of our shares outstanding upon completion of this offering (assuming no exercise of the underwriters' option to purchase additional ADSs));
- delegations of authority to grant stock options (*options de souscriptions ou d'achat d'actions*), equity warrants (*bons de souscription d'actions*), redeemable equity warrants (*bons de souscription et/ou d'acquisition d'actions remboursables, or BSAAR*), free ordinary shares (*actions gratuites*), and/or free preferred shares convertible into a variable number of our ordinary shares to our employees and executive officers, directors, observers, consultants and advisors for the maximum duration permitted under French law (18 to 38 months depending on the delegations) within a maximum aggregate potential dilution of 7,354,930 shares (representing   % of our shares outstanding upon completion of this offering (assuming no exercise of the underwriters' option to purchase additional ADSs); and
- authorization to buy back up to 10% of our shares at a maximum price of €50.00 per share for a duration of 18 months.

Key Provisions of Our By-laws and French Law Affecting Our Ordinary Shares

The description below reflects the terms of our By-laws, and summarizes the material rights of holders of our ordinary shares under French law. Please note that this is only a summary and is not intended to be exhaustive. For further information, please refer to the full version of our By-laws which is included as an exhibit to the registration statement of which this prospectus is a part.

Corporate Purpose

Our corporate purpose, which is set forth in Article 3 of our Bylaws, in France and abroad includes:

- all activities related to genetics and more specifically to genome engineering, in particular, research, development and invention, registration and exploitation of patents and trademarks, sale and marketing, advising and assisting, in all areas, in particular in the agro-food, pharmaceutical, textile and environmental sectors; and

- more generally, all industrial, commercial, financial and civil transactions and transactions involving real estate or movables properties relating directly or indirectly to any of the aforementioned corporate purposes or any similar or related purpose.

Directors

Quorum and Voting. The board of directors may only deliberate if at least half of the directors attend the applicable meeting in the manner provided for in our By-laws. In particular, French law and the charter of the board allow directors to attend meetings of the board in person or by videoconference or other telecommunications arrangements. In addition, our By-Laws allow a director to grant another director a proxy to represent him or her at a meeting of the board, but no director can hold more than one proxy at any meeting. Decisions of the board are adopted by the majority of the voting rights held by the directors present or represented, it being specified that in case of a vote-split, the Chairman of the board shall have a deciding vote.

Directors' Voting Powers on Proposal, Arrangement or Contract in which any Director Is Materially Interested. Under French law, any agreement entered into (directly or through an intermediary) between us and any director that is not entered into (1) in the ordinary course of business and (2) under standard terms and conditions is subject to the prior authorization of the board of directors, excluding the interested director. Further, any agreement with a director entered in the ordinary course of business and under standard terms and conditions shall be communicated by the interested director to the Chairman of the board, unless the agreement is not significant for either party with respect to its purpose or financial implications.

The foregoing requirements also apply to agreements between us and another company if one of our directors is the owner or a general partner, manager, director, general manager or member of the executive or supervisory board of the other company, as well as to agreements in which one of our directors has an indirect interest.

Decisions Subject to the Prior Approval of the Board of Directors. Our By-laws provide that none of the decisions listed below (whether they relate to us or to any of our subsidiaries) shall be made without the prior approval of our board acting, upon first notice, by a majority of its members in office and, upon second notice, by a majority of its members present or represented by proxy:

- approval and modification to the business plan and budget;
- any decision pertaining to the recruitment, dismissal/removal, or increase of the compensation of executives and corporate officers;
- any material decision relating to a material litigation in which we or any of our subsidiaries may have to pay an amount exceeding €2,000,000;
- any decision relating to the opening of a social or restructuring plan or pre-insolvency proceedings;
- dual listing of the company on a stock market located outside of France;
- any repurchase of our own shares;
- any new borrowings or debts exceeding €1,000,000 and early repayment of loans, if any;
- grants of any pledges on securities exceeding €1,000,000;
- offshore or relocate activities;
- development of new activities and businesses not described in the budget; and
- entry into any material agreement or partnership.

Our By-laws provide further that none of the strategic decisions listed below (whether they relate to us or to any of our subsidiaries) shall be made without the prior review and approval of our board of directors acting, upon first notice, by two-thirds majority of its existing members and, upon second notice, by a majority of its members, whether they are present or represented by proxy:

- any modification to our main business or to the main business of any of our subsidiaries;
- any modification to the rules relating to the composition of our board and to the voting conditions of our board;
- any modification to our share capital or to the share capital of any of our subsidiaries (e.g. share capital increase or decrease of the Company or of any of its subsidiaries, distributions or initial public offering, merger, spin-off, liquidation, winding up or carve-out transactions);
- any external growth transactions including, acquisitions, disposals or joint-ventures, exceeding €4,000,000;
- any investment and disposition decisions exceeding €2,000,000 per project;
- any related-party agreement and any agreement or transaction between the executives or shareholders of the Company, on the one hand, and the Company or any of its subsidiaries, on the other hand;
- any modification to this list of important decisions, and
- convening a shareholders' meeting and requesting the insertion of a resolution on the agenda of the said shareholders' meeting.

Directors' Compensation. The aggregate amount of attendance fees (*jetons de présence*) of the board of directors is determined at the shareholders' annual ordinary general meeting. The board then divides this aggregate amount among some or all of its members by a simple majority vote. In addition, the board may grant exceptional compensation (*rémunérations exceptionnelles*) to individual directors on a case-by-case basis for special and temporary assignments. The board may also authorize the reimbursement of reasonable travel and accommodation expenses, as well as other expenses incurred by directors in the corporate interest. See the section of this prospectus titled "Management—Compensation of Directors and Executive Officers" for a description of our compensation policy for our non-employee directors.

Board of Directors' Borrowing Powers. There are currently no limits imposed by our By-laws on the amounts of loans or borrowings that the board may approve.

Directors' Age Limits. The number of directors who are more than seventy (70) years old may not exceed one third of the directors in office.

Employee Director Limits. The number of directors who are also party to employment contracts with the Company may not exceed one third of the directors in office.

Directors' Share Ownership Requirements. None.

Rights, Preferences and Restrictions Attaching to Ordinary Shares

Dividends. We may only distribute dividends out of our "*distributable profits*," plus any amounts held in our reserves that the shareholders decide to make available for distribution, other than those reserves that are specifically required to be maintained by law. "*Distributable profits*" consist of our unconsolidated net profit in each fiscal year, as increased or reduced by any profit or loss carried forward from prior years, less any contributions to the reserve accounts pursuant to French law (see below under "—Legal Reserve").

Legal Reserve. Pursuant to French law, we must allocate 5% of our unconsolidated net profit for each year to our legal reserve fund before dividends may be paid with respect to that year. Such allocation is compulsory until the amount in the legal reserve is equal to 10% of the aggregate par value of our issued and outstanding share capital. This restriction on the payment of dividends also applies to our French subsidiaries on an unconsolidated basis.

Approval of Dividends. Pursuant to French law, our board of directors may propose a dividend and/or reserve distribution for approval by the shareholders at the annual ordinary general meeting.

Upon recommendation of our board of directors, our shareholders may decide to allocate all or part of any distributable profits to special or general reserves, to carry them forward to the next fiscal year as retained earnings or to allocate them to the shareholders as dividends. However, dividends may not be distributed when as a result of such distribution our net assets are or would become lower than the amount of the share capital plus the amount of the legal reserves which, under French law, may not be distributed to shareholders (the amount of our share capital plus the amount of our legal and other reserves which may not be distributed was equal to €1.7 million on December 31, 2014).

Our board of directors may distribute interim dividends after the end of the fiscal year but before the approval of the financial statements for the relevant fiscal year when the interim balance sheet, established during such year and certified by an auditor, reflects that we have earned distributable profits since the close of the last financial year, after recognizing the necessary depreciation and provisions and after deducting prior losses, if any, and the sums to be allocated to reserves, as required by law or the By-laws, and including any retained earnings. The amount of such interim dividends may not exceed the amount of the profit so defined.

Pursuant to recently passed legislation, if a dividend is declared we may be required to pay a dividend tax in an amount equal to 3% of the aggregate dividend paid by us.

Distribution of Dividends. Dividends are distributed to shareholders proportionally to their shareholding interests. In the case of interim dividends, distributions are made to shareholders on the date set by our board of directors during the meeting in which the distribution of interim dividends is approved. The actual dividend payment date is decided by the shareholders at an ordinary general shareholders' meeting or by our board in the absence of such a decision by the shareholders. Shareholders that own shares on the actual payment date are entitled to the dividend.

Dividends may be paid in cash or, if the shareholders' meeting so decides, in kind, provided that all the shareholders receive a whole number of assets of the same nature paid in lieu of cash. Our By-laws provide that, subject to a decision of the shareholders' meeting taken by ordinary resolution, each shareholder may be given the choice to receive his dividend in cash or in shares.

Timing of Payment. Pursuant to French law, dividends must be paid within a maximum period of nine months following the end of the relevant fiscal year. An extension of such timeframe may be granted by court order. Dividends that are not claimed within a period of five years after the payment date will be deemed to expire and revert to the French government.

Voting Rights. Each of our ordinary shares entitles its holder to vote and be represented in the shareholders' meetings in accordance with the provisions of French law and of our By-laws. The ownership of a share implies the acceptance of our By-laws and any decision of our shareholders.

In general, each shareholder is entitled to one vote per share at any general shareholders' meeting. However, our By-Laws provide that all shares held in registered form (*actions nominatives*) for more than two years will be granted double voting rights.

Under French law, treasury shares or shares held by entities controlled by us are not entitled to voting rights and are not taken into account for purposes of quorum calculation.

Our By-laws provide that members of our board of directors are elected for a tenure of three years.

Rights to Share in Our Profit. Under French law each ordinary share entitles its holder to a portion of the corporate profits and assets proportional to the amount of share capital represented thereby.

Rights to Share in the Surplus in the Event of Liquidation. If we are liquidated, any assets remaining after payment of our debts, liquidation expenses and all of our remaining obligations will first be used to repay in full the par value of our outstanding shares. Any surplus will then be distributed among shareholders proportionally to their shareholding in our company.

Repurchase and Redemption of Shares. Under French law, we may acquire our own shares for the following purposes only:

- to decrease our share capital, provided that such decision is not driven by losses and that a purchase offer is made to all shareholders on a *pro rata* basis, with the approval of the shareholders at the extraordinary general meeting deciding the capital reduction; in this case, the shares repurchased must be cancelled within one month from their repurchase date;
- to provide shares for distribution to employees or managers under a profit-sharing, free share or share option plan; in this case the shares repurchased must be distributed within 12 months from their repurchase failing which they must be cancelled; or
- under a buy-back program to be authorized by the shareholders in accordance with the provisions of Article L. 225-209 of the French Commercial Code and with the general regulations of the Autorité des marchés financiers, or AMF.

No such repurchase of shares may result in us holding, directly or through a person acting on our behalf, more than 10% of our issued share capital. Shares repurchased by us continue to be deemed “issued” under French law but are not entitled to dividends or voting rights so long as we hold them directly or indirectly, and we may not exercise the preemptive rights attached to them.

Sinking Fund Provisions. Our By-laws do not provide for any sinking fund provisions.

Liability to Further Capital Calls. Shareholders are liable for corporate liabilities only up to the par value of the shares they hold; they are not liable to further capital calls.

Requirements for Holdings Exceeding Certain Percentages. There are no such requirements, except as described under the section of this prospectus titled “—Form, Holding and Transfer of Shares—Ownership of Shares by Non-French Persons.”

Actions Necessary to Modify Shareholders’ Rights

Shareholders’ rights may be modified as allowed by French law. Only the extraordinary shareholders’ meeting is authorized to amend any and all provisions of our By-laws. It may not, however, increase any of the shareholders’ commitments without the prior approval of each shareholder.

Special Voting Rights of Warrant Holders

Under French law, the holders of warrants of the same class (i.e., warrants that were issued at the same time and with the same rights), including founders’ warrants, are entitled to vote as a separate class at a general meeting of that class of warrant holders under certain circumstances, principally in connection with any proposed modification of the terms and conditions of the class of warrants or any proposed issuance of preferred shares or any modification of the rights of any outstanding class or series of preferred shares.

Rules for Admission to and Calling Annual Shareholders’ Meetings and Extraordinary Shareholders’ Meetings

Access to, Participation in and Voting Rights at Shareholders’ Meetings. The right to participate to a shareholders’ meeting is granted to all the shareholders whose shares are fully paid up and for whom a right to

attend shareholders' meetings has been established by registration of their shares in the names or names of the authorized intermediary acting on their behalf on the third business day prior to the shareholders' meeting at midnight (Paris time), either in the registered shares accounts held by the Company or in the bearer shares accounts held by the authorized intermediary.

Each shareholder may attend the meetings and vote (1) in person, or (2) by granting a proxy to any individual or legal entity, or (3) by sending a proxy to us without indication of the beneficiary (in which case such proxy shall be cast in favor of the resolutions supported by the board of directors), or (4) by correspondence, or (5) by videoconference or another means of telecommunication organized by the board and allowing identification of the relevant shareholder in accordance with applicable laws.

Shareholders may, in accordance with legal and regulatory requirements, send their vote or proxy, either by hard copy or via telecommunications means. Such vote or proxy must be received (1) at least three days prior to the meeting, in the case of hard copies, (2) by 3:00 p.m. (Paris time) on the day before the meeting, in the case of, electronic votes by email, (3) by the date of the meeting, in the case of a proxy granted to a designated person, and (4) by 3:00 p.m. (Paris time) on the day before the meeting, in the case of proxies without a designated attorney and therefore granted to the chairman of the meeting.

Shareholders sending their vote within the applicable time limit, using the form provided to them by us for this purpose, are deemed present or represented at the shareholders' meeting for purposes of quorum and majority calculation.

Notice of Annual Shareholders' Meetings. Shareholders' meetings are convened by our board of directors, or, failing that, by our statutory auditors, or by a court appointed agent or liquidator in certain circumstances, or by the majority shareholder in capital or voting rights following a public tender offer or exchange offer or the transfer of a controlling block on the date decided by the board of directors or the relevant person. Meetings are held at our registered offices or at any other location indicated in the convening notice. A meeting notice (*avis de réunion*) is published in the French Journal of Mandatory Statutory Notices (BALO) at least 35 days prior to the date of the shareholders' meeting and made available on the website of the company at least 21 days prior to the date of the shareholders' meeting.

Additionally, a convening notice (*avis de convocation*) is published at least fifteen days prior to the date of the meeting in a legal gazette of the department in which the registered office of the company is located and in the French Journal of Mandatory Statutory Notices (BALO). Further, shareholders having held registered shares (*actions nominatives*) for at least one month at the time of the convening notice must be convened individually, by regular letter (or by registered letter if requested by the relevant shareholder) sent to their last known address.

When the shareholders' meeting cannot deliberate due to the lack of the required quorum, the second meeting must be called at least ten days in advance in the same manner as used for the first notice.

Agenda and Conduct of Annual Shareholders' Meetings. The agenda of the shareholders' meeting shall appear in the notice to convene the meeting. The shareholders' meeting may only deliberate on the items on the agenda except for the removal of directors and the appointment of their successors, which may be put to vote by any shareholder during any shareholders' meeting. One or more shareholders representing the percentage of share capital required by French law (currently 5%), and acting in accordance with legal requirements and within applicable time limits, may request the inclusion of items or proposed resolutions on the agenda.

Shareholders' meetings shall be chaired by the Chairman of the board of directors or, in his or her absence, by a director appointed for this purpose by the board; failing which, the meeting itself shall elect a Chairman. Vote counting shall be performed by the two members of the meeting who are present and accept such duties, who represent, either on their own behalf or as proxies, the greatest number of votes.

Ordinary Shareholders' Meeting. Ordinary shareholders' meetings are those meetings called to make any and all decisions that do not result in a modification of our By-laws. An ordinary shareholders' meeting shall be

convened at least once a year within six months of the end of each fiscal year in order to approve the annual and consolidated accounts for the relevant fiscal year or, in case of postponement, within the period established by court order. Upon first notice, the meeting may validly deliberate only if the shareholders present or represented by proxy or voting by mail represent at least one-fifth of the shares entitled to vote. Upon second notice, no quorum is required. Decisions are made by a majority of the votes held by the shareholders present, represented by proxy, or voting by mail. Abstentions will have the same effect as a "no" vote.

Extraordinary Shareholders' Meeting. Only an extraordinary shareholders' meeting is authorized to amend our By-laws. It may not, however, increase shareholders' commitments without the approval of each shareholder. Subject to the legal provisions governing share capital increases from reserves, profits or share premiums, the resolutions of the extraordinary meeting shall be valid only if the shareholders present, represented by proxy or voting by mail represent at least one-fourth of all shares entitled to vote upon first notice, or one-fifth upon second notice. If the latter quorum is not reached, the second meeting may be postponed to a date no later than two months after the date for which it was initially called. Decisions are made by a two-thirds majority vote of the shareholders present, represented by proxy, or voting by mail. Abstentions will have the same effect as a "no" vote.

In addition to the right to obtain certain information regarding us at any time, any shareholder may, from the date on which a shareholders' meeting is convened until the fourth business day preceding the date of the shareholders' meeting, submit written questions relating to the agenda for the meeting to our board of directors. Our board is required to respond to these questions during the meeting.

Provisions Having the Effect of Delaying, Deferring or Preventing a Change in Control of the Company

Provisions contained in our By-laws and the corporate laws of France, the country in which we are incorporated, could make it more difficult for a third-party to acquire us, even if doing so might be beneficial to our shareholders. These provisions include the following:

- a merger (i.e., in a French law context, a stock for stock exchange following which our company would be dissolved without being liquidated into the acquiring entity and our shareholders would become shareholders of the acquiring entity) of our company into a company incorporated in the EU would require the approval of our board of directors as well as a two thirds majority of the votes held by the shareholders present, represented by proxy or voting by mail at the relevant meeting;
- a merger of our company into a company incorporated outside of the EU would require the unanimous approval of our shareholders;
- under French law, a cash merger is treated as a share purchase and would require the consent of each participating shareholder;
- our shareholders have granted and may grant in the future our board of directors broad authorizations to increase our share capital or to issue additional ordinary shares or other securities (for example, warrants) to our shareholders, the public or qualified investors, including as a possible defense following the launching of a tender offer for our shares;
- our shareholders have preferential subscription rights proportionally to their shareholding in our company on the issuance by us of any additional securities as part of a cash capital increase or a capital increase by way of debt set-off. Such rights may only be waived by the extraordinary general meeting (by a two thirds majority vote) of our shareholders or on an individual basis by each shareholder;
- our board of directors has the right to appoint directors to fill a vacancy created by the resignation or death of a director, subject to the approval by the shareholders of such appointment at the next shareholders' meeting, which prevents shareholders from having the sole right to fill vacancies on our board;
- our board of directors can only be convened by its chairman or, when no board meeting has been held for more than two consecutive months, by directors representing at least one third of the total number of directors;

- our board of directors' meetings can only be regularly held if at least half of the directors attend either physically or by way of videoconference or teleconference enabling the directors' identification and ensuring their effective participation in the board's decisions;
- under French law, a non-resident of France may have to file an administrative notice with French authorities in connection with a direct or indirect investment in us, as defined by administrative rulings—see the section of this prospectus titled "Limitations Affecting Shareholders of a French Company";
- approval of at least a majority of the votes held by shareholders present, represented by a proxy, or voting by mail at the relevant ordinary shareholders' meeting is required to remove directors with or without cause;
- advance notice is required for nominations to the board of directors or for proposing matters to be acted upon at a shareholders' meeting, except that a vote to remove and replace a director can be proposed at any shareholders' meeting without notice;
- in the event where certain ownership thresholds would be crossed, a number of disclosures should be made by the relevant shareholder; see the section of this prospectus titled "—Declaration of Crossing of Ownership Thresholds";
- French insider trading rules must be complied with; and
- pursuant to French law, the sections of the By-laws relating to the number of directors and election and removal of a director from office may only be modified by a resolution adopted by a two-thirds majority vote of our shareholders present, represented by a proxy or voting by mail at the meeting;

Declaration of Crossing of Ownership Thresholds

Subject to requirements of French law, our By-laws do not require any specified disclosure by shareholders that cross ownership thresholds with respect to our share capital, except as described under the section of this prospectus titled "—Form, Holding and Transfer of Shares—Ownership of Shares by Non-French Persons."

The absence of specific requirement in our By-laws is without prejudice to the following disclosures which are applicable to us according to French legal and regulatory provisions, it being provided that the following is a summary which is therefore not intended to be a complete description of applicable rules under French law:

- Shareholders must make a declaration to us no later than the fourth trading day after such shareholder crosses the following thresholds: 5%, 10%, 15%, 20%, 25%, 30%, 33.33%, 50%, 66.66%, 90% and 95%.
- Shareholders must make a declaration to the AMF no later than the fourth trading day after such shareholder crosses the following thresholds: 50% and 95%.
- Subject to certain exemptions, any shareholder crossing, alone or acting in concert, the 50% threshold shall file a mandatory public tender offer.

Changes in Share Capital

Increases in Share Capital. Pursuant to French law, our share capital may be increased only with shareholders' approval at an extraordinary general shareholders' meeting following the recommendation of our board of directors. The shareholders may delegate to our board either the authority *(délégation de compétence)* or the power *(délégation de pouvoir)* to carry out any increase in share capital.

Increases in our share capital may be effected by:

- issuing additional shares;
- increasing the par value of existing shares;
- creating a new class of equity securities; and
- exercising the rights attached to securities giving access to the share capital.

Increases in share capital by issuing additional securities may be effected through one or a combination of the following:

- issuances in consideration for cash;
- issuances in consideration for assets contributed in kind;
- issuances through an exchange offer;
- issuances by conversion of previously issued debt instruments;
- issuances by capitalization of profits, reserves or share premium; and
- subject to certain conditions, issuances by way of offset against debt incurred by us.

Decisions to increase the share capital through the capitalization of reserves, profits and/or share premium require shareholders' approval at an extraordinary general shareholders' meeting, acting under the quorum and majority requirements applicable to ordinary shareholders' meetings. Increases in share capital effected by an increase in the par value of shares require unanimous approval of the shareholders, unless effected by capitalization of reserves, profits or share premium. All other capital increases require shareholders' approval at an extraordinary general shareholders' meeting acting under the regular quorum and majority requirements for such meetings.

Reduction in Share Capital. Pursuant to French law, any reduction in our share capital requires shareholders' approval at an extraordinary general shareholders' meeting following the recommendation of our board of directors. The share capital may be reduced either by decreasing the par value of the outstanding shares or by reducing the number of outstanding shares. The number of outstanding shares may be reduced by the repurchase and cancellation of shares. Holders of each class of shares must be treated equally unless each affected shareholder agrees otherwise.

Preferential Subscription Right. According to French law, if we issue additional securities for cash, current shareholders will have preferential subscription rights to these securities on a *pro rata* basis. Preferential subscription rights entitle the individual or entity that holds them to subscribe proportionally to the number of shares held by them to the issuance of any securities increasing, or that may result in an increase of, our share capital by means of a cash payment or a set-off of cash debts. The preferential subscription rights are transferable during the subscription period relating to a particular offering.

The preferential subscription rights with respect to any particular offering may be waived at an extraordinary general meeting by a two thirds vote of our shareholders or individually by each shareholder. Our board of directors and our independent auditors are required by French law to present reports to the shareholders' meeting that specifically address any proposal to waive the preferential subscription rights.

Our current shareholders waived their preferential subscription rights with respect to this offering at an extraordinary general shareholders' meeting held on February 16, 2015.

In the future, to the extent permitted under French law, we may seek shareholder approval to waive preferential subscription rights at an extraordinary general shareholders' meeting in order to authorize the board of directors to issue additional shares and/or other securities convertible or exchangeable into shares.

Form, Holding and Transfer of Shares

Form of Shares. Pursuant to our By-laws, shares may be held in registered or bearer form, at each shareholder's discretion.

Further, in accordance with applicable legal and regulatory provisions, we may request at any time from the authorized intermediary responsible for holding our shares the name or, in the case of a legal entity, the corporate

name, nationality and address of holders of securities, giving immediate or future access to voting rights at our shareholders' meetings, the number of securities they own and, where applicable, the restrictions attaching to such securities.

Holding of Shares. In accordance with French law concerning the "dematerialization" of securities, the ownership rights of shareholders are represented by book entries instead of share certificates. Shares are registered in individual accounts opened by us or any authorized intermediary, in the name of each shareholder and kept according to applicable legal and regulatory provisions.

Ownership of Shares by Non-French Persons. Neither French law nor our By-laws limit the right of non-residents of France or non-French persons to own or, where applicable, to vote our securities. However, non-residents of France must file an administrative notice with the French authorities in connection with certain direct or indirect investments in us, including through ownership of ADSs, on the date a binding purchase agreement is executed or a tender offer is made public. Under existing administrative rulings the following transactions qualify as foreign investments in us that require the filing of an administrative notice:

- any transaction carried out on our capital by a non-French resident provided that after the transaction the cumulative amount of the capital or the voting rights held by non-French residents exceeds 33.33% of our capital or voting rights;
- any transaction mentioned above carried out by a corporation incorporated under French law whose capital or voting rights are held for more than 33.33% by non-French residents;
- any transaction carried out abroad resulting in a change of the controlling shareholder of a corporation incorporated under a foreign (non-French) law that holds a shareholding or voting rights in us if our capital or voting rights are held for more than 33.33% by non-French residents;
- loans and significant guarantees granted by a corporation incorporated under foreign (non-French) laws to us in amounts evidencing control over our financing; and
- patent licenses granted by a corporation incorporated under foreign (non-French) laws or management or technical assistance agreements with such corporation that place us in a dependent position vis-à-vis such party or its group.

Moreover, certain foreign investments in companies incorporated under French laws are subject to the prior authorization from the French Minister of the Economy, where all or part of the target's business and activity relate to a strategic sector, such as energy, transportation, public health, telecommunications, etc.

Assignment and Transfer of Shares. Shares are freely negotiable, subject to applicable legal and regulatory provisions (including, in particular, the prohibition of insider trading).

Differences in Corporate Law

The laws applicable to French *sociétés anonymes* differ from laws applicable to U.S. corporations and their shareholders. Set forth below is a summary of certain differences between the provisions of the French Commercial Code applicable to us and the Delaware General Corporation Law relating to shareholders' rights and protections. This summary is not intended to be a complete discussion of the respective rights and it is qualified in its entirety by reference to Delaware law and French law.

	France	**Delaware**
Number of Directors	Under French law, a *société anonyme* must have at least three and may have up to 18 directors. The number of directors is fixed by or in the manner provided in the by-laws.	Under Delaware law, a corporation must have at least one director and the number of directors shall be fixed by or in the manner provided in the by-laws.

	France	Delaware
Director Qualifications	Under French law, a corporation may prescribe qualifications for directors under its by-laws. In addition, under French law, members of a board of directors of a corporation may be legal entities, and such legal entities may designate an individual to represent them and to act on their behalf at meetings of the board of directors.	Under Delaware law, a corporation may prescribe qualifications for directors under its certificate of incorporation or by-laws. Under Delaware law, only individuals may be members of a corporation's board of directors.
Removal of Directors	Under French law, directors may be removed from office, with or without cause, at any shareholders' meeting without notice or justification, by a simple majority vote.	Under Delaware law, unless otherwise provided in the certificate of incorporation, directors may be removed from office, with or without cause, by a majority stockholder vote, though in the case of a corporation whose board is classified, stockholders may effect such removal only for cause (unless the certificate of incorporation provides otherwise), or (2) who has cumulative voting, if less than the entire board is to be removed, no director may be removed without cause if the votes cast against such director's removal would be sufficient to elect such director if then cumulatively voted at an election of the entire board of directors, or, if there are classes of directors, at an election of the class of directors of which such director is a part.
Vacancies on the Board of Directors	Under French law, vacancies on the board of directors resulting from death or a resignation, provided that at least three directors remain in office, may be filled by a majority of the remaining directors pending ratification by the next shareholders' meeting.	Under Delaware law, vacancies on a corporation's board of directors, including those caused by an increase in the number of directors, may be filled by a majority of the remaining directors, provided that the court may order an annual meeting upon the application of a director or stockholder if a corporation has not held a meeting within 13 months after the latest of the company's organization, the last annual meeting or the last action by written consent to elect directors.

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	France	Delaware
Annual General Meeting	Under French law, the annual general meeting of shareholders shall be held at such place, on such date and at such time as decided each year by the board of directors and notified to the shareholders in the convening notice of the annual meeting, within six months after the close of the relevant fiscal year unless such period is extended by court order.	Under Delaware law, the annual meeting of stockholders shall be held at such place, on such date and at such time as may be designated from time to time by the board of directors or as provided in the certificate of incorporation or by the by-laws.
General Meeting	Under French law, general meetings of the shareholders may be called by the board of directors or, failing that, by the statutory auditors, or by a court appointed agent or liquidator in certain circumstances, or by the majority shareholder in capital or voting rights following a public tender offer or exchange offer or the transfer of a controlling block on the date decided by the board of directors or the relevant person.	Under Delaware law, special meetings of the stockholders may be called by the board of directors or by such person or persons as may be authorized by the certificate of incorporation or by the by-laws.
Notice of General Meetings	A meeting notice (*avis de réunion*) is published in the French Journal of Mandatory Statutory Notices (BALO) at least 35 days prior to the date of the shareholders' meeting and made available on the website of the company at least 21 days prior to the date of the shareholders' meeting. Additionally, a convening notice (*avis de convocation*) is published at least fifteen days prior to the date of the meeting in a legal gazette of the department in which the registered office of the company is located and in the French Journal of Mandatory Statutory Notices (BALO). Further, shareholders having held registered shares (*actions nominatives*) for at least one month at the time of the convening notice must be convened individually, by regular letter (or by registered letter if requested by the relevant shareholder) sent to their last known address.	Under Delaware law, unless otherwise provided in the certificate of incorporation or by-laws, written notice of any meeting of the stockholders must be given to each stockholder entitled to vote at the meeting not less than 10 nor more than 60 days before the date of the meeting and shall specify the place, date, hour, and purpose or purposes of the meeting.

	France	Delaware
	The meeting notice must indicate the conditions under which the shareholders may vote by correspondence and the places and conditions in which they can obtain voting forms by mail.	
Proxy	Each shareholder may attend the meetings and vote (1) in person, or (2) by granting proxy to any individual or legal entity, or (3) by sending a proxy to us without indication of the beneficiary (in which case such proxy shall be cast in favor of the resolutions supported by the board of directors), or (4) by correspondence, or (5) by videoconference or another means of telecommunication allowing identification of the relevant shareholder in accordance with applicable laws. The proxy is only valid for a single meeting or successive meetings convened with the same agenda. It can also be granted for two meetings, one ordinary, the other extraordinary, held within a period of fifteen days.	Under Delaware law, at any meeting of stockholders, a stockholder may designate another person to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period.
Shareholder action by written consent	Under French law, shareholders' action by written consent is not permitted in a *société anonyme*.	Under Delaware law, unless otherwise provided in a corporation's certificate of incorporation, stockholders may act by written consent signed by stockholders having the minimum number of votes that would be necessary to take such action at a meeting.

	France	Delaware
Preemptive Rights	Under French law, in case of issuance of additional shares or other securities for cash or set-off against cash debts, the existing shareholders have preferential subscription rights to these securities on a *pro rata* basis unless such rights are waived by a two-thirds majority of the votes held by the shareholders present, represented by proxy or voting by mail at the extraordinary meeting deciding or authorizing the capital increase. In case such rights are not waived by the extraordinary general meeting, each shareholder may individually either exercise, assign or not exercise its preferential rights.	Under Delaware law, unless otherwise provided in a corporation's certificate of incorporation, a stockholder does not, by operation of law, possess preemptive rights to subscribe to additional issuances of the corporation's stock.
Sources of Dividends	Under French law, dividends may only be paid by a French *société anonyme* out of "*distributable profits*," plus any distributable reserves and "*distributable premium*" that the shareholders decide to make available for distribution, other than those reserves that are specifically required by law. "*Distributable profits*" consist of the unconsolidated net profits of the relevant corporation for each fiscal year, as increased or reduced by any profit or loss carried forward from prior years. "*Distributable premium*" refers to the contribution paid by the shareholders in addition to the par value of their shares for their subscription that the shareholders decide to make available for distribution. Except in the case of a share capital reduction, no distribution can be made to the shareholders when the net equity is, or would become, lower than the amount of the share capital plus the reserves which cannot be distributed in accordance with the law or the by-laws.	Under Delaware law, subject to any restrictions under a corporation's certificate of incorporation, dividends may be paid by a Delaware corporation either out of (1) surplus or (2) in case there is no surplus, out of its net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year, except when the capital is diminished by depreciation in the value of its property, or by losses, or otherwise, to an amount less than the aggregate amount of capital represented by issued and outstanding stock having a preference on the distribution of assets.

	France	Delaware
Repurchase of Shares	Under French law, a corporation may acquire its own shares for the following purposes only: • to decrease its share capital, provided that such decision is not driven by losses and that a purchase offer is made to all shareholders on a *pro rata* basis, with the approval of the shareholders at the extraordinary general meeting deciding the capital reduction; • with a view to distributing within one year of their repurchase the relevant shares to employees or managers under a profit-sharing, free share or share option plan; or • under a buy-back program to be authorized by the shareholders in accordance with the provisions of Article L. 225-209 of the French Commercial Code and with the general regulations of the AMF. No such repurchase of shares may result in the company holding, directly or through a person acting on its behalf, more than 10% of its issued share capital.	Under Delaware law, a corporation may generally redeem or repurchase shares of its stock unless the capital of the corporation is impaired or such redemption or repurchase would impair the capital of the corporation.
Liability of Directors and Officers	Under French law, the By-laws may not include any provisions limiting the liability of directors.	Under Delaware law, a corporation's certificate of incorporation may generally include a provision eliminating or limiting the personal liability of a director to the corporation and its stockholders for damages arising from a breach of fiduciary duty as a director. However, no provision can limit the liability of a director for: • any breach of the director's duty of loyalty to the corporation or its stockholders; • acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;

	France	Delaware
		• intentional or negligent payment of unlawful dividends or stock purchases or redemptions; or • any transaction from which the director derives an improper personal benefit.
Voting Rights	French law provides that, unless otherwise provided in the by-laws, each shareholder is entitled to one vote for each share of capital stock held by such shareholder.	Delaware law provides that, unless otherwise provided in the certificate of incorporation, each stockholder is entitled to one vote for each share of capital stock held by such stockholder.
Shareholder Vote on Certain Transactions	Generally, under French law, completion of a merger, dissolution, sale, lease or exchange of all or substantially all of a corporation's assets requires: approval by a two-thirds majority of the votes held by the shareholders present, represented by proxy or voting by mail at the relevant meeting, or in the case of a merger with a non-EU company, approval of all the shareholders of the corporation.	Generally, under Delaware law, unless the certificate of incorporation provides for the vote of a larger portion of the stock or under other certain circumstances, completion of a merger, consolidation, sale, lease or exchange of all or substantially all of a corporation's assets or dissolution requires: • the approval of the board of directors; and • approval by the vote of the holders of a majority of the outstanding stock or, if the certificate of incorporation provides for more or less than one vote per share, a majority of the votes of the outstanding stock of a corporation entitled to vote on the matter.

	France	Delaware
Dissent or Dissenters' Appraisal Rights	French law does not provide for any such right but provides that a merger is subject to shareholders' approval by a two-thirds majority vote as stated above.	Under Delaware law, a holder of shares of any class or series has the right, in specified circumstances, to dissent from a merger or consolidation by demanding payment in cash for the stockholder's shares equal to the fair value of those shares, as determined by the Delaware Chancery Court in an action timely brought by the corporation or a dissenting stockholder. Delaware law grants these appraisal rights only in the case of mergers or consolidations and not in the case of a sale or transfer of assets or a purchase of assets for stock. Further, no appraisal rights are available for shares of any class or series that is listed on a national securities exchange or held of record by more than 2,000 stockholders, unless the agreement of merger or consolidation requires the holders to accept for their shares anything other than: • shares of stock of the surviving corporation; • shares of stock of another corporation that are either listed on a national securities exchange or held of record by more than 2,000 stockholders; • cash in lieu of fractional shares of the stock described in the two preceding bullet points; or • any combination of the above. In addition, appraisal rights are not available to holders of shares of the surviving corporation in specified mergers that do not require the vote of the stockholders of the surviving corporation.

	France	Delaware
Standard of Conduct for Directors	French law does not contain specific provisions setting forth the standard of conduct of a director. However, directors have a duty to act without self-interest, on a well-informed basis and they cannot make any decision against a corporation's corporate interest (*intérêt social*).	Delaware law does not contain specific provisions setting forth the standard of conduct of a director. The scope of the fiduciary duties of directors is generally determined by the courts of the State of Delaware. In general, directors have a duty to act without self-interest, on a well-informed basis and in a manner they reasonably believe to be in the best interest of the stockholders.
Shareholder Suits	French law provides that a shareholder, or a group of shareholders, may initiate a legal action to seek indemnification from the directors of a corporation in the corporation's interest if it fails to bring such legal action itself. If so, any damages awarded by the court are paid to the corporation and any legal fees relating to such action are borne by the relevant shareholder or the group of shareholders. The plaintiff must remain a shareholder throughout the duration of the legal action. There is no other case where shareholders may initiate a derivative action to enforce a right of a corporation. A shareholder may alternatively or cumulatively bring an individual legal action against the directors, provided he has suffered distinct damages from those suffered by the corporation. In this case, any damages awarded by the court are paid to the relevant shareholder.	Under Delaware law, a stockholder may initiate a derivative action to enforce a right of a corporation if the corporation fails to enforce the right itself. The complaint must: • state that the plaintiff was a stockholder at the time of the transaction of which the plaintiff complains or that the plaintiff's shares thereafter devolved on the plaintiff by operation of law; and • allege with particularity the efforts made by the plaintiff to obtain the action the plaintiff desires from the directors and the reasons for the plaintiff's failure to obtain the action; or • state the reasons for not making the effort. Additionally, the plaintiff must remain a stockholder through the duration of the derivative suit. The action will not be dismissed or compromised without the approval of the Delaware Court of Chancery.

	France	Delaware
Amendment of Certificate of Incorporation	Unlike companies incorporated under Delaware law, the organizational documents of which comprise both a certificate of incorporation and by-laws, companies incorporated under French law only have by-laws (*statuts*) as organizational documents. As indicated in the paragraph below, only the extraordinary shareholders' meeting is authorized to adopt or amend the by-laws under French law.	Under Delaware law, generally a corporation may amend its certificate of incorporation if: • its board of directors has adopted a resolution setting forth the amendment proposed and declared its advisability, and • the amendment is adopted by the affirmative votes of a majority (or greater percentage as may be specified by the corporation) of the outstanding shares entitled to vote on the amendment and a majority (or greater percentage as may be specified by the corporation) of the outstanding shares of each class or series of stock, if any, entitled to vote on the amendment as a class or series.
Amendment of By-laws	Under French law, only the extraordinary shareholders' meeting is authorized to adopt or amend the by-laws.	Under Delaware law, the stockholders entitled to vote have the power to adopt, amend or repeal by-laws. A corporation may also confer, in its certificate of incorporation, that power upon the board of directors.

Legal Name; Formation; Fiscal Year; Registered Office

Our legal and commercial name is Cellectis S.A. We were incorporated as a *société anonyme* under the laws of the French Republic on January 4, 2000 for a period of 99 years. We are registered at the Paris Commerce and Companies Register under the number 428 859 052. Our principal executive offices are located at 8, rue de la Croix Jarry, 75013 Paris, France, and our telephone number is +33 1 81 69 16 00. Our agent for service of process in the United States is Puglisi & Associates. Our fiscal year ends December 31.

Listing

We have applied to list the ADSs on the Nasdaq Global Market under the symbol “CLLS.”

Transfer Agent and Registrar

Upon the closing of this offering, the transfer agent and registrar for the ADSs will be Citibank, N.A. The transfer agent and registrar for our ordinary shares is Société Générale Securities Services.

LIMITATIONS AFFECTING SHAREHOLDERS OF A FRENCH COMPANY

Ownership of ADSs or Shares by Non-French Residents

Neither the French Commercial Code nor our By-laws presently impose any restrictions on the right of non-French residents or non-French shareholders to own and vote shares. However, residents outside of France, as well as any French entity controlled by non-French residents, must file an administrative notice with French authorities in connection with their direct and indirect foreign investments in us, including through ownership of ADSs, on the date a binding purchase agreement is executed or a tender offer is made public. Under existing administrative rulings, the following transactions qualify as foreign investments in us:

- any transaction carried out on our capital by a non-French resident provided that after the transaction the cumulative amount of the capital or the voting rights held by non-French residents exceeds 33.33% of our capital or voting rights;
- any transaction carried mentioned above carried out by a corporation incorporated under French law whose capital or voting rights are held for more than 33.33% by non-French residents;
- any transaction carried out abroad resulting in a change of the controlling shareholder of a corporation incorporated under a foreign law that holds a shareholding or voting rights in us if our capital or voting rights are held for more than 33.33% by non-French residents;
- loans and guarantees granted by a corporation incorporated under foreign laws to us in amounts evidencing control over our financing; and
- patent licenses granted by a corporation incorporated under foreign laws or management or technical assistance agreements with such corporation that place us in a dependent position vis-à-vis such party or its group.

Violation of this administrative notice requirement is sanctioned by a fine of €750. This amount may be multiplied by five if the violation is made by a legal entity.

Foreign Exchange Controls

Under current French foreign exchange control regulations there are no limitations on the amount of cash payments that we may remit to residents of foreign countries. Laws and regulations concerning foreign exchange controls do, however, require that all payments or transfers of funds made by a French resident to a non-resident such as dividend payments be handled by an accredited intermediary. All registered banks and substantially all credit institutions in France are accredited intermediaries.

Availability of Preferential Subscription Rights

While our current shareholders waived their preferential subscription rights with respect to this offering at a shareholders' general meeting held on February 16, 2015, in the future our shareholders will have the preferential subscription rights described under the section of this prospectus titled "Description of Share Capital—Key Provisions of Our By-laws and French Law Affecting Our Ordinary Shares—Changes in Share Capital—Preferential Subscription Right." Under French law, shareholders have preferential rights to subscribe for cash issues of new shares or other securities giving rights to acquire additional shares on a *pro rata* basis. Holders of our securities in the U.S. (which may be in the form of shares or ADSs) may not be able to exercise preferential subscription rights for their securities unless a registration statement under the Securities Act is effective with respect to such rights or an exemption from the registration requirements imposed by the Securities Act is available. We may, from time to time, issue new shares or other securities giving rights to acquire additional shares (such as warrants) at a time when no registration statement is in effect and no Securities Act exemption is available. If so, holders of our securities in the U.S. will be unable to exercise any preferential subscription rights and their interests will be diluted. We are under no obligation to file any registration statement

in connection with any issuance of new shares or other securities. We intend to evaluate at the time of any rights offering the costs and potential liabilities associated with registering the rights, as well as the indirect benefits to us of enabling the exercise by holders of shares and holders of ADSs in the U.S. of the subscription rights, and any other factors we consider appropriate at the time, and then to make a decision as to whether to register the rights. We cannot assure you that we will file a registration statement.

For holders of our shares in the form of ADSs, the depositary may make these rights or other distributions available to ADS holders. If the depositary does not make the rights available to ADS holders and determines that it is impractical to sell the rights, it may allow these rights to lapse. In that case the holders will receive no value for them. The section of this prospectus titled "Description of American Depositary Shares—Dividends and Distributions" explains in detail the depositary's responsibility in connection with a rights offering. See also "Risk Factors—Risks Related to this Offering and Ownership of Our Ordinary Shares and ADSs—Your right as a holder of ADSs to participate in any future preferential subscription rights or to elect to receive dividends in shares may be limited, which may cause dilution to your holdings."

DESCRIPTION OF AMERICAN DEPOSITARY SHARES

Citibank, N.A. has agreed to act as the depositary for the American Depositary Shares. Citibank's depositary offices are located at 388 Greenwich Street, New York, New York 10013. American Depositary Shares are frequently referred to as ADSs and represent ownership interests in securities that are on deposit with the depositary. ADSs may be represented by certificates that are commonly known as American Depositary Receipts or ADRs. The depositary typically appoints a custodian to safekeep the securities on deposit. In this case, the custodian is Citibank International Limited, located at EGSP 186, 1 North Wall Quay, Dublin 1 Ireland.

We have appointed Citibank as depositary pursuant to a deposit agreement. A copy of the deposit agreement is on file with the SEC under cover of a Registration Statement on Form F-6. You may obtain a copy of the deposit agreement from the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549 and from the SEC's website (www.sec.gov). Please refer to Registration Number 333-202488 when retrieving such copy.

We are providing you with a summary description of the material terms of the ADSs and of your material rights as an owner of ADSs. Please remember that summaries by their nature lack the precision of the information summarized and that the rights and obligations of an owner of ADSs will be determined by reference to the terms of the deposit agreement and not by this summary. We urge you to review the deposit agreement in its entirety. The portions of this summary description that are italicized describe matters that may be relevant to the ownership of ADSs but that may not be contained in the deposit agreement.

Each ADS represents the right to receive, and to exercise the beneficial interests in one ordinary share that are on deposit with the depositary and/or custodian. An ADS also represents the right to receive, and to exercise the beneficial interests in, any other property received by the depositary bank or the custodian on behalf of the owner of the ADS but that has not been distributed to the owners of ADSs because of legal restrictions or practical considerations. The custodian, the depositary and their respective nominees will hold all deposited property for the benefit of the holders and beneficial owners of ADSs. The deposited property does not constitute the proprietary assets of the depositary, the custodian or their nominees. Beneficial ownership in the deposited property will under the terms of the deposit agreement be vested in the beneficial owners of the ADSs. The depositary, the custodian and their respective nominees will be the record holders of the deposited property represented by the ADSs for the benefit of the holders and beneficial owners of the corresponding ADSs. A beneficial owner of ADSs may or may not be the holder of such ADSs. Beneficial owners of ADSs will be able to receive, and to exercise beneficial ownership interests, in the deposited property only through the registered holders of the ADSs, the registered holders of the ADSs (on behalf of the applicable ADS owners) only through the depositary, and the depositary (on behalf of the owners of the corresponding ADSs) directly, or indirectly, through the custodian or their respective nominees, in each case upon the terms of the deposit agreement.

If you become an owner of ADSs, you will become a party to the deposit agreement and therefore will be bound to its terms and to the terms of any ADR that represents your ADSs. The deposit agreement and the ADR specify our rights and obligations as well as your rights and obligations as owner of ADSs and those of the depositary. As an ADS holder you appoint the depositary to act on your behalf in certain circumstances. The deposit agreement and the ADRs are governed by New York law. However, our obligations to the holders of ordinary shares will continue to be governed by the laws of France, which may be different from the laws in the United States.

In addition, applicable laws and regulations may require you to satisfy reporting requirements and obtain regulatory approvals in certain circumstances. You are solely responsible for complying with such reporting requirements and obtaining such approvals. Neither the depositary, the custodian, us nor any of their or our respective agents or affiliates shall be required to take any actions whatsoever on your behalf to satisfy such reporting requirements or obtain such regulatory approvals under applicable laws and regulations.

As an owner of ADSs, we will not treat you as one of our shareholders and you will not have direct shareholder rights. The depositary will hold on your behalf the shareholder rights attached to the ordinary shares underlying your ADSs. As an owner of ADSs you will be able to exercise the shareholders rights for the ordinary shares represented by your ADSs through the depositary only to the extent contemplated in the deposit agreement. To exercise any shareholder rights not contemplated in the deposit agreement you will, as an ADS owner, need to arrange for the cancellation of your ADSs and become a direct shareholder.

As an owner of ADSs, you may hold your ADSs either by means of an ADR registered in your name, through a brokerage or safekeeping account, or through an account established by the depositary in your name reflecting the registration of uncertificated ADSs directly on the books of the depositary, commonly referred to as the direct registration system, or DRS. The direct registration system reflects the uncertificated (book-entry) registration of ownership of ADSs by the depositary. Under the direct registration system, ownership of ADSs is evidenced by periodic statements issued by the depositary to the holders of the ADSs. The direct registration system includes automated transfers between the depositary and The Depository Trust Company, or DTC, the central book-entry clearing and settlement system for equity securities in the United States. If you decide to hold your ADSs through your brokerage or safekeeping account, you must rely on the procedures of your broker or bank to assert your rights as ADS owner. Banks and brokers typically hold securities such as the ADSs through clearing and settlement systems such as DTC. The procedures of such clearing and settlement systems may limit your ability to exercise your rights as an owner of ADSs. Please consult with your broker or bank if you have any questions concerning these limitations and procedures. All ADSs held through DTC will be registered in the name of a nominee of DTC. This summary description assumes you have opted to own the ADSs directly by means of an ADS registered in your name and, as such, we will refer to you as the "holder." When we refer to "you," we assume the reader owns ADSs and will own ADSs at the relevant time.

The registration of the ordinary shares in the name of the depositary or the custodian shall, to the maximum extent permitted by applicable law, vest in the depositary or the custodian the record ownership in the applicable ordinary shares with the beneficial ownership rights and interests in such ordinary share being at all times vested with the beneficial owners of the ADSs representing the ordinary shares. The depositary or the custodian shall at all times be entitled to exercise the beneficial ownership rights in all deposited property, in each case only on behalf of the holders and beneficial owners of the ADSs representing the deposited property.

Dividends and Distributions

As a holder of ADSs, you generally have the right to receive the distributions we make on the securities deposited with the custodian. Your receipt of these distributions may be limited, however, by practical considerations and legal limitations. Holders of ADSs will receive such distributions under the terms of the deposit agreement in proportion to the number of ADSs held as of a specified record date, after deduction the applicable fees, taxes and expenses.

Distributions of Cash

Whenever we make a cash distribution for the securities on deposit with the custodian, we will deposit the funds with the custodian. Upon receipt of confirmation of the deposit of the requisite funds, the depositary will arrange for the funds to be converted into U.S. dollars and for the distribution of the U.S. dollars to the holders, subject to French laws and regulations.

The conversion into U.S. dollars will take place only if practicable and if the U.S. dollars are transferable to the United States. The depositary will apply the same method for distributing the proceeds of the sale of any property (such as undistributed rights) held by the custodian in respect of securities on deposit.

The distribution of cash will be made net of the fees, expenses, taxes and governmental charges payable by holders under the terms of the deposit agreement. The depositary will hold any cash amounts it is unable to

distribute in a non-interest bearing account for the benefit of the applicable holders and beneficial owners of ADSs until the distribution can be effected or the funds that the depositary holds must be escheated as unclaimed property in accordance with the laws of the relevant states of the United States.

Distributions of Shares

Whenever we make a free distribution of ordinary shares for the securities on deposit with the custodian, we will deposit the applicable number of ordinary shares with the custodian. Upon receipt of confirmation of such deposit, the depositary will either distribute to holders new ADSs representing the ordinary shares deposited or modify the ADS-to-ordinary share ratio, in which case each ADS you hold will represent rights and interests in the additional ordinary shares so deposited. Only whole new ADSs will be distributed; fractional entitlements will be sold and the proceeds of such sale will be distributed as in the case of a cash distribution.

The distribution of new ADSs or the modification of the ADS-to-ordinary share ratio upon a distribution of ordinary shares will be made net of the fees, expenses, taxes and governmental charges payable by holders under the terms of the deposit agreement. In order to pay such taxes or governmental charges, the depositary may sell all or a portion of the new ordinary shares so distributed.

No such distribution of new ADSs will be made if it would violate a law (*e.g.*, the U.S. securities laws) or if it is not operationally practicable. If the depositary does not distribute new ADSs as described above, it may sell the ordinary shares received upon the terms described in the deposit agreement and will distribute the proceeds of the sale as in the case of a distribution of cash.

Distributions of Rights

Whenever we intend to distribute rights to purchase additional ordinary shares, we will give prior notice to the depositary and we will assist the depositary in determining whether it is lawful and practicable to distribute rights to purchase additional ADSs to holders.

The depositary will establish procedures to distribute rights to purchase additional ADSs to holders and to enable such holders to exercise such rights if it is lawful and practicable to make the rights available to holders of ADSs, and if we provide all of the documentation contemplated in the deposit agreement (such as opinions to address the lawfulness of the transaction). You may have to pay fees, expenses, taxes and other governmental charges to subscribe for the new ADSs upon the exercise of your rights. The depositary is not obligated to establish procedures to facilitate the distribution and exercise by holders of rights to purchase new ordinary shares other than in the form of ADSs.

The depositary will *not* distribute the rights to you if:

- we do not timely request that the rights be distributed to you or we request that the rights not be distributed to you; or
- we fail to deliver satisfactory documents to the depositary; or
- it is not practicable to distribute the rights.

The depositary will sell the rights that are not exercised or not distributed if such sale is lawful and practicable. The proceeds of such sale will be distributed to holders as in the case of a cash distribution. If the depositary is unable to sell the rights, it will allow the rights to lapse.

Elective Distributions

Whenever we intend to distribute a dividend payable at the election of shareholders either in cash or in additional shares, we will give prior notice thereof to the depositary and will indicate whether we wish the elective distribution to be made available to you. In such case, we will assist the depositary in determining whether such distribution is lawful and practicable.

The depositary will make the election available to you only if it is practicable and if we have provided all of the documentation contemplated in the deposit agreement. In such case, the depositary will establish procedures to enable you to elect to receive either cash or additional ADSs, in each case as described in the deposit agreement.

If the election is not made available to you, you will receive either cash or additional ADSs, depending on what a shareholder in France would receive upon failing to make an election, as more fully described in the deposit agreement.

Other Distributions

Whenever we intend to distribute property other than cash, ordinary shares or rights to purchase additional ordinary shares, we will notify the depositary in advance and will indicate whether we wish such distribution to be made to you. If so, we will assist the depositary in determining whether such distribution to holders is lawful and practicable.

If it is practicable to distribute such property to you and if we provide all of the documentation contemplated in the deposit agreement, the depositary will distribute the property to the holders in a manner it deems practicable.

The distribution will be made net of fees, expenses, taxes and governmental charges payable by holders under the terms of the deposit agreement. In order to pay such taxes and governmental charges, the depositary bank may sell all or a portion of the property received.

The depositary will *not* distribute the property to you and will sell the property if:

- we do not request that the property be distributed to you or if we ask that the property not be distributed to you; or
- we do not deliver satisfactory documents to the depositary bank; or
- the depositary determines that all or a portion of the distribution to you is not practicable.

The proceeds of such a sale will be distributed to holders as in the case of a cash distribution.

Redemption

Whenever we decide to redeem any of the securities on deposit with the custodian, we will notify the depositary in advance. If it is practicable and if we provide all of the documentation contemplated in the deposit agreement, the depositary will provide notice of the redemption to the holders.

The custodian will be instructed to surrender the shares being redeemed against payment of the applicable redemption price. The depositary will convert the redemption funds received into U.S. dollars upon the terms of the deposit agreement and will establish procedures to enable holders to receive the net proceeds from the redemption upon surrender of their ADSs to the depositary. You may have to pay fees, expenses, taxes and other governmental charges upon the redemption of your ADSs. If less than all ADSs are being redeemed, the ADSs to be retired will be selected by lot or on a *pro rata* basis, as the depositary may determine.

Changes Affecting Ordinary Shares

The ordinary shares held on deposit for your ADSs may change from time to time. For example, there may be a change in nominal or par value, a split-up, cancellation, consolidation or reclassification of such ordinary shares or a recapitalization, reorganization, merger, consolidation or sale of assets.

If any such change were to occur, your ADSs would, to the extent permitted by law, represent the right to receive the property received or exchanged in respect of the ordinary shares held on deposit. The depositary may in such circumstances deliver new ADSs to you, amend the deposit agreement, the ADRs and the applicable Registration Statement(s) on Form F-6, call for the exchange of your existing ADRs for new ADRs and take any other actions that are appropriate to reflect as to the ADSs the change affecting the ordinary shares held in deposit for your ADSs. If the depositary bank may not lawfully distribute such property to you, the depositary may sell such property and distribute the net proceeds to you as in the case of a cash distribution.

Issuance of ADSs upon Deposit of Ordinary Shares

Upon completion of this offering, the ordinary shares being offered pursuant to this prospectus will be deposited by us with the custodian. Upon receipt of confirmation of such deposit, the depositary will issue ADSs to the underwriters named in this prospectus. After the completion of this offering, the ordinary shares that are being offered for sale pursuant to this prospectus will be deposited by us with the custodian. Upon receipt of confirmation of such deposit, the depositary will issue ADSs to the underwriters named in this prospectus.

After the closing of this offer, the depositary may create ADSs on your behalf if you or your broker deposit ordinary shares with the custodian. The depositary will deliver these ADSs to the person you indicate only after you pay any applicable issuance fees and any charges and taxes payable for the transfer of the ordinary shares to the custodian. Your ability to deposit ordinary shares and receive ADSs may be limited by U.S. and French legal considerations applicable at the time of deposit.

The issuance of ADSs may be delayed until the depositary or the custodian receives confirmation that all required approvals have been given and that the ordinary shares have been duly transferred to the custodian.

The depositary will only issue ADSs in whole numbers.

When you make a deposit of ordinary shares, you will be responsible for transferring good and valid title to the depositary. As such, you will be deemed to represent and warrant that:

- The ordinary shares are duly authorized, validly issued, fully paid, non-assessable and legally obtained.
- All preemptive (and similar) rights, if any, with respect to such ordinary shares have been validly waived or exercised.
- You are duly authorized to deposit the ordinary shares.
- The ordinary shares presented for deposit are free and clear of any lien, encumbrance, security interest, charge, mortgage or adverse claim, and are not, and the ADSs issuable upon such deposit will not be, “restricted securities” (as defined in the deposit agreement).
- The ordinary shares presented for deposit have not been stripped of any rights or entitlements.

If any of the representations or warranties are incorrect in any way, we and the depositary may, at your cost and expense, take any and all actions necessary to correct the consequences of the misrepresentations.

Transfer, Combination and Split Up of ADRs

As an ADR holder, you will be entitled to transfer, combine or split up your ADRs and the ADSs evidenced thereby. For transfers of ADRs, you will have to surrender the ADRs to be transferred to the depositary and also must:

- ensure that the surrendered ADR is properly endorsed or otherwise in proper form for transfer;
- provide such proof of identity and genuineness of signatures as the depositary deems appropriate;

- provide any transfer stamps required by the State of New York or the United States; and
- pay all applicable fees, charges, expenses, taxes and other government charges payable by ADR holders pursuant to the terms of the deposit agreement, upon the transfer of ADRs.

To have your ADRs either combined or split up, you must surrender the ADRs in question to the depositary with your request to have them combined or split up, and you must pay all applicable fees, charges and expenses payable by ADR holders, pursuant to the terms of the deposit agreement, upon a combination or split up of ADRs.

Withdrawal of Ordinary Shares Upon Cancellation of ADSs

As a holder, you will be entitled to present your ADSs to the depositary for cancellation and then receive the corresponding number of underlying ordinary shares at the custodian's offices. Your ability to withdraw the ordinary shares held in respect of the ADSs may be limited by U.S. and French legal considerations applicable at the time of withdrawal. In order to withdraw the ordinary shares represented by your ADSs, you will be required to pay to the depositary the fees for cancellation of ADSs and any charges and taxes payable upon the transfer of the ordinary shares being withdrawn. You assume the risk for delivery of all funds and securities upon withdrawal. Once canceled, the ADSs will not have any rights under the deposit agreement.

If you hold ADSs registered in your name, the depositary may ask you to provide proof of identity and genuineness of any signature and such other documents as the depositary may deem appropriate before it will cancel your ADSs. The withdrawal of the ordinary shares represented by your ADSs may be delayed until the depositary receives satisfactory evidence of compliance with all applicable laws and regulations. Please keep in mind that the depositary will only accept ADSs for cancellation that represent a whole number of securities on deposit.

You will have the right to withdraw the securities represented by your ADSs at any time except for:

- temporary delays that may arise because (1) the transfer books for the ordinary shares or ADSs are closed, or (2) ordinary shares are immobilized on account of a shareholders' meeting or a payment of dividends;
- obligations to pay fees, taxes and similar charges; or
- restrictions imposed because of laws or regulations applicable to ADSs or the withdrawal of securities on deposit.

The deposit agreement may not be modified to impair your right to withdraw the securities represented by your ADSs except to comply with mandatory provisions of law.

Voting Rights

As a holder, you generally have the right under the deposit agreement to instruct the depositary to exercise the voting rights for the ordinary shares represented by your ADSs. The voting rights of holders of ordinary shares are described in the sections of this prospectus titled "Description of Share Capital" and "Limitations Affecting Shareholders of a French Company."

At our request, the depositary will distribute to you any notice of shareholders' meeting received from us together with information explaining how to instruct the depositary to exercise the voting rights of the securities represented by ADSs.

If the depositary timely receives voting instructions from a holder of ADSs, it will endeavor to vote the securities (in person or by proxy) represented by the holder's ADSs in accordance with such voting instructions.

Please note that the ability of the depositary to carry out voting instructions may be limited by practical and legal limitations and the terms of the securities on deposit. We cannot assure you that you will receive voting materials in time to enable you to return voting instructions to the depositary in a timely manner.

If the depositary receives voting instructions from a holder of ADSs that fail to specify the manner in which the depositary is to vote, the depositary will deem such holder (unless otherwise specified in the notice distributed to holders) to have instructed the depositary to vote in favor of all resolutions endorsed by our board of directors. With respect to securities represented by ADSs for which no timely voting instructions are received by the depositary from the holder, the depositary will (unless otherwise specified in the notice distributed to holders) deem such holder to have instructed the depositary to give a discretionary proxy to a person designated by us to vote the securities. However, no such discretionary proxy will be given by the depositary with respect to any matter to be voted upon as to which we inform the depositary that we do not wish such proxy to be given, substantial opposition exists, or the rights of holders of securities may be materially adversely affected.

Fees and Charges

As an ADS holder, you will be required to pay the following fees under the terms of the depositary agreement:

Service	*Fees*
• Issuance of ADSs upon deposit of shares (excluding issuance as a result of distributions of shares)	Up to U.S. 5¢ per ADS issued
• Cancellation of ADSs	Up to U.S. 5¢ per ADS canceled
• Distribution of cash dividends or other cash distributions (i.e., sale of rights and other entitlements)	Up to U.S. 5¢ per ADS held
• Distribution of ADSs pursuant to (1) stock dividends or other free stock distributions, or (2) exercise of rights to purchase additional ADSs.	Up to U.S. 5¢ per ADS held
• Distribution of securities other than ADSs or rights to purchase additional ADSs (i.e., spin-off shares)	Up to U.S. 5¢ per ADS held
• ADS Services	Up to U.S. 5¢ per ADS held on the applicable record date(s) established by the depositary

As an ADS holder you will also be responsible to pay certain fees and expenses incurred by the depositary and certain taxes and governmental charges such as:

- taxes (including applicable interest and penalties) and other governmental charges;
- the registration fees as may from time to time be in effect for the registration of ordinary shares on the share register and applicable to transfers of ordinary shares to or from the name of the custodian, the depositary or any nominees upon the making of deposits and withdrawals, respectively;
- certain cable, telex and facsimile transmission and delivery expenses;
- the expenses and charges incurred by the depositary in the conversion of foreign currency;
- the fees and expenses incurred by the depositary in connection with the compliance with exchange control regulations and other regulatory requirements applicable to ordinary shares, ADSs and ADRs; and
- the fees and expenses incurred by the depositary, the custodian, or any nominee in connection with the servicing or delivery of deposited property.

ADS fees and charges payable upon (1) deposit of ordinary shares against issuance of ADSs and (2) surrender of ADSs for cancellation and withdrawal of ordinary shares are charged to the person to whom the ADSs are delivered (in the case of ADS issuances) and to the person who delivers the ADS, for cancellation (in the case of ADS cancellations). In the case of ADSs issued by the depositary into DTC or presented to the depositary via DTC, the ADS issuance and cancellation fees and charges may be deducted from distributions made through DTC, and may be charged to the DTC participant(s) receiving the ADSs or the DTC participant(s) surrendering the ADSs for cancellation, as the case may be, on behalf of the beneficial owner(s) and will be charged by the DTC participant(s) to the account(s) of the applicable beneficial owner(s) in accordance with the procedures and practices of the DTC participant(s) as in effect at the time. ADS fees and charges in respect of distributions and the ADS service fee are charged to the holders as of the applicable ADS record date. In the case of distributions of cash, the amount of the applicable ADS fees and charges is deducted from the funds being distributed. In the case of (1) distributions other than cash and (2) the ADS service fee, holders as of the ADS record date will be invoiced for the amount of the ADS fees and charges and such ADS fees and charges may be deducted from distributions made to holders of ADSs. For ADSs held through DTC, the ADS fees and charges for distributions other than cash and the ADS service fee may be deducted from distributions made through DTC, and may be charged to the DTC participants in accordance with the procedures and practices prescribed by DTC and the DTC participants in turn charge the amount of such ADS fees and charges to the beneficial owners for whom they hold ADSs.

In the event of refusal to pay the depositary fees, the depositary may, under the terms of the deposit agreement, refuse the requested service until payment is received or may set off the amount of the depositary fees from any distribution to be made to the ADS holder. Certain ADS fees and charges (such as the ADS service fee) may become payable shortly after the closing of the ADS offering.

Note that the fees and charges you may be required to pay may vary over time and may be changed by us and by the depositary. You will receive prior notice of such changes. The depositary may reimburse us for certain expenses incurred by us in respect of the ADR program, by making available a portion of the ADS fees charged in respect of the ADR program or otherwise, upon such terms and conditions as we and the depositary agree from time to time.

Amendments and Termination

We may agree with the depositary to modify the deposit agreement at any time without your consent. We undertake to give holders 30 days' prior notice of any modifications that would materially prejudice any of their substantial rights under the deposit agreement. We will not consider to be materially prejudicial to your substantial rights any modifications or supplements that are reasonably necessary for the ADSs to be registered under the Securities Act or to be eligible for book-entry settlement, in each case without imposing or increasing the fees and charges you are required to pay. In addition, we may not be able to provide you with prior notice of any modifications or supplements that are required to accommodate compliance with applicable provisions of law.

You will be bound by the modifications to the deposit agreement if you continue to hold your ADSs after the modifications to the deposit agreement become effective. The deposit agreement cannot be amended to prevent you from withdrawing the ordinary shares represented by your ADSs (except as permitted by law).

We have the right to direct the depositary to terminate the deposit agreement. Similarly, the depositary may in certain circumstances on its own initiative terminate the deposit agreement. In either case, the depositary must give notice to the holders at least 30 days before termination. Until termination, your rights under the deposit agreement will be unaffected.

After termination, the depositary will continue to collect distributions received (but will not distribute any such property until you request the cancellation of your ADSs) and may sell the securities held on deposit. After the sale, the depositary will hold the proceeds from such sale and any other funds then held for the holders of

ADSs in a non-interest bearing account. At that point, the depositary will have no further obligations to holders other than to account for the funds then held for the holders of ADSs still outstanding (after deduction of applicable fees, taxes and expenses).

Books of Depositary

The depositary will maintain ADS holder records at its depositary office. You may inspect such records at such office during regular business hours but solely for the purpose of communicating with other holders in the interest of business matters relating to the ADSs and the deposit agreement.

The depositary will maintain in New York facilities to record and process the issuance, cancellation, combination, split-up and transfer of ADSs. These facilities may be closed from time to time, to the extent not prohibited by law.

Limitations on Obligations and Liabilities

The deposit agreement limits our obligations and the depositary's obligations to you. Please note the following:

- We and the depositary are obligated only to take the actions specifically stated in the deposit agreement without negligence or bad faith.
- The depositary disclaims any liability for any failure to carry out voting instructions, for any manner in which a vote is cast or for the effect of any vote, provided it acts in good faith and in accordance with the terms of the deposit agreement.
- The depositary disclaims any liability for any failure to determine the lawfulness or practicality of any action, for the content of any document forwarded to you on our behalf or for the accuracy of any translation of such a document, for the investment risks associated with investing in ordinary shares, for the validity or worth of the ordinary shares, for any tax consequences that result from the ownership of ADSs, for the credit-worthiness of any third party, for allowing any rights to lapse under the terms of the deposit agreement, for the timeliness of any of our notices or for our failure to give notice.
- We and the depositary will not be obligated to perform any act that is inconsistent with the terms of the deposit agreement.
- We and the depositary disclaim any liability if we or the depositary are prevented or forbidden from or subject to any civil or criminal penalty or restraint on account of, or delayed in, doing or performing any act or thing required by the terms of the deposit agreement, by reason of any provision, present or future of any law or regulation, or by reason of present or future provision of any provision of our By-laws, or any provision of or governing the securities on deposit, or by reason of any act of God or war or other circumstances beyond our control.
- We and the depositary disclaim any liability by reason of any exercise of, or failure to exercise, any discretion provided for in the deposit agreement or in our By-laws or in any provisions of or governing the securities on deposit.
- We and the depositary further disclaim any liability for any action or inaction in reliance on the advice or information received from legal counsel, accountants, any person presenting ordinary shares for deposit, any holder of ADSs or authorized representatives thereof, or any other person believed by either of us in good faith to be competent to give such advice or information.
- We and the depositary also disclaim liability for the inability by a holder to benefit from any distribution, offering, right or other benefit that is made available to holders of ordinary shares but is not, under the terms of the deposit agreement, made available to you.
- We and the depositary may rely without any liability upon any written notice, request or other document believed to be genuine and to have been signed or presented by the proper parties.

- We and the depositary also disclaim liability for any consequential or punitive damages for any breach of the terms of the deposit agreement.
- No disclaimer of any Securities Act liability is intended by any provision of the deposit agreement.

Pre-Release Transactions

Subject to the terms and conditions of the deposit agreement, the depositary may issue to broker/dealers ADSs before receiving a deposit of ordinary shares or release ordinary shares to broker/dealers before receiving ADSs for cancellation. These transactions are commonly referred to as “pre-release transactions,” and are entered into between the depositary and the applicable broker/dealer. The deposit agreement limits the aggregate size of pre-release transactions (not to exceed 30% of the ordinary shares on deposit in the aggregate) and imposes a number of conditions on such transactions (*e.g.*, the need to receive collateral, the type of collateral required and the representations required from brokers). The depositary may retain the compensation received from the pre-release transactions.

Taxes

You will be responsible for the taxes and other governmental charges payable on the ADSs and the securities represented by the ADSs. We, the depositary and the custodian may deduct from any distribution the taxes and governmental charges payable by holders and may sell any and all property on deposit to pay the taxes and governmental charges payable by holders. You will be liable for any deficiency if the sale proceeds do not cover the taxes that are due.

The depositary may refuse to issue ADSs, to deliver, transfer, split and combine ADRs or to release securities on deposit until all taxes and charges are paid by the applicable holder. The depositary and the custodian may take reasonable administrative actions to obtain tax refunds and reduced tax withholding for any distributions on your behalf. However, you may be required to provide to the depositary and to the custodian proof of taxpayer status and residence and such other information as the depositary and the custodian may require to fulfill legal obligations. You are required to indemnify us, the depositary and the custodian for any claims with respect to taxes based on any tax benefit obtained for you.

Foreign Currency Conversion

The depositary will arrange for the conversion of all foreign currency received into U.S. dollars if such conversion is practical, and it will distribute the U.S. dollars in accordance with the terms of the deposit agreement. You may have to pay fees and expenses incurred in converting foreign currency, such as fees and expenses incurred in complying with currency exchange controls and other governmental requirements.

If the conversion of foreign currency is not practical or lawful, or if any required approvals are denied or not obtainable at a reasonable cost or within a reasonable period, the depositary may take the following actions in its discretion:

- convert the foreign currency to the extent practical and lawful and distribute the U.S. dollars to the holders for whom the conversion and distribution is lawful and practical;
- distribute the foreign currency to holders for whom the distribution is lawful and practical; and
- hold the foreign currency (without liability for interest) for the applicable holders.

Governing Law/Waiver of Jury Trial

The deposit agreement and the ADRs will be interpreted in accordance with the laws of the State of New York. The rights of holders of ordinary shares (including ordinary shares represented by ADSs) is governed by the laws of France.

SHARES AND ADSs ELIGIBLE FOR FUTURE SALE

Prior to this offering, no public market existed in the United States for our ordinary shares or the ADSs. Future sales of ADSs in the public market after this offering, and the availability of ADSs for future sale, could adversely affect the market price of the ADSs prevailing from time to time. As described below, a number of currently outstanding ordinary shares will not be available for sale shortly after this offering due to contractual restrictions on transfers of ordinary shares. However, sales of substantial amounts of the ADSs or future sales of substantial amounts of the ordinary shares, or the perception that these sales could occur, could adversely affect prevailing market prices for the ADSs and could impair our future ability to raise equity capital.

Based on the number of ordinary shares outstanding on February 28, 2015, upon completion of this offering, ordinary shares will be outstanding, assuming no outstanding options or warrants are exercised. All of the ADSs sold in this offering will be freely tradable without restrictions or further registration under the Securities Act, except for any ADSs sold to our "affiliates," as that term is defined under Rule 144 under the Securities Act. The remaining ordinary shares held by existing shareholders are "restricted securities" as that term is defined in Rule 144 under the Securities Act. Restricted securities may be sold in the United States on the Nasdaq Global Market only if registered or if their resale qualifies for exemption from registration described below under Rule 144 or 701 promulgated under the Securities Act. The restricted ordinary shares may also be sold outside of the United States in accordance with Regulation S of the Securities Act.

Additionally, all of the 191,337 employee warrants and 90,000 non-employee warrants outstanding as of February 28, 2015 are exercisable and would allow their owners to purchase respectively 198,729 ordinary shares and 91,549 ordinary shares. All shares granted upon exercise of such employee and non-employee warrants after the date of this prospectus will be restricted securities under Rule 144 and will be subject to French law and shareholders' agreement, as described above. In addition, 70,000 free shares granted under the 2013 Free Share Plan will be acquired on March 19, 2015, subject to the continued service of the beneficiaries. Such free shares remain subject to a two-year holding period, during which the free shares may not be sold, transferred or pledged.

Under the lock-up agreements described below and the provisions of Rules 144 and 701 under the Securities Act and French law, and assuming no exercise of the underwriters' option to purchase additional ADSs, these restricted securities will be available for sale in the U.S. public market as follows:

- approximately shares, including ordinary shares represented by ADSs, will be eligible for immediate sale on the date of this prospectus, provided that shares held by our affiliates will remain subject to volume, manner of sale, and other resale limitations set forth in Rule 144, as described below and subject to French law and shareholders' agreement, as described above; and
- shares, including ordinary shares represented by ADSs, will be eligible for sale upon the expiration of the lock-up agreements 180 days after the date of this prospectus, provided that shares held by our affiliates will remain subject to volume, manner of sale, and other resale limitations set forth in Rule 144, as described below and subject to French law and shareholders' agreement, as described above.

Rule 144

In general, persons who have beneficially owned restricted ordinary shares for at least six months, and any affiliate of the company who owns either restricted or unrestricted ordinary shares, are entitled to sell their securities without registration with the SEC under an exemption from registration provided by Rule 144 under the Securities Act.

In general, a person who has beneficially owned restricted ordinary shares for at least six months would be entitled to sell their securities pursuant to Rule 144 under the Securities Act provided that (1) such person is not deemed to have been one of our affiliates at the time of, or at any time during the 90 days preceding, a sale and (2) we have been subject to the Exchange Act periodic reporting requirements for at least 90 days before the sale.

Persons who have beneficially owned restricted ordinary shares for at least six months, but who are our affiliates at the time of, or at any time during the 90 days preceding a sale, would be subject to additional restrictions, by which such person would be entitled to sell within any three-month period only a number of securities that does not exceed the greater of either of the following:

- 1.0% of the number of ordinary shares then outstanding, which will equal approximately ordinary shares immediately after the completion of this offering based on the number of ordinary shares outstanding as of February 28, 2015; and
- the average weekly trading volume of the ADSs on the Nasdaq Global Market during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale,

provided, in each case, that we have been subject to the Exchange Act periodic reporting requirements for at least 90 days before the sale. Such sales both by affiliates and by non-affiliates must also comply with the manner of sale, current public information and notice provisions of Rule 144.

Rule 701

Rule 701 under the Securities Act, as in effect on the date of this prospectus, permits resales of shares in reliance upon Rule 144 but without compliance with certain restrictions of Rule 144, including the holding period requirement. Most of our employees, executive officers or directors who purchased shares under a written compensatory plan or contract may be entitled to rely on the resale provisions of Rule 701, but all holders of Rule 701 shares are required to wait until 90 days after the date of this prospectus before selling their shares subject also to French law and shareholders' agreement, as described above. However, all Rule 701 shares are subject to lock-up agreements as described below and in the section of this prospectus titled "Underwriting" and will not become eligible for sale until the expiration of the restrictions set forth in those agreements.

Regulation S

Regulation S provides generally that sales made in offshore transactions to non-U.S. persons are not subject to the registration or prospectus-delivery requirements of the Securities Act. Accordingly, restricted securities may be sold in offshore transactions in compliance with Regulation S.

Options and Warrants to Purchase Ordinary Shares

We intend to file one or more registration statements on Form S-8 under the U.S. Securities Act to register all ordinary shares issued or issuable pursuant to the exercise of outstanding employee warrants and non-employee warrants. We expect to file the registration statements, which will become effective immediately upon filing, shortly after the date of this prospectus. Shares covered by these registration statements will then be eligible for sale in the public markets, subject to vesting restrictions and any applicable holding periods, any applicable lock-up agreements described below and Rule 144 limitations applicable to affiliates.

Registration Rights

None of our security holders possess registration rights.

Lock-Up Agreements

We, our directors and executive officers have agreed that, without the prior written consent of Merrill Lynch, Pierce, Fenner & Smith Incorporated and Jefferies LLC, we and they will not, subject to limited exceptions, during the period ending 180 days after the date of this prospectus, directly or indirectly, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of any ordinary shares, ADSs or other shares of our capital stock or any securities convertible into, exercisable or exchangeable for such capital stock.

Merrill Lynch, Pierce, Fenner & Smith Incorporated and Jefferies LLC, on behalf of the underwriters, will have discretion in determining if, and when, to release any shares or ADSs subject to lock-up agreements.

We do not currently expect any release of ordinary shares or ADSs subject to lock-up agreements prior to the expiration of the applicable lock-up periods. Upon the expiration of the applicable lock-up periods, substantially all of the ordinary shares and ADSs subject to such lock-up restrictions will become eligible for sale, subject to the limitations described above.

In case of the lock-up agreements executed by our directors and executive officers and the other shareholders, the foregoing lock-up restrictions do not apply to transfers:

- as a bona fide gift;
- to any trust for the direct or indirect benefit of the party to the lock-up agreement or any immediate family member;
- by will or intestate succession upon the death of the party to the lock-up agreement;
- by operation of law, such as pursuant to a qualified domestic order or in connection with a divorce settlement;
- as a distribution to limited partners or stockholders of the party to the lock-up agreement; or
- to affiliates or to any investment fund or other entity controlled or managed by the party to the lock-up agreement,

provided that in the case of any transfer or distribution pursuant to any of the clauses above, (1) any such transfer shall not involve a disposition for value and each donee, distributee, transferee or trustee shall execute a lock-up agreement and (2) no filing shall be required to be reported with the SEC on Form 4 pursuant to Section 16 of the Exchange Act and no other public filing or report regarding such transfer shall be voluntarily made in connection with such transfer. The lock-up restrictions shall also not apply to sales of ordinary shares or ADSs purchased on the open market or in the public offering, provided that such sales are not required to be publicly reported and no voluntary public filing is made.

In addition, nothing in the lock-up agreements shall prohibit the establishment of a Rule 10b5-1 plan under the Exchange Act, so long as the securities subject to such plan may not be sold and no public disclosure of the establishment of such plan shall be required or voluntarily made during the 180-day restricted period.

French Law

Under French law, and notably under the General Regulation issued by the French Stock Exchange Authority (*Réglement Général de l'AMF*), any person that holds insider information shall, until such information is made public, refrain from (1) carrying out any transactions relating to securities issued by the company, (2) communicating such information outside of the normal course of his/her duties and (3) recommending to another person to carry out transactions in securities of the company. These rules apply to all persons who hold insider information as a result of (1) their quality as board member, executive officer, manager, employee of the company, (2) their holding of securities, and/or (3) their access to information because of their employment, profession or duties or their participation in the preparation of a financial transaction.

Prohibited transactions include all transactions related to securities (stocks, securities convertible, options, warrants, and in particular, (1) transfer of securities, (2) exercise of options, warrants (including employee warrants), exercise of any securities giving access to the capital, (3) transfer of free shares and (4) acquisition of securities.

TAXATION

Material U.S. Federal Income Tax Considerations

The following is a discussion of the material U.S. federal income tax consequences of purchasing, owning and disposing of ADSs acquired pursuant to this offering. This summary does not address any aspect of U.S. federal non-income tax laws, such as U.S. federal estate and gift tax laws, or state, local or non-U.S. tax laws, and does not purport to be a comprehensive description of all of the U.S. tax considerations that may be relevant to a particular person's decision to acquire ADSs.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF ADSs IN YOUR PARTICULAR SITUATION.

The discussion applies to you only if you acquire the ADSs in this offering and you hold the ADSs as capital assets for U.S. federal income tax purposes (generally, for investment). This section does not apply to you if you are a member of a special class of holders subject to special tax rules, including:

- a broker;
- a dealer in securities, commodities or foreign currencies;
- a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings;
- a bank or other financial institution;
- a tax-exempt organization;
- an insurance company;
- a regulated investment company;
- an investor who is a U.S. expatriate, former U.S. citizen or former long term resident of the United States;
- a mutual fund;
- an individual retirement or other tax-deferred account;
- a holder liable for alternative minimum tax;
- a holder that actually or constructively owns 10% or more, by voting power, of our voting stock;
- a partnership or other pass-through entity for U.S. federal income tax purposes;
- a holder that holds ADSs as part of a straddle, hedging, constructive sale, conversion or other integrated transaction for U.S. federal income tax purposes; or
- a U.S. holder (as defined below) whose functional currency is not the U.S. Dollar.

This section is based on the Internal Revenue Code of 1986, as amended, or (the Code), existing and proposed income tax regulations issued under the Code, legislative history, and judicial and administrative interpretations thereof, all as of the date of this offering. All of the foregoing are subject to change at any time, and any change could be retroactive and could affect the accuracy of this discussion. In addition, the application and interpretation of certain aspects of the passive foreign investment company, or PFIC, rules, referred to below, require the issuance of regulations which in many instances have not been promulgated and which may have retroactive effect. There can be no assurance that any of these regulations will be enacted or promulgated, and if so, the form they will take or the effect that they may have on this discussion. This discussion is not binding on the U.S. Internal Revenue Service, or IRS, or the courts. No ruling has been or will be sought from the IRS with respect to the positions and issues discussed herein, and there can be no assurance that the IRS or a court will not take a different position concerning the U.S. federal income tax consequences of an investment in the ADSs or that any such position would not be sustained.

You are a "U.S. holder" if you are a beneficial owner of ADSs that acquired the ADSs pursuant to this offering and you are:

- a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof, or the District of Columbia;
- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust if (1) a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons are authorized to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person for U.S. federal income tax purposes.

In addition, this discussion is limited to U.S. holders who are not resident in France for purposes of the Income Tax Treaty between the United States and France.

If a partnership (including for this purpose any entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of the ADSs, the U.S. tax treatment of a partner in the partnership generally will depend on the status of the partner and the activities of the partnership. A holder of the ADSs that is a partnership and partners in such a partnership should consult their own tax advisors concerning the U.S. federal income tax consequences of purchasing, owning and disposing of ADSs.

A "non-U.S. holder" is a beneficial owner of ADSs that acquired the ADSs pursuant to this offering and that is neither a U.S. holder nor a partnership for U.S. federal income tax purposes.

Generally, holders of ADSs should be treated for U.S. federal income tax purposes as holding the ordinary shares represented by the ADSs. Accordingly, no gain or loss will be recognized upon an exchange of ordinary shares for ADSs or an exchange of ADSs for ordinary shares. The U.S. Treasury has expressed concerns that intermediaries in the chain of ownership between the holder of an ADS and the issuer of the security underlying the ADS may be taking actions that are inconsistent with the claiming of foreign tax credits for U.S. holders of ADSs. Accordingly, the credibility of foreign taxes, if any, as described below, could be affected by actions taken by intermediaries in the chain of ownership between the holder of an ADS and the company.

PFIC Considerations

The Code provides special rules regarding certain distributions received by U.S. persons with respect to, and sales, exchanges and other dispositions, including pledges, of, shares of stock (including ordinary shares represented by ADSs) in a PFIC. A non-U.S. corporation will be treated as a PFIC for any taxable year in which either: (1) at least 75 percent of its gross income is "passive income" or (2) at least 50 percent of its gross assets during the taxable year (based on the average of the fair market values of the assets determined at the end of each quarterly period) are "passive assets," which generally means that they produce passive income or are held for the production of passive income. Passive income for this purpose generally includes, among other things, dividends, interest, rents, royalties, gains from commodities and securities transactions, and gains from assets that produce passive income. In determining whether a foreign corporation is a PFIC, a pro rata portion of the income and assets of each corporation in which it owns, directly or indirectly, at least a 25% interest (by value) is taken into account.

Although not free from doubt, we expect to be treated as a PFIC for U.S. federal income tax purposes for the current taxable year and potentially future taxable years, but our PFIC status must be determined annually and therefore may be subject to change. Because this determination is made annually at the end of each taxable year and is dependent upon a number of factors, some of which are beyond our control, including the amount and nature of our income, as well as on the market valuation of our assets and our spending schedule for our cash

balances and the proceeds of this offering, and because certain aspects of the PFIC rules are not entirely certain, there can be no assurance that we are or are not a PFIC or that the IRS will agree with our conclusion regarding our PFIC status. If we are not a PFIC during any taxable year in which you hold ADSs, then the remainder of the discussion under "Taxation—Material U.S. Federal Income Tax Considerations," outside of this "PFIC Considerations" portion may be relevant to you.

A U.S. holder that holds ADSs during any taxable year in which we qualify as a PFIC is subject to special tax rules with respect to (a) any gain realized on the sale, exchange or other disposition of the ADSs and (b) any "excess distribution" by the corporation to the holder, unless the holder elects to treat the PFIC as a "qualified electing fund," or QEF, or makes a "mark-to-market" election, each as discussed below. An "excess distribution" is that portion of a distribution with respect to ADSs that exceeds 125% of the annual average of such distributions over the preceding three-year period or, if shorter, the U.S. holder's holding period for its ADSs. Excess distributions and gains on the sale, exchange or other disposition of ADSs of a corporation which was a PFIC at any time during the U.S. holder's holding period are allocated ratably to each day of the U.S. holder's holding period. Amounts allocated to the taxable year in which the disposition occurs and amounts allocated to any period in the shareholder's holding period before the first day of the first taxable year that the corporation was a PFIC will be taxed as ordinary income (rather than capital gain) earned in the taxable year of the disposition. Amounts allocated to each of the other taxable years in the U.S. holder's holding period are not included in gross income for the year of the disposition, but are subject to the highest ordinary income tax rates in effect for individuals or corporations, as applicable, for each such year and the interest charge generally applicable to income tax deficiencies will be imposed on the resulting tax attributable to each year. The tax liability for amounts allocated to years before the year of disposition or "excess distribution" cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale of the ADSs cannot be treated as capital, even if a U.S. holder held such ADSs as capital assets.

If we are a PFIC for any taxable year during which a U.S. holder holds ADSs, then we generally will continue to be treated as a PFIC with respect to the holder for all succeeding years during which such holder holds ADSs, even if we no longer satisfy either the passive income or passive asset tests described above, unless the U.S. holder terminates this deemed PFIC status by making a "deemed sale" election. If such election is made, a U.S. holder will be deemed to have sold the ADSs at their fair market value on the last day of the last taxable year for which we were a PFIC, and any gain from such deemed sale would be subject to the excess distribution rules as described above. After the deemed sale election, the ADSs with respect to which the deemed sale election was made will not be treated as shares in a PFIC unless we subsequently become a PFIC.

The excess distribution rules may be avoided if a U.S. holder makes a QEF election effective beginning with the first taxable year in the holder's holding period in which we are treated as a PFIC with respect to such holder. A U.S. holder that makes a QEF election with respect to a PFIC is required to include in income its pro rata share of the PFIC's ordinary earnings and net capital gain as ordinary income and capital gain, respectively, subject to a separate election to defer payment of taxes, which deferral is subject to an interest charge.

In general, a U.S. holder makes a QEF election by attaching a completed IRS Form 8621 to a timely filed (taking into account any extensions) U.S. federal income tax return for the year beginning with which the QEF election is to be effective. In certain circumstances, a U.S. holder may be able to make a retroactive QEF election. A QEF election can be revoked only with the consent of the IRS. In order for a U.S. holder to make a valid QEF election, the corporation must annually provide or make available to the holder certain information. At this time, we have not determined whether we will provide to U.S. holders the information required to make a valid QEF election and we currently make no undertaking to provide such information.

As an alternative to making a QEF election, a U.S. holder may make a "mark-to-market" election with respect to its ADSs if the ADSs meet certain minimum trading requirements, as described below. If a U.S. holder makes a valid mark-to-market election for the first tax year in which such holder holds (or is deemed to hold) ADSs in a corporation and for which such corporation is determined to be a PFIC, such holder generally will not

be subject to the PFIC rules described above in respect of its ADSs. Instead, a U.S. holder that makes a mark-to-market election will be required to include in income each year an amount equal to the excess, if any, of the fair market value of the ADSs that the holder owns as of the close of the taxable year over the holder's adjusted tax basis in the ADSs. The U.S. holder will be entitled to a deduction for the excess, if any, of the holder's adjusted tax basis in the ADSs over the fair market value of the ADSs as of the close of the taxable year; provided, however, that the deduction will be limited to the extent of any net mark-to-market gains with respect to the ADSs included by the U.S. holder under the election for prior taxable years. The U.S. holder's basis in the ADSs will be adjusted to reflect the amounts included or deducted pursuant to the election. Amounts included in income pursuant to a mark-to-market election, as well as gain on the sale, exchange or other disposition of the ADSs, will be treated as ordinary income. The deductible portion of any mark-to-market loss, as well as loss on a sale, exchange or other disposition of ADSs to the extent that the amount of such loss does not exceed net mark-to-market gains previously included in income, will be treated as ordinary loss. If a U.S. holder makes a valid mark-to-market election, any distributions made by us would generally be subject to the rules discussed below under "—Taxation of Dividends," except the lower rate applicable to qualified dividend income would not apply. If we cease to be a PFIC when a U.S. holder has a mark-to-market election in effect, gain or loss realized by a U.S. holder on the sale of our ADSs will be a capital gain or loss and taxed in the manner described below under "—Taxation of Sale, Exchange or other Disposition of ADSs."

The mark-to-market election applies to the taxable year for which the election is made and all subsequent taxable years, unless the ADSs cease to meet applicable trading requirements (described below) or the IRS consents to its revocation. The excess distribution rules generally do not apply to a U.S. holder for tax years for which a mark-to-market election is in effect. If we are a PFIC for any year in which the U.S. holder owns ADSs but before a mark-to-market election is made, the interest charge rules described above will apply to any mark-to-market gain recognized in the year the election is made.

A mark-to-mark election is available only if the ADSs are considered "marketable" for these purposes. ADSs will be marketable if they are regularly traded on a national securities exchange that is registered with the SEC (such as the Nasdaq Global Market) or on a non-U.S. exchange or market that the IRS determines has rules sufficient to ensure that the market price represents a legitimate and sound fair market value. For these purposes, ADSs will be considered regularly traded during any calendar year during which more than a de minimis quantity of the ADSs is traded on at least 15 days during each calendar quarter. Any trades that have as their principal purpose meeting this requirement will be disregarded. Each U.S. holder should ask its own tax advisor whether a mark-to-market election is available or desirable.

If we are a PFIC for any year in which a U.S. holder holds ADSs, such U.S. holder must generally file an IRS Form 8621 annually. A U.S. holder must also provide such other information as may be required by the U.S. Treasury Department if the U.S. holder (1) receives certain direct or indirect distributions from a PFIC, (2) recognizes gain on a direct or indirect disposition of ADSs, or (3) makes certain elections (including a QEF election or a mark-to-market election) reportable on IRS Form 8621.

Under attribution rules, if we are a PFIC, U.S. holders of our ADSs will be deemed to own their proportionate shares of any of our subsidiaries that are PFICs. It is possible that one or more of our subsidiaries is or will become a PFIC. Such determination is made annually at the end of each taxable year and is dependent upon a number of factors, some of which are beyond our control, including the amount and nature of a subsidiary's income, as well as the market valuation and nature of a subsidiary's assets. In such case, assuming a U.S. holder does not receive from such subsidiary the information that the U.S. holder needs to make a QEF election with respect to such a subsidiary, a U.S. holder generally will be deemed to own a portion of the shares of such lower-tier PFIC and may incur liability for a deferred tax and interest charge if we receive a distribution from, or dispose of all or part of our interest in, or the U.S. holder otherwise is deemed to have disposed of an interest in, the lower-tier PFIC, even though the U.S. holder has not received the proceeds of those distributions or dispositions directly. There is no assurance that we will have timely knowledge of the status of any such lower-tier PFIC, or that we will cause the lower-tier PFIC to provide the required information for a U.S. holder to

make or maintain a QEF election with respect to the lower-tier PFIC. In addition, a mark-to-market election generally would not be available with respect to such a lower-tier PFIC and, consequently, if you make a mark-to-market election with respect to our ADSs, you could be subject to the PFIC rules with respect to income of lower-tier PFICs the value of which already had been taken into account indirectly via mark-to-market adjustments. U.S. holders are advised to consult with their tax advisors regarding the tax issues raised by lower-tier PFICs.

U.S. holders are urged to consult their tax advisors as to our status as a PFIC, and, if we are treated as a PFIC, as to the effect on them of, and the reporting requirements with respect to, the PFIC rules and the desirability of making, and the availability of, either a QEF election or a mark-to-market election with respect to our ADSs.

Taxation of Dividends

U.S. Holders. Subject to the PFIC rules described above under "—PFIC Considerations," if you are a U.S. holder, you must include in your gross income the gross amount of any distributions of cash or property (other than certain *pro rata* distributions of ADSs) with respect to ADSs, to the extent the distribution is paid out of our current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. A U.S. holder must include the dividend as ordinary income at the time of actual or constructive receipt. Distributions in excess of current and accumulated earnings and profits, as determined for U.S. federal income tax purposes, will be treated as a non-taxable return of capital to the extent of your basis in the ADSs and thereafter as capital gain from the sale or exchange of such ADSs. Notwithstanding the foregoing, we do not intend to maintain calculations of our earnings and profits as determined for U.S. federal income tax purposes. Consequently, distributions generally will be reported as dividend income for U.S. information reporting purposes. The dividend will not be eligible for the dividends-received deduction generally allowed to U.S. corporations in respect of dividends received from other U.S. corporations.

Subject to the PFIC rules described above under "—PFIC Considerations," dividends paid by a non-U.S. corporation generally will be taxed at the preferential tax rates applicable to long-term capital gain of non-corporate taxpayers if (a) such non-U.S. corporation is eligible for the benefits of certain U.S. treaties or the dividend is paid by such non-U.S. corporation with respect to stock that is readily tradable on an established securities market in the United States, (b) the U.S. holder receiving such dividend is an individual, estate, or trust, (c) such dividend is paid on shares that have been held by such U.S. holder for at least 61 days during the 121-day period beginning 60 days before the "ex-dividend date," and (d) we are not a PFIC in the year of the dividend or the immediately preceding year. If the requirements of the immediately preceding paragraph are not satisfied, a dividend paid by a non-U.S. corporation to a U.S. holder, including a U.S. holder that is an individual, estate, or trust, generally will be taxed at ordinary income tax rates (and not at the preferential tax rates applicable to long-term capital gains). As discussed above "PFIC Considerations," although not free from doubt, we expect to be a PFIC for the current taxable year and potentially future taxable years. The dividend rules are complex, and each U.S. holder should consult its own tax advisor regarding the dividend rules.

Dividends received generally will be income from non-U.S. sources, which may be relevant in calculating your U.S. foreign tax credit limitation. Such non-U.S. source income generally will be "passive category income," or in certain cases "general category income", which is treated separately from other types of income for purposes of computing the foreign tax credit allowable to you. The rules with respect to the foreign tax credit are complex and involve the application of rules that depend upon a U.S. holder's particular circumstances. You should consult your own tax advisor to determine the foreign tax credit implications of owning the ADSs.

Non-U.S. Holders. Dividends paid to non-U.S. holders generally will not be subject to U.S. income tax unless the dividends are "effectively connected" with your conduct of a trade or business within the United States, and the dividends are attributable to a permanent establishment (or in the case of an individual, a fixed place of business) that you maintain in the United States if that is required by an applicable income tax treaty as a

condition for subjecting you to U.S. taxation on a net income basis. In such cases you generally will be taxed in the same manner as a U.S. holder (other than with respect to the Medicare Tax described below). If you are a corporate non-U.S. holder, “effectively connected” dividends may, under certain circumstances, be subject to an additional “branch profits tax” at a 30% rate or a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate.

Taxation of Sale, Exchange or other Disposition of ADSs

U.S. Holders. Subject to the PFIC rules described above under “—PFIC Considerations,” if you are a U.S. holder and you sell, exchange or otherwise dispose of your ADSs, you generally will recognize capital gain or loss for U.S. federal income tax purposes equal to the difference between the value of the amount realized and your tax basis in your ADSs. Gain or loss recognized on such a sale, exchange or other disposition of ADSs generally will be long-term capital gain if the U.S. holder has held the ADSs for more than one year. Long-term capital gains of U.S. holders who are individuals (as well as certain trusts and estates) are generally taxed at preferential rates. The gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes, unless it is attributable to an office or other fixed place of business outside the United States and certain other conditions are met. Your ability to deduct capital losses is subject to limitations. As discussed above under “—PFIC Considerations,” although not free from doubt, we expect to be a PFIC for the current taxable year and potentially future taxable years.

Non-U.S. Holders. If you are a non-U.S. holder, you will not be subject to U.S. federal income tax on gain recognized on the sale, exchange or other disposition of your ADSs unless:

- the gain is “effectively connected” with your conduct of a trade or business in the United States, and the gain is attributable to a permanent establishment (or in the case of an individual, a fixed place of business) that you maintain in the United States if that is required by an applicable income tax treaty as a condition for subjecting you to U.S. taxation on a net income basis; or
- you are an individual, you are present in the United States for 183 or more days in the taxable year of such sale, exchange or other disposition and certain other conditions are met.

In the first case, the non-U.S. holder will be taxed in the same manner as a U.S. holder (other than with respect to the Medicare Tax described below). In the second case, the non-U.S. holder will be subject to U.S. federal income tax at a rate of 30% on the amount by which such non-U.S. holder’s U.S.—source capital gains exceed such non-U.S.—source capital losses.

If you are a corporate non-U.S. holder, “effectively connected” gains that you recognize may also, under certain circumstances, be subject to an additional “branch profits tax” at a 30% rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate.

Medicare Tax

Certain U.S. holders who are individuals, estates or trusts are required to pay a 3.8% Medicare surtax on all or part of that holder’s “net investment income”, which includes, among other items, dividends on, and capital gains from the sale or other taxable disposition of, the ADSs, subject to certain limitations and exceptions. Prospective investors should consult their own tax advisors regarding the effect, if any, of this surtax on their ownership and disposition of the ADSs.

Information with Respect to Foreign Financial Assets

In addition, a U.S. holder that is an individual (and, under proposed regulations, an entity that meets certain requirements), may be subject to certain reporting obligations with respect to ADSs if the aggregate value of these and certain other “specified foreign financial assets” exceeds $50,000. If required, this disclosure is made

by filing IRS Form 8938 with the IRS. Significant penalties can apply if U.S. holders are required to make this disclosure and fail to do so. In addition, a U.S. holder should consider the possible obligation to file a Form TD F 90-22.1—Foreign Bank and Financial Accounts Report as a result of holding ADSs. U.S. holders are thus encouraged to consult their U.S. tax advisors with respect to these and other reporting requirements that may apply to their acquisition of ADSs.

Backup Withholding and Information Reporting

In general, information reporting requirements will apply to distributions made on our ADSs within the United States to a non-corporate U.S. holder and to the proceeds from the sale, exchange, redemption or other disposition of ADSs by a non-corporate U.S. holder to or through a U.S. office of a broker. Payments made (and sales or other dispositions effected at an office) outside the U.S. will be subject to information reporting in limited circumstances.

In addition, backup withholding of U.S. federal income tax may apply to such amounts if the U.S. holder fails to provide an accurate taxpayer identification number (or otherwise establishes, in the manner provided by law, an exemption from backup withholding) or to report dividends required to be shown on the U.S. holder's U.S. federal income tax returns.

Backup withholding is not an additional income tax, and the amount of any backup withholding from a payment to a U.S. holder will be allowed as credit against the U.S. holder's U.S. federal income tax liability provided that the appropriate returns are filed.

A non-U.S. holder generally may eliminate the requirement for information reporting and backup withholding by providing certification of its foreign status to the payor, under penalties of perjury, on IRS Form W-8BEN or W-8BEN-E, as applicable. You should consult your own tax advisor as to the qualifications for exemption from backup withholding and the procedures for obtaining the exemption.

The foregoing does not purport to be a complete analysis of the potential tax considerations relating to the offering. Prospective investors should consult their own tax advisors as to the particular tax considerations applicable to them relating to the purchase, ownership and disposition of the ADSs, including the applicability of the U.S. federal, state and local tax laws or non-tax laws, foreign tax laws, and any changes in applicable tax laws and any pending or proposed legislation or regulations.

Material French Income Tax Considerations

The following describes the material French income tax consequences to U.S. Holders (as defined below) of purchasing, owning and disposing of the ADSs and, unless otherwise noted, this discussion is the opinion of Jones Day, our French tax counsel, insofar as it relates to matters of French tax law and legal conclusions with respect to those matters.

This discussion does not purport to be a complete analysis or listing of all potential tax effects of the acquisition, ownership or disposition of our securities to any particular investor, and does not discuss tax considerations that arise from rules of general application or that are generally assumed to be known by investors. All of the following is subject to change. Such changes could apply retroactively and could affect the consequences described below.

In 2011, France introduced a comprehensive set of new tax rules applicable to French assets that are held by or in foreign trusts. These rules, among other things, provide for the inclusion of trust assets in the settlor's net assets for purpose of applying the French wealth tax, for the application of French gift and death duties to French assets held in trust, for a specific tax on capital on the French assets of foreign trusts not already subject to the French wealth tax and for a number of French tax reporting and disclosure obligations. The following discussion

does not address the French tax consequences applicable to securities (including ADSs) held in trusts. If securities are held in trust, the grantor, trustee and beneficiary are urged to consult their own tax adviser regarding the specific tax consequences of acquiring, owning and disposing of securities.

The description of the French income tax and wealth tax consequences set forth below is based on the Convention Between the Government of the United States of America and the Government of the French Republic for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital of August 31, 1994 which came into force on December 30, 1995 (as amended by any subsequent protocols, including the protocol of January 13, 2009), and the tax guidelines issued by the French tax authorities in force as of the date of this prospectus, or the Treaty.

For the purposes of this discussion, the term “U.S. Holder” means a beneficial owner of securities that is (1) an individual who is a U.S. citizen or resident for U.S. federal income tax purposes, (2) a U.S. domestic corporation or certain other entities created or organized in or under the laws of the United States or any state thereof, including the District of Colombia, or (3) otherwise subject to U.S. federal income taxation on a net income basis in respect of securities.

If a partnership holds securities, the tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. If a U.S. Holder is a partner in a partnership that holds securities, such holder is urged to consult its own tax adviser regarding the specific tax consequences of acquiring, owning and disposing of securities.

This discussion applies only to investors that hold our securities as capital assets that have the U.S. dollar as their functional currency, that are entitled to Treaty benefits under the ‘‘Limitation on Benefits’’ provision contained in the Treaty, and whose ownership of the securities is not effectively connected to a permanent establishment or a fixed base in France. Certain U.S. Holders (including, but not limited to, U.S. expatriates, partnerships or other entities classified as partnerships for U.S. federal income tax purposes, banks, insurance companies, regulated investment companies, tax-exempt organizations, financial institutions, persons subject to the alternative minimum tax, persons who acquired the securities pursuant to the exercise of employee share options or otherwise as compensation, persons that own (directly, indirectly or by attribution) 5% or more of our voting stock or 5% or more of our outstanding share capital, dealers in securities or currencies, persons that elect to mark their securities to market for U.S. federal income tax purposes and persons holding securities as a position in a synthetic security, straddle or conversion transaction) may be subject to special rules not discussed below.

U.S. Holders are urged to consult their own tax advisers regarding the tax consequences of the purchase, ownership and disposition of securities in light of their particular circumstances, especially with regard to the ‘‘Limitations on Benefits’’ provision.

Estate and Gift Taxes and Transfer Taxes

In general, a transfer of securities by gift or by reason of death of a U.S. Holder that would otherwise be subject to French gift or inheritance tax, respectively, will not be subject to such French tax by reason of the Convention between the Government of the United States of America and the Government of the French Republic for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Estates, Inheritances and Gifts, dated November 24, 1978, unless the donor or the transferor is domiciled in France at the time of making the gift or at the time of his or her death, or the securities were used in, or held for use in, the conduct of a business through a permanent establishment or a fixed base in France.

Financial Transactions Tax

Pursuant to Article 235 ter ZD of the French Tax Code (*Code général des impôts*), or the FTC, purchases of certain securities issued by a French company, including ordinary shares and ADSs, which are listed on a

regulated market of the EU or an exchange market formally acknowledged by the AMF (in each case within the meaning of the French Monetary and Financial Code, or the FMFC) are subject in France to a 0.2% tax on financial transactions, or the TFT, provided inter alia that the issuer's market capitalization exceeds 1 billion euros as of December 1 of the year preceding the taxation year.

A list of relevant French companies whose market capitalization exceeds €1.0 billion as of December 1 of the year preceding the taxation year used to be published annually by the French State. The last version of such list was dated December 27, 2013. It did not include Cellectis as our market capitalization did not exceed €1.0 billion. The list published by the French tax authorities in their official guidelines on December 26, 2014 did not include Cellectis either, as our market capitalization did not exceed €1.0 billion. Please note that such list may be updated from time to time, or may not be published anymore in the future.

As a result, neither the ADSs nor the ordinary shares are currently within the scope of the TFT.

Following this offering, purchases of Cellectis's securities may thus be subject to the TFT if Cellectis's market capitalization exceeds €1.0 billion.

Registration Duties

In the case where the TFT is not applicable, (1) transfers of shares issued by a French company which are listed on a regulated or organized market within the meaning of the FMFC are subject to uncapped registration duties at the rate of 0.1% if the transfer is evidenced by a written statement (*acte*) executed either in France or outside France, whereas (2) transfers of shares issued by a French company which are not listed on a regulated or organized market within the meaning of the FMFC are subject to uncapped registration duties at the rate of 0.1% notwithstanding the existence of a written statement (*acte*).

As ordinary shares of Cellectis are listed on Alternext, which is an organized market within the meaning of the FMFC, their transfer should be subject to uncapped registration duties at the rate of 0.1% subject to the existence of a written agreement (*acte*). Although the official guidelines published by the French tax authorities are silent on this point, ADSs should remain outside of the scope of the aforementioned 0.1% registration duties.

Wealth Tax

The French wealth tax (*impôt de solidarité sur la fortune*) applies only to individuals and does not generally apply to securities held by a U.S. resident, as defined pursuant to the provisions of the Treaty, provided that such U.S. Holder does not own directly or indirectly more than 25% of the issuer's financial rights.

Taxation of Dividends

Dividends paid by a French corporation to non-residents of France are generally subject to French withholding tax at a rate of 30%. Dividends paid by a French corporation in a non- cooperative State or territory, as defined in Article 238-0 A of the FTC, will generally be subject to French withholding tax at a rate of 75%. However, eligible U.S. Holders entitled to Treaty benefits under the ''Limitation on Benefits'' provision contained in the Treaty who are U.S. residents, as defined pursuant to the provisions of the Treaty, will not be subject to this 30% or 75% withholding tax rate, but may be subject to the withholding tax at a reduced rate (as described below).

Under the Treaty, the rate of French withholding tax on dividends paid to an eligible U.S. Holder who is a U.S. resident as defined pursuant to the provisions of the Treaty and whose ownership of the ADSs is not effectively connected with a permanent establishment or fixed base that such U.S. Holder has in France, is generally reduced to 15%, or to 5% if such U.S. Holder is a corporation and owns directly or indirectly at least 10% of the share capital of the issuer; such U.S. Holder may claim a refund from the French tax authorities of the amount withheld in excess of the Treaty rates of 15% or 5%, if any.

For U.S. Holders that are not individuals but are U.S. residents, as defined pursuant to the provisions of the Treaty, the requirements for eligibility for Treaty benefits, including the reduced 5% or 15% withholding tax rates contained in the "Limitation on Benefits" provision of the Treaty, are complicated, and certain technical changes were made to these requirements by the protocol of January 13, 2009. U.S. Holders are advised to consult their own tax advisers regarding their eligibility for Treaty benefits in light of their own particular circumstances.

Dividends paid to an eligible U.S. Holder may immediately be subject to the reduced rates of 5% or 15% provided that such holder establishes before the date of payment that it is a U.S. resident under the Treaty by completing and providing the depositary with a treaty form (Form 5000). Dividends paid to a U.S. Holder that has not filed the Form 5000 before the dividend payment date will be subject to French withholding tax at the rate of 30%, or 75% if paid in a non-cooperative State or territory (as defined in Article 238-0 A of the FTC), and then reduced at a later date to 5% or 15%, provided that such holder duly completes and provides the French tax authorities with the treaty forms Form 5000 and Form 5001 before December 31 of the second calendar year following the year during which the dividend is paid.

Certain qualifying pension funds and certain other tax-exempt entities are subject to the same general filing requirements as other U.S. Holders except that they may have to supply additional documentation evidencing their entitlement to these benefits.

Form 5000 and Form 5001, together with appropriate instructions, will be provided by the depositary to all U.S. Holders registered with the depositary. The depositary will arrange for the filing with the French tax authorities of all such forms properly completed and executed by U.S. Holders of ADSs and returned to the depositary in sufficient time so that they may be filed with the French tax authorities before the distribution in order to obtain immediately a reduced withholding tax rate.

Tax on Sale or Other Disposition

In general, under the Treaty, a U.S. Holder who is a U.S. resident for purposes of the Treaty will not be subject to French tax on any capital gain from the redemption (other than redemption proceeds characterized as dividends under French domestic tax law or administrative guidelines), sale or exchange of ADSs unless the ADSs form part of the business property of a permanent establishment or fixed base that the U.S. Holder has in France.

Special rules apply to U.S. Holders who are residents of more than one country.

ENFORCEMENT OF CIVIL LIABILITIES

We are a *société anonyme*, or S.A., organized under the laws of France. The majority of our directors and officers are citizens and residents of countries other than the United States, and the majority of our assets are located outside of the United States. Accordingly, U.S. investors may find it difficult and may be unable:

- to effect service of process upon or obtain jurisdiction over our company or our officers and directors in U.S. courts in actions predicated on the civil liability provisions of the U.S. federal securities laws;
- to enforce, either inside or outside the United States, judgments obtained in U.S. or non-U.S. courts in actions predicated upon the civil liability provisions of the U.S. federal securities laws against us or our officers and directors;
- to bring an original action in a French court to enforce liabilities based upon the U.S. federal securities laws against us or our officers or directors; and/or
- to enforce against us or our directors in non-U.S. courts, including French courts, judgments of U.S. courts predicated upon the civil liability provisions of the U.S. federal securities laws.

We have been informed by Jones Day, our counsel, that there is doubt as to enforceability in France, either in original actions or in actions for enforcement of judgments of U.S. courts, of civil liabilities predicated in the U.S. federal securities laws.

In addition, actions in the United States under the U.S. federal securities laws could be affected under certain circumstances by the French law No. 68-678 of July 26, 1968 as amended by French Law No. 80-538 of July 16, 1980, which may preclude or restrict the obtaining of evidence in France or from French persons in connection with those actions. Each of the foregoing statements also applies to our auditors.

UNDERWRITING

Merrill Lynch, Pierce Fenner & Smith Incorporated and Jefferies LLC are acting as representatives of each of the underwriters named below. Subject to the terms and conditions set forth in an underwriting agreement among us and the underwriters, we have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from us, the number of ADSs forth opposite its name below.

Underwriter	Number of ADSs
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Jefferies LLC	
Piper Jaffray & Co.	
Oppenheimer & Co. Inc.	
Trout Capital LLC	
Total	

Subject to the terms and conditions set forth in the underwriting agreement, the underwriters have agreed, severally and not jointly, to purchase all of the ADSs sold under the underwriting agreement if any of these ADSs are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the underwriting agreement may be terminated.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the ADSs, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the ADSs, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

The address of Merrill Lynch, Pierce, Fenner & Smith Incorporated is One Bryant Park, New York, New York 10036 and the address of Jefferies LLC is 520 Madison Avenue, New York, New York 10022.

Commissions and Discounts

The representatives have advised us that the underwriters propose initially to offer the ADSs to the public at the public offering price set forth on the cover page of this prospectus and to dealers at that price less a concession not in excess of $ per ADS. After the initial offering, the public offering price, concession or any other term of the offering may be changed.

The following table shows the public offering price, underwriting discount and proceeds before expenses to us. The information assumes either no exercise or full exercise by the underwriters of their option to purchase additional ADSs.

	Per ADS	Without Option	With Option
Public offering price	$	$	$
Underwriting discount	$	$	$
Proceeds, before expenses, to us	$	$	$

The expenses of the offering, not including the underwriting discount, are estimated at $ and are payable by us. Total underwriting discounts and commissions to be paid to the underwriters represent % of the total cost of the offering. We have also agreed to reimburse the underwriters for certain of their expenses in an amount up to $.

Option to Purchase Additional ADSs

We have granted an option to the underwriters, exercisable for 30 days after the date of this prospectus, to purchase up to additional ADSs at the public offering price, less the underwriting discount. If the underwriters exercise this option, each will be obligated, subject to conditions contained in the underwriting agreement, to purchase a number of additional ADSs proportionate to that underwriter's initial amount reflected in the above table.

No Sales of Similar Securities

We and our executive officers and directors have agreed not to sell or transfer any ordinary shares, ADSs or securities convertible into, exchangeable for, exercisable for, or repayable with ordinary shares or ADSs, for 180 days after the date of this prospectus without first obtaining the written consent of Merrill Lynch, Pierce, Fenner & Smith Incorporated and Jefferies LLC. Specifically, we and these other persons have agreed, with certain limited exceptions, not to directly or indirectly:

- offer, pledge, sell or contract to sell any ordinary shares or ADSs;
- sell any option or contract to purchase any ordinary shares or ADSs;
- purchase any option or contract to sell any ordinary shares or ADSs;
- grant any option, right or warrant for the sale of any ordinary shares or ADSs;
- lend or otherwise dispose of or transfer any ordinary shares or ADSs;
- request or demand that we file a registration statement related to the ordinary shares or ADSs; or
- enter into any swap or other agreement that transfers, in whole or in part, the economic consequence of ownership of any ordinary shares or ADSs whether any such swap or transaction is to be settled by delivery of ADSs or other securities, in cash or otherwise.

This lock-up provision applies to ordinary shares, ADSs and to securities convertible into or exchangeable or exercisable for or repayable with ordinary shares or ADSs. It also applies to ordinary shares or ADSs owned now or acquired later by the person executing the agreement or for which the person executing the agreement later acquires the power of disposition.

In case of the lock-up agreements executed by our directors and executive officers and the other shareholders, the foregoing lock-up restrictions do not apply to transfers:

- as a *bona fide* gift;
- to any trust for the direct or indirect benefit of the party to the lock-up agreement or any immediate family member;
- by will or intestate succession upon the death of the party to the lock-up agreement;
- by operation of law, such as pursuant to a qualified domestic order or in connection with a divorce settlement;
- as a distribution to limited partners or stockholders of the party to the lock-up agreement; or
- to affiliates or to any investment fund or other entity controlled or managed by the party to the lock-up agreement;

provided that in the case of any transfer or distribution pursuant to any of the clauses above, (1) any such transfer shall not involve a disposition for value and each donee, distributee, transferee or trustee shall execute a lock-up agreement and (2) no filing shall be required to be reported with the SEC on Form 4 pursuant to Section 16 of the Exchange Act and no other public filing or report regarding such transfer shall be voluntarily made in connection with such transfer. The lock-up restrictions shall also not apply to sales of ordinary shares or ADSs purchased on the open market or in the public offering, *provided* that such sales are not required to be publicly reported and no voluntary public filing is made.

In addition, nothing in the lock-up agreements shall prohibit the establishment of a Rule 10b5-1 plan under the Exchange Act, so long as the securities subject to such plan may not be sold and no public disclosure of the establishment of such plan shall be required or voluntarily made during the 180-day restricted period.

Nasdaq Global Market Listing

We expect the ADSs to be approved for listing on the Nasdaq Global Market, subject to notice of issuance, under the symbol “CLLS.”

Before this offering, there has been no public market for our ADSs or for our ordinary shares in the United States. Our ordinary shares are listed on the Alternext market of Euronext in Paris under the symbol “ALCLS.” The initial public offering price of the ADSs will be determined through negotiations between us and the representatives. In addition to prevailing market conditions, the factors to be considered in determining the initial public offering price are:

- the price of our ordinary shares in connection with our existing listing on the Alternext market;
- the valuation multiples of publicly traded companies that the representatives believe to be comparable to us;
- our financial information;
- the history of, and the prospects for, our company and the industry in which we compete;
- an assessment of our management, its past and present operations, and the prospects for, and timing of, our future revenues;
- the present state of our development; and
- the above factors in relation to market values and various valuation measures of other companies engaged in activities similar to ours.

An active trading market for the ADSs may not develop. It is also possible that after the offering the ADSs will not trade in the public market at or above the initial public offering price.

The underwriters do not expect to sell more than 5% of the ADSs in the aggregate to accounts over which they exercise discretionary authority.

Price Stabilization, Short Positions and Penalty Bids

Until the distribution of the ADSs is completed, SEC rules may limit underwriters and selling group members from bidding for and purchasing our ADSs. However, the representatives may engage in transactions that stabilize the price of the ADSs, such as bids or purchases to peg, fix or maintain that price.

In connection with the offering, the underwriters may purchase and sell our ADSs in the open market. These transactions may include short sales, purchases on the open market to cover positions created by short sales and stabilizing transactions. Short sales involve the sale by the underwriters of a greater number of ADSs than they are required to purchase in the offering. “Covered” short sales are sales made in an amount not greater than the underwriters’ option to purchase additional ADSs described above. The underwriters may close out any covered

short position by either exercising their option to purchase additional ADSs or purchasing ADSs in the open market. In determining the source of ADSs to close out the covered short position, the underwriters will consider, among other things, the price of ADSs available for purchase in the open market as compared to the price at which they may purchase ADSs through the option granted to them. "Naked" short sales are sales in excess of such option. The underwriters must close out any naked short position by purchasing ADSs in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of our ADSs in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of ADSs made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased ADSs sold by or for the account of such underwriter in stabilizing or short covering transactions.

Similar to other purchase transactions, the underwriters' purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our ADSs or preventing or retarding a decline in the market price of our ADSs. As a result, the price of our ADSs may be higher than the price that might otherwise exist in the open market. The underwriters may conduct these transactions on the Nasdaq Global Market, in the over-the-counter market or otherwise.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our ADSs. In addition, neither we nor any of the underwriters make any representation that the representatives will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Electronic Distribution

In connection with the offering, certain of the underwriters or securities dealers may distribute prospectuses by electronic means, such as e-mail.

Other Relationships

Some of the underwriters and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions. An affiliate of Trout Capital, for example, has provided us with investor relations services, for which they have received customary compensation. In addition, Trout Capital LLC received 50,000 non-employee warrants for its services in connection with a private placement to institutional investors in March 2014. See the section in this prospectus titled "Description of Share Capital—Other Outstanding Securities—Trout Warrant Agreement."

In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Notice to Prospective Investors in the European Economic Area

In relation to each Member State of the European Economic Area, or each, a Relevant Member State, no offer of ADSs may be made to the public in that Relevant Member State other than:

A. to any legal entity which is a qualified investor as defined in the Prospectus Directive;

B. to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives; or

C. in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of ADSs shall require the Company or the representatives to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Each person in a Relevant Member State who initially acquires any ADSs or to whom any offer is made will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive. In the case of any ADSs being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the ADSs acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any ADSs to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the representatives has been obtained to each such proposed offer or resale.

The Company, the representatives and their affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

This prospectus has been prepared on the basis that any offer of ADSs in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of ADSs. Accordingly any person making or intending to make an offer in that Relevant Member State of ADSs which are the subject of the offering contemplated in this prospectus may only do so in circumstances in which no obligation arises for the Company or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the Company nor the underwriters have authorized, nor do they authorize, the making of any offer of ADSs in circumstances in which an obligation arises for the Company or the underwriters to publish a prospectus for such offer.

For the purpose of the above provisions, the expression "an offer to the public" in relation to any ADSs in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the ADSs to be offered so as to enable an investor to decide to purchase or subscribe the ADSs, as the same may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in the Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member States) and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Notice to Prospective Investors in the United Kingdom

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Directive) (1) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") and/or (2) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

Notice to Prospective Investors in Switzerland

The ADSs may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange, or the SIX, or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the ADSs or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company, the ADSs have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of ADSs will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (FINMA), and the offer of ADSs has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes, or CISA. The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of ADSs.

Notice to Prospective Investors in the Dubai International Financial Centre

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority, or DFSA. This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The ADSs to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the ADSs offered should conduct their own due diligence on the ADSs. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

Notice to Prospective Investors in Australia

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission, in relation to the offering. This prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001, or the Corporations Act, and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the ADSs may only be made to persons, or the Exempt Investors who are “sophisticated investors” (within the meaning of section 708(8) of the Corporations Act), “professional investors” (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the ADSs without disclosure to investors under Chapter 6D of the Corporations Act.

The ADSs applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring ADSs must observe such Australian on-sale restrictions.

This prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

Notice to Prospective Investors in Hong Kong

The ADSs have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the ADSs has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to ADSs which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Notice to Prospective Investors in Japan

The ADSs have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, will not be offered or sold, directly or indirectly, in Japan, or for the benefit of any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except in compliance with all applicable laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the purposes of this paragraph, "Japanese Person" shall mean any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

Notice to Prospective Investors in Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of ADSs may not be circulated or distributed, nor may the ADSs be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (1) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA, (2) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (3) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the ADSs are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the ADSs pursuant to an offer made under Section 275 of the SFA except:

(c) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(d) where no consideration is or will be given for the transfer;

(e) where the transfer is by operation of law;

(f) as specified in Section 276(7) of the SFA; or

(g) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

EXPENSES OF THIS OFFERING

Set forth below is an itemization of the total expenses, excluding underwriting discounts and commissions, which are expected to be incurred in connection with our sale of shares and ADSs in this offering. With the exception of the registration fee payable to the SEC and the filing fee payable to FINRA all amounts are estimates.

Itemized Expenses	Amount
SEC registration fee	$ 13,363
Listing fee	25,000
FINRA filing fee	17,100
Printing expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Miscellaneous costs	*
Total	$ *

* To be provided by amendment.

LEGAL MATTERS

Jones Day, New York, New York, is representing the company in connection with this offering. Jones Day, Paris, France, will pass upon the validity of the ordinary shares represented by the ADSs offered hereby and other legal matters concerning this offering relating to French law, including matters of French income tax law. Latham & Watkins LLP, Costa Mesa, California, is representing the underwriters in connection with this offering.

EXPERTS

The consolidated financial statements of Cellectis at December 31, 2013 and 2014, and for each of the two years in the period ended December 31, 2014, appearing in this Prospectus and Registration Statement have been audited by Ernst & Young et Autres, independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

The offices of Ernst & Young et Autres are located at Tour First, 1 place des Saisons, 92037 Paris – La Défense Cedex, France.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form F-1 under the Securities Act with respect to the shares to be represented by ADSs offered in this prospectus. A related registration statement on Form F-6 will be filed with the SEC to register the ADSs. This prospectus, which forms a part of the registration statement, does not contain all of the information included in the registration statement. Certain information is omitted and you should refer to the registration statement and its exhibits for that information. With respect to references made in this prospectus to any contract or other document of Cellectis, such references are not necessarily complete and you should refer to the exhibits attached to the registration statement for copies of the actual contract or document.

You may review a copy of the registration statement, including exhibits and any schedule filed therewith, and obtain copies of such materials at prescribed rates, at the SEC's Public Reference Room in Room 1580, 100 F Street, NE, Washington, D.C. 20549-0102. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains a website (http://www.sec.gov) that contains reports, proxy and information statements and other information regarding registrants, such as Cellectis, that file electronically with the SEC.

Upon completion of this offering, we will be subject to the information reporting requirements of the Exchange Act applicable to foreign private issuers and under those requirements will file reports with the SEC. Those reports may be inspected without charge at the locations described above. As a foreign private issuer, we will be exempt from the rules under the Exchange Act related to the furnishing and content of proxy statements, and our officers, directors and principal shareholders will be exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we will not be required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as United States companies whose securities are registered under the Exchange Act.

We maintain a corporate website at *www.cellectis.com*. Information contained on, or that can be accessed through, our website does not constitute a part of this prospectus. We have included our website address in this prospectus solely as an inactive textual reference.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders of Cellectis S.A.

We have audited the accompanying statements of consolidated financial position of Cellectis S.A. as of December 31, 2014 and 2013, and the related statements of consolidated operations, consolidated comprehensive loss, changes in consolidated shareholders' equity and consolidated cash flows for each of the two years in the period ended December 31, 2014. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Cellectis S.A. at December 31, 2014 and 2013, and the consolidated results of their operations and their cash flows for each of the two years in the period ended December 31, 2014, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Ernst & Young et Autres

/s/ Franck Sebag

Paris-La Défense

March 10, 2015

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Cellectis S.A.
STATEMENTS OF CONSOLIDATED FINANCIAL POSITION
AS OF DECEMBER 31
€ in thousands

	Notes	2013	2014
ASSETS			
Non-current assets			
Goodwill	**7**	1,096	—
Intangible assets	**7**	3,531	1,026
Property, plant, and equipment	**8**	3,869	2,610
Other non-current financial assets		435	1,977
Total non-current assets		**8,931**	**5,613**
Current assets			
Inventories and accumulated costs on orders in process	**9**	367	135
Trade receivables	**10.1**	2,687	5,881
Subsidies receivables	**10.2**	6,137	8,170
Other current assets	**10.3**	3,194	5,468
Cash and cash equivalents	**11**	7,559	112,347
Total current assets		**19,944**	**132,001**
TOTAL ASSETS		**28,875**	**137,614**
LIABILITIES			
Shareholders' equity			
Share capital	**12.1**	1,054	1,472
Premiums related to the share capital		133,908	192,842
Treasury shares	**12.4**	(412)	(251)
Currency translation adjustment		828	(762)
Retained earnings		(77,236)	(132,536)
Net income (loss)		(55,402)	20
Total shareholders' equity—Group Share		**2,740**	**60,786**
Non-controlling interests	**12.3**	(223)	(1,259)
Total shareholders' equity		**2,517**	**59,527**
Non-current liabilities			
Non-current financial debt	**13**	3,375	2,824
Non-current provisions	**15**	437	398
Total non-current liabilities		**3,812**	**3,222**
Current liabilities			
Current financial debt	**13**	691	862
Trade payables		9,700	9,802
Deferred revenues and deferred income	**14**	5,612	59,492
Redundancy plan	**15**	1,865	715
Current provisions	**15**	589	700
Other current liabilities	**16**	4,089	3,294
Total current liabilities		**22,546**	**74,865**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**28,875**	**137,614**

The accompanying notes form an integral part of these consolidated financial statements

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Cellectis S.A.
STATEMENTS OF CONSOLIDATED OPERATIONS
For the year ended December 31
€ in thousands, except per share amounts

	Notes	2013	2014
Revenues and other income			
Revenues	**18**	5,362	21,627
Other income	**18**	7,362	4,826
Total revenues and other income		**12,724**	**26,453**
Operating expenses and other operating income (expenses)			
Royalty expenses		(542)	(3,035)
Research and development expenses	**19**	(17,844)	(14,407)
Selling, general and administrative expenses	**19**	(19,034)	(13,114)
Other operating income		478	—
Redundancy plan	**15**	(1,865)	(491)
Other operating expenses		(445)	(651)
Total operating expenses and other operating income (expenses)		**(39,252)**	**(31,698)**
Operating loss		**(26,528)**	**(5,245)**
Financial revenues	**21**	468	7,622
Financial expenses	**21**	(780)	(527)
Financial gain (loss)		**(312)**	**7,095**
Income tax	**22**	—	—
Income (loss) from continuing operations		(26,839)	1,850
Loss from discontinued operations	**23**	(29,580)	(2,822)
Net loss		**(56,419)**	**(972)**
Attributable to shareholders of Cellectis		(55,402)	20
Attributable to non-controlling interests		(1,017)	(992)
Basic / Diluted earnings per share attributable to shareholders of Cellectis	**26**	**(2.68)**	**0.00**
Basic earnings from continuing operations per share (€ /share)		(1.25)	0.11
Basic earnings from discontinued operations per share (€ /share)		(1.43)	(0.11)
Diluted earnings from continuing operations per share (€ /share)		(1.25)	0.11
Diluted earnings from discontinued operations per share (€ /share)		(1.43)	(0.11)

The accompanying notes form an integral part of these consolidated financial statements

STATEMENTS OF CONSOLIDATED COMPREHENSIVE LOSS
For the year ended December 31
€ in thousands

	Year Ended December 31,	
	2013	2014
Net Loss	**(56,419)**	**(972)**
Actuarial gains and losses	70	121
Other comprehensive income that will not be reclassified subsequently to income or loss	70	121
Currency translation adjustment	(621)	(1,653)
Other comprehensive loss that will be reclassified subsequently to income or loss	(621)	(1,653)
Total Comprehensive loss	**(56,970)**	**(2,504)**
Attributable to shareholders of Cellectis	(55,960)	(1,468)
Attributable to non-controlling interests	(1,010)	(1,036)

The accompanying notes form an integral part of these consolidated financial statements

Cellectis S.A.
STATEMENTS OF CONSOLIDATED CASH FLOWS
For the year ended December 31
€ in thousands

	Notes	2013	2014
Cash flows from operating activities			
Net loss		(56,419)	(972)
Net loss from discontinued operations		(29,580)	(2,822)
Net (loss) income from continuing operations		(26,839)	1,850
Reconciliation of net loss and of the cash used for operating activities			
Adjustments for			
Amortization and depreciation		2,255	1,372
Movements in valuation allowances of working capital		(71)	—
Net loss on disposals		—	(24)
Net finance expenses / revenue		312	(7,095)
Expenses related to share-based payments		461	548
Provisions		2,075	(959)
Other non cash items		—	(303)
Interest (paid) / received		(13)	305
Operating cash flows before change in working capital		**(21,820)**	**(4,306)**
Decrease in inventories		291	97
Decrease (increase) in trade receivables and other current assets		2,963	(6,971)
Increase in subsidies receivables		(47)	(2,317)
(Decrease) increase in trade payables and other current liabilities		(1,662)	1,643
Increase in deferred income		1,131	54,326
Change in the working capital		**2,676**	**46,779**
Net cash flows provided by (used in) operating activities of continuing operations		**(19,144)**	**42,473**
Net cash flows provided by (used in) operating activities of discontinued operations		**291**	**(748)**
Net cash flows provided by (used in) operating activities		**(18,853)**	**41,725**
Cash flows from investment activities			
Proceeds from disposal of property, plant and equipment		—	38
Proceeds from sale of subsidiaries net of cash disposed of		—	505
Acquisition of intangible assets	**7**	(63)	(7)
Acquisition of property, plant and equipment	**8**	(570)	(347)
Net change in non-current financial assets		174	(1,542)
Net cash flows provided by (used in) investing activities of continuing operations		**(459)**	**(1,353)**
Net cash flows provided by (used in) investing activities of discontinued operations		**(79)**	**—**
Net cash flows provided by (used in) investing activities		**(538)**	**(1,353)**
Cash flows from financing activities			
Increase in share capital		5,818	59,682
Transaction costs		—	(908)
Increase in borrowings		496	—
Decrease in borrowings		(880)	(1,032)
Treasury shares		(240)	161
Net cash flows provided by financing activities of continuing operations		**5,194**	**57,904**
Net cash flows provided by (used in) financing activities of discontinued operations		**—**	**—**
Net cash flows provided by financing activities		**5,194**	**57,904**
(Decrease) increase in cash		**(14,197)**	**98,276**
Cash and cash equivalents at the beginning of the year		**21,808**	**7,559**
Effect of exchange rate changes on cash		(52)	6,511
Cash from discontinued operations		1,290	—
Cash from continuing operations		6,269	112,347
Cash and cash equivalents at the end of the year	**11**	**7,559**	**112,347**

The accompanying notes form an integral part of these consolidated financial statements

Cellectis S.A.
STATEMENTS OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY
For the year ended December 31
€ in thousands, except share data

		Share Capital Ordinary Shares									
		Number of shares	**Amount**	**Premiums**	**Treasury shares**	**Currency translation adjustment**	**Retained earnings (deficit)**	**Income (Loss)**	**Equity attributable to shareholders of Cellectis**	**Non controlling interests**	**Total Shareholders' Equity**
As of January 1, 2013		**20,477,024**	**1,024**	**131,159**	**(172)**	**1,449**	**(57,575)**	**(23,033)**	**52,852**	**596**	**53,448**
Net Loss		—	—	—	—	—	—	(55,402)	(55,402)	(1,017)	(56,419)
Other comprehensive income (loss)		—	—	—	—	(621)	63		(559)	7	(552)
Total comprehensive income (loss)		**—**	**—**	**—**	**—**	**(621)**	**63**	**(55,402)**	**(55,960)**	**(1,010)**	**(56,971)**
Allocation of prior period loss		—	—	—	—	—	(23,033)	23,033	—	—	—
Equity suscribed by NCI	**12.3**	—	—	—	—	—	—	—	—	3,500	3,500
Operation between shareholders	**12.3**	—	—	—	—	—	3,309	—	3,309	(3,309)	—
Treasury shares	**12.4**	—	—	—	(240)	—		—	(240)	—	(240)
Exercise of share warrants and employee warrants	**12.2**	**605,296**	30	2,288	—	—	—	—	2,318	—	2,318
Share based compensation		—	—	461	—	—	—	—	461	—	461
As of December 31, 2013		**21,082,320**	**1,054**	**133,908**	**(412)**	**828**	**(77,236)**	**(55,402)**	**2,740**	**(223)**	**2,517**
Net Loss		—	—	—	—	—	—	20	20	(992)	(972)
Other comprehensive income (loss)		—	—	—		(1,590)	102		(1,488)	(44)	(1,532)
Total comprehensive income (loss)		**—**	**—**	**—**	**—**	**(1,590)**	**102**	**20**	**(1,468)**	**(1,036)**	**(2,504)**
Allocation of prior period loss		—	—	—	—	—	(55,402)	55,402	—	—	—
Capital Increase	**12.1**	**6,869,047**	343	45,086	—	—	—	—	45,429		45,429
Treasury shares	**12.4**	—	—	—	161	—	—	—	161	—	161
Exercise of share warrants and employee warrants	**12.2**	**1,495,354**	75	13,301	—	—	—	—	13,376	—	13,376
Share based compensation		—	—	548	—	—	—	—	548	—	548
As of December 31, 2014		**29,446,721**	**1,472**	**192,842**	**(251)**	**(762)**	**(132,536)**	**20**	**60,786**	**(1,259)**	**59,527**

The accompanying notes form an integral part of these consolidated financial statements

CELLECTIS S.A.
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Note 1. The Company

Cellectis S.A. (hereinafter “Cellectis” or “we”) is a limited liability company (“société anonyme”) registered and domiciled in Paris, France. We are a gene-editing company, employing our core proprietary technologies to develop products in the emerging field of immuno-oncology. Our product candidates, based on gene-edited T-cells that express chimeric antigen receptors, or CARs, seek to harness the power of the immune system to target and eradicate cancers. Our gene-editing technologies allow us to create allogeneic CAR T-cells, meaning they are derived from healthy donors rather than the patients themselves. In addition to our focus on immuno-oncology, we are exploring the use of our gene-editing technologies in other therapeutic applications, as well as to develop healthier food products for a growing population.

Our consolidated financial statements include the operations of Cellectis S.A., our two French subsidiaries; Cellectis Bioresearch and Ectycell; our two U.S. subsidiaries, Cellectis Plant Sciences Inc. and Cellectis Bioresearch Inc.; and our former Swedish subsidiary, Cellectis AB. On June 30, 2014, our former subsidiary, Cellectis Therapeutics, was merged into, and absorbed by, Cellectis S.A. On August 29, 2014, we finalized the sale of Cellectis AB.

Note 2. Basis of presentation

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), whose application is mandatory for the year ended December 31, 2014. Comparative figures are presented for December 31, 2013.

The consolidated financial statements have been prepared using the historical cost measurement basis except for certain assets and liabilities that are measured at fair value in accordance with IFRS.

These Consolidated Financial Statements as of December 31, 2013 and 2014 were approved by our Board of Directors on March 3, 2015.

IFRS include International Financial Reporting Standards (“IFRS”), International Accounting Standards (“the IAS”), as well as the interpretations issued by the Standards Interpretation Committee (“the SIC”), and the International Financial Reporting Interpretations Committee (“IFRIC”). The significant accounting methods used to prepare the Consolidated Financial Statements are described below.

2.1 Application of new or amended standards or new amendments

IFRIC 21 *Levies*, an interpretation of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, was issued in May 2013 and is required to be adopted on January 1, 2014. The interpretation clarifies that the obligating event giving rise to a liability to pay a levy to a government agency is the activity that triggers the payment. IFRIC 21 has been adopted by us from January 1, 2013 but had no significant impact on the Consolidated Financial Statements.

The following pronouncements and related amendments have been adopted by us from January 1, 2014 but had no significant impact on the Consolidated Financial Statements:

- Amendments to IFRS 10, IFRS 12.

- Amendments to IAS 36 *Recoverable Amount Disclosures for Non-Financial Assets.*

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- Amendments to IAS 39 *Novation of Derivatives and Continuation of Hedge Accounting.*

- Amendments to IAS 32 *Financial Instruments: Presentation—Offsetting Financial Assets and Financial Liabilities.*

2.2 Standards, interpretations and amendments issued but not yet effective

The following pronouncements and related amendments are applicable for annual accounting periods beginning after January 1, 2014. We do not anticipate that the adoption of these pronouncements and amendments will have a material impact on our results of operations, financial position or cash flows.

- Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions*.

- Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortization*.

- The Annual Improvements to IFRSs for the 2010-2012 Cycle.

- The Annual Improvements to IFRSs for the 2011-2013 Cycle.

- The Annual Improvements to IFRSs for the 2012-2014 Cycle.

- IFRS 9 *Financial Instruments*.

IFRS 15 *Revenue from Contracts with Customers* establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 *Revenue*. IFRS 15 is effective for annual reporting periods beginning on or after January 1, 2017, with early adoption permitted. We are assessing the potential impact on our consolidated financial statements resulting from the application of IFRS 15.

The accounting policies and measurement principles adopted for the financial statements as of and for the year ended December 31, 2014 are the same as those used as of and for the year ended December 31, 2013.

Note 3. Summary of significant accounting policies

3.1 Use of estimates and judgments

In preparing the financial statements, management makes judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual amounts may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

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Information on the main uncertainties regarding estimates, assumptions and judgments made when applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

- Note 3.15, Note 3.16, Note 3.17 and Note 18—Revenues and other income.
- Note 3.13 and Notes 19 and 20—Share-based payments.

3.2 Consolidation

We control all the legal entities included in the consolidation. An investor controls an investee when the investor is exposed to variable returns from its involvement with the investee, and has the ability to affect those returns through its power over the investee. Control requires power, exposure to variability of returns and a linkage between the two.

To have power, the investor needs to have existing rights that give it the current ability to direct the relevant activities that significantly affect the investee's returns.

In order to ascertain control, potential voting rights which are substantial are taken into consideration.

Controlled entities are consolidated until the date that control ceases.

Non-controlling shareholders hold a 24.5% interest in Cellectis Bioresearch, Cellectis Bioresearch Inc. and Ectycell as of December 31, 2013 and 2014 (see Note 12.3).

Intercompany balances and transactions are eliminated when preparing the consolidated financial statements.

3.3 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies at the exchange rates effective at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency using the exchange rate effective at that date.

The resulting exchange gains or losses are recorded in the statements of consolidated operations in financial gain (loss).

Foreign currency translation

The assets and liabilities of foreign operations having a functional currency different from the euro are translated into euros at the closing exchange rate. The income and expenses of foreign operations are translated into euros at the exchange rates effective at the transaction dates or, in practice, using the average exchange rate for the reporting period unless this method cannot be applied due to significant exchange rate fluctuations.

Gains and losses arising from currency translation are recognized in other comprehensive loss. When a foreign operation is partly or fully divested, the associated share of gains and losses recognized in the currency translation reserve is transferred to the statement of consolidated operations.

3.4 Presentation currency

All financial information (unless indicated otherwise) is presented in thousands of euros (€).

3.5 Financial assets and liabilities

Receivables

Trade and other receivables are recorded at fair value, which is the nominal value of invoices unless payment terms require a material adjustment for the time value discounting effect at market interest rates. Trade receivables are subsequently measured at amortized cost. A valuation allowance for trade receivables is recognized if their recoverable amount is less than their carrying amount.

Receivables are classified as current assets, except for those with a maturity exceeding 12 months after the reporting date.

Financial debt

We initially recognize financial liabilities on the transaction date, which is the date that we become a party to the contractual provisions of the instrument.

We derecognize financial liabilities when our contractual obligations are discharged, canceled or expire.

Financial liabilities comprise of trade and other payables, finance leases and conditional advances.

Financial liabilities are valued at amortized cost. The amount of interest recognized in financial expenses is calculated by applying the financial liability’s effective interest rate to its carrying amount. Any difference between the expense calculated using the effective interest rate and the actual interest payment impacts the value at which the financial liability is recognized.

3.6 Share capital

Share capital comprises ordinary shares and shares with double voting rights (see Note 12.1) classified in equity. Costs directly attributable to the issue of ordinary shares or share options are recognized as a reduction in equity. Repurchased own shares are classified as treasury shares and deducted from equity.

3.7 Property, plant and equipment

Property, plant and equipment are recognized at acquisition cost less accumulated depreciation and any impairment losses. Acquisition cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation is expensed on a straight-line basis over the estimated useful lives of the assets. If components of property, plant and equipment have different useful lives, they are accounted for separately.

The estimated useful lives are as follows:

• Office furniture	10 years
• Laboratory equipment	3-10 years
• Leasehold equipment	6 years
• Office equipment	5 years
• IT equipment	3 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

Any gain or loss on disposal of an item of property, plants and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item. The net amount is recognized in the statement of consolidated operations under the line item "Other operating income" or "Other operating expenses."

3.8 Leases

Payments made under operating leases are expensed on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

If, according to the terms of a lease, it appears that substantially all the risks and rewards incidental to ownership are transferred from the lessor to the lessee, the associated leased assets are initially recognized as an asset at the lower of their fair value and the present value of the minimum lease payments and subsequently depreciated or impaired, as necessary. The associated financial obligations are reported in the line item "Non-current financial debt" and "Current financial debt."

3.9 Intangible assets

Capitalization of development expenses

In accordance with IAS 38 *Intangible Assets*, development expenses are recorded as intangible assets only if all the following criteria are met:

- technical feasibility necessary for the completion of the development project;
- intention on our part to complete the project and to utilize it;
- capacity to utilize the intangible asset;
- proof of the probability of future economic benefits associated with the asset;
- availability of the technical, financial, and other resources for completing the project; and
- reliable evaluation of the development expenses.

Since some of these criteria were not fulfilled, we did not capitalize any development costs.

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Other intangible assets

The other intangible assets we acquired with definite useful lives are recognized at cost less accumulated amortization and impairment. All expenditures are expensed when incurred. Amortization expense is recorded on a straight-line basis over the estimated useful lives of the intangible assets. The estimated useful lives are as follows:

- Software: from 1 year to 3 years;
- Patents: amortized from acquisition on the period ending when legal protection expires, ranging from 10 years to 20 years.

3.10 Impairment of tangible assets, intangible assets and goodwill

Amortizable intangible assets and depreciable tangible assets are tested for impairment when there is an indicator of impairment. Goodwill is tested for impairment at least once per year. Impairment tests involve comparing the carrying amount of cash-generating units with their recoverable amount. The recoverable amount of an asset is the higher of (i) its fair value less costs to sell and (ii) its value in use. If the recoverable amount of any asset is below its carrying amount, an impairment loss is recognized to reduce the carrying amount to the recoverable amount.

3.11 Inventories and accumulated costs on orders in process

Consumables (representing pharmaceutical and chemical products) and accumulated costs on orders in process are measured at the lower of cost and net realizable value. Cost is determined using the weighted average cost method.

3.12 Cash and cash equivalents

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for the purpose of investment or for other purposes. They are readily convertible into a known amount of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents include cash, bank accounts, money market funds and fixed bank deposits that meet the definition of a cash equivalent. Cash equivalents are fair valued at the end of each reporting period.

3.13 Employee benefits

Provisions for retirement and other benefits

Our defined benefit obligations, and their cost, are determined using the projected unit credit method.

The method consists in measuring the obligation based on a projected end-of-career salary and vested rights at the measurement date, according to the provisions of the collective bargaining agreement, corporate agreements and applicable law.

Actuarial assumptions used to determine the benefit obligations are specific to each country and each benefit plan. The discount rate used is the yield at the reporting date on AA credit-rated bonds with maturity dates that approximate the expected payments for our obligations.

Actuarial gains or losses are recognized in the statement of comprehensive loss for the year in which they occur.

Other long-term employee benefits

Our net obligation for long-term employee benefits other than retirement plans is equal to the value of employees' future benefits vested in exchange for services rendered in the current and prior periods. The benefits are discounted and the fair value of any plan assets is deducted.

The obligation is measured using the projected unit credit method. The discount rate is the same as the one used for the provisions for retirement and other benefits. Actuarial gains or losses are recognized in profit or loss for the year in which they occur.

Termination benefits

Termination benefits are recognized as a liability and expense at the earlier of the following dates:

- When the entity can no longer withdraw the offer of those benefits; and
- When the entity recognizes costs for a restructuring that is within the scope of IAS 37 Provisions and involves the payment of termination benefits.

Short-term employee benefits

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if we have a present legal or constructive obligation to pay the amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Share-based payments

The grant-date fair value of share warrants, employee warrants and free shares granted to employees is recognized as a payroll expense with a corresponding increase in equity, over the vesting period. The amount recognized as an expense is adjusted to reflect the actual number of awards for which the related service and performance conditions are expected to be met.

The fair values of share warrants, employee warrants and free shares granted to employees are measured using the Black-Scholes model. Measurement inputs include share price on the measurement date, the exercise price of the instrument, expected volatility, expected maturity of the instruments, expected dividends, and the risk-free interest rate (based on Government bonds). Service and performance conditions attached to the transactions are not taken into account in determining fair value.

3.14 Provisions

A provision is recognized if, as a result of a past event, we have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date.

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3.15 Revenues

Collaboration agreements and licenses

We enter into research collaboration agreements that may consist of non-refundable upfront payments, payments for the sale of rights to technology, milestone payments, and royalties. In addition, we license our technology to third parties, which may be part of the research collaboration agreements.

Non-refundable upfront payments are deferred and recognized as revenue over the period of the collaboration agreement. Sales of technology pursuant to non-cancelable, non-refundable fixed-fee arrangements are recognized when such technology is delivered to the co-contracting party and our exclusive rights to access the technology have stopped.

Milestone payments represent amounts received from our collaborators, the receipt of which is dependent upon the achievement of certain scientific, regulatory, or commercial milestones. We recognize milestone payments when the triggering event has occurred, there are no further contingencies or services to be provided with respect to that event, and the co-contracting party has no right to require refund of payment. The triggering event may be scientific results achieved by us or another party to the arrangement, regulatory approvals, or the marketing of products developed under the arrangement.

Royalty revenues arise from our contractual entitlement to receive a percentage of product sales achieved by co-contracting parties. As we have no products approved for sale, we have not received any royalty revenue to date. Royalty revenues, if earned, will be recognized on an accrual basis in accordance with the terms of the collaboration agreement when sales can be determined reliably and there is reasonable assurance that the receivables from outstanding royalties will be collected.

Revenues from licenses are recognized ratably over the period of the license agreements.

Sales of products and services

Revenues on sales of products and services are recognized when significant risks and rewards of ownership have been transferred to the buyer. Accumulated costs on product orders in process are recorded in inventories. We also offer research services to customers, which are recognized as revenues when the services are rendered, either on a time and materials basis, or ratably over the contract period for fixed payment arrangements.

3.16 Research tax credit

The Research Tax Credit (*Crédit d'Impôt Recherche,* or "CIR") is granted to entities by the French tax authorities in order to encourage them to conduct technical and scientific research. Entities that demonstrate that their research expenditures meet the required CIR criteria receive a tax credit that may be used for the payment of their income tax due for the fiscal year in which the expenditures were incurred, as well as in the next three years. If taxes due are not sufficient to cover the full amount of tax credit at the end of the three-year period, the difference is repaid in cash to the entity by the authorities. If a company meets certain criteria in terms of sales, headcount or assets to be considered a small/middle size company, immediate payment of the Research Tax Credit can be requested. Cellectis S.A. and its French subsidiaries meet such criteria.

We apply for CIR for research expenditures incurred in each fiscal year and recognize the amount claimed in the line item "Other income" in the same fiscal year. Research tax credit is subject to audit of tax authorities.

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3.17 Other government grants

We receive government grants for advanced research programs we conduct alone or in connection with other unrelated entities. This government aid is provided for and managed by French state-owned entities, and specifically "Banque Publique d'Investissement" ("Bpifrance"), formerly named OSEO Innovation.

We, alone or with other unrelated entities, enter into multi-year contractual arrangements for the financing of a specific research program. This arrangement may consist of subsidies only, conditional advances only or both subsidies and conditional advances. Subsidies and conditional advances are paid in fixed installments at predetermined contractual dates, subject generally to milestones based on progress of the research and documentation.

Subsidies received are non-refundable. Conditional advances received are subject to nil or low interest rate depending on contractual provisions. If and when the research program has generated an amount of revenues equal to or higher than the amount set forth in the original contract, contractual repayment is required. In addition, if we decide to stop the research program, the conditional advance may be repayable.

Subsidies that relate to expenses we incur for those research programs are recognized in the line item "Other income" in the period in which the expenses subject to the subsidy have been incurred.

For conditional advances, and in accordance with IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*, the advantage resulting from nil or low interest rate as compared to a market interest rate is considered and accounted for as a government grant. A financial liability is recognized for proceeds received from the conditional advance less the grant, and interest expense is subsequently imputed at market interest rate.

Subsidies and the grant portion of conditional advances received in advance of expenses of the research program are accounted in the line item "Deferred income" in the statements of financial position, and then, as the research expenses are incurred, transferred to the line item "Other income" in the statement of consolidated operations.

3.18 Classification of operating expenses

Royalty expenses include costs from license agreements that we entered to obtain access to technology that we use in our product development efforts. Depending on the contractual provisions, expenses are based either on a percentage of revenue generated by using the patents or on fixed annual royalties.

Research and development expenses include employee-related costs, lab supplies and facility costs, as well as fees paid to non-employees and entities to conduct research and development activities on our behalf. They also include expenses associated with obtaining patents.

Selling, general and administrative expenses consist primarily of employee-related expenses for executive, business development, intellectual property, finance, legal and human resource functions. Administrative expenses also include facility-related costs and service fees, other professional services, recruiting fees and expenses associated with maintaining patents.

3.19 Income tax

Income tax (expense or income) comprises current tax expense (income) and deferred tax expense (income).

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Deferred taxes are recognized for all the temporary differences arising from the difference between the tax basis and the accounting basis of assets and liabilities. Tax losses that can be carried forward or backward may also be recognized as deferred tax assets. Tax rates that have been enacted as of the closing date are utilized to determine deferred tax.

Deferred tax assets are recognized only to the extent that it is likely that future profits will be sufficient to recover them. We have not recorded net deferred tax assets in the statements of financial position.

3.20 Earnings per share

Basic earnings per share are calculated by dividing profit attributable to our ordinary shareholders by the weighted average number of ordinary shares outstanding during the period, adjusted to take into account the impact of treasury shares.

Diluted earnings per share is calculated by adjusting profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all potentially dilutive ordinary shares (share warrants, employee warrants).

3.21 Statements of cash flows

We present our consolidated statements of cash flows using the indirect method. The statements of consolidated cash flows have been prepared using flows of continuing operations (all entities except Cellectis AB). Net operating, investing and financing cash flows from discontinued operations are related to Cellectis AB.

Note 4. Financial risks management

We have exposure to the following risks arising from financial instruments:

Foreign exchange risk

A portion of our revenue is generated in currencies other than euro. Although Cellectis’ strategy is to favor the euro as our transaction currency when signing contracts, some agreements have been signed in US dollars (primarily our agreement with Pfizer Inc. (“Pfizer”)). As of December 31, 2014, 44% of our cash and cash equivalents were denominated in euros.

Since our policy is to avoid using hedging instruments, we are exposed to fluctuations in EUR/USD exchange rates.

Liquidity risk

Our financial debt consists of government conditional advances for our research projects and finance lease liabilities. For conditional advances, reimbursement of the principal is subject to the commercial success of the related research project.

We have incurred losses and cumulative negative cash flows from operations since our inception in 2000, and we anticipate that we will continue to incur losses for at least the next several years. As of December 31, 2014, we held €112.3 million in cash and cash equivalents.

Interest rate risk

To date, we are only liable for governmental conditional advances with either no interest or interest at a fixed, generally below market, rate. Consequently, we are not significantly exposed to fluctuations in interest rates for our liabilities.

Our investment strategy is conservative and based exclusively on liquid and capital-guaranteed investments.

Credit risk

Credit risk is the risk of our financial loss if a customer or counterparty to a financial instrument defaults on its contract commitments. We are exposed to credit risk due to our trade receivables, subsidies receivables and cash equivalents.

Our policy is to manage our risk by dealing with third parties with good credit standards.

Note 5. Reportable segments

Reportable segments are identified as components of an enterprise that have discrete financial information available for evaluation by the Chief Operating Decision Maker (“CODM”), for purposes of performance assessment and resource allocation.

Cellectis’ CODM is composed of:

- The Chairman and Chief Executive Officer;
- The Executive Vice President and Chief Operating Officer;
- The Executive Vice President Corporate Development;
- The Chief Scientific Officer;
- The Chief Financial Officer; and
- The Chief Executive Officer of Cellectis Plant Sciences, Inc.

We view our operations and manage our business in two operating and reportable segments that are engaged in the following activities:

- *Therapeutics:* This segment is focused on the development of products in the field of immuno-oncology and of novel therapies outside immuno-oncology to treat other human diseases. This approach is based on our gene editing and Chimeric Antigen Receptors (“CARs”) technologies. All these activities are supported by Cellectis S.A.. Our holding activity is included in the Therapeutics segment which also comprises research and development, management and support functions. The Therapeutics segment also includes the amounts associated with our former Tools and Services segment.

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- *Plants:* This segment is focused on applying our gene-editing technologies to develop new-generation plant products in the field of agricultural biotechnology through our own efforts or through alliances with other companies in the agricultural market. It corresponds to the activity of our U.S.-based subsidiary, Cellectis Plant Sciences, which is based in New Brighton, Minnesota.

The CODM assesses the performance of the two segments using information about their revenues and operating profit or loss. The CODM does not review any asset or liability information by segment or by region.

Following the sale of Cellectis AB in August 2014, the Tools and Services segment is managed as a discontinued activity, and the segment information has been retrospectively restated to present two operating and reporting segments: Therapeutics (which includes “Tools and Services” activities through the date of disposal of Cellectis AB) and Plants.

The operations of Cellectis S.A., the parent company, are presented entirely in the Therapeutics segment.

There are intersegment transactions between the two reportable segments, including allocation of corporate general and administrative expenses by Cellectis S.A. to its subsidiaries and allocation of research and development expenses to the reportable segments.

These inter-segment transactions are generally priced based on provisions of service agreements signed between our legal entities, according to which services are to be allocated at cost plus a mark-up of between 4% and 10%, depending on the nature of the service. Cellectis S.A. also allocates a portion of the lease expenses related to the Company’s French main office building in Paris to the other tenants located in this building. According to a cash pooling agreement signed with subsidiaries, interests are allocated/paid to segments at 12-month Euribor plus 5%.

Information related to each reportable segment is set out below. Segment revenue and operating profit or loss are used to measure performance. The operating profit or loss includes the impact of the operations between segments while the intra-segment operations are eliminated.

	2013 € in thousands		
	Plants	Therapeutics	Total reportable segments
Segment revenues	**1,283**	**6,566**	**7,849**
Inter-segment revenues	—	(599)	(599)
Revenues with Cellectis AB (discontinued operations)	—	(1,888)	(1,888)
External revenues	1,283	4,079	5,362
Operating loss before tax	**(1,000)**	**(25,528)**	**(26,528)**
Depreciation and amortization	(86)	(1,762)	(1,848)
Impairment losses on non-financial assets	—	(347)	(347)
Capital expenditure	134	499	633

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	2014 € in thousands		
	Plants	Therapeutics	Total reportable segments
Segment revenues	**1,156**	**22,738**	**23,894**
Inter-segment revenues	(91)	(1,171)	(1,262)
Revenues with Cellectis AB (discontinued operations)	—	(1,005)	(1,005)
External revenues	1,065	20,562	21,627
Operating loss before tax	**(948)**	**(4,297)**	**(5,245)**
Depreciation and amortization	(74)	(1,271)	(1,345)
Impairment losses on non-financial assets	—	(27)	(27)
Capital expenditure	134	221	354

Entity-wide disclosures:

Revenues from external customers by products and services and by country of origin for fiscal year 2014 and 2013 are given in Note 18.

Three clients represent more than 10% of the total revenue from continuing operations in 2014: Client A with 42.7%, Client B with 19.4% and Client C with 14.2%. No customer represented more than 10% of total revenue from continuing operations in 2013.

Note 6. Impairment tests

The cash-generating units ("CGUs") defined by the Company correspond to the operating/reportable segments: Therapeutics and Plants.

2013

The only CGU that included goodwill was Tools and Services (now merged into the Therapeutics segment) to which, at the end of 2013, 100% of the goodwill resulting from the acquisition of Cellectis AB was allocated. This CGU has been tested for impairment for the period ending and December 31, 2013 as described in note 3.10.

In 2013, the recoverable value of Tools and Services CGU has been determined on the basis of its fair value less costs to sell because of the decision to sell Cellectis AB and discontinue the activity in this segment. The fair value less costs to sell has been determined on the basis of the outcome from first negotiations related to the disposal of the segment Tools and Services.

The carrying value exceeded the fair value of Tools and Services CGU and resulted in impairment of goodwill of €26.8 million and property, plant and equipment of €0.3 million. The impact related to the impairment of the goodwill is classified in discontinued operations, on the basis of the relative fair value of the components of the segment Tools and Services, whereas the impairment of property, plant and equipment is included in the operating profit/loss of continuing operations since it corresponds to the tangible assets of Cellectis Bioresearch and Ectycell.

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The net book value of the intangible and tangible assets of the Tools and Services segment after impairment is as follows as of December 31, 2013:

	12/31/2013		
	Basis for impairment test	Impairment / Depreciation	Net value
	€ in thousands		
Goodwill	27,860	(26,764)	1,096
Intangible assets	2,373	—	2,373
Tangible assets	761	(347)	414
Total	**30,994**	**(27,111)**	**3,883**

2014

The remaining goodwill of Cellectis AB was written down in 2014 based on its final sale price. We did not identify indicators that any intangible or tangible asset was impaired at the end of December 31, 2014.

Note 7. Intangible assets and Goodwill

	01/01/2013	Change in scope	Increase	Decrease	Translation adjustments	12/31/2013
	€ in thousands					
Goodwill	28,759	—			(899)	27,860
Licences and patents	1,855	—	62	—	—	1,917
Other intangibles	2,944	—	—	—	(92)	2,852
Total, gross	**33,558**	**—**	**62**	**—**	**(991)**	**32,629**
Accumulated impairment of goodwill	—	—	26,764	—	—	26,764
Accumulated amortization and impairment of licences and patents	600	—	163	—	—	763
Accumulated amortization and impairment of other intangibles	264	—	224	—	(13)	475
Accumulated amortization and impairment	**864**	**—**	**27,151**	**—**	**(13)**	**28,002**
Total, net	**32,694**	**—**	**(27,089)**	**—**	**(978)**	**4,627**

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	01/01/2014	Change in scope	Increase	Decrease	Translation adjustments	12/31/2014
			€ in thousands			
Goodwill	27,860	(26,927)	—	—	(932)	—
Licences and patents	1,917	—	11	—	—	1,928
Other intangibles	2,852	(2,752)	—	(5)	(95)	—
Total, gross	**32,629**	**(29,679)**	**11**	**(5)**	**(1,027)**	**1,929**
Accumulated impairment of goodwill	26,764	(25,868)	—	—	(896)	—
Accumulated amortization and impairment of licences and patents	763	—	139	—	—	902
Accumulated amortization and impairment of other intangibles	475	(600)	148	(5)	(18)	—
Accumulated amortization and impairment	**28,002**	**(26,468)**	**287**	**(5)**	**(914)**	**902**
Total, net	**4,627**	**(3,211)**	**(276)**	**—**	**(114)**	**1,026**

The column ‘Change in scope’ corresponds to the removal of Cellectis AB from the scope of consolidation following its sale in August 2014.

Note 8. Property, plant and equipment

	01/01/2013	Change in scope	Increase	Decrease	Foreign currency translation differences	12/31/2013
			€ in thousands			
Buildings	2,212	—	169	—		2,381
Technical equipment	9,528	—	356	(61)	(81)	9,741
Fixtures, fittings and other equipment	365	—	46	—		411
Total, gross	**12,104**		**571**	**(61)**	**(81)**	**12,533**
Accumulated depreciation of buildings	430	—	388	—		818
Accumulated depreciation and impairment of technical equipment	5,884	—	1,711	(61)	(37)	7,497
Accumulated depreciation and impairment of fixtures, fittings and other equipment	306	—	43	—		349
Total accumulated depreciation and impairment	**6,620**	**—**	**2,141**	**(61)**	**(37)**	**8,664**
Total, net	**5,484**	**—**	**(1,570)**	**—**	**(45)**	**3,869**

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	01/01/2014	Change in scope	Increase	Decrease	Foreign currency translation differences	12/31/2014
	€ in thousands					
Buildings	2,381	—	—	—	—	2,381
Technical equipment	9,741	(1,327)	337	(224)	26	8,552
Fixtures, fittings and other equipment	411	—	7	—	—	418
Total, gross	**12,533**	**(1,327)**	**343**	**(224)**	**26**	**11,351**
Accumulated depreciation of buildings	818	—	397	—	—	1,215
Accumulated depreciation and impairment of technical equipment	7,497	(1,002)	879	(217)	(7)	7,150
Accumulated depreciation and impairment of fixtures, fittings and other equipment	349	—	28	—	—	377
Total accumulated depreciation and impairment	**8,664**	**(1,002)**	**1,304**	**(217)**	**(7)**	**8,742**
Total, net	**3,869**	**(325)**	**(961)**	**(6)**	**33**	**2,610**

The column 'Change in scope' corresponds to the removal of Cellectis AB from the scope of consolidation following its sale in August 2014.

No assets have been pledged as security for financial liabilities. There is no restriction on title of Property, plant and equipment, except for assets recognized under finance lease agreements.

Finance lease

	As of December 31, 2013	As of December 31, 2014
	€ in thousands	
Gross	5,247	5,247
Accumulated depreciation	3,987	4,417
Net	**1,259**	**829**

The finance leases relate mainly to laboratory equipment and IT equipment. New finance lease arrangements for equipment amounted to €125 thousand for the year ended December 31, 2013. Those transactions resulted in non-cash financing and investing activities for this fiscal year. No new finance leases were signed in 2014.

Note 9. Inventories and accumulated costs on orders in process

	As of December 31, 2013	As of December 31, 2014
	€ in thousands	
Raw materials and consumables	323	135
Accumulated costs on orders in process	44	—
Inventories and accumulated costs on orders in process	**367**	**135**

Accumulated costs on orders in process corresponded to products developed by the Tools and Services segment. Since it was abandoned in 2014, there are no accumulated costs on orders in process as of December 31, 2014.

Note 10. Trade receivables and other current assets

10.1 Trade receivables

	As of December 31,	
	2013	2014
	€ in thousands	
Trade receivables	3,222	5,932
Valuation allowance (charged to profit or loss)	(534)	(51)
Total net value of trade receivables	**2,687**	**5,881**

All trade receivables have payment terms of less than one year. The increase at the end of 2014 is due to receivables from Pfizer and Lonza Biologics PLC. As of December 31, 2014, non-current trade receivables of € 1,400 thousand are classified in the line item "Other non-current financial assets."

10.2 Subsidies receivables

	2013	2014
	€ in thousands	
Research tax credit	3,755	7,052
Other subsidies	2,382	2,224
Valuation allowance for other subsidies	—	(1,106)
Total	**6,137**	**8,170**

Government grants to Cellectis related to research and development expenses for research programs are recognized as "Subsidies receivables" in the period in which the expenses subject to the subsidy have been incurred, provided there is a reasonable assurance that we will comply with conditions attached to the subsidy and that the subsidy will be received.

The valuation allowance for other subsidies corresponds to the Cellmill grant (see Note 14). Due to the uncertainty for this subsidy (see Note 15), it was fully depreciated.

The research tax credit balance increased because the tax credit due for the year 2013 was received subsequent to December 31,2014.

10.3 Other current assets

	As of December 31,	
	2013	2014
	€ in thousands	
VAT receivables	2,555	2,101
Prepaid expenses and other prepayments	304	1,902
Other current assets	335	1,464
Total	**3,194**	**5,468**

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Prepaid expenses and other prepayments include primarily advances to our sub-contractors on research and development activities and deferred costs of €644,000 related to direct incremental costs associated with the initial public offering of ADSs in the United States.

The increase in other current assets relates to the sale of Cellectis AB, the related agreement for which provides for an escrow deposit of €650,000. This deposit is expected to be released to us in March 2015.

Note 11. Cash and cash equivalents

	As of December 31,	
	2013	2014
	€ in thousands	
Cash and bank accounts	5,404	94,680
Money market funds	1,712	667
Fixed bank deposits	443	17,000
Total cash and cash equivalent as reported in statement of financial position	**7,559**	**112,347**
Cash from discontinued operations	1,290	0
Cash and cash equivalents from continuing operations	6,269	112,347
Total net cash and cash equivalents as reported in the statements of cash flow	**7,559**	**112,347**

Cash equivalents are held for the purpose of meeting short-term cash commitments, rather than for investment or other purposes. Money market funds earn interest and are refundable overnight. Fixed bank deposits have fixed terms that are less than three months or are readily convertible to a known amount of cash. The revaluation of our cash accounts denominated in U.S. dollars at December 31, 2014 generated a foreign exchange gain of €6,511 thousand.

12. Capital

12.1 Share capital issued

Nature of the Transactions	Share Capital	Share premium	Number of shares	Nominal value in €
	€ in thousands			
Balance as of January 1, 2013	**1,024**	**131,159**	**20,477,024**	**0.05**
Capital increase by issuance of ordinary shares (BSA and BSPCE)	—	3	296	
Capital increase by issuance of ordinary shares (BSA Kepler)	30	2,285	605,000	
Share based compensation		461		
Balance as of December 31, 2013	**1,054**	**133,908**	**21,082,320**	**0.05**

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Nature of the Transactions	Share Capital	Share premium	Number of shares	Nominal value in €
	€ in thousands			
Balance as of January 1, 2014	**1,054**	**133,908**	**21,082,320**	**0.05**
Capital increase by issuance of common shares	200	19,446	4,000,000	
Capital increase by issuance of ordinary shares (Pfizer)	139	25,640	2,786,924	
Capital increase by issuance of ordinary shares (BSA & Free shares)	79	13,301	1,577,477	
Share based compensation		548		
Balance as of December 31, 2014	**1,472**	**192,842**	**29,446,721**	**0.05**

Capital evolution in 2014

- On March 19, 2014, we entered into an agreement with Trout Capital LLC to act as placement agent to provide financial advisory services in connection with a private placement of our ordinary shares to "qualified institutional buyers" or "institutional accredited investors." On March 24, 2014, we issued 4,000,000 ordinary shares in the private placement for net proceeds of €20.5 million. Fees paid to Trout Capital LLC amounted to €965,000, including the fair value of €174,000 of the 50,000 non-employee warrants issued on March 27, 2014 and €791 thousand in cash. Such fees were deducted from the share premium.

- On July 31, 2014, we issued 2,786,924 ordinary shares in the context of a share capital increase to the benefit of Pfizer OTC B.V. for a total subscription amount of €25.8 million.

- On September 29, 2014, the vesting period for 82,123 free shares expired and such shares were issued accordingly.

- On November 13, 2014, we issued 1,495,357 ordinary shares in connection with the exercise of non-employees warrants for a total subscription of €13.4 million.

Capital evolution in 2013

- April 29, 2013: capital increase of €38 by issuing 761 shares with a nominal value of 5 cents each, resulting from the exercise of share warrants ("BSA" or "Bon de Souscription d'Action").

- September 19, 2013: capital increase of €15 by issuing 293 shares with a nominal value of 5 cents each, resulting from the exercise of BSA.

- In December 2012, following a decision of the General Meeting of Shareholders held on June 22, 2012, we issued 2,000,000 BSA to Kepler Capital Markets and Kepler Corporate Finance ("Kepler"). Upon Cellectis' request and at any time during years 2013, 2014 and 2015, Kepler must exercise the requested amount of warrants. Each warrant gives Kepler a right to purchase one share with a discount of 10% to the share market price at the date of exercise. Under this contract, four drawings have been made between July and October 2013 resulting in the issuance of 605,000 new shares for a net proceeds of €2.3 million.

BSA 2011:

On October 28, 2011, using the delegation of authority granted by the General Assembly held the same day, we issued 12,195,113 warrants (*Bon de Souscription d'Actions* or "BSA") to the existing shareholders with a ratio of one BSA for one share. October 28, 2014 was the closing date for the exercise of the "BSA 2011." Pursuant to the terms of the plan, we issued 1,470,836 ordinary shares for gross proceeds of €13.2 million.

Voting rights:

After a shareholder continuously holds ordinary shares for two years, each ordinary share held by such shareholder is entitled to two votes.

- At December 31, 2013, we had 21,082,320 ordinary shares outstanding of which 4,576,704 had a double voting right.
- At December 31, 2014, we had 29,446,721 ordinary shares outstanding of which 8,762,458 had a double voting right.

Otherwise, our ordinary shares are not entitled to any preferential voting right or restriction.

12.2 Share warrants and employee warrants

The new instruments issued during 2014 are the following:

- March 27, 2014: Trout Capital LLC, which acted as placement agent in the capital increase mentioned in Note 10, was granted 50,000 non-employee warrants. These warrants give Trout the right to subscribe for ordinary shares of our company at an exercise price of €6.00 per share.
- April 10, 2014: 100,000 free shares were granted to our employees. The compensation expense recorded in 2014 was €218,000 (see Note 20.3).
- In December 2014, our subsidiary Cellectis Plant Sciences granted options representing a 9.4% interest to a small group of its employees and two of our directors and executive officers, and it reserved an additional 0.6% for further grants. Cellectis Plant Sciences made these grants to provide incentives for these employees that are directly linked to the performance of Cellectis Plant Sciences, rather than Cellectis as a whole. The compensation expense for 2014 is not material (see Note 20.4).

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December 31, 2014

Date	Type	Number of warrants/shares issued as of 12/31/2014	Number of warrants/shares voided/vested as of 12/31/2014	Number of warrants/shares outstanding as of 12/31/2014	Maximum of shares to be issued	Strike price per share in euros
07/20/2007	BSPCE C	228,767	37,666	191,101	198,483	13.75
11/20/2007	BSA B	40,000		40,000	41,549	10.40
02/28/2008	BSPCE D	1,867		1,867	1,939	6.16
01/23/2009	BSA C2	100,000	100,000	0	0	6.50
07/27/2010	BSPCE E	59,108	39,406	19,702	20,464	7.97
09/18/2012	Free shares	102,099	99,123	2,976	2,976	
03/19/2013	Free shares	102,000	32,000	70,000	70,000	
04/10/2014	Free shares	100,000	2,000	98,000	98,000	
	Total	**733,841**	**310,195**	**423,646**	**433,411**	

December 31, 2013

Date	Type	Number of warrants/shares issued as of 12/31/2013	Number of warrants/shares voided/vested as of 12/31/2013	Number of warrants/shares outstanding as of 12/31/2013	Maximum of shares to be issued	Strike price per share in euros
12/15/2006	BSPCE A	73,833	73,833	0	0	9.87
04/05/2007	BSPCE B	74,000	74,000	0	0	11.17
07/20/2007	BSPCE C	228,767	37,666	191,101	198,483	13.75
11/20/2007	BSA B	40,000		40,000	41,549	10.40
02/28/2008	BSPCE D	1,867		1,867	1,939	6.16
01/23/2009	BSA C2	100,000	70,000	30,000	31,161	6.50
07/27/2010	BSPCE E	59,108	39,406	19,702	20,464	7.97
09/18/2012	Free shares	102,099	9,287	92,812	92,812	
03/19/2013	Free shares	102,000	15,500	86,500	86,500	
	Total	**781,674**	**319,692**	**461,982**	**472,908**	

12.3 Non-controlling interests

On December 19, 2013, Cellectis S.A. contributed its 75% investment in Ectycell to Cellectis Bioresearch, and Caisse des Dépôts et Consignations contributed €3.5 million to Cellectis Bioresearch. As a result, Ectycell became a wholly-owned subsidiary of Cellectis Bioresearch, of which, in turn, Cellectis owns 75.5% and Caisse des Dépôts et Consignations owns 24.5%. This transaction was accounted for as an equity transaction between us and the non-controlling interest, resulting in the transfer of a 24.5% of the consolidated equity of Cellectis Bioresearch to a non-controlling interest for an amount of €3.3 million.

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The following table summarizes the information relating to each of our subsidiaries that reported non-controlling interest ("NCI"):

	ECTYCELL		CELLECTIS BIORESEARCH		CELLECTIS BIORESEARCH Inc.	
	2013	2014	2013	2014	2013	2014
	€ in thousands					
Revenue	—	33	833	1,093	1,121	416
Net Profit (Loss)	(4,068)	(2,771)	(5,782)	(1,547)	(1,095)	269
Net Profit (Loss) attributable to NCI	**(1,017)**	**(679)**	**—**	**(379)**	**—**	**66**
Other comprehensive income	28	17	9	61	—	—
Total comprehensive income	(4,040)	(2,754)	(5,773)	(1,486)	(1,095)	269
Total comprehensive income attributable to NCI	**(1,010)**	**(675)**	**—**	**(364)**	**—**	**3**
Current assets	2,788	(706)	5,549	3,015	402	(2,081)
Non-current assets	45	33	—	—	1	—
Current liabilities	(2,840)	(2,796)	(1,617)	(915)	(2,492)	2
Non-current liabilities	(1,650)	(941)	(1,096)	(750)	—	—
Net assets	(1,657)	(4,410)	2,836	1,349	(2,089)	(2,078)
Net assets attributable to NCI	**(406)**	**(2,110)**	**696**	**1,360**	**(512)**	**(509)**

12.4 Treasury shares

In 2008, Cellectis executed a liquidity contract with Natixis Securities ("Natixis"). This contract entitles Natixis to transact on Euronext, on our behalf, in order to enhance the liquidity of transactions and regularity of quotation of our ordinary shares, in an independent way, without hindering the functioning of the market or misleading investors.

The initial advance payment made to Natixis Securities for the purpose of making transactions under this contract was €400,000. The balance is presented in the line item "Other non-current financial assets" in the statements of consolidated financial position.

Note 13. Financial liabilities

13.1 Non-current / Current financial debt

	Year Ended December 31,	
	2013	2014
	€ in thousands	
Conditional advances	3,060	2,768
Finance leases	314	48
Other	1	8
Total non-current financial debt	**3,375**	**2,824**
Conditional advances	150	596
Finance leases	541	266
Total current financial debt	**691**	**862**

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13.2 Conditional advances

	OSEO A0609014Q	OSEO I1010002W	OSEO ACTIVE	OSEO I1107018W	OSEO I1010001W		TOTAL
	€ in thousands						
Opening Balance as of 1/1/2013	348	472	1,331	231	24	484	2,890
+ receipts	—	—	—	—	—	322	322
- repayments	(200)	—	—	—	—	—	(200)
Interest imputed	—	32	93	17	—	54	196
Adjustment	2	—	—	—	—	—	2
Balance as of 12/31/2013	**150**	**504**	**1,424**	**248**	**24**	**860**	**3,210**
Of which:							
Non-current portion	—	504	1,424	248	24	860	3,060
Current portion	150	—	—	—	—	—	150
Opening Balance as of 12/31/2013	150	504	1,424	248	24	860	3,210
+ receipts	—	—	—	300	—	—	300
- repayments	—	(284)	—	—	—	—	(284)
Interest imputed	—	—	100	—	—	60	160
Adjustment	—	(220)	—	198	—	—	(22)
Balance as of 12/31/2014	**150**	**—**	**1,524**	**746**	**24**	**920**	**3,364**
Of which:							
Non-current portion	—	—	1,524	300	24	920	2,768
Current portion	150	—	—	446	—	—	596

Conditional advances are made to Cellectis by Bpifrance (formerly named OSEO Innovation) to co-finance research programs including market opportunities. The nominal amount of the advance covering the entire program is contractually fixed at the date of grant, and paid up-front for a portion and in installments depending on achievement of milestones over periods that may cover several years. Interest at below market rates is generally provided in the contracts. Repayment of the advance and interest is contractually required in the event the research program is considered a commercial success. Commercial failure is determined based on the agreement between parties to formally conclude that the research activities will not result in the achievement of commercial success. In such cases, the liability is extinguished.

A financial liability is recognized for proceeds received upfront and when milestones are completed, however as described in Note 3.17 “Other Government Grants”, the advantage resulting from the below market interest rate of the advance is considered as a subsidy, which reduces the amount of the liability and is recognized as a subsidy and accounted for as such. Interest expense is subsequently imputed at a market interest rate and added to the financial liability.

Events triggering “Adjustment” are discussed below for each advance.

As of December 31, 2014, we had five conditional advances, four of which bear interest.

OSEO A0609014Q

The research program is closed. We repaid €200,000 in 2013 and will reimburse the remaining balance (€150,000) in 2015.

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OSEO I1010002W

The research program is closed. We repaid €284 thousand in 2014. This resulted in a gain of €220,000, which is recorded in the line other income in the statement of consolidated operations.

OSEO ACTIVE

On December 10, 2008, we obtained from OSEO a conditional advance of a maximum €2,647 thousand to finance the development of applications in antivirals. We received €1,608 thousand before January 1, 2014, with a maximum amount of €1,039 thousand receivable in 2015 and later.

Such conditional advance bears interest at an annual rate of 4.59%. In case of commercial success of the project, the present liability (including interest) of €1,524 thousand as of December 31, 2014 would be repayable over a period ranging from 2017 to 2022. If we were awarded the maximum amount of the conditional advance based on timelines estimated in the contract, total amount to be repaid (including interest) could amount up to €3,738 thousand over the same period.

OSEO I1107018W

On September 1, 2011, Cellectis Bioresearch obtained from OSEO a conditional advance of a maximum €1,578 thousand to finance the development of new in-vitro testing for pharmaceutical development. We received €447,000 before January 1, 2013, and €300,000 in 2014.

In 2014, Cellectis informed OSEO that the program will be stopped during 2015. Cellectis believes that it is probable that the amounts received by Cellectis for the portion of the advance received will have to be reimbursed to OSEO in the next two years. However, this is subject to further discussion with OSEO. In 2014, Cellectis increased the discounted value of the advances received to its nominal value, resulting in an adjustment of €198,000.

OSEO I1010001W-1

On September 1, 2011, we obtained from OSEO a conditional advance of a maximum €1,251 thousand to finance the development of iPS-derived cell lines for pharmaceutical testing. We received €24,000 before January 1, 2013, with a maximum amount of €1,227 thousand receivable in 2015 and later.

This conditional advance bears interest at an annual rate of 2.24%. In case of commercial success of the project, the present liability (including interest) of €24,000 as of December 31, 2014 would be repayable over a period ranging from 2018 to 2022. If we were awarded the maximum amount of the conditional advance based on timelines estimated in the contract, total amount to be repaid (including interest) could amount up to €1,560 thousand over the same period.

OSEO I1010001W-2

On September 1, 2011, we obtained from OSEO a conditional advance of a maximum €4,542 thousand to finance the development of iPS-derived cell lines for pharmaceutical testing. We received €738,000 before January 1, 2014 with a maximum amount of € 3,317 thousand receivable in 2015 and later.

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Such conditional advance bears interest at an annual rate of 2.24%. In case of commercial success of the project, the present liability of €920,000 as of December 31, 2014 would be repayable over a period ranging from 2018 to 2022. If we were awarded all the outstanding amount of the conditional advance based on timeline estimated in the contract, total amount to be repaid (including interests) could amount up to €5,220 thousand over the same period.

13.3 Due dates of the financial liabilities

	Gross Amount	Less than One Year	One to Five Years	More than Five Years
	€ in thousands			
Balance as of December 31, 2013				
Conditional advances	3,210	150	625	2,435
Finance leases	855	541	314	—
Other	1	—	1	—
Total financial liabilities	**4,066**	**691**	**940**	**2,435**

	Gross Amount	Less than One Year	One to Five Years	More than Five Years
	€ in thousands			
Balance as of December 31, 2014				
Conditional advances	3,364	596	968	1,800
Finance leases	314	266	48	
Other	8		8	
Total financial liabilities	**3,686**	**862**	**1,024**	**1,800**

For conditional advances, the due dates have been determined on the basis of:

- final reimbursement schedules for projects for which the programs are closed, and
- contractual reimbursement schedules for active programs assuming that all the programs will be successful in timelines set forth in the respective contracts and trigger full contractual repayment. Actual payment terms may differ from such timelines.

Note 14. Deferred revenues and deferred income

	As of December 31,	
	2013	2014
	€ in thousands	
Deferred revenues	1,501	57,995
Lease incentive	723	632
Deferred income – subsidies	3,388	865
Total	**5,612**	**59,492**

Deferred revenues

Up-front payments received on research and license agreements are deferred until services are rendered. In 2013, up-front payments were obtained for new contracts in the Plants segment. For 2014, most of the deferred revenues corresponds to upfront payments for the collaboration agreements with Servier and Pfizer.

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Lease incentive

In November 2011, when we entered into an operating lease agreement for our headquarters in Paris (BioPark), we received a lease incentive of €1,100 thousand from the lessor, which is deferred and amortized over the anticipated term of the lease (6 years). This amount is booked as a reduction in operating lease expenses.

Deferred income – subsidies

Up-front payments received on subsidies are deferred until we perform related research activities. Cash received related to OSEO subsidies account for €2,701 thousand and €655,000 as of December 31, 2013 and 2014 respectively. Deferred income also includes upfront payment for the portion of the conditional advances recognized as government grants as described in Note 3.18 for €687,000 and €210,000 as of December 31, 2013 and 2014, respectively.

In 2011 and 2012, we entered into a subsidy agreement for a research program named "CellMill" for a total amount of €10,999 thousand with five different local, regional and national agencies. The received subsidies are non-refundable. However, for some of them, the contract stipulated that the funds would have to be repaid if we moved out of the location where the research activities on Cellmill were performed (Evry, Essonne). For several reasons, including termination of the partnership by our research partner, we had to close this site in the beginning of 2014. The outcome is under discussion but we might have to pay-back a maximum of €1.9 million. Therefore, the deferred subsidy for this program, which amounted to €1,652 thousand as of December 31, 2013 was reclassified in other current liabilities.

Note 15. Provisions

	Year Ended December 31, € in thousands					
	01/01/2013	Additions	Amounts used during the year	Reversals	Change in scope	12/31/2013
Pension	513	9	—	(85)	—	437
Litigation	272	590	(272)	—	—	589
Redundancy plan	—	1,865	—	—	—	1,865
Total	**785**	**2,464**	**(272)**	**(85)**	**—**	**2,891**
Non-current provisions	785	9	(272)	(85)	—	437
Current provisions	—	2,454	—	—	—	2,454

	Year Ended December 31, € in thousands					
	01/01/2014	Additions	Amounts used during the year	Reversals	Change in scope	12/31/20 14
Pension	437	82	—	(121)	—	398
Litigation	589	612	(230)	(24)	(247)	700
Redundancy plan 2013	1,865	—	(1,133)	(210)	—	522
Redundancy plan 2014	—	491	(298)	—	—	193
Total	**2,891**	**1,185**	**(1,661)**	**(355)**	**(247)**	**1,813**
Non-current provisions	437					398
Current provisions	2,454					1,415

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In 2013, we implemented a redundancy plan at Cellectis S.A., Cellectis Bioresearch and Ectycell. The Works Council received a detailed document announcing the plan before December 31, 2013 and a provision of €1,865 thousand was recognized at December 31, 2013. The provision comprised termination benefit payments amounting to €1,256 thousand and other restructuring activities to which we are committed for an aggregate amount of €609,000. In 2014 we made payments of €1,133 thousand, of which €959,000 related to termination benefits and €174 thousand related to other costs. In addition, we decreased the provision by €210,000 as of December 31, 2014.

In 2014, we implemented a second redundancy plan at Cellectis Bioresearch and Ectycell, for an amount of €491,000. The provision comprises termination benefit payments amounting to €183,000 and other restructuring activities to which we are committed for an aggregate amount of €308,000. During 2014, we made payments of €298,000 relating to termination benefits.

Commitments for compensation payable to employees upon their retirement

France

In France, pension funds are generally financed by employer and employee contributions and are accounted for as defined contribution plans, with the employer contributions recognized as expense as incurred. There are no actuarial liabilities in connection with these plans. Expenses recorded in the years ended December 31, 2013 and 2014 amounted to €730,000 and €634,000, respectively.

French law also requires payment of a lump sum retirement indemnity to employees based on years of service and annual compensation at retirement. Benefits do not vest prior to retirement. We are paying this defined benefit plan. It is calculated as the present value of estimated future benefits to be paid, applying the projected unit credit method whereby each period of service is seen as giving rise to an additional unit of benefit entitlement, each unit being measured separately to build up the final.

As part of the estimation of the retirement indemnity to employee, the following assumptions were used for all categories of employees:

	2013	2014
% social security contributions	45%	45%
Salary increases	2%	2%
Discount rate	3%	1.5%
Terms of retirement	voluntary retirement	voluntary retirement
Retirement age	65 years old	65 years old

The discount rates are based on the market yield at the end of the reporting period on high quality corporate bonds.

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit liability and its components.

	€ in thousands
As of January 1, 2012	**(513)**
Current service cost	(64)
Past service cost	85
Interest cost	(15)
Actuarial gains and losses	70
As of December 31, 2013	**(437)**
Current service cost	(71)
Past service cost	—
Interest cost	(11)
Actuarial gains and losses	121
As of December 31, 2014	**(398)**

The impact of past service cost results from the redundancy plan we adopted in 2013.

Sweden

The employees of Cellectis AB benefit from a special pension arrangement which is a salary for pension scheme that works as follows:

- A reduction of salary is agreed between the company and the employees.
- Our net gain from the reduction is calculated including reduced social charges.
- The net cost reduction is paid as premium to a pension insurance fund.
- We hold the policy, and the beneficiary is the employee.
- An agreement is put in place between the company and the employee stating our obligation to pay to the employee any and all amounts received from the policy.
- Our obligation can never exceed the net proceeds from the policy.

The obligation of Cellectis AB was recognized as a liability and the policy was recognized as an asset for the same amount. This asset and this liability amounted to €1,075 thousand as of December 31, 2013 and were offset in the balance sheets. This asset and obligation were transferred with the sale of Cellectis AB.

United States of America

There is no defined benefit plan for Cellectis S.A.'s subsidiaries located in the United States.

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Note 16. Other current liabilities

	As of December 31, 2013	As of December 31, 2014
	€ in thousands	
VAT Payables	1,302	294
Accruals for personnel related expenses	1,450	628
Other	1,337	2,372
Total	**4,089**	**3,294**

The decrease of the amount of VAT payable and accruals for personnel related expenses is attributable to the abandonment of Tools and Services activities and the sale of Cellectis AB.

At December 31, 2014, €1,880 thousand in other current liabilities correspond to a provision for subsidies received from OSEO for the program Cellmill which we believe repayment is probable.

Note 17. Financial instruments recognized in the statement of financial position and related effect on the income statement

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

2013	Book value on the statement of financial position	Fair value through profit and loss	Loans and receivables	Debt at amortized cost	Fair Value
			€ in thousands		
Financial assets					
Long-term financial assets	435	—	435	—	435
Trade receivables and subsidies receivables	8,824	—	—	8,824	8,824
Cash and cash equivalents	7,559	7,559	—	—	7,559
Total financial assets	**16,818**	**7,559**	**435**	**8,824**	**16,818**
Financial liabilities					
Non-current financial debt	3,375	—	—	3,375	3,375
Current borrowings	691	—	—	691	691
Trade payables , deferred revenues and deferred income, other current liabilities	19,401	—	—	19,401	19,401
Total financial liabilities	**23,467**	**—**	**—**	**23,467**	**23,467**

CELLECTIS S.A.
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2014	Book value on the statement of financial position	Fair value through profit and loss	Loans and receivables	Debt at amortized cost	Fair Value
			€ in thousands		
Financial assets					
Long-term financial assets	1,977	—	1,977	—	1,977
Trade receivables and subsidies receivables	14,051	—	—	14,051	14,051
Cash and cash equivalents	112,347	112,347	—	—	112,347
Total financial assets	**128,375**	**112,347**	**1,977**	**14,051**	**128,375**
Financial liabilities					
Non-current financial debt	2,824	—	—	2,824	2,824
Current borrowings	862	—	—	862	862
Trade payables , deferred revenues and deferred income, other current liabilities	72,588	—	—	72,588	72,588
Total financial liabilities	**76,274**	**—**	**—**	**76,274**	**76,274**

Note 18. Revenues and other income

	Year ended December 31, 2013	2014
	€ in thousands	
Plants	1,283	1,065
Therapeutics	4,079	20,562
Revenues	**5,362**	**21,627**
Research tax credit	3,755	3,330
Other subsidies	3,607	1,496
Other income	**7,362**	**4,826**
Total revenues and other income	**12,724**	**26,453**

The increase in revenues of the Therapeutics segment is attributable to our entering into two major collaboration agreements signed with Pfizer and Servier during 2014. They generated additional revenues of €11,879 thousand in 2014.

The decrease of related revenues in 2014 was caused by Cellectis S.A., Cellectis Bioresearch and Ectycell, which are progressively reducing their grant program activities during 2014.

Revenues by country of origin

	Year ended December 31, 2013	2014
	€ in thousands	
From France	2,958	20,146
From USA	2,404	1,481
Revenues	**5,362**	**21,627**

CELLECTIS S.A.
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Revenues by nature

	Year ended December 31, 2013		
	Therapeutics	Plants	Total
	€ in thousands		
Products & services	1,435	—	1,435
R&D services	236	1,283	1,519
Licences	2,408	—	2,408
Total revenues	**4,079**	**1,283**	**5,362**

	Year ended December 31, 2014		
	Therapeutics	Plants	Total
	€ in thousands		
Products & services	1,161		1,161
R&D services	254	1,065	1,319
Licences	7,268		7,268
Collaboration agreements	11,879		11,879
Total revenues	**20,562**	**1,065**	**21,627**

Note 19. Operating expenses

Research and development expenses	Year ended December 31, 2013	2014
	€ in thousands	
Personnel expenses	(5,977)	(6,392)
Purchases and external expenses	(9,795)	(6,834)
Amortization of intangible assets	(277)	(143)
Other	(1,796)	(1,038)
Total research and development expenses	**(17,844)**	**(14,407)**

Selling, general and administrative expenses	Year ended December 31, 2013	2014
	€ in thousands	
Personnel expenses	(7,889)	(5,483)
Purchases and external expenses	(11,090)	(5,401)
Other	(55)	(2,229)
Total selling, general and administrative expenses	**(19,034)**	**(13,114)**

Personnel expenses

Personnel expenses are as follows:

	Year ended December 31, 2013	2014
	€ in thousands	
Wages and salaries	(13,341)	(11,256)
Expenses for pension commitments	(64)	(71)
Share-based payments	(461)	(548)
Total	**(13,866)**	**(11,875)**

Note 20. Share-based payments

Share warrants and employee warrants consist of Bon de Souscription d'Action ("BSAs") and Bon de Souscription de Parts de Créateur d'Entreprise ("BSPCEs") which are granted to our employees.

Under these programs, holders of vested options are entitled to subscribe to a capital increase of Cellectis at predetermined exercise price.

The following table provides the impact related to these programs in the statement of consolidated operations per fiscal year.

	BSPCE C	BSPCE E	Free shares 2012	Free shares 2013	Free shares 2014	Total
			€ in thousands			
Share-based payment expense 2014	—	—	146	183	219	**548**
Share-based payment expense 2013	—	21	226	214		**461**

The key terms and conditions related to these BSAs and BSPCEs are provided in the Notes 20.1 to 20.3.

20.1 BSPCE C

Date of grant: July 20, 2007

The BSPCEs were vested before January 1, 2012 up to 183,014 BSPCEs and vested for post January 1, 2012 on the basis of the following vesting schedule:

- Up to 45,753 BSPCE on July 20, 2012

Date of grant (Board of Directors)	07/20/2007	07/20/2007	07/20/2007	07/20/2007
Vesting period (years)	2	3	4	5
Plan expiration date	07/20/2017	07/20/2017	07/20/2017	07/20/2017
Number of BSPCE granted	91,508	45,753	45,753	45,753
Share entitlement per BSPCE	1	1	1	1
Exercise price	14.28	14.28	14.28	14.28
Valuation method used		Black-Scholes		
Grant date share fair value	14.28	14.28	14.28	14.28
Expected volatility	49%	49%	49%	49%
Average life of BSPCE	6	6.5	7	7.5
Discount rate	4.49%	4.49%	4.49%	4.49%
Expected dividends	0%	0%	0%	0%
Performance conditions	NA	NA	NA	NA
Fair value per BSPCE	9.37	9.37	9.37	9.37

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20.2 BSPCE E

Date of grant: July 27, 2010

The BSPCEs were vested before January 1, 2012 up to 19,702 BSPCEs and vested for post January 1, 2012 on the basis of the following vesting schedule:

- Up to 19,702 BSPCE on July 27, 2012
- Up to 19,704 BSPCE on July 27, 2013

Date of grant (Board of Directors)	07/27/2010	07/27/2010	07/27/2010
Vesting period (years)	1	2	3
Plan expiration date	07/27/2020	07/27/2020	07/27/2020
Number of BSPCE granted	19,702	19,702	19,704
Share entitlement per BSPCE	1	1	1
Exercise price	8.28	8.28	8.28
Valuation method used		Black-Scholes	
Grant date share fair value	8.28	8.28	8.28
Expected volatility	54%	54%	54%
Average life of BSPCE	5.5	6	6.5
Discount rate	3.14%	3.14%	3.14%
Expected dividends	0%	0%	0%
Performance conditions	NA	NA	NA
Fair value per BSPCE	5.52	5.52	5.52

20.3 Free shares

Dates of grant: September 18, 2012, March 19, 2013 and March 19, 2014

The free shares are subject to a two-year vesting period for French employees and four years for foreign citizens.

Details of Free Shares

Date of grant (Board of Directors)	09/18/2012	03/19/2013	03/19/2014
Vesting period (years)	2	2	2
Number of Free shares granted	102,099	102,000	100,000
Share entitlement per Free share	1	1	1
Grant date share fair value	5.37	6.86	6.16
Expected dividends	0%	0%	0%
Performance conditions	NA	NA	NA
Expected turnover during the vesting period	1%	1%	1%

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20.4 Cellectis Plant Sciences options

Date of grant: December 3, 2014

The key terms and conditions related to these options are provided in the table below.

Date of grant	Employees (a) 12/3/2014	Managers (b) 12/3/2014
Vesting period	Graded	Graded
Plan expiration date	12/3/2024	12/3/2024
Number of options granted	290	650
Share entitlement per option	1	1
Exercise price	$ 910	$ 910
Valuation method used	Black-Scholes	Black-Scholes
Grant date share fair value	$ 910	$ 910
Expected volatility	48%	48%
Average life of option	6.16	6.04
Discount rate	1.81%	1.78%
Expected dividends	0%	0%
Performance conditions	NA	NA
Fair value per option	$ 436	$ 432

(a) the option shall vest as follows for employees

- 25% of the total number of shares on April 10, 2015;
- 6.25% of the total number of shares on the last day of each calendar quarter beginning from third quarter of 2015 (or 12.5% of the total number of shares on the last day of each calendar quarter beginning after a triggering event or initial public offering);
- 25% at the date of a triggering event or initial public offering.

(b) the option shall vest as follows for managers

- 20% of the total number of shares on January 3, 2015;
- 20% of the total number of shares on April 10, 2015;
- 5% of the total number of shares on the last day of each calendar quarter beginning from third quarter of 2015 (or 10% of the total number of shares on the last day of each calendar quarter beginning after a triggering event or initial public offering);
- 25% at the date of a triggering event or initial public offering.

The vested portion of such options shall only become exercisable in the event that a triggering event or initial public offering occurs prior to the expiration date, in which case, an additional 25% of the total number of shares shall immediately vest. The total of vested options cannot exceed 100% of the number of options initially granted. A triggering event is designed as any transaction that would result in Cellectis losing control of Cellectis Plant Sciences.

CELLECTIS S.A.
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Note 21. Financial revenues and expenses

	Year end December 31,	
	2013	2014
	€ in thousands	
Financial revenues		
Interest income	316	316
Foreign exchange gain	152	7,143
Other financial revenues	0	163
Total financial revenues	**468**	**7,622**
Financial expenses		
Interest expenses	(198)	(113)
Interest expenses for finance lease	(96)	(48)
Foreign exchange loss	(454)	(113)
Other financial expenses	(32)	(253)
Total financial expenses	**(780)**	**(527)**
Total	**(312)**	**7,095**

Foreign exchange gain is primarily attributable to the effect of exchange rate fluctuations on our U.S. dollar denominated bank accounts.

Note 22. Income tax

22.1 Tax proof

	2013	2014
	€ in thousands	
Income (loss) before taxes from continuing operations	(26,840)	1,850
Theoretical group tax rate	34.43%	34.43%
Theoretical tax benefit (expense)	9,241	(637)
Increase/decrease in tax benefit arising from:		
Permanent differences	(1,263)	2,433
Research tax credit	1,293	1,146
Share-based compensation	(159)	(189)
Non recognition of deferred tax assets related to tax losses and temporary differences	(8,599)	(2,755)
Impairment of assets	(120)	(9)
Other differences	(394)	11
Effective tax expense	(0)	(0)
Effective tax rate	0%	0%

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22.2 Deferred tax assets and liabilities

	As of December 31,	
	2013	2014
	€ in thousands	
Credits and net operating loss carryforwards	24,946	21,158
Pension commitments	76	56
Leases	(111)	(77)
Technology costs of Cellectis AB	(522)	—
Conditional advances	(65)	(27)
Impairment of assets	67	71
Other	412	119
Valuation allowance on deferred tax assets	(24,803)	(21,300)
Total	**0**	**0**

As of December 31, 2014, we have tax loss carryforwards for our French entities totaling €109,126 thousand (€113,069 thousand as of December 31, 2013). Such carryforwards can be offset against future taxable profit within a limit of €1.0 million per year, plus 50% of the profit exceeding this limit. Remaining unused losses will continue to be carried forward indefinitely.

The tax loss carry forwards for our U.S. entities totaled €6,799 thousand as of December 31, 2014 and €4,992 thousand as of December 31, 2013.

Note 23. Discontinued operations

23.1 Total revenues and other income and loss from discontinued operations

The following data shows the revenues, the losses and the impairment of Cellectis AB, which was sold in August 2014.

For 2014, the loss from the activities of discontinued operations combines the operating loss of Cellectis AB and the result of its sale.

	Year Ended December 31,	
	2013	2014
	€ in thousands	
Total revenues and other income from discontinued operation	**3,832**	**2,057**
Loss from the activities of discontinued operations	(2,793)	(727)
Impairment of goodwill	(26,764)	
Loss on the disposal of Cellectis AB		(2,095)
Loss from discontinued operations	**(29,580)**	**(2,822)**

Included in loss on disposal of Cellectis AB is €(1,096) thousand related to impairment of goodwill and €608,000 relating to the recycling of the currency translation adjustment from the comprehensive income.

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23.2 Statement of financial position of discontinued operations

	Year Ended December 31, 2013
	€ in thousands
ASSETS	
Non-current assets	
Goodwill	1,096
Intangible assets	2,372
Property, plant, and equipment	414
Other non-current assets	—
Total non-current assets	**3,882**
Current assets	
Inventories and accumulated costs on orders in process	135
Trade receivables	235
VAT Receivables	283
Other current assets	231
Cash and cash equivalents	1,290
Total current assets	**2,174**
TOTAL ASSETS	**6,056**
LIABILITIES	
Current liabilities	
Trade payables	475
VAT Payables	
Accrued Liabilities	
Subsidiaries payable accounts	
Other current liabilities	1,939
Total current liabilities	**2,414**
TOTAL LIABILITIES	**2,414**

Note 24. Commitments

Obligations under the terms of the operating leases

The amount of future rents under non-cancelable leases is as follows:

	12/31/2013	12/31/2014
	€ in thousands	
Less than One Year	1,442	1,278
One to Five Years	3,368	1,598
More than Five Years	—	—
Total	**4,810**	**2,876**

CELLECTIS S.A.
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Obligations under the terms of license agreements

We have entered into various license agreements with third parties that subject us to certain fixed license fees, as well as fees based on future events, such as research and sales milestones. Total fixed fees under these arrangements are €19 million as of December 31, 2014.

Note 25. Related parties

Key management personnel remuneration

Key management personnel include members of the Board of Directors and the CODM as described in Note 5.

Short-term employee benefits paid to key management personnel totaled to €1,051 thousand in the fiscal year 2013 and to €1,281 thousand in the fiscal year 2014.

On September 4, 2014, the Board of Directors adopted a change of control plan which applies notably to the members of the CODM. This plan defines the conditions under which a severance package will be paid after a change of control of our company. Key management personnel employment agreements include a termination indemnity or additional post-employment compensation.

Key management personnel received 75,000 free shares in April 2014. A compensation expense of €167,000 related to the free share grant was recognized for the year ended December 31, 2014.

Other transactions with related parties

Mr. Godard, a member of the Board of Directors, entered into two service agreements with us and provided consultancy services in the area of (i) global development strategy and (ii) specific development of agricultural biotechnology activities. Compensation paid for those services in the years ended December 31, 2013 and 2014 amounted to €32,000 and €32,000 respectively. No balances were outstanding at the end of each fiscal year. As of December 31, 2014, Mr. Godard held 40,000 warrants that could be exercised to obtain 41,549 shares at a strike price of €10.40.

Institut Pasteur is a former shareholder of Cellectis S.A. We expensed licence royalties of €255 thousand and €1,683 thousand to Institut Pasteur in the years ended December 31, 2013 and 2014 respectively. Cellectis Bioresearch sold products to Institut Pasteur in the year ended December 31, 2013 for an amount of €7,000. The outstanding receivables were €236,000 as of December 31, 2013. As of December 31, 2014, we had no debt with Institut Pasteur.

Pfizer acquired a 10% ownership in Cellectis on July 31, 2014. The revenues booked for Pfizer in the years ended December 31, 2013 and 2014 amount to €250,000 and €9,240 thousand respectively. The outstanding receivables were €1,219 thousand as of December 31, 2014.

Bpifrance is a shareholder of Cellectis S.A. and “Caisse des Dépôts et Consignation” (“CDC”) is a shareholder of Cellectis Bioresearch. OSEO, which is the former name of Bpifrance and is indirectly related to CDC, granted conditional advances and subsidies to us, as described in Note 13.2.

CELLECTIS S.A.
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Note 26. Earnings per share

	December 31, 2013	December 31, 2014
Net profit (loss) attributable to shareholders of Cellectis (€ in thousands)	(55,402)	20
Adjusted weighted average number of outstanding shares	20,653,912	26,071,709
Adjusted weighted average number of outstanding shares, net of effects of dilutive potential ordinary shares	20,653,912	26,192,652
Basic / Diluted earnings per share (€ / share)	**(2.68)**	**0.00**
Basic earnings from continuing operations per share (€ /share)	(1.25)	0.11
Basic earnings from discontinued operations per share (€ /share)	(1.43)	(0.11)
Diluted earnings from continuing operations per share (€ /share)	(1.25)	0.11
Diluted earnings from discontinued operations per share (€ /share)	(1.43)	(0.11)

Note 27. Subsequent event

In January 2015, 50,000 shares under the terms and conditions of the 2014 Free Share Plan were granted to an executive officer.

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Through and including , 2015 (25 days after the date of this prospectus), all dealers that buy, sell or trade ADSs or our ordinary shares, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

American Depositary Shares

Representing Ordinary Shares

PROSPECTUS

BofA Merrill Lynch
Jefferies
Piper Jaffray
Oppenheimer & Co.
Trout Capital

, 2015

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 6. *Indemnification of Directors and Officers.*

Under French law, provisions of By-laws that limit the liability of directors are prohibited. However, French law allows *sociétés anonymes* to contract for and maintain liability insurance against civil liabilities incurred by any of their directors and officers involved in a third-party action, provided that they acted in good faith and within their capacities as directors or officers of the company. Criminal liability cannot be indemnified under French law, whether directly by the company or through liability insurance.

We maintain liability insurance for our directors and officers, including insurance against liability under the Securities Act of 1933, as amended, and we intend to enter into agreements with our directors and executive officers to provide contractual indemnification. With certain exceptions and subject to limitations on indemnification under French law, these agreements will provide for indemnification for damages and expenses including, among other things, attorneys' fees, judgments, fines and settlement amounts incurred by any of these individuals in any action or proceeding arising out of his or her actions in that capacity.

These agreements may discourage shareholders from bringing a lawsuit against our directors and executive officers for breach of their fiduciary duty. These provisions also may have the effect of reducing the likelihood of derivative litigation against directors and executive officers, even though such an action, if successful, might otherwise benefit us and our shareholders. Furthermore, a shareholder's investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these insurance agreements.

Certain of our non-employee directors may, through their relationships with their employers or partnerships, be insured and/or indemnified against certain liabilities in their capacity as members of our board of directors.

In any underwriting agreement we enter into in connection with the sale of ADSs being registered hereby, the underwriters will agree to indemnify, under certain conditions, us, our directors, our officers and persons who control us within the meaning of the Securities Act against certain liabilities.

Item 7. *Recent Sales of Unregistered Securities*.

Set forth below is information regarding share capital issued and options and warrants granted by us since January 1, 2011. None of the below described transactions involved any underwriters, underwriting discounts or commissions, or any public offering. Some of the transactions described below involved directors, officers and 5% shareholders and are more fully described under the section of the prospectus titled "Related-Party Transactions."

Issuances of Shares

Since January 1, 2011, the following events have changed the number of our issued and outstanding ordinary shares:

- On January 27, 2011, we issued 28,500 shares for a total subscription amount of €93,209.25 as a result of the exercise of employee warrants and non-employee warrants.
- On October 28, 2011, we issued 521,177 shares for a total subscription amount of €1,549,373.41 as a result of the exercise of employee warrants.
- On October 28, 2011 and November 10, 2011, we issued an aggregate of 1,933,333 shares in connection with a contribution agreement entered into between us and the then shareholders of Cellartis in connection with a contribution of shares of Cellartis equity.

- On January 24, 2012, we issued 1,344 shares for a total subscription amount of €12,096 as a result of the exercise of employee warrants and non-employee warrants.
- On February 10, 2012, we issued 264 shares for a total subscription amount of €2,376 as a result of the exercise of employee warrants and non-employee warrants.
- On February 10, 2012, we issued 6,304,660 shares in connection with the reimbursement of bonds redeemable in shares and payment of interest of said bonds redeemable in shares.
- On April 10, 2012, we issued 41,549 shares for a total subscription amount of €197,997.61 as a result of the exercise of non-employee warrants.
- On April 29, 2013, we issued 761 shares for a total subscription amount of €6,849 as a result of the exercise of non-employee warrants.
- On September 19, 2013, we issued 293 shares for a total subscription amount of €2,637 as a result of the exercise of non-employee warrants.
- On November 4, 2013, we issued 605,000 shares for a total subscription amount of €2,315,650 in connection with the exercise of warrants held by Kepler Capital Markets SA.
- On March 24, 2014, we issued 4,000,000 ordinary shares in a private placement to a number of institutional investors at a price of €5.13 per share for a total subscription amount of €20,520,000.
- On July 31, 2014, we issued 2,786,924 ordinary shares in the context of a share capital increase to the benefit of Pfizer OTC B.V. at a price of €9.25 per share for a total subscription amount of €25,779,047.
- On September 29, 2014, the acquisition period for 82,123 free shares expired and such shares were issued accordingly.
- On November 13, 2014, we issued 1,495,357 ordinary shares in connection with the exercise of non-employee warrants for a total subscription amount of €13,383,162.

The offers, sales and issuances of the securities described in the preceding paragraphs were exempt from registration either (a) under Section 4(a)(2) of the Securities Act in that the transactions were between an issuer and sophisticated investors and did not involve any public offering within the meaning of Section 4(a)(2) or (b) under Regulation S promulgated under the Securities Act in that offers, sales and issuances were not made to persons in the United States and no directed selling efforts were made in the United States.

Issuances Under Our Equity Plans

Since January 1, 2011, we granted to employees, consultants, members of our Medical Advisory Board and non-employee directors, pursuant to our equity incentive plans and in exchange for services rendered or to be rendered, free shares, employee warrants and non-employee warrants to purchase an aggregate of 354,099 ordinary shares with exercise prices of €6.00 per share, except for free shares which shall be issued for free. Since January 1, 2011, an aggregate of 2,144,368 ordinary shares were issued upon the exercise of employee warrants and non-employee warrants and the expiry of the acquisition period of free shares issued under our equity incentive plans, at exercise prices between €3.15 to €9.00 per share, for aggregate proceeds of €17,294,878. Since January 1, 2011, an aggregate of 61,476 free shares, employee warrants and non-employee warrants issued under our equity incentive plans were cancelled.

In December 2014, our subsidiary Cellectis Plant Sciences granted options representing a 9.4% interest to a small group of employees of Cellectis Plant Sciences and two of our directors and executive officers, and it reserved an additional 0.6% for further grants. Cellectis Plant Sciences made these grants to provide incentives for these employees that are directly linked to the performance of Cellectis Plant Sciences, rather than Cellectis as a whole.

The offers, sales and issuances of the securities described in the preceding paragraph were exempt from registration either (a) under Section 4(a)(2) of the Securities Act in that the transactions were between an issuer and members of its senior executive management and did not involve any public offering within the meaning of Section 4(a)(2), (b) under Rule 701 promulgated under the Securities Act in that the transactions were under compensatory benefit plans and contracts relating to compensation or (c) under Regulation S promulgated under the Securities Act in that offers, sales and issuances were not made to persons in the United States and no directed selling efforts were made in the United States.

Item 8. ***Exhibits and Financial Statement Schedules.***

(a) Exhibits.

The exhibits to the registration statement are listed in the Exhibit Index to this registration statement and are incorporated herein by reference.

(b) Financial Statement Schedules.

All information for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission is either included in the financial statements or is not required under the related instructions or is inapplicable, and therefore has been omitted.

Item 9. ***Undertakings***.

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 6 hereof, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Paris, France, on March 10, 2015.

CELLECTIS

By: /s/ André Choulika
André Choulika
Chief Executive Officer

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POWER OF ATTORNEY

We, the undersigned directors, officers and/or authorized representative in the United States of Cellectis, hereby severally constitute and appoint Dr. André Choulika and Marie-Bleuenn Terrier, and each of them singly, our true and lawful attorneys, with full power to any of them, and to each of them singly, to sign for us and in our names in the capacities indicated below the registration statement on Form F-1 filed herewith, and any and all pre-effective and post-effective amendments to said registration statement, and any registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, in connection with the registration under the Securities Act of 1933, as amended, of equity securities of Cellectis, and to file or cause to be filed the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as each of them might or could do in person, and hereby ratifying and confirming all that said attorneys, and each of them, or their substitute or substitutes, shall do or cause to be done by virtue of this Power of Attorney.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on March 10, 2015.

Signature	Title
/s/ André Choulika André Choulika	Chief Executive Officer, Chairman of the Board and Co-Founder (Principal Executive Officer)
/s/ Thierry Moulin Thierry Moulin	Chief Financial Officer (Principal Financial and Accounting Officer)
/s/ Mathieu Simon Mathieu Simon	Director, Executive Vice President, Chief Operating Officer
* David Sourdive	Director, Executive Vice President, Corporate Development and Co-Founder
* Alain Godard	Director
* Pierre Bastid	Director
/s/ Laurent Arthaud Laurent Arthaud	Director
/s/ Annick Schwebig Annick Schwebig	Director

Donald Puglisi, Authorized Representative in the United States

By: *

*By:	/s/ Marie-Bleuenn Terrier Marie-Bleuenn Terrier	Attorney-in-Fact

EXHIBIT INDEX

Exhibit Number	Description of Exhibit	Previously Filed	Filed Herewith	To be Filed by Amendment
1.1	Form of Underwriting Agreement			x
3.1	By-laws (*status*) of the registrant (English translation)		x	
4.1	Form of Deposit Agreement		x	
4.2	Form of American Depositary Receipt (included in Exhibit 4.1)		x	
5.1	Opinion of Jones Day			x
8.1	Tax Opinion of Jones Day			x
10.1#	Patent License Agreement #C-00061901 between L'Institut Pasteur and Cellectis S.A., dated June 19, 2000 (English translation)			x
10.1.1	Amendment to Patent License Agreement #C-00061901 between L'Institut Pasteur and Cellectis S.A., dated December 20, 2002 (English translation)			x
10.1.2#	Amendment to Patent License Agreement #C-00061901 between L'Institut Pasteur and Cellectis S.A., dated September 8, 2003 (English translation)			x
10.1.3	Amendment to Patent License Agreement #C-00061901 between L'Institut Pasteur and Cellectis S.A., dated February 26, 2008			x
10.1.4	Amendment to Patent License Agreement #C-00061901 between L'Institut Pasteur and Cellectis S.A., dated April 11, 2013 (English translation)			x
10.2#	Patent License Agreement #C-00061906 between L'Institut Pasteur and Cellectis S.A., dated October 19, 2000 (English translation)			x
10.2.1#	Amendment to Patent License Agreement #C-00061906 between L'Institut Pasteur and Cellectis S.A., dated September 8, 2003 (English translation)			x
10.2.2#	Amendment to Patent License Agreement #C-00061906 between L'Institut Pasteur and Cellectis S.A., dated June 24, 2004 (English translation)			x
10.2.3#	Amendment to Patent License Agreement #C-00061906 between L'Institut Pasteur and Cellectis S.A., dated August 24, 2005 (English translation)			x
10.2.4#	Amendment to Patent License Agreement #C-00061906 between L'Institut Pasteur and Cellectis S.A., dated December 27, 2007 (English translation)			x
10.3#	Patent License Agreement #C-00061905 between L'Institut Pasteur and Cellectis S.A., dated June 19, 2000 (English translation)			x
10.3.1#	Amendment to Patent License Agreement #C-00061905 between L'Institut Pasteur and Cellectis S.A., dated September 8, 2003 (English translation)			x
10.4#	Research and Collaboration Agreement between Pfizer Inc. and Cellectis S.A., dated June 17, 2014			x
10.5#	Research, Product Development, Option, License and Commercialization Agreement, among Les Laboratoires Servier SAS, Institut de Recherches Internationales Servier SAS and Cellectis S.A., dated February 17, 2014			x
10.6#	Exclusive Patent License Agreement between Regents of the University of Minnesota and Cellectis S.A., dated January 10, 2011			x

Exhibit Number	Description of Exhibit	Previously Filed	Filed Herewith	To be Filed by Amendment
10.6.1#	First Amendment to the Exclusive Patent License Agreement between Regents of the University of Minnesota and Cellectis S.A., dated May 24, 2012			x
10.6.2#	Second Amendment to the Exclusive Patent License Agreement between Regents of the University of Minnesota and Cellectis S.A., dated April 1, 2014			x
10.7#	Patent & Technology License Agreement between Ohio State Innovation Foundation and Cellectis S.A., dated October 23, 2014			x
10.8	Warrants Issue Agreement between Cellectis S.A. and Kepler Capital Markets SA, dated December 20, 2012 (English translation)		x	
10.8.1	First Amendment to Warrants Issue Agreement between Cellectis S.A. and Kepler Capital Markets SA, dated June 6, 2013 (English translation)		x	
10.8.2	Second Amendment to Warrants Issue Agreement between Cellectis S.A. and Kepler Capital Markets SA, dated October 7, 2013 (English translation)		x	
10.9	Warrant Agreement between Cellectis S.A. and Trout Capital LLC, dated March 24, 2014		x	
10.10†	Change of Control Plan, effective as of September 4, 2014 (English translation)		x	
10.11†	Summary of BSA Plan		x	
10.12†	Summary of BSPCE Plan		x	
10.13†	2012 Free Share Plan		x	
10.14†	2013 Free Share Plan		x	
10.15†	2014 Free Share Plan		x	
21.1	List of subsidiaries of the registrant		x	
23.1	Consent of Ernst & Young et Autres		x	
23.2	Consent of Jones Day (included in Exhibits 5.1 and 8.1)			x
24.1	Power of Attorney (included on signature page to this Registration Statement on Form F-1)	x	x	

† Indicates a management contract or any compensatory plan, contract or arrangement.
# Portions of this exhibit (indicated by asterisks) have been omitted pursuant to a request for confidential treatment.

Exhibit 3.1

Translation for information purposes only

CELLECTIS

A French *société anonyme* (corporation) with share capital of € 1,470,986.05
Registered office : 8 rue de la Croix Jarry, 75013 Paris
Paris Trade and Companies Registry no. 428 859 052

BYLAWS

Updated as of February 16, 2015

Copy certified as true to the original by
the Chairman and Chief Executive Officer

André Choulika

ARTICLE 1 - FORM

The Company is a corporation (*société anonyme)*, governed by Book II of the French commercial code (*code de commerce*) and by the present bylaws.

ARTICLE 2 - NAME

The name of the Company is:

CELLECTIS

In all deeds and documents emanating from the Company and addressed to third parties, this name must always be immediately preceded or followed by the words "*société anonyme*" or the initials "S.A." and by the mention of the amount of the share capital.

ARTICLE 3 - PURPOSES

The Company's purposes, both in France and abroad, are all activities relating to genetics and more particularly to genome engineering and, notably, research, development and invention, filing and use of patents and trademarks, valorization, sale and marketing, advice and assistance in any field, and more particularly in the fields of agrifood, pharmaceuticals, textile and environment; and generally, all industrial, commercial, financial, civil, and personal or real property operations that may be directly or indirectly related to the purposes above or any similar or connected purposes.

ARTICLE 4 - REGISTERED OFFICE

The registered office of the Company is located at 8 rue de la Croix Jarry, 75013 Paris.

It may be transferred to any other location within the same region (*département*) or any adjacent region (*département*) by a decision of the Board of Directors, provided such decision is ratified at the next ordinary general shareholders' meeting, and anywhere else by a decision adopted by an extraordinary general shareholders' meeting.

If a transfer is decided by the Board of Directors, the Board is authorized to amend the bylaws and perform the publication and filing formalities required as a result, provided it is stated that the transfer is subject to the aforementioned ratification.

ARTICLE 5 - DURATION

The term of the Company shall be ninety-nine (99) years starting from the date of its registration with the Trade and Companies Registry, except in the event it is dissolved before the expiration of its term or if said term is extended by an extraordinary general shareholders' meeting.

ARTICLE 6 - SHARE CAPITAL

The Company has a share capital of €1,470,986.05 It is divided into 29,419,721 shares with a par value of € 0.05 each, all fully paid-up.

It may be increased or reduced as provided by the French commercial code (*code de commerce*).

On October 28, 2011, the shareholders' general meeting approved the contribution to the Company of 11,111,089 shares of Cellartis, a Swedish Company with a share capital of SEK 2,222,217.80, which registered office is located at Arvid Wallgrens Backe 20, SE-41346 Göteborg (Sweden). This contribution, valued at €17,399,997, resulted in a share capital increase of a nominal amount of € 96,666.65 and the issuance of 1,933,333 shares at a price of € 9 each (share premium included), with a par value of €0.05 each, allocated to Cellartis shareholders in exchange for their respective contributions.

ARTICLE 7 - LEGAL FORM

Fully paid-up shares are either held in registered or bearer form at the option of each shareholder, subject to the applicable legal provisions regarding the form of shares held by certain natural or legal persons. Non fully paid-up shares must be held in registered form.

Shares are registered in an account under the conditions and in the manner prescribed by applicable laws and regulations.

Ownership of the shares delivered in registered form results from their registration in a registered account.

ARTICLE 8 – SHARE TRANSFERS – IDENTIFYING THE SHAREHOLDERS

8.1 Shares registered in accounts are freely transferable from one account to another through a wire, in accordance with applicable laws and regulations.

8.2 The Company may also, subject to applicable laws and regulations, at its own expense, request from an authorized agency at any time, the name, or, in the case of a legal entity, the corporate name, nationality, and address of holders of securities granting an immediate or future right to vote at its shareholders' meetings, and the number of securities held by each of them and, if applicable, any restrictions to which these securities may be subject.

ARTICLE 9 - RIGHTS AND OBLIGATIONS PERTAINING TO SHARES

The rights and obligations attached to a share follow the share to any transferee to whom it may be transferred and the transfer includes all unpaid dividends due and dividends to be paid, as well as, as the case may be, the pro-rata portion of the reserve funds and provisions.

The ownership of a share implies *ipso facto* the owner's approval of the present bylaws and the decisions adopted by general shareholders' meetings.

As well as the voting right attached to shares in accordance with applicable law, each share gives right to a pro-rata portion of corporate assets, profits, and of liquidation surplus, proportional to the portion of the share capital it represents.

Whenever it is necessary to hold several shares to exercise any right, shareholders or securities' holders shall take it upon themselves to pool the number of shares or securities required.

In accordance with the provisions of the French commercial code (*code de commerce*), all fully paid-up shares which have been held in registered form for at least two years by the same shareholder will be granted double voting rights in comparison to the voting right attached to other shares which shall be equal to amount of share capital it represents.

ARTICLE 10 – PAYING UP OF THE SHARES

Amounts to be paid as payment for shares subscribed pursuant to a share capital increase shall represent not less than one-fourth of their par value and the entire amount of the premium (as the case may be).

The Board of Directors shall make calls for payment of the balance, in one or more installments, within a period of five years from the date the capital increase is completed.

Each shareholder shall be notified of the amounts called and the date on which the corresponding sums are to be paid at least fifteen days before the due date.

Shareholders who do not pay amounts owed on the shares they hold by the due date shall automatically and without the need for a formal demand for payment owe the Company late payment interest calculated on a daily basis, on the basis of a 360 day year, starting as of the due date at the legal rate in commercial matters, plus three points, without prejudice to the Company's personal action against such defaulting shareholder and the enforcement measures authorized by law.

ARTICLE 11 – BOARD OF DIRECTORS

11.1. Composition

The Company is managed by a Board of Directors composed of individuals or legal entities, the number of which is determined by the ordinary general shareholders' meeting within the limits of law.

At the time they are appointed, legal entities shall designate an individual as their permanent representative to the Board of Directors. The term of office of the permanent representative shall be the same as the term of office of the legal entity it represents. If a legal entity removes its permanent representative from office, it shall immediately appoint a replacement. The same provision shall also apply in the event of the death or resignation of the permanent representative.

The term of directors' office shall be three years (3), with a year being defined as the period between two consecutive ordinary general shareholders' meetings. Directors' term of office shall occur at the end of the ordinary general shareholders' meeting which voted on the financial statements for the past fiscal year and held in the year during which said directors' term of office occurs.

Directors are always eligible for reappointment. They may be removed from office at any time by a decision of a general shareholders' meeting.

In the event of one or more vacancies on the Board of Directors due to death or resignation, the Board may make temporary appointments between two general shareholders' meetings.

Appointments made by the Board pursuant to the preceding paragraph shall be submitted for ratification by the next ordinary general shareholders' meeting.

If such appointments are not ratified, decisions adopted and acts performed by the Board shall nevertheless remain valid.

If the number of directors falls below the statutory minimum, the remaining directors shall immediately convene an ordinary general shareholders' meeting in order to supplement the Board.

A director appointed to replace another director if the term of the latter's office has not yet expired shall serve only for the remaining portion of his predecessor's term of office.

Company's employees may be appointed as directors. However, their employment contracts must correspond to actual employment. In such case, employees do not lose the benefit of their employment contracts.

The number of directors who have employment contracts with the Company shall not exceed one-third of the directors in office.

The number of directors over the age of 70 shall not exceed one-third of the directors in office. If this limit is exceeded during the directors' terms of office, the oldest director shall automatically be deemed to have resigned at the end of the next ordinary general shareholders' meeting.

11.2 Chairman

The Board of Directors shall elect a Chairman from among its members, who shall be an individual. The Board shall determine its term of office, which shall not exceed its term of office as director, and may remove him from office at any time. The Board shall set his compensation.

The Chairman shall organize and manage the work of the Board and report it to the general shareholders' meetings. The Chairman is responsible for the good functioning of the Company's corporate bodies and, notably, sees that the directors are able to carry out their functions.

The Chairman of the Board cannot be more than 70 years old. If the Chairman reaches this age limit during his term of office as Chairman, he shall automatically be deemed to have resigned at the end of the current office. Subject to this provision, the Chairman of the Board is always eligible for reappointment.

11.3 Observers

The ordinary shareholders' meeting may, upon suggestion from the Board of Directors, appoint one or several observers. The Board of Directors may also directly appoint the members, subject to ratification by the following general meeting.

The number of observers may not exceed five. They are freely chosen in light of their abilities.

They are appointed for a term of three (3) years.

The observers review questions that the Board of Directors or its Chairman submit for their opinion. The observers attend the Board of Directors meetings and participate in the discussions only with a consultative voice. Their absence shall have no effect on the validity of the vote.

They are convened to Board meetings under the same conditions as the Board members.

The Board of Directors may compensate the observers and take such compensation from the amount of attendance fees (*jetons de présence*) if any, authorized by the general shareholders' meeting for the purposes of compensating directors.

ARTICLE 12 MEETING OF THE BOARD

12.1. The Board of Directors shall meet as often as required for the interest of the Company.

12.2. Directors are convened to the Board meetings by the Chairman of the Board. The Chairman convenes meetings of the Board of Directors by any means, in oral or written form.

The Chief Executive Officer may also ask the Chairman to convene the Board on a specific agenda.

When a works council *(comité d'entreprise*) has been formed, the representatives of such committee, appointed in accordance with the provisions of the French labor code *(code du travail*), shall be convened to all the Board meetings.

The Board meetings are held either at the registered office or at any other place, in France or abroad as indicated at the time of the convening.

12.3. The Board can only validly take decisions if half of its members are present.

The Board's decisions are taken at the majority of votes of its members present or represented by proxy; in the case of deadlock; the Chairman shall have the casting vote.

Notwithstanding the previous provisions, the decisions or actions below must be submitted to the prior review and approval of the Board of Directors acting, upon first notice, by two-thirds majority of members in office (the "**Important Decisions**"), and, upon second notice, by a majority of the members present or represented by proxy it being specified that such decisions relate to the Company or to any of its subsidiaries (together the "**Group**"):

- any modification to the Group's main business;

- any modification to the rules relating to the composition of the Board of Directors and to the voting conditions of the Board of Directors;
- any modification to the Company's share capital and of the Group (e.g. share capital increase or decrease of the Company or of any of its subsidiaries (if it implies the entrance of a third party), distributions or initial public offering, merger, spin-off, liquidation, winding up or carve-out transactions);
- any external growth transactions including, acquisitions, disposals or joint-ventures, exceeding €4,000,000;
- any investment and disposition decisions exceeding €2,000,000 per project;
- any related-party agreement and any agreement or transaction between the executives or shareholders of the Company, on the one hand, and the Company or any of its subsidiaries, on the other hand;
- any modification to the list of Important Decisions, and
- convening a shareholders' meeting and requesting the insertion of a resolution on the agenda of the said shareholders' meeting.

12.4. Internal regulations may be adopted by the Board of Directors providing, among others, that for the calculation of the quorum and of the majority, the directors participating in the meeting of the board by means of visioconference consistent with applicable regulations, shall be considered as having attended the meeting in person. This provision is not applicable for the adoption of a resolution relating to L. 232-1 and L. 232-16 of French commercial code (*code de commerce*).

12.5. Each director receives the information necessary to perform its duties and office and may ask to be provided with any other documents it deems necessary.

12.6. Any director may give to another director, by letter, cable, email or telex, a proxy to be represented at a meeting of the board. However, each director can only represent one director during each meeting.

12.7. The copies or abstracts of the minutes are certified by the Chairman of the Board of Directors, the Chief Executive Officer and the director temporarily delegated in the duties of Chairman or by a representative duly authorized for that purpose.

ARTICLE 13 – POWERS OF THE BOARD OF DIRECTORS

The Board of Directors shall establish the Company's business policies and ensure that they are carried out. Subject to the powers expressly granted to shareholders' meetings, and within the limits of the corporate purpose, the Board of Directors may consider any issue relating to the proper operation of the Company and shall resolve on matters that relate to the Company.

With regards to third parties, the Company shall be bound by the acts of the Board of Directors that exceed the scope of the corporate purpose, unless the Company proves that the third party was aware, or that in light of the circumstances could not have been unaware, that the act was not within the corporate purpose; however, the mere publication of the bylaws is not sufficient to constitute such proof.

The Board of Directors can carry out all controls and verifications it deems necessary.

Furthermore, the Board of Directors shall exercise the special powers conferred by law.

ARTICLE 14 – GENERAL MANAGEMENT

14.1.1. The Company's executive management functions shall be performed, under its responsibility, by the Chairman of the Board of Directors or another individual appointed by the Board of Directors, who shall hold the title of Chief Executive Officer.

The Chief Executive Officer is vested with the most extensive powers to act under all circumstances on behalf of the Company. The Chief Executive Officer performs his powers within the limits of the purpose of the Company, except for those powers expressly granted by law to the meetings of shareholders and to the Board of Directors.

The Chief Executive Officer shall represent the Company in its relations with third parties. The Company shall be bound by acts of the Chief Executive Officer that exceed the scope of the corporate purpose, unless the Company is able to prove that the third party was aware, or that in light of the circumstances could not have been unaware, that the act was not within the corporate purpose; however, the mere publication of the bylaws is not sufficient to constitute such proof.

However, the decisions below must be submitted to the prior approval of the Board of Directors acting, upon first notice, by a majority of its members in office, and, upon second notice, by a majority of the members present or represented by proxy it being specified that such decisions relate to the Company or to any Company of the Group:

- approval and modification to the business plan and budget;
- any decision pertaining to the recruitment, dismissal/removal, or increase of the compensation of executives and corporate officers;
- any material decision relating to a material litigation in which the Company or any Company of the Group may have to pay an amount exceeding €2,000,000;
- any decision relating to the opening of a social or restructuring plan or pre-insolvency proceedings;
- dual listing of the Company on a stock market located outside of France;
- any buyback by the Company of its own shares;
- any new borrowings or debts exceeding €1,000,000 and early repayment of loans, if any;
- grants of any pledges on securities exceeding €1,000,000;
- offshore or relocate activities;
- development of new activities and businesses not described in the budget; and
- entry into any material agreement or partnership.

14.1.2. The Chief Executive Officer cannot be more than 70 years old. If the Chief Executive Officer reaches this age limit, he shall automatically be deemed to have resigned. However, the Chief Executive Officer's term of office shall be prolonged until the next Board of Directors meeting, at which a new Chief Executive Officer shall be appointed.

14.1.3. If the Chief Executive Officer is a director, the term of his office shall not exceed his term of office as director.

The Board of Directors may remove the Chief Executive Officer from office at any time. If the removal from office is decided without fair cause, the Chief Executive Officer removed from office may claim damages unless the Chief Executive Officer is also Chairman of the Board of Directors.

14.1.4. By a decision adopted by a majority vote of the directors present or represented by proxy, the Board of Directors shall choose between the two options of exercise of the general management described in Article 14.1.1, paragraph 1. The shareholders and third parties shall be informed of such choice in the manner prescribed by applicable laws and regulations.

The choice made by the Board of Directors shall remain in effect until a contrary decision of the Board or, at the Board's discretion, for the duration of the Chief Executive Officer's term of office.

If the Company's executive management functions are carried out by the Chairman of the Board of Directors, the provisions concerning the Chief Executive Officer shall apply to him.

In accordance with the provisions of Article L. 706-43 of the French code of criminal procedure (*code de procédure pénale)*, the Chief Executive Officer may validly delegate to any individual of his choice the power to represent the Company in connection with criminal proceedings that may be filed against the Company.

14.2.1. Upon proposal of the Chief Executive Officer, the Board of Directors may authorize one or more individuals to assist the Chief Executive Officer in the capacity of Deputy General Managers.

In accordance with the Chief Executive Officer, the Board of Directors shall determine the scope and duration of the powers granted to the Deputy General Managers. The Board of Directors shall set their compensation. If a Deputy General Manager is also a director, the term of his office shall not exceed his term of office as director.

No more than five Deputy General Managers shall be appointed.

Pursuant to a proposal of the Chief Executive Officer, the Deputy General Manager(s) may be removed from office by the Board of Directors at any time. If the removal from office is decided without fair cause, a Deputy General Manager removed from office may claim damages.

Deputy General Managers cannot be more than 70 years old. If a Deputy General Manager in office reaches this age limit, he shall automatically be deemed to have resigned. The Deputy General Manager's term of office shall be prolonged until the next Board of Directors' meeting, at which a new Deputy General Manager may be appointed.

If the Chief Executive Officer ceases its office or is unable to perform its duties, unless otherwise decided by the Board of Directors, the Deputy General Manager(s) shall remain in office and retain their powers until the appointment of a new Chief Executive Officer.

Vis-à-vis third parties, the Deputy General Managers shall have the same powers as the Chief Executive Officer.

ARTICLE 15 - AGREEMENTS SUBJECT TO AUTHORIZATION

15.1. Any sureties, endorsements and guarantees granted by the Company shall be authorized by the Board of Directors in accordance with the requirements prescribed by law.

15.2. Any agreement to be entered into, whether directly or indirectly or through an intermediary, between the Company and its Chief Executive Officer, one of its Deputy General Manager(s), one of its directors, one of its shareholders holding more that 10 % of the voting rights or, in the case of a Company being a shareholder, the Company controlling it within the meaning of article L 233-3 of the commercial code, must be submitted for the prior authorization of the Board of Directors.

The same applies for agreements in which one of the persons referred to in the above paragraph is indirectly interested.

Such prior authorization is also required for agreements between the Company and another Company, should the general manager, one of the deputy general manager or one of the directors of the Company be owner, partner with unlimited liability, manager, director, member of the supervisory board or, in general, manager of said Company.

The prior authorization of the Board of Directors shall be delivered in accordance with the requirements prescribed by law.

The foregoing provisions shall not apply to agreements relating to current operations concluded at normal conditions.

ARTICLE 16 - PROHIBITED AGREEMENTS

Directors, other than legal entities, are forbidden to contract loans from the Company in any form whatsoever, to secure an overdraft from it, as a current account or otherwise, and to have the Company guarantee or secure their commitments toward third parties.

The same prohibition applies to the Chief Executive Officer, the Deputy General Managers and to the permanent representatives of directors that are legal entities. The foregoing provision also applies to the spouses, ascendants and descendants of the persons referred to in this article, as well as to all intermediaries.

ARTICLE 17 - STATUTORY AUDITORS

Audits of the Company shall be carried out, as provided by law, by one or more statutory auditors legally entitled to be elected as such. When the conditions provided by law are met, the Company must appoint at least two supervisory auditors.

The statutory auditor(s) shall be appointed by the ordinary general meeting.

One or more deputy statutory auditors, who may be called to replace the regular statutory auditors in the case of death, disability, resignation or refusal to act of the latter, shall be appointed by an ordinary general meeting.

Should the general ordinary meeting of the shareholders fail to elect a statutory auditor, any shareholder can claim in court that one be appointed, provided that the President of the Board of Directors be duly informed. The term of office of the statutory auditor appointed in court will end upon the appointment of the statutory auditor(s) by the general ordinary meeting of the shareholders.

ARTICLE 18 - GENERAL SHAREHOLDERS' MEETING QUORUM – VOTE – NUMBER OF VOTES

General shareholders' meetings shall be convened and held as provided by law.

If the Company wishes to convene the meeting by electronic means in lieu and place of the postal mail, it has to obtain the prior approval of the interested shareholders which will indicate their electronic address.

Meetings shall be held at the registered office or at any other location specified in the convening notice.

The right to participate in general shareholders' meetings is determined by the applicable laws and regulations and is conditioned upon the registration of shares under the shareholder's name or under an intermediary's name acting on its behalf, on the third business day prior to the general shareholders' meeting at midnight (Paris time), either in the registered shares accounts held by the Company or in the bearer shares accounts held by the authorized intermediary.

If a shareholder does not attend the meeting in person, it can grant a proxy to another shareholder, to its spouse or partner of French *pacte civil de solidarité* (PACS) or any other individual or legal entity. It can also send vote by correspondence or send a proxy to the Company without indicating the beneficiary, in accordance with applicable laws.

In accordance with the requirements prescribed by the laws and regulations in force, the Board of Directors may arrange for shareholders to participate and vote by videoconference or means of telecommunication that allow them to be identified. If the Board of Directors decides to exercise this right for a particular shareholders' meeting, such decision shall be mentioned in the meeting notice (*avis de réunion*) and/or convening notice (*avis de convocation*) of the meeting. Shareholders who participate in shareholders' meetings be videoconference or any of the other means of telecommunication referred to above, as selected by the Board of Directors, shall be deemed present for the purposes of calculating the quorum and majority.

Shareholders' meetings shall be chaired by the Chairman of the Board of Directors or, in its absence, by the Chief Executive Officer or by a Deputy General Manager if he is a director, or by a director specifically appointed for such purposes by the Board. If no president has been appointed, the shareholders' meeting shall elect its own chairman.

The duties of scrutineers shall be performed by the two members of the shareholders' meeting who are present and hold the greatest number of votes, and who agree to perform such duties. The officers shall appoint a secretary, who may but need not be a shareholder.

An attendance sheet is drawn up, in accordance with the requirements prescribed by law.

Upon first notice, an ordinary general shareholders' meeting may validly deliberate only if the shareholders present or represented by proxy own at least one-fifth of the shares entitled to vote. Upon second notice, no quorum is required.

Decisions at ordinary general shareholders' meeting are made by a majority of the votes held by the shareholders present or represented by proxy.

Upon first notice, an extraordinary general shareholders' meeting may validly deliberate only if the shareholders present or represented by proxy own at least one-fourth of the shares entitled to vote. Upon second notice, an extraordinary general shareholders' meeting may validly deliberate only if the shareholders present or represented by proxy own at least one-fifth of the shares entitled to vote.

Decisions at extraordinary general shareholders' meeting are made by a two-thirds majority of the votes held by the shareholders present or represented by proxy.

Copies or extracts of shareholder meeting minutes may be validly certified by the Chairman of the Board of Directors, a director who holds the position of Chief Executive Officer or Deputy General Manager or by the secretary of the meeting.

Ordinary and extraordinary general shareholders' meetings shall exercise their respective powers in accordance with the requirements prescribed by law.

ARTICLE - 19 – FISCAL YEAR

Each fiscal year shall last one year, starting on January 1 and ending on December 31.

ARTICLE 20 - PROFITS – STATUTORY RESERVE FUND

Out of the profit of a fiscal year, reduced by prior losses if any, an amount equal to at least 5 % thereof is first deducted in order to form the legal reserve fund provided by law. This deduction is no longer required when the legal reserve fund amounts to one tenth of the capital of the Company.

Distributable profit is the profit of a fiscal year, reduced by prior losses and by the deduction provided for in the preceding paragraph and increased by the profits carried forward.

ARTICLE 21- DIVIDENDS

If there results a distributable profit from the accounts of the fiscal year, as approved by the general meeting, the general meeting may decide to allocate it to one or several reserve funds, the appropriation or use of which it shall determine, or to carry it forward or to distribute it as dividends.

Furthermore, after having established the existence of reserves which it may dispose of, the general meeting may decide the distribution of amounts paid out of such reserves. In such case, the payments shall be made. However, the dividends shall be set off by priority on the distributable profit of the fiscal year.

The general meeting shall determine the terms of payment of dividends ; failing such determination, these terms shall be determined by the Board of Directors.

However, the dividends must be declared payable no more than nine months following the close of the fiscal year.

The general meeting deciding upon the accounts of a fiscal year will be entitled to grant to each shareholder, for all or part of the distributed dividends, an option between payment in cash or in shares.

Similarly, should the ordinary general meeting resolve the distribution of interim dividends pursuant to article L. 232-12 of the French commercial code (*code de commerce*) , it will be entitled to grant to each shareholder an interim dividend and, for whole or part of the said interim dividend, an option between payment in cash or in shares.

The offer of payment in shares, the price and the conditions as to the issuing of such shares, together with the request for payment in shares and the conditions of the completion of the capital increase will be governed by the law and regulations.

When a balance sheet, drawn up during, or at the end of the fiscal year, and certified by the statutory auditor, shows that the Company, since the close of the preceding fiscal year, after having made the necessary depreciations and provisions and after deduction of the prior losses, if any, as well as of the amounts which are to be allocated to the reserve fund provided by law or by the by-laws and taking into account the profits carrying forward, has made profits, the Board of Directors may resolve the distribution of interim dividends prior to the approval of the accounts of the fiscal year, and may determine the amount thereof and the date of such distribution. The amount of such interim dividends cannot exceed the amount of the profits as defined in this paragraph. In this case, the option described in the preceding paragraph shall not be available.

ARTICLE 22 - EARLY DISSOLUTION

An extraordinary general shareholders' meeting may, at any time, decide to dissolve the Company before the expiration of its term.

ARTICLE 23 - LOSS OF ONE HALF OF SHARE CAPITAL

If, as a consequence of losses showed by the Company's accounts, the net assets (*capitaux propres*) of the Company are reduced below one half of the capital of the Company, the Board of Directors must, within four months from the approval of the accounts showing this loss, convene an extraordinary general meeting of shareholders in order to decide whether the Company ought to be dissolved before its statutory term.

If the dissolution is not declared, the capital must, at the latest at the end of the second fiscal year following the fiscal year during which the losses were established and subject to the legal provisions concerning the minimum capital of *sociétés anonymes*, be reduced by an amount at least equal to the losses which could not be charged on reserves, if during that period the net assets have not been restored up to an amount at least equal to one half of the capital.

In the absence of a meeting of shareholders, or in the case where the Company has not been able to validly act, any interested party may institute legal proceedings to dissolve the Company.

ARTICLE 24 - EFFECT OF THE DISSOLUTION

The Company is in liquidation as soon as it is dissolved for any reason whatsoever. It continues to exist as a legal entity for the needs of this liquidation until the liquidation is completed.

During the period of the liquidation, the general meeting shall retain the same powers it exercised during the life of the Company.

The shares shall remain transferable until the completion of the liquidation proceedings.

The dissolution of the Company is only valid vis-à-vis third parties as from the date at which it is published at the Trade and Companies Registry.

ARTICLE 25 - APPOINTMENT OF LIQUIDATORS – POWERS

When the Company’s term expires or if the Company is dissolved before the expiration of its term, a general shareholders’ meeting shall decide the method of liquidation, appoint one or more liquidators and determine their powers. The liquidators will exercise their duties in accordance with the law. The appointment of liquidators shall cause the duties of the directors, Chairman, Chief Executive Officer and Deputy General Managers to end.

ARTICLE 26 - LIQUIDATION - CLOSING

After payment of the liabilities, the remaining assets shall be used first for the payment to the shareholders of the amount paid for their shares and not amortized.

The balance, if any, shall be divided among all the shareholders.

The shareholders shall be convened at the end of the liquidation in order to decide on the final accounts, to discharge the liquidator from liability for his acts of management and the performance of his office, and to take notice of the closing of the liquidation.

The closing of the liquidation is published as provided by law.

ARTICLE 27 - NOTIFICATIONS

All notifications provided for in the present bylaws shall be made either by registered mail with acknowledgment of receipt or by process server. Simultaneously a copy of the notification shall be sent to the recipient by ordinary mail.

—ooOoo—

Exhibit 4.1

DEPOSIT AGREEMENT

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by and among

CELLECTIS S.A.

AND

CITIBANK, N.A.,
as Depositary,

AND

THE HOLDERS AND BENEFICIAL OWNERS OF
AMERICAN DEPOSITARY SHARES
ISSUED HEREUNDER

Dated as of **[DATE]**, 2015

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DEPOSIT AGREEMENT

DEPOSIT AGREEMENT, dated as of **[DATE]**, 2015, by and among (i) CELLECTIS S.A., a company organized and existing under the laws of the Republic of France, and its successors (the "Company"), (ii) CITIBANK, N.A., a national banking association organized under the laws of the United States of America acting in its capacity as depositary, and any successor depositary hereunder (the "Depositary"), and (iii) all Holders and Beneficial Owners of American Depositary Shares issued hereunder (all such capitalized terms as hereinafter defined).

W I T N E S S E T H T H A T:

WHEREAS, the Company desires to establish with the Depositary an ADR (as hereinafter defined) facility to provide for the deposit of the Shares (as hereinafter defined) and the creation of American Depositary Shares (as hereinafter defined) representing the Shares so deposited and for the execution and delivery of American Depositary Receipts (as hereinafter defined) evidencing such American Depositary Shares; and

WHEREAS, the Depositary is willing to act as the Depositary for such ADR facility upon the terms set forth in the Deposit Agreement (as hereinafter defined); and

WHEREAS, any American Depositary Receipts issued pursuant to the terms of the Deposit Agreement are to be substantially in the form of Exhibit A attached hereto, with appropriate insertions, modifications and omissions, as hereinafter provided in the Deposit Agreement; and

WHEREAS, the Board of Directors of the Company (or an authorized committee thereof) has duly approved the establishment of an ADR facility upon the terms set forth in the Deposit Agreement, the execution and delivery of the Deposit Agreement on behalf of the Company, and the actions of the Company and the transactions contemplated in the Deposit Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

All capitalized terms used, but not otherwise defined, herein shall have the meanings set forth below, unless otherwise clearly indicated:

Section 1.1 "**ADS Record Date**" shall have the meaning given to such term in Section 4.9.

Section 1.2 "**Affiliate**" shall have the meaning assigned to such term by the Commission (as hereinafter defined) under Regulation C promulgated under the Securities Act (as hereinafter defined), or under any successor regulation thereto.

Section 1.3 "**American Depositary Receipt(s)**", "**ADR(s)**" and "**Receipt(s)**" shall mean the certificate(s) issued by the Depositary to evidence the American Depositary Shares issued under the terms of the Deposit Agreement in the form of Certificated ADS(s) (as hereinafter defined), as such ADRs may be amended from time to time in accordance with the provisions of the Deposit Agreement. An ADR may evidence any number of ADSs and may, in the case of ADSs held through a central depository such as DTC, be in the form of a "Balance Certificate."

Section 1.4 "**American Depositary Share(s)**" and "**ADS(s)**" shall mean the rights and interests in the Deposited Property (as hereinafter defined) granted to the Holders and Beneficial Owners pursuant to the terms and conditions of the Deposit Agreement and, if issued as Certificated ADS(s) (as hereinafter defined), the ADR(s) issued to evidence such ADSs. ADS(s) may be issued under the terms of the Deposit Agreement in the form of (a) Certificated ADS(s) (as hereinafter defined), in which case the ADS(s) are evidenced by ADR(s), or (b) Uncertificated ADS(s) (as hereinafter defined), in which case the ADS(s) are not evidenced by ADR(s) but are reflected on the direct registration system maintained by the Depositary for such purposes under the terms of Section 2.13. Unless otherwise specified in the Deposit Agreement or in any ADR, or unless the context otherwise requires, any reference to ADS(s) shall include Certificated ADS(s) and Uncertificated ADS(s), individually or collectively, as the context may require. Each ADS shall represent the right to receive, and to exercise the beneficial ownership interests in, the number of Shares specified in the form of ADR attached hereto as Exhibit A (as amended from time to time) that are on deposit with the Depositary and/or the Custodian, subject, in each case, to the terms and conditions of the Deposit Agreement and any applicable ADR (if issued as a Certificated ADS), until there shall occur a distribution upon Deposited Securities referred to in Section 4.2 or a change in Deposited Securities referred to in Section 4.11 with respect to which additional ADSs are not issued, and thereafter each ADS shall represent the right to receive, and to exercise the beneficial ownership interests in, the applicable Deposited Property on deposit with the Depositary and the Custodian determined, in each case, in accordance with the terms and conditions of the Deposit Agreement and any applicable ADR (if issued as a Certificated ADS).

Section 1.5 "**Applicant**" shall have the meaning given to such term in Section 5.10.

Section 1.6 "**Beneficial Owner**" shall mean, as to any ADS, any person or entity having a beneficial interest deriving from the ownership of such ADS. Notwithstanding anything else contained in the Deposit Agreement, any ADR(s) or any other instruments or agreements relating to the ADSs and the corresponding Deposited Property, the Depositary, the Custodian and their respective nominees are intended to be, and shall at all times during the term of the Deposit Agreement be, the record holders only of the Deposited Property represented by the ADSs for the benefit of the Holders and Beneficial Owners of the corresponding ADSs. The Depositary, on its own behalf and on behalf of the Custodian and their respective nominees, disclaims any beneficial ownership interest in the Deposited Property held on behalf of the

Holders and Beneficial Owners of ADSs. The beneficial ownership interests in the Deposited Property are intended to be, and shall at all times during the term of the Deposit Agreement continue to be, vested in the Beneficial Owners of the ADSs representing the Deposited Property. The beneficial ownership interests in the Deposited Property shall, unless otherwise agreed by the Depositary, be exercisable by the Beneficial Owners of the ADSs only through the Holders of such ADSs, by the Holders of the ADSs (on behalf of the applicable Beneficial Owners) only through the Depositary, and by the Depositary (on behalf of the Holders and Beneficial Owners of the corresponding ADSs) directly, or indirectly through the Custodian or their respective nominees, in each case upon the terms of the Deposit Agreement and, if applicable, the terms of the ADR(s) evidencing the ADSs. A Beneficial Owner of ADSs may or may not be the Holder of such ADSs. A Beneficial Owner shall be able to exercise any right or receive any benefit hereunder solely through the person who is the Holder of the ADSs owned by such Beneficial Owner. Unless otherwise identified to the Depositary, a Holder shall be deemed to be the Beneficial Owner of all the ADSs registered in his/her/its name.

Section 1.7 "**By-Laws**" shall have the meaning set forth in Section 1.31.

Section 1.8 "**Certificated ADS(s)**" shall have the meaning set forth in Section 2.13.

Section 1.9 "**Commission**" shall mean the Securities and Exchange Commission of the United States or any successor governmental agency thereto in the United States.

Section 1.10 "**Company**" shall mean Cellectis S.A., a company organized and existing under the laws of the Republic of France, and its successors.

Section 1.11 "**Custodian**" shall mean (i) as of the date hereof, Citibank International Limited, having its principal office at EGSP 186, 1 North Wall Quay, Dublin 1 Ireland, as the custodian of Deposited Property for the purposes of the Deposit Agreement, (ii) Citibank, N.A., acting as custodian of Deposited Property pursuant to the Deposit Agreement, and (iii) any other entity that may be appointed by the Depositary pursuant to the terms of Section 5.5 as successor, substitute or additional Custodian hereunder. The term "Custodian" shall mean any Custodian individually or all Custodians collectively, as the context requires.

Section 1.12 "**Deliver**" and "**Delivery**" shall mean (x) when used in respect of Shares and other Deposited Securities, either (i) the physical delivery of the certificate(s) representing such Shares or other Deposited Securities, as applicable, or (ii) evidence of the registration of such Shares and other Deposited Securities in the name of the person to whom such Shares or Deposited Securities are delivered (or such person's nominee), in the register of shareholders maintained by the Share Registrar (as hereinafter defined), whether maintained in book-entry form or in any applicable book-entry settlement system, if available, including without limitation, Euroclear, and (y) when used in respect of ADSs, either (i) the physical delivery of ADR(s) evidencing the ADSs, or (ii) the book-entry transfer and recordation of ADSs on the books of the Depositary or any book-entry settlement system in which the ADSs are settlement-eligible.

Section 1.13 “**Deposit Agreement**” shall mean this Deposit Agreement and all exhibits hereto, as the same may be amended and supplemented from time to time in accordance with the terms of the Deposit Agreement.

Section 1.14 “**Depositary**” shall mean Citibank, N.A., a national banking association organized under the laws of the United States, in its capacity as depositary under the terms of the Deposit Agreement, and any successor depositary hereunder.

Section 1.15 “**Deposited Property**” shall mean the Deposited Securities and any cash and other property held on deposit by the Depositary or the Custodian in respect of the ADSs under the terms of the Deposit Agreement, subject, in the case of cash, to the provisions of Section 4.8. All Deposited Property shall be held by Custodian, the Depositary or their respective nominees for the benefit of the Holders and Beneficial Owners of the ADSs representing the Deposited Property. The Deposited Property is not intended to, and shall not, constitute proprietary assets of the Depositary, the Custodian or their nominees. Beneficial ownership in the Deposited Property is intended to be, and shall at all times during the term of the Deposit Agreement continue to be, vested in the Beneficial Owners of the ADSs representing the Deposited Property. Notwithstanding the foregoing, the collateral delivered in connection with Pre-Release Transactions described in Section 5.10 shall not constitute Deposited Property.

Section 1.16 “**Deposited Securities**” shall mean the Shares and any other securities held on deposit by the Custodian from time to time in respect of the ADSs under the Deposit Agreement.

Section 1.17 “**Dollars**” and “**$**” shall refer to the lawful currency of the United States.

Section 1.18 “**DTC**” shall mean The Depository Trust Company, a national clearinghouse and the central book-entry settlement system for securities traded in the United States and, as such, the custodian for the securities of DTC Participants (as hereinafter defined) maintained in DTC, and any successor thereto.

Section 1.19 “**DTC Participant**” shall mean any financial institution (or any nominee of such institution) having one or more participant accounts with DTC for receiving, holding and delivering the securities and cash held in DTC. A DTC Participant may or may not be a Beneficial Owner. If a DTC Participant is not the Beneficial Owner of the ADSs credited to its account at DTC, or of the ADSs in respect of which the DTC Participant is otherwise acting, such DTC Participant shall be deemed, for all purposes hereunder, to have all requisite authority to act on behalf of the Beneficial Owner(s) of the ADSs credited to its account at DTC or in respect of which the DTC Participant is so acting.

Section 1.20 “**Euro**” and “**€**” shall refer to the lawful currency of the European Union.

Section 1.21 “**Euroclear**” shall mean Euroclear France, the entity which provides the book-entry settlement system for equity securities in the Republic of France, or any successor entity thereto.

Section 1.22 "**Exchange Act**" shall mean the United States Securities Exchange Act of 1934, as amended from time to time.

Section 1.23 "**Foreign Currency**" shall mean any currency other than Dollars.

Section 1.24 "**Form F-6**" shall have the meaning given to such term in Section 2.8.

Section 1.25 "**Full Entitlement ADR(s)**", "**Full Entitlement ADS(s)**" and "**Full Entitlement Share(s)**" shall have the respective meanings set forth in Section 2.12.

Section 1.26 "**Holder(s)**" shall mean the person(s) in whose name the ADSs are registered on the books of the Depositary (or the Registrar, if any) maintained for such purpose. A Holder may or may not be a Beneficial Owner. If a Holder is not the Beneficial Owner of the ADS(s) registered in its name, such person shall be deemed, for all purposes hereunder, to have all requisite authority to act on behalf of the Beneficial Owners of the ADSs registered in its name.

Section 1.27 "**Partial Entitlement ADR(s)**", "**Partial Entitlement ADS(s)**" and "**Partial Entitlement Share(s)**" shall have the respective meanings set forth in Section 2.12.

Section 1.28 "**Pre-Release Transaction**" shall have the meaning set forth in Section 5.10.

Section 1.29 "**Principal Office**" shall mean, when used with respect to the Depositary, the principal office of the Depositary at which at any particular time its depositary receipts business shall be administered, which, at the date of the Deposit Agreement, is located at 388 Greenwich Street, New York, New York 10013, U.S.A.

Section 1.30 "**Registrar**" shall mean the Depositary or any bank or trust company having an office in the Borough of Manhattan, The City of New York, which shall be appointed by the Depositary to register issuances, transfers and cancellations of ADSs as herein provided, and shall include any co-registrar appointed by the Depositary for such purposes. Registrars (other than the Depositary) may be removed and substitutes appointed by the Depositary in accordance with the terms of the Deposit Agreement. Each Registrar (other than the Depositary) appointed pursuant to the Deposit Agreement shall be required to give notice in writing to the Depositary accepting such appointment and agreeing to be bound by the applicable terms of the Deposit Agreement.

Section 1.31 "**Restricted Securities**" shall mean Shares, Deposited Securities or ADSs which (i) have been acquired directly or indirectly from the Company or any of its Affiliates in a transaction or chain of transactions not involving any public offering and are subject to resale limitations under the Securities Act (as hereinafter defined) or the rules and regulations promulgated thereunder, or (ii) are held by an executive officer or director (or persons performing similar functions) or other Affiliate of the Company, or (iii) are subject to other restrictions on sale or deposit under the laws of the United States or the Republic of France, under a shareholder agreement or the by-laws (*statuts*) of the Company (the "By-Laws"), or under the regulations of an applicable securities exchange unless, in each case, such Shares,

Deposited Securities or ADSs are being transferred or sold to persons other than an Affiliate of the Company in a transaction (a) covered by an effective resale registration statement or (b) exempt from the registration requirements of the Securities Act, and the Shares, Deposited Securities or ADSs are not, when held by such person(s), Restricted Securities.

Section 1.32 “**Restricted ADR(s)**”, “**Restricted ADS(s)**” and “**Restricted Shares**” shall have the respective meanings set forth in Section 2.14.

Section 1.33 “**Securities Act**” shall mean the United States Securities Act of 1933, as amended from time to time.

Section 1.34 “**Share Registrar**” shall mean Société Générale Securities Services or any other institution organized under the laws of the Republic of France appointed by the Company to carry out the duties of registrar for the Shares, and any successor thereto as the Company appoints from time to time.

Section 1.35 “**Shares**” shall mean the Company’s ordinary shares, nominal value €0.05 per share, validly issued and outstanding and fully paid, and may, if the Depositary so agrees after consultation with the Company, include evidence of the right to receive Shares; provided that in no event shall Shares include evidence of the right to receive (i) Shares with respect to which the full purchase price has not been paid or (ii) Shares as to which preemptive rights have theretofore not been validly waived or exercised; provided further, however, that, if there shall occur any change in nominal value, split-up, consolidation, reclassification, exchange, conversion or any other event described in Section 4.11 in respect of the Shares of the Company, the term “Shares” shall thereafter, to the maximum extent permitted by law, represent the successor securities resulting from giving effect to such event.

Section 1.36 “**Uncertificated ADS(s)**” shall have the meaning set forth in Section 2.13.

Section 1.37 “**United States**” and “**U.S.**” shall have the meaning assigned to it in Regulation S as promulgated by the Commission under the Securities Act.

ARTICLE II

APPOINTMENT OF DEPOSITARY; FORM OF RECEIPTS; DEPOSIT OF SHARES; EXECUTION AND DELIVERY, TRANSFER AND SURRENDER OF RECEIPTS

Section 2.1 Appointment of Depositary. The Company hereby appoints the Depositary as depositary for the Deposited Property and hereby authorizes and directs the Depositary to act in accordance with the terms and conditions set forth in the Deposit Agreement and any applicable ADRs. Each Holder and each Beneficial Owner, upon acceptance of any ADSs (or any interest therein) issued in accordance with the terms and conditions of the Deposit Agreement shall be deemed for all purposes to (a) be a party to and bound by the terms of the Deposit Agreement and any applicable ADR(s), and (b) appoint the Depositary as its attorney-in-fact, with full power to delegate, to act on its behalf and to take any and all actions contemplated in the Deposit Agreement and any applicable ADR(s), to adopt any and all procedures necessary

to comply with applicable law and to take such action as the Depositary in its sole discretion may deem necessary or appropriate to carry out the purposes of the Deposit Agreement and any applicable ADR(s), the taking of any such actions to be the conclusive determinant of the necessity and appropriateness thereof.

Section 2.2 Form and Transferability of ADSs.

(a) Form. Certificated ADSs shall be evidenced by definitive ADRs which shall be engraved, printed, lithographed or produced in such other manner as may be agreed upon by the Company and the Depositary. ADRs may be issued under the Deposit Agreement in denominations of any whole number of ADSs. The ADRs shall be substantially in the form set forth in Exhibit A to the Deposit Agreement, with any appropriate insertions, modifications and omissions, in each case as otherwise contemplated in the Deposit Agreement or required by law. ADRs shall be (i) dated, (ii) signed by the manual or facsimile signature of a duly authorized signatory of the Depositary, (iii) countersigned by the manual or facsimile signature of a duly authorized signatory of the Registrar, and (iv) registered in the books maintained by the Registrar for the registration of issuances and transfers of ADSs. No ADR and no Certificated ADS evidenced thereby shall be entitled to any benefits under the Deposit Agreement or be valid or enforceable for any purpose against the Depositary or the Company, unless such ADR shall have been so dated, signed, countersigned and registered. ADRs bearing the facsimile signature of a duly-authorized signatory of the Depositary or the Registrar, who at the time of such signature was a duly-authorized signatory of the Depositary or the Registrar, as the case may be, shall bind the Depositary, notwithstanding the fact that such signatory has ceased to be so authorized prior to the delivery of such ADR by the Depositary. The ADRs shall bear a CUSIP number that is different from any CUSIP number that was, is or may be assigned to any depositary receipts previously or subsequently issued pursuant to any other arrangement between the Depositary (or any other depositary) and the Company and which are not ADRs outstanding hereunder.

(b) Legends. The ADRs, if any, may be endorsed with, or have incorporated in the text thereof, such legends or recitals not inconsistent with the provisions of the Deposit Agreement as may be (i) necessary to enable the Depositary and the Company to perform their respective obligations hereunder, (ii) required to comply with any applicable laws or regulations, or with the rules and regulations of any securities exchange or market upon which ADSs may be traded, listed or quoted, or to conform with any usage with respect thereto, (iii) necessary to indicate any special limitations or restrictions to which any particular ADRs or ADSs are subject by reason of the date of issuance of the Deposited Securities or otherwise, or (iv) required by any book-entry system in which the ADSs are held. In the case of Uncertificated ADRs (as hereinafter defined), such legends described in the preceding sentence may be included in statements issued from time to time to Holders of such Uncertificated ADSs. Holders and Beneficial Owners shall be deemed (i) in the case of Certificated ADSs, for all purposes, to have notice of, and to be bound by, the terms and conditions of the legends set forth, in the case of Holders, on the ADR registered in the name of the applicable Holders or, in the case of Beneficial Owners, on the ADR representing the ADSs owned by such Beneficial Owners and (ii) in the case of Uncertificated ADSs, for all purposes, to have notice of, and to be bound by, the terms and conditions of the legends set forth in the statements issued from time to time to Holders of such Uncertificated ADSs at all times following the provision of such statements as provided for in the Deposit Agreement.

(c) <u>Title</u>. Subject to the limitations contained herein and in any applicable ADR, title to an ADR (and to each Certificated ADS evidenced thereby) shall be transferable upon the same terms as a certificated security under the laws of the State of New York, provided that, in the case of Certificated ADSs, such ADR has been properly endorsed or is accompanied by proper instruments of transfer. Uncertificated ADSs not evidenced by ADRs shall be transferrable as uncertificated registered securities under the laws of the State of New York. Notwithstanding any notice to the contrary, the Depositary and the Company may deem and treat the Holder of an ADS (that is, the person in whose name an ADS is registered on the books of the Depositary) as the absolute owner thereof for all purposes. Neither the Depositary nor the Company shall have any obligation nor be subject to any liability under the Deposit Agreement or any ADR to any holder or any Beneficial Owner unless, in the case of a holder of ADSs, such holder is the Holder registered on the books of the Depositary or, in the case of a Beneficial Owner, such Beneficial Owner, or the Beneficial Owner's representative, is the Holder registered on the books of the Depositary.

(d) <u>Book-Entry Systems</u>. The Depositary shall make arrangements for the acceptance of the ADSs into DTC. All ADSs held through DTC will be registered in the name of the nominee for DTC (currently "Cede & Co."). As such, the nominee for DTC will be the only "Holder" of all ADSs held through DTC. Unless issued by the Depositary as Uncertificated ADSs, the ADSs registered in the name of Cede & Co. will be evidenced by one or more ADR(s) in the form of a "Balance Certificate," which will provide that it represents the aggregate number of ADSs from time to time indicated in the records of the Depositary as being issued hereunder and that the aggregate number of ADSs represented thereby may from time to time be increased or decreased by making adjustments on such records of the Depositary and of DTC or its nominee as hereinafter provided. Citibank, N.A. (or such other entity as is appointed by DTC or its nominee) may hold the "Balance Certificate" as custodian for DTC. Each Beneficial Owner of ADSs held through DTC must rely upon the procedures of DTC and the DTC Participants to exercise or be entitled to any rights attributable to such ADSs. The DTC Participants shall for all purposes be deemed to have all requisite power and authority to act on behalf of the Beneficial Owners of the ADSs held in the DTC Participants' respective accounts in DTC and the Depositary shall for all purposes be authorized to rely upon any instructions and information given to it by DTC Participants. So long as ADSs are held through DTC or unless otherwise required by law, ownership of beneficial interests in the ADSs registered in the name of the nominee for DTC will be shown on, and transfers of such ownership will be effected only through, records maintained by (i) DTC or its nominee (with respect to the interests of DTC Participants), or (ii) DTC Participants or their nominees (with respect to the interests of clients of DTC Participants).

Section 2.3 <u>Deposit of Shares</u>. Subject to the terms and conditions of the Deposit Agreement and applicable law, Shares or evidence of rights to receive Shares (other than Restricted Securities) may be deposited by any person (including the Depositary in its individual capacity but subject, however, in the case of the Company or any Affiliate of the Company, to Section 5.7) at any time by Delivery of the Shares to the Depositary, the Custodian or a nominee

of either. Every deposit of Shares shall be accompanied by the following: (A) (i) in the case of Shares represented by certificates issued in registered form, appropriate instruments of transfer or endorsement, duly signed by the transferor and in a form reasonably satisfactory to the Depositary or the Custodian, as applicable, (ii) in the case of Shares represented by certificates in bearer form, the requisite coupons and talons pertaining thereto, and (iii) in the case of Shares delivered by book-entry transfer and recordation, (x) evidence of registration of the Shares in the register of shareholders maintained by the Registrar (or of an applicable book-entry settlement system) in the name of the Depositary, the Custodian or any nominee of the Depositary or the Custodian, in each case, reasonably satisfactory to the Depositary or the Custodian, as applicable, or (y) evidence that irrevocable instructions have been given to the Share Registrar to cause such Shares to be so transferred and registered in the name of the Depositary, the Custodian or any nominee of the Depositary or the Custodian, in the register of shareholders of the Company maintained by the Share Registrar (or of an applicable book-entry settlement system), in each case, reasonably satisfactory to the Depositary or the Custodian, as applicable, (B) such certifications and payments (including, without limitation, the Depositary's fees and related charges) and evidence of such payments (including, without limitation, stamping or otherwise marking such Shares by way of receipt) as may be reasonably required by the Depositary or the Custodian in accordance with the provisions of the Deposit Agreement and applicable law, (C) if the Depositary so requires, a written order directing the Depositary to issue and deliver to, or upon the written order of, the person(s) stated in such order the number of ADSs representing the Shares so deposited, (D) evidence reasonably satisfactory to the Depositary (which may be an opinion of counsel) that all necessary approvals have been granted by, or there has been compliance with the rules and regulations of, any applicable governmental agency in the Republic of France, and (E) if the Depositary so requires, (i) an agreement, assignment or instrument reasonably satisfactory to the Depositary or the Custodian which provides for the prompt transfer by any person in whose name the Shares are or have been recorded to the Custodian of any distribution, or right to subscribe for additional Shares or to receive other property in respect of any such deposited Shares or, in lieu thereof, such indemnity or other agreement as shall be reasonably satisfactory to the Depositary or the Custodian and (ii) if the Shares are registered in the name of the person on whose behalf they are presented for deposit, a proxy or proxies entitling the Custodian to exercise voting rights in respect of the Shares for any and all purposes until the Shares so deposited are registered in the name of the Depositary, the Custodian or any nominee.

Without limiting any other provision of the Deposit Agreement, the Depositary shall instruct the Custodian not to, and the Depositary shall not knowingly, accept for deposit (a) any Restricted Securities (except as permitted by Section 2.14) nor (b) any fractional Shares or fractional Deposited Securities nor (c) a number of Shares or Deposited Securities which upon application of the ADS to Shares ratio would give rise to fractional ADSs. No Shares shall be accepted for deposit unless accompanied by evidence, if any is required by the Depositary, that is reasonably satisfactory to the Depositary or the Custodian that all conditions to such deposit have been satisfied by the person depositing such Shares under the laws and regulations of the Republic of France and any necessary approval has been granted by any applicable governmental body in the Republic of France, if any. The Depositary may issue ADSs against evidence of rights to receive Shares from the Company, any agent of the Company or any custodian, registrar, transfer agent, clearing agency or other entity involved in ownership or transaction

records in respect of the Shares. Such evidence of rights shall consist of written blanket or specific guarantees of ownership of Shares furnished by the Company or any such custodian, registrar, transfer agent, clearing agency or other entity involved in ownership or transaction records in respect of the Shares.

Without limitation of the foregoing, the Depositary shall not knowingly accept for deposit under the Deposit Agreement (A) any Shares or other securities required to be registered under the provisions of the Securities Act, unless (i) a registration statement is in effect as to such Shares or other securities or (ii) the deposit is made upon terms contemplated in Section 2.14, or (B) any Shares or other securities the deposit of which would violate any provisions of the By-Laws of the Company unless the Company has furnished the Depositary with a written opinion of French counsel reasonably acceptable to the Depositary stating that such deposit does not violate the By-Laws. For purposes of determining knowledge of the Depositary in the foregoing sentence, the Depositary shall be entitled to rely upon representations and warranties made or deemed made pursuant to the Deposit Agreement and shall not be required to make any further investigation. The Depositary will comply with written instructions of the Company (received by the Depositary reasonably in advance) not to accept for deposit hereunder any Shares identified in such instructions at such times and under such circumstances as may reasonably be specified in such instructions in order to facilitate the Company's compliance with the securities laws of the United States.

Section 2.4 Registration and Safekeeping of Deposited Securities. The Depositary shall instruct the Custodian upon each Delivery of registered Shares being deposited hereunder with the Custodian (or other Deposited Securities pursuant to Article IV hereof), together with the other documents above specified, to present such Shares, together with the appropriate instrument(s) of transfer or endorsement, duly stamped (if applicable), to the Share Registrar for transfer and registration of the Shares (as soon as transfer and registration can be accomplished and at the expense of the person for whom the deposit is made) in the name of the Depositary, the Custodian or a nominee of either. Deposited Securities shall be held by the Depositary, or by a Custodian for the account and to the order of the Depositary or a nominee of the Depositary, in each case, on behalf of the Holders and Beneficial Owners, at such place(s) as the Depositary or the Custodian shall determine. Notwithstanding anything else contained in the Deposit Agreement, any ADR(s), or any other instruments or agreements relating to the ADSs and the corresponding Deposited Property, the registration of the Deposited Securities in the name of the Depositary, the Custodian or any of their respective nominees, shall, to the maximum extent permitted by applicable law, vest in the Depositary, the Custodian or the applicable nominee the record ownership in the applicable Deposited Securities with the beneficial ownership rights and interests in such Deposited Securities being at all times vested with the Beneficial Owners of the ADSs representing the Deposited Securities. Notwithstanding the foregoing, the Depositary, the Custodian and the applicable nominee shall at all times be entitled to exercise the beneficial ownership rights in all Deposited Property, in each case only on behalf of the Holders and Beneficial Owners of the ADSs representing the Deposited Property, upon the terms set forth in the Deposit Agreement and, if applicable, the ADR(s) representing the ADSs. The Depositary, the Custodian and their respective nominees shall for all purposes be deemed to have all requisite power and authority to act in respect of Deposited Property on behalf of the Holders and Beneficial Owners of ADSs representing the Deposited Property, and upon making payments to, or acting upon instructions from, or information provided by, the Depositary, the Custodian or their respective nominees all persons shall be authorized to rely upon such power and authority.

Section 2.5 Issuance of ADSs. The Depositary has made arrangements with the Custodian for the Custodian to confirm to the Depositary upon receipt of a deposit of Shares (i) that a deposit of Shares has been made pursuant to Section 2.3, (ii) that such Deposited Securities have been recorded in the name of the Depositary, the Custodian or a nominee of either on the shareholders' register maintained by or on behalf of the Company by the Share Registrar or on the books of the book-entry settlement entity, if available, (iii) that all required documents have been received, and (iv) the person(s) to whom or upon whose order ADSs are deliverable in respect thereof and the number of ADSs to be so delivered. Such notification may be made by letter, cable, telex, SWIFT message or, at the risk and expense of the person making the deposit, by facsimile or other means of electronic transmission. Upon receiving such notice from the Custodian, the Depositary, subject to the terms and conditions of the Deposit Agreement and applicable law, shall issue the ADSs representing the Shares so deposited to or upon the order of the person(s) named in the notice delivered to the Depositary and, if applicable, shall execute and deliver at its Principal Office Receipt(s) registered in the name(s) requested by such person(s) and evidencing the aggregate number of ADSs to which such person(s) are entitled, but, in each case, only upon payment to the Depositary of the charges of the Depositary for accepting a deposit, issuing ADSs (as set forth in Section 5.9 and Exhibit B hereto) and all taxes and governmental charges and fees payable in connection with such deposit and the transfer of the Shares and the issuance of the ADS(s). The Depositary shall only issue ADSs in whole numbers and deliver, if applicable, ADR(s) evidencing whole numbers of ADSs. Nothing herein shall prohibit any Pre-Release Transaction upon the terms set forth in the Deposit Agreement.

Section 2.6 Transfer, Combination and Split-up of ADRs.

(a) Transfer. The Registrar shall as promptly as commercially practicable register the transfer of ADRs (and of the ADSs represented thereby) on the books maintained for such purpose and the Depositary shall as promptly as commercially practicable (x) cancel such ADRs and execute new ADRs evidencing the same aggregate number of ADSs as those evidenced by the ADRs canceled by the Depositary, (y) cause the Registrar to countersign such new ADRs and (z) Deliver such new ADRs to or upon the order of the person entitled thereto, if each of the following conditions has been satisfied: (i) the ADRs have been duly Delivered by the Holder (or by a duly authorized attorney of the Holder) to the Depositary at its Principal Office for the purpose of effecting a transfer thereof, (ii) the surrendered ADRs have been properly endorsed or are accompanied by proper instruments of transfer (including signature guarantees in accordance with standard securities industry practice), (iii) the surrendered ADRs have been duly stamped (if required by the laws of the State of New York or of the United States), and (iv) all applicable fees and charges of, and expenses incurred by, the Depositary and all applicable taxes and governmental charges (as are set forth in Section 5.9 and Exhibit B hereto) have been paid, *subject, however, in each case,* to the terms and conditions of any applicable ADRs, of the Deposit Agreement and of applicable law, in each case as in effect at the time thereof.

(b) Combination & Split-Up. The Registrar shall as promptly as commercially practicable register the split-up or combination of ADRs (and of the ADSs represented thereby)

on the books maintained for such purpose and the Depositary shall as promptly as commercially practicable (x) cancel such ADRs and execute new ADRs for the number of ADSs requested, but in the aggregate not exceeding the number of ADSs evidenced by the ADRs canceled by the Depositary, (y) cause the Registrar to countersign such new ADRs and (z) Deliver such new ADRs to or upon the order of the Holder thereof, if each of the following conditions has been satisfied: (i) the ADRs have been duly Delivered by the Holder (or by a duly authorized attorney of the Holder) to the Depositary at its Principal Office for the purpose of effecting a split-up or combination thereof, and (ii) all applicable fees and charges of, and expenses incurred by, the Depositary and all applicable taxes and governmental charges (as are set forth in Section 5.9 and Exhibit B hereto) have been paid, *subject, however, in each case*, to the terms and conditions of any applicable ADRs, of the Deposit Agreement and of applicable law, in each case as in effect at the time thereof.

(c) Co-Registrars. The Depositary may appoint one or more co-registrars for the purpose of effecting transfers, combinations and split-ups of ADRs at designated transfer offices on behalf of the Depositary and the Depositary shall as promptly as practicable notify the Company in writing upon any such appointment. In carrying out its functions, a co-registrar may require evidence of authority and compliance with applicable laws and other requirements by Holders or persons entitled to such ADRs and will be entitled to protection and indemnity to the same extent as the Depositary. Such co-registrars may be removed and substitutes appointed by the Depositary and the Depositary shall as promptly as practicable notify the Company in writing upon any such removal or substitution. Each co-registrar appointed under this Section 2.6 (other than the Depositary) shall give notice in writing to the Depositary accepting such appointment and agreeing to be bound by the applicable terms of the Deposit Agreement.

Section 2.7 Surrender of ADSs and Withdrawal of Deposited Securities. The Holder of ADSs shall be entitled to Delivery (at the Custodian's designated office, or, at the request, risk and expense of the Holder, at such other place as the Holder requests) of the Deposited Securities at the time represented by the ADSs upon satisfaction of each of the following conditions: (i) the Holder (or a duly-authorized attorney of the Holder) has duly Delivered ADSs to the Depositary at its Principal Office (and if applicable, the ADRs evidencing such ADSs) for the purpose of withdrawal of the Deposited Securities represented thereby, (ii) if applicable and so required by the Depositary, the ADRs Delivered to the Depositary for such purpose have been properly endorsed in blank or are accompanied by proper instruments of transfer in blank (including signature guarantees in accordance with standard securities industry practice), (iii) if so required by the Depositary, the Holder of the ADSs has executed and delivered to the Depositary a written order directing the Depositary to cause the Deposited Securities being withdrawn to be Delivered to or upon the written order of the person(s) designated in such order, and (iv) all applicable fees and charges of, and expenses incurred by, the Depositary and all applicable taxes and governmental charges (as are set forth in Section 5.9 and Exhibit B) have been paid, *subject, however, in each case*, to the terms and conditions of the ADRs evidencing the surrendered ADSs, of the Deposit Agreement, of the Company's By-Laws and of any applicable laws and the rules of the book-entry settlement entity, if available, and to any provisions of or governing the Deposited Securities, in each case as in effect at the time thereof.

Upon satisfaction of each of the conditions specified above, the Depositary as promptly as commercially practicable (i) shall cancel the ADSs Delivered to it (and, if applicable, the ADR(s) evidencing the ADSs so Delivered), (ii) shall direct the Registrar to record the cancellation of the ADSs so Delivered on the books maintained for such purpose, and (iii) shall direct the Custodian to Deliver, or cause the Delivery of, in each case, without unreasonable delay, the Deposited Securities represented by the ADSs so canceled together with any certificate or other document of title for the Deposited Securities, or evidence of the electronic transfer thereof (if available), as the case may be, to or upon the written order of the person(s) designated in the order delivered to the Depositary for such purpose, *subject however,* in each case, to the terms and conditions of the Deposit Agreement, of the ADRs evidencing the ADSs so canceled, of the By-Laws of the Company, of any applicable laws and of the rules of the book-entry settlement entity, if available, and to the terms and conditions of or governing the Deposited Securities, in each case as in effect at the time thereof.

The Depositary shall not accept for surrender ADSs representing less than one (1) Share. In the case of Delivery to it of ADSs representing a number other than a whole number of Shares, the Depositary shall cause ownership of the appropriate whole number of Shares to be Delivered in accordance with the terms hereof, and shall, at the discretion of the Depositary, either (i) return to the person surrendering such ADSs the number of ADSs representing any remaining fractional Share, or (ii) sell or cause to be sold the fractional Share represented by the ADSs so surrendered and remit the proceeds of such sale (net of (a) applicable fees and charges of, and expenses incurred by, the Depositary and (b) applicable taxes withheld as a result of such sale) to the person surrendering the ADSs.

Notwithstanding anything else contained in any ADR or the Deposit Agreement, the Depositary may make delivery at the Principal Office of the Depositary of Deposited Property consisting of (i) any cash dividends or cash distributions, or (ii) any proceeds from the sale of any non-cash distributions, which are at the time held by the Depositary in respect of the Deposited Securities represented by the ADSs surrendered for cancellation and withdrawal. At the request, risk and expense of any Holder so surrendering ADSs, and for the account of such Holder, the Depositary shall direct the Custodian to forward (to the extent permitted by law) any Deposited Property (other than Deposited Securities) held by the Custodian in respect of such ADSs to the Depositary for delivery at the Principal Office of the Depositary. Such direction shall be given by letter or, at the request, risk and expense of such Holder, by cable, telex or facsimile transmission.

Section 2.8 Limitations on Execution and Delivery, Transfer, etc. of ADSs; Suspension of Delivery, Transfer, etc.

(a) Additional Requirements. As a condition precedent to the execution and delivery, the registration of issuance, transfer, split-up, combination or surrender, of any ADS, the delivery of any distribution thereon, or the withdrawal of any Deposited Property, the Depositary or the Custodian may require (i) payment from the depositor of Shares or presenter of ADSs or of an ADR of a sum sufficient to reimburse it for any applicable tax or other governmental charge and any stock transfer or registration fee with respect thereto (including any such tax, charge or fee with respect to Shares being deposited or withdrawn) and payment of

any applicable fees and charges of the Depositary as provided in Section 5.9 and Exhibit B, (ii) the production of proof reasonably satisfactory to it as to the identity and genuineness of any signature or any other matter contemplated by Section 3.1, and (iii) compliance with (A) any laws or governmental regulations relating to the execution and delivery of ADRs or ADSs or to the withdrawal of Deposited Securities and (B) such reasonable regulations as the Depositary and the Company may establish consistent with the provisions of the representative ADR, if applicable, the Deposit Agreement and applicable law.

(b) Additional Limitations. The issuance of ADSs against deposits of Shares generally or against deposits of particular Shares may be suspended, or the deposit of particular Shares may be refused, or the registration of transfer of ADSs in particular instances may be refused, or the registration of transfers of ADSs generally may be suspended, during any period when the transfer books of the Company, the Depositary, a Registrar or the Share Registrar are closed or if any such action is deemed necessary or advisable by the Depositary (whereupon the Depositary shall use commercially reasonable efforts to notify the Company promptly following such closure or determination) or the Company, in good faith, at any time or from time to time because of any requirement of law or regulation, any government or governmental body or commission or any securities exchange on which the ADSs or Shares are listed, or under any provision of the Deposit Agreement or the representative ADR(s), if applicable, or under any provision of, or governing, the Deposited Securities, or because of a meeting of shareholders of the Company or for any other reason, subject, in all cases, to Section 7.8.

(c) Regulatory Restrictions. Notwithstanding any provision of the Deposit Agreement or any ADR(s) to the contrary, Holders are entitled to surrender outstanding ADSs to withdraw the Deposited Securities associated herewith at any time subject only to (i) temporary delays caused by closing the transfer books of the Depositary or the Company or the deposit of Shares in connection with voting at a shareholders' meeting or the payment of dividends, (ii) the payment of fees, taxes and similar charges, (iii) compliance with any U.S. or foreign laws or governmental regulations relating to the ADSs or to the withdrawal of the Deposited Securities, and (iv) other circumstances specifically contemplated by Instruction I.A.(l) of the General Instructions, as may be amended from time to time, to Registration Statement on Form F-6 under the Securities Act ("Form F-6").

Section 2.9 Lost ADRs, etc. In case any ADR shall be mutilated, destroyed, lost, or stolen, the Depositary shall execute and deliver a new ADR of like tenor at the expense of the Holder (a) *in the case of a mutilated ADR,* in exchange of and substitution for such mutilated ADR upon cancellation thereof, or (b) *in the case of a destroyed, lost or stolen ADR,* in lieu of and in substitution for such destroyed, lost, or stolen ADR, after the Holder thereof (i) has submitted to the Depositary a written request for such exchange and substitution before the Depositary has notice that the ADR has been acquired by a bona fide purchaser, (ii) has provided such security or indemnity (including an indemnity bond) as may be required by the Depositary to save it and any of its agents harmless, and (iii) has satisfied any other reasonable requirements imposed by the Depositary, including, without limitation, evidence satisfactory to the Depositary of such destruction, loss or theft of such ADR, the authenticity thereof and the Holder's ownership thereof.

Section 2.10 Cancellation and Destruction of Surrendered ADRs; Maintenance of Records. All ADRs surrendered to the Depositary shall be canceled by the Depositary. Canceled ADRs shall not be entitled to any benefits under the Deposit Agreement or be valid or enforceable against the Depositary or the Company for any purpose. The Depositary is authorized to destroy ADRs so canceled, provided the Depositary maintains a record of all destroyed ADRs. Any ADSs held in book-entry form (*e.g.*, through accounts at DTC) shall be deemed canceled when the Depositary causes the number of ADSs evidenced by the Balance Certificate to be reduced by the number of ADSs surrendered (without the need to physically destroy the Balance Certificate).

Section 2.11 Escheatment. In the event any unclaimed property relating to the ADSs, for any reason, is in the possession of the Depositary and has not been claimed by the Holder thereof or cannot be delivered to the Holder thereof through usual channels, the Depositary shall, upon expiration of any applicable statutory period relating to abandoned property laws, escheat such unclaimed property to the relevant authorities in accordance with the laws of each of the relevant States of the United States.

Section 2.12 Partial Entitlement ADSs. In the event any Shares are deposited which (i) entitle the holders thereof to receive a per-share distribution or other entitlement in an amount different from the Shares then on deposit or (ii) are not fully fungible (including, without limitation, as to settlement or trading) with the Shares then on deposit (the Shares then on deposit collectively, "Full Entitlement Shares" and the Shares with different entitlement, "Partial Entitlement Shares"), the Depositary shall (i) cause the Custodian to hold Partial Entitlement Shares separate and distinct from Full Entitlement Shares, and (ii) subject to the terms of the Deposit Agreement, issue ADSs representing Partial Entitlement Shares which are separate and distinct from the ADSs representing Full Entitlement Shares, by means of separate CUSIP numbering and legending (if necessary) and, if applicable, by issuing ADRs evidencing such ADSs with applicable notations thereon ("Partial Entitlement ADSs/ADRs" and "Full Entitlement ADSs/ADRs", respectively). If and when Partial Entitlement Shares become Full Entitlement Shares, the Depositary shall (a) give notice thereof to Holders of Partial Entitlement ADSs and give Holders of Partial Entitlement ADRs the opportunity to exchange such Partial Entitlement ADRs for Full Entitlement ADRs, (b) cause the Custodian to transfer the Partial Entitlement Shares into the account of the Full Entitlement Shares, and (c) take such actions as are necessary to remove the distinctions between (i) the Partial Entitlement ADRs and ADSs, on the one hand, and (ii) the Full Entitlement ADRs and ADSs on the other hand. Holders and Beneficial Owners of Partial Entitlement ADSs shall only be entitled to the entitlements of Partial Entitlement Shares. Holders and Beneficial Owners of Full Entitlement ADSs shall be entitled only to the entitlements of Full Entitlement Shares. All provisions and conditions of the Deposit Agreement shall apply to Partial Entitlement ADRs and ADSs to the same extent as Full Entitlement ADRs and ADSs, except as contemplated by this Section 2.12. The Depositary is authorized to take any and all other actions as may be necessary (including, without limitation, making the necessary notations on ADRs) to give effect to the terms of this Section 2.12. The Company agrees to give timely written notice to the Depositary if any Shares issued or to be issued are Partial Entitlement Shares and shall assist the Depositary with the establishment of procedures enabling the identification of Partial Entitlement Shares upon Delivery to the Custodian.

Section 2.13 Certificated/Uncertificated ADSs. Notwithstanding any other provision of the Deposit Agreement, the Depositary may, at any time and from time to time, issue ADSs that are not evidenced by ADRs (such ADSs, the "Uncertificated ADS(s)" and the ADS(s) evidenced by ADR(s), the "Certificated ADS(s)"). When issuing and maintaining Uncertificated ADS(s) under the Deposit Agreement, the Depositary shall at all times be subject to (i) the standards applicable to registrars and transfer agents maintaining direct registration systems for equity securities in New York and issuing uncertificated securities under New York law, and (ii) the terms of New York law applicable to uncertificated equity securities. Uncertificated ADSs shall not be represented by any instruments but shall be evidenced by registration in the books of the Depositary maintained for such purpose. Holders of Uncertificated ADSs, that are not subject to any registered pledges, liens, restrictions or adverse claims of which the Depositary has notice at such time, shall at all times have the right to exchange the Uncertificated ADS(s) for Certificated ADS(s) of the same type and class, subject in each case to applicable laws and any rules and regulations the Depositary may have established in respect of the Uncertificated ADSs. Holders of Certificated ADSs shall, if the Depositary maintains a direct registration system for the ADSs, have the right to exchange the Certificated ADSs for Uncertificated ADSs upon (i) the due surrender of the Certificated ADS(s) to the Depositary for such purpose and (ii) the presentation of a written request to that effect to the Depositary, subject in each case to (a) all liens and restrictions noted on the ADR evidencing the Certificated ADS(s) and all adverse claims of which the Depositary then has notice, (b) the terms of the Deposit Agreement and the rules and regulations that the Depositary may establish for such purposes hereunder, (c) applicable law, and (d) payment of the Depositary fees and expenses applicable to such exchange of Certificated ADS(s) for Uncertificated ADS(s). Uncertificated ADSs shall in all material respects be identical to Certificated ADS(s) of the same type and class, except that (i) no ADR(s) shall be, or shall need to be, issued to evidence Uncertificated ADS(s), (ii) Uncertificated ADS(s) shall, subject to the terms of the Deposit Agreement, be transferable upon the same terms and conditions as uncertificated securities under New York law, (iii) the ownership of Uncertificated ADS(s) shall be recorded on the books of the Depositary maintained for such purpose and evidence of such ownership shall be reflected in periodic statements provided by the Depositary to the Holder(s) in accordance with applicable New York law, (iv) the Depositary may from time to time, upon notice to the Holders of Uncertificated ADSs affected thereby, establish rules and regulations, and amend or supplement existing rules and regulations, as may be deemed reasonably necessary to maintain Uncertificated ADS(s) on behalf of Holders, provided that (a) such rules and regulations do not conflict with the terms of the Deposit Agreement and applicable law, and (b) the terms of such rules and regulations are readily available to Holders upon request, (v) the Uncertificated ADS(s) shall not be entitled to any benefits under the Deposit Agreement or be valid or enforceable for any purpose against the Depositary or the Company unless such Uncertificated ADS(s) is/are registered on the books of the Depositary maintained for such purpose, (vi) the Depositary may, in connection with any deposit of Shares resulting in the issuance of Uncertificated ADSs and with any transfer, pledge, release and cancellation of Uncertificated ADSs, require the prior receipt of such documentation as the Depositary may deem reasonably appropriate, and (vii) upon termination of the Deposit Agreement, the Depositary shall not require Holders of Uncertificated ADSs to affirmatively instruct the Depositary before remitting proceeds from the sale of the Deposited Property represented by such Holders' Uncertificated ADSs under the terms of Section 6.2 of the Deposit

Agreement. When issuing ADSs under the terms of the Deposit Agreement, including, without limitation, issuances pursuant to Sections 2.5, 4.2, 4.3, 4.4, 4.5 and 4.11, the Depositary may in its discretion determine to issue Uncertificated ADSs rather than Certificated ADSs, unless otherwise specifically instructed by the applicable Holder to issue Certificated ADSs. All provisions and conditions of the Deposit Agreement shall apply to Uncertificated ADSs to the same extent as to Certificated ADSs, except as contemplated by this Section 2.13. The Depositary is authorized and directed to take any and all actions and establish any and all procedures deemed reasonably necessary to give effect to the terms of this Section 2.13. Any references in the Deposit Agreement or any ADR(s) to the terms "American Depositary Share(s)" or "ADS(s)" shall, unless the context otherwise requires, include Certificated ADS(s) and Uncertificated ADS(s). Except as set forth in this Section 2.13 and except as required by applicable law, the Uncertificated ADSs shall be treated as ADSs issued and outstanding under the terms of the Deposit Agreement. In the event that, in determining the rights and obligations of parties hereto with respect to any Uncertificated ADSs, any conflict arises between (a) the terms of the Deposit Agreement (other than this Section 2.13) and (b) the terms of this Section 2.13, the terms and conditions set forth in this Section 2.13 shall be controlling and shall govern the rights and obligations of the parties to the Deposit Agreement pertaining to the Uncertificated ADSs.

Section 2.14 Restricted ADSs. The Depositary shall, at the request and expense of the Company, establish procedures enabling the deposit hereunder of Shares that are Restricted Securities in order to enable the holder of such Shares to hold its ownership interests in such Restricted Shares in the form of ADSs issued under the terms hereof (such Shares, "Restricted Shares"). Upon receipt of a written request from the Company to accept Restricted Shares for deposit hereunder, the Depositary agrees to establish procedures permitting the deposit of such Restricted Shares and the issuance of ADSs representing the right to receive, subject to the terms of the Deposit Agreement and any applicable ADR (if issued as a Certificated ADS), such deposited Restricted Shares (such ADSs, the "Restricted ADSs," and the ADRs evidencing such Restricted ADSs, the "Restricted ADRs"). Notwithstanding anything contained in this Section 2.14, the Depositary and the Company may, to the extent not prohibited by law, agree to issue the Restricted ADSs in uncertificated form ("Uncertificated Restricted ADSs") upon such terms and conditions as the Company and the Depositary may deem necessary and appropriate. The Company shall assist the Depositary in the establishment of such procedures and agrees that it shall take all steps necessary and reasonably satisfactory to the Depositary to ensure that the establishment of such procedures does not violate the provisions of the Securities Act or any other applicable laws. The depositors of such Restricted Shares and the Holders of the Restricted ADSs may be required prior to the deposit of such Restricted Shares, the transfer of the Restricted ADRs and Restricted ADSs or the withdrawal of the Restricted Shares represented by Restricted ADSs to provide such written certifications or agreements as the Depositary or the Company may require. The Company shall provide to the Depositary in writing the legend(s) to be affixed to the Restricted ADRs (if the Restricted ADSs are to be issued as Certificated ADSs), or to be included in the statements issued from time to time to Holders of Uncertificated ADSs (if issued as Uncertificated Restricted ADSs), which legends shall (i) be in a form reasonably satisfactory to the Depositary and (ii) contain the specific circumstances under which the Restricted ADSs, and, if applicable, the Restricted ADRs evidencing the Restricted ADSs, may be transferred or the Restricted Shares withdrawn. The Restricted ADSs issued upon the deposit

of Restricted Shares shall be separately identified on the books of the Depositary and the Restricted Shares so deposited shall, to the extent required by law, be held separate and distinct from the other Deposited Securities held hereunder. The Restricted Shares and the Restricted ADSs shall not be eligible for Pre-Release Transactions. The Restricted ADSs shall not be eligible for inclusion in any book-entry settlement system (including, without limitation, DTC), except to the extent permitted by such book-entry settlement system, and shall not in any way be fungible with the ADSs issued under the terms hereof that are not Restricted ADSs. The Restricted ADSs, and, if applicable, the Restricted ADRs evidencing the Restricted ADSs, shall be transferable only by the Holder thereof upon delivery to the Depositary of (i) all documentation otherwise contemplated by the Deposit Agreement and (ii) an opinion of counsel reasonably satisfactory to the Depositary setting forth, *inter alia*, the conditions upon which the Restricted ADSs presented, and, if applicable, the Restricted ADRs evidencing the Restricted ADSs, are transferable by the Holder thereof under applicable securities laws and the transfer restrictions contained in the legend applicable to the Restricted ADSs presented for transfer. Except as set forth in this Section 2.14 and except as required by applicable law, the Restricted ADSs and the Restricted ADRs evidencing Restricted ADSs shall be treated as ADSs and ADRs issued and outstanding under the terms of the Deposit Agreement. In the event that, in determining the rights and obligations of parties hereto with respect to any Restricted ADSs, any conflict arises between (a) the terms of the Deposit Agreement (other than this Section 2.14) and (b) the terms of (i) this Section 2.14 or (ii) the applicable Restricted ADR, the terms and conditions set forth in this Section 2.14 and of the Restricted ADR shall be controlling and shall govern the rights and obligations of the parties to the Deposit Agreement pertaining to the deposited Restricted Shares, the Restricted ADSs and Restricted ADRs.

If the Restricted ADRs, the Restricted ADSs and the Restricted Shares cease to be Restricted Securities, the Depositary, upon receipt of (x) an opinion of counsel reasonably satisfactory to the Depositary setting forth, *inter alia*, that the Restricted ADRs, the Restricted ADSs and the Restricted Shares are not as of such time Restricted Securities, and (y) instructions from the Company to remove the restrictions applicable to the Restricted ADRs, the Restricted ADSs and the Restricted Shares, shall (i) eliminate the distinctions and separations that may have been established between the applicable Restricted Shares held on deposit under this Section 2.14 and the other Shares held on deposit under the terms of the Deposit Agreement that are not Restricted Shares, (ii) treat the newly unrestricted ADRs and ADSs on the same terms as, and fully fungible with, the other ADRs and ADSs issued and outstanding under the terms of the Deposit Agreement that are not Restricted ADRs or Restricted ADSs, and (iii) take all actions necessary to remove any distinctions, limitations and restrictions previously existing under this Section 2.14 between the applicable Restricted ADRs and Restricted ADSs, respectively, on the one hand, and the other ADRs and ADSs that are not Restricted ADRs or Restricted ADSs, respectively, on the other hand, including, without limitation, by making the newly-unrestricted ADSs eligible for Pre-Release Transactions and for inclusion in the applicable book-entry settlement systems.

ARTICLE III

CERTAIN OBLIGATIONS OF HOLDERS AND BENEFICIAL OWNERS OF ADSs

Section 3.1 Proofs, Certificates and Other Information. Any person presenting Shares for deposit, any Holder and any Beneficial Owner may be required, and every Holder and Beneficial Owner agrees, from time to time to provide to the Depositary and the Custodian such proof of citizenship or residence, taxpayer status, payment of all applicable taxes or other governmental charges, exchange control approval, legal or beneficial ownership of ADSs and Deposited Property, compliance with applicable laws, the terms of the Deposit Agreement or the ADR(s) evidencing the ADSs and the provisions of, or governing, the Deposited Property, to execute such certifications and to make such representations and warranties, and to provide such other information and documentation (or, in the case of Shares in registered form presented for deposit, such information relating to the registration on the books of the Company or of the Share Registrar) as the Depositary or the Custodian may deem necessary or proper or as the Company may reasonably require by written request to the Depositary consistent with its obligations under the Deposit Agreement and any applicable ADR(s). The Depositary and the Registrar, as applicable, may, and at the reasonable request of the Company, shall, to the extent practicable, withhold the execution or delivery or registration of transfer of any ADR or ADS or the distribution or sale of any dividend or distribution of rights or of the proceeds thereof or, to the extent not limited by the terms of Section 7.8, the delivery of any Deposited Property until such proof or other information is filed or such certifications are executed, or such representations and warranties are made, or such other documentation or information provided, in each case to the Depositary's, the Registrar's and the Company's satisfaction. The Depositary shall provide the Company, in a timely manner, with copies or originals if necessary and appropriate of (i) any such proofs of citizenship or residence, taxpayer status, or exchange control approval or copies of written representations and warranties which it receives from Holders and Beneficial Owners, and (ii) any other information or documents which the Company may reasonably request and which the Depositary shall request and receive from any Holder or Beneficial Owner or any person presenting Shares for deposit or ADSs for cancellation, transfer or withdrawal. Nothing herein shall obligate the Depositary to (i) obtain any information for the Company if not provided by the Holders or Beneficial Owners, or (ii) verify or vouch for the accuracy of the information so provided by the Holders or Beneficial Owners.

Section 3.2 Liability for Taxes and Other Charges. Any tax or other governmental charge payable by the Custodian or by the Depositary with respect to any Deposited Property, ADSs or ADRs shall be payable by the Holders and Beneficial Owners to the Depositary. The Company, the Custodian and/or the Depositary may withhold or deduct from any distributions made in respect of Deposited Property, and may sell for the account of a Holder and/or Beneficial Owner any or all of the Deposited Property and apply such distributions and sale proceeds in payment of, any taxes (including applicable interest and penalties) or charges that are or become payable by Holders or Beneficial Owners in respect of the ADSs, Deposited Property and ADRs, the Holder and the Beneficial Owner remaining liable for any deficiency. The Custodian may refuse the deposit of Shares and the Depositary may refuse to issue ADSs, to deliver ADRs, register the transfer of ADSs, register the split-up or combination of ADRs and

(subject to Section 7.8) the withdrawal of Deposited Property until payment in full of such tax, charge, penalty or interest is received. Every Holder and Beneficial Owner agrees to indemnify the Depositary, the Company, the Custodian, and any of their agents, officers, employees and Affiliates for, and to hold each of them harmless from, any claims with respect to taxes (including applicable interest and penalties thereon) arising from any tax benefit obtained for such Holder and/or Beneficial Owner.

Section 3.3 Representations and Warranties on Deposit of Shares. Each person depositing Shares under the Deposit Agreement shall be deemed thereby to represent and warrant that (i) such Shares and, if applicable, the certificates therefor are duly authorized, validly issued, fully paid, non-assessable and legally obtained by such person, (ii) all preemptive (and similar) rights, if any, with respect to such Shares have been validly waived or exercised, (iii) the person making such deposit is duly authorized so to do, (iv) the Shares presented for deposit are free and clear of any lien, encumbrance, security interest, charge, mortgage or adverse claim, (v) the Shares presented for deposit are not, and the ADSs issuable upon such deposit will not be, Restricted Securities (except as contemplated in Section 2.14), and (vi) the Shares presented for deposit have not been stripped of any rights or entitlements. Such representations and warranties shall survive the deposit and withdrawal of Shares, the issuance and cancellation of ADSs in respect thereof and the transfer of such ADSs. If any such representations or warranties are false in any way, the Company and the Depositary shall be authorized, at the cost and expense of the person depositing Shares, to take any and all actions necessary to correct the consequences thereof.

Section 3.4 Compliance with Information Requests. Notwithstanding any other provision of the Deposit Agreement or any ADR(s), each Holder and Beneficial Owner agrees to comply with requests from the Company pursuant to applicable law, the rules and requirements of any stock exchange on which the Shares or ADSs are, or will be, registered, traded or listed or the By-Laws of the Company, which are made to provide information, *inter alia*, as to the capacity in which such Holder or Beneficial Owner owns ADSs (and Shares as the case may be) and regarding the identity of any other person(s) interested in such ADSs and the nature of such interest and various other matters, whether or not they are Holders and/or Beneficial Owners at the time of such request. The Depositary agrees to use its reasonable efforts to forward, upon the request of the Company and at the Company's expense, any such request from the Company to the Holders and to forward to the Company, as promptly as practicable, any such responses to such requests received by the Depositary.

Section 3.5 Ownership Restrictions. Notwithstanding any other provision in the Deposit Agreement or any ADR, the Company may restrict transfers of the Shares where such transfer might result in ownership of Shares exceeding limits imposed by applicable law or the By-Laws of the Company. The Company may also restrict, in such manner as it deems appropriate, transfers of the ADSs where such transfer may result in the total number of Shares represented by the ADSs owned by a single Holder or Beneficial Owner to exceed any such limits. The Company may, in its sole discretion but subject to applicable law, instruct the Depositary to take action with respect to the ownership interest of any Holder or Beneficial Owner in excess of the limits set forth in the preceding sentence, including, but not limited to, the imposition of restrictions on the transfer of ADSs, the removal or limitation of voting rights

or mandatory sale or disposition on behalf of a Holder or Beneficial Owner of the Shares represented by the ADSs held by such Holder or Beneficial Owner in excess of such limitations, if and to the extent such disposition is permitted by applicable law and the By-Laws of the Company. Nothing herein shall be interpreted as obligating the Depositary or the Company to ensure compliance with the ownership restrictions described in this Section 3.5.

Section 3.6 Reporting Obligations and Regulatory Approvals. Applicable laws and regulations may require holders and beneficial owners of Shares, including the Holders and Beneficial Owners of ADSs, to satisfy reporting requirements and obtain regulatory approvals in certain circumstances. Holders and Beneficial Owners of ADSs are solely responsible for determining and complying with such reporting requirements and obtaining such approvals. Each Holder and each Beneficial Owner hereby agrees to make such determination, file such reports, and obtain such approvals to the extent and in the form required by applicable laws and regulations as in effect from time to time. Neither the Depositary, the Custodian, the Company or any of their respective agents or affiliates shall be required to take any actions whatsoever on behalf of Holders or Beneficial Owners to determine or satisfy such reporting requirements or obtain such regulatory approvals under applicable laws and regulations.

ARTICLE IV

THE DEPOSITED SECURITIES

Section 4.1 Cash Distributions. Whenever the Company intends to make a distribution of a cash dividend or other cash distribution in respect of any Deposited Securities, the Company shall give notice thereof to the Depositary at least twenty (20) calendar days prior to the proposed distribution specifying, *inter alia*, the record date applicable for determining the holders of Deposited Securities entitled to receive such distribution. Upon the timely receipt of such notice, the Depositary shall establish an ADS Record Date upon the terms described in Section 4.9. Upon receipt of confirmation from the Custodian of the receipt of any cash dividend or other cash distribution on any Deposited Securities, or upon receipt of proceeds from the sale of any Deposited Property held in respect of the ADSs under the terms hereof, the Depositary will (i) if at the time of receipt thereof any amounts received in a Foreign Currency can, in the judgment of the Depositary (pursuant to Section 4.8), be converted on a practicable basis into Dollars transferable to the United States, promptly convert or cause to be converted such cash dividend, distribution or proceeds into Dollars (on the terms described in Section 4.8), (ii) if applicable and unless previously established, establish the ADS Record Date upon the terms described in Section 4.9, and (iii) distribute promptly the amount thus received (net of (a) the applicable fees and charges of, and expenses incurred by, the Depositary and (b) applicable taxes withheld as a result of the distribution) to the Holders entitled thereto as of the ADS Record Date in proportion to the number of ADSs held as of the ADS Record Date. The Depositary shall distribute only such amount, however, as can be distributed without attributing to any Holder a fraction of one cent, and any balance not so distributed shall be held by the Depositary (without liability for interest thereon) and shall be added to and become part of the next sum received by the Depositary for distribution to Holders of ADSs outstanding at the time of the next distribution. If the Company, the Custodian or the Depositary is required to withhold and does withhold from any cash dividend or other cash distribution in respect of any Deposited

Securities, or from any cash proceeds from the sales of Deposited Property, an amount on account of taxes, duties or other governmental charges, the amount distributed to Holders on the ADSs shall be reduced accordingly. Such withheld amounts shall be forwarded by the Company, the Custodian or the Depositary to the relevant governmental authority. Evidence of payment thereof by the Company shall be forwarded by the Company to the Depositary upon request. The Depositary will hold any cash amounts it is unable to distribute in a non-interest bearing account for the benefit of the applicable Holders and Beneficial Owners of ADSs until the distribution can be effected or the funds that the Depositary holds must be escheated as unclaimed property in accordance with the laws of the relevant states of the United States. Notwithstanding anything contained in the Deposit Agreement to the contrary, in the event the Company fails to give the Depositary timely notice of the proposed distribution provided for in this Section 4.1, the Depositary agrees to use commercially reasonable efforts to perform the actions contemplated in this Section 4.1, and the Company, the Holders and the Beneficial Owners acknowledge that the Depositary shall have no liability for the Depositary's failure to perform the actions contemplated in this Section 4.1 solely where such notice has not been so timely given, other than its failure to use commercially reasonable efforts, as provided herein.

Section 4.2 Distribution in Shares. Whenever the Company intends to make a distribution that consists of a dividend in, or free distribution of, Shares, the Company shall give notice thereof to the Depositary at least twenty (20) calendar days prior to the proposed distribution, specifying, *inter alia*, the record date applicable to holders of Deposited Securities entitled to receive such distribution. Upon the timely receipt of such notice from the Company, the Depositary shall establish the ADS Record Date upon the terms described in Section 4.9. Upon receipt of confirmation from the Custodian of the receipt of the Shares so distributed by the Company, the Depositary shall either (i) subject to Section 5.9, distribute to the Holders as of the ADS Record Date in proportion to the number of ADSs held as of the ADS Record Date, additional ADSs, which represent in the aggregate the number of Shares received as such dividend, or free distribution, subject to the other terms of the Deposit Agreement (including, without limitation, payment of (a) the applicable fees and charges of, and expenses incurred by, the Depositary and (b) applicable taxes), or (ii) if additional ADSs are not so distributed, take all actions necessary so that each ADS issued and outstanding after the ADS Record Date shall, to the extent permissible by law, thenceforth also represent rights and interests in the additional integral number of Shares distributed upon the Deposited Securities represented thereby (net of (a) the applicable fees and charges of, and expenses incurred by, the Depositary and (b) applicable taxes withheld as a result of the distribution). In lieu of delivering fractional ADSs, the Depositary shall sell the number of Shares or ADSs, as the case may be, represented by the aggregate of such fractions and distribute the net proceeds upon the terms described in Section 4.1. In the event that the Depositary determines that any distribution in property (including Shares) is subject to any tax or other governmental charges which the Depositary is obligated to withhold, or, if the Company in the fulfillment of its obligation under Section 5.7, has furnished an opinion of U.S. counsel determining that Shares must be registered under the Securities Act or other laws in order to be distributed to Holders (and no such registration statement has been declared effective), the Depositary may dispose of all or a portion of such property (including Shares and rights to subscribe therefor) in such amounts and in such manner, including by public or private sale, as the Depositary deems necessary and practicable, and the Depositary shall distribute the net proceeds of any such sale (after deduction of (a) applicable taxes paid or

withheld and (b) fees and charges of, and expenses incurred by, the Depositary) to Holders entitled thereto upon the terms described in Section 4.1. The Depositary shall hold and/or distribute any unsold balance of such property in accordance with the provisions of the Deposit Agreement. Notwithstanding anything contained in the Deposit Agreement to the contrary, in the event the Company fails to give the Depositary timely notice of the proposed distribution provided for in this Section 4.2, the Depositary agrees to use commercially reasonable efforts to perform the actions contemplated in this Section 4.2, and the Company, the Holders and the Beneficial Owners acknowledge that the Depositary shall have no liability for the Depositary's failure to perform the actions contemplated in this Section 4.2 where such notice has not been so timely given, other than its failure to use commercially reasonable efforts, as provided herein.

Section 4.3 Elective Distributions in Cash or Shares. Whenever the Company intends to make a distribution payable at the election of the holders of Deposited Securities in cash or in additional Shares, the Company shall give notice thereof to the Depositary at least sixty (60) calendar days prior to the proposed distribution specifying, *inter alia*, the record date applicable to holders of Deposited Securities entitled to receive such elective distribution and whether or not it wishes such elective distribution to be made available to Holders of ADSs. Upon the timely receipt of a notice indicating that the Company wishes such elective distribution to be made available to Holders of ADSs, the Depositary shall consult with the Company to determine, and the Company shall assist the Depositary in its determination, whether it is lawful and practicable to make such elective distribution available to the Holders of ADSs. The Depositary shall make such elective distribution available to Holders only if (i) the Company shall have timely requested that the elective distribution be made available to Holders, (ii) the Depositary shall have determined that such distribution is practicable and (iii) the Depositary shall have received satisfactory documentation within the terms of Section 5.7. If the above conditions are not satisfied, the Depositary shall establish an ADS Record Date on the terms described in Section 4.9 and, to the extent permitted by law, distribute to the Holders, on the basis of the same determination as is made in the Republic of France in respect of the Shares for which no election is made, either (X) cash upon the terms described in Section 4.1 or (Y) additional ADSs representing such additional Shares upon the terms described in Section 4.2. If the above conditions are satisfied, the Depositary shall establish an ADS Record Date on the terms described in Section 4.9 and establish procedures to enable Holders to elect the receipt of the proposed distribution in cash or in additional ADSs. The Company shall assist the Depositary in establishing such procedures to the extent necessary. If a Holder elects to receive the proposed distribution (X) in cash, the distribution shall be made upon the terms described in Section 4.1, or (Y) in ADSs, the distribution shall be made upon the terms described in Section 4.2. Nothing herein shall obligate the Depositary to make available to Holders a method to receive the elective distribution in Shares (rather than ADSs). There can be no assurance that Holders generally, or any Holder in particular, will be given the opportunity to receive elective distributions on the same terms and conditions as the holders of Shares. Notwithstanding anything contained in the Deposit Agreement to the contrary, in the event the Company fails to give the Depositary timely notice of the proposed distribution provided for in this Section 4.3, the Depositary agrees to use commercially reasonable efforts to perform the actions contemplated in this Section 4.3, and the Company, the Holders and the Beneficial Owners acknowledge that the Depositary shall have no liability for the Depositary's failure to perform the actions contemplated in this Section 4.3 where such notice has not been so timely given, other than its failure to use commercially reasonable efforts, as provided herein.

Section 4.4 Distribution of Rights to Purchase Additional ADSs.

(a) Offer to holders of the Deposited Securities. Whenever the Company intends to offer or distribute or cause to be offered or distributed to the holders of the Deposited Securities rights to subscribe for additional Shares, the Company shall give notice thereof to the Depositary at least sixty (60) calendar days prior to the proposed offer specifying, *inter alia*, the record date applicable to holders of Deposited Securities entitled to receive such distribution and whether or not it wishes such rights to be made available to Holders of ADSs. Upon the timely receipt of a notice indicating that the Company wishes such rights to be made available to Holders of ADSs, the Depositary shall consult with the Company to determine, and the Company shall assist the Depositary in its determination, whether it is lawful and practicable to make such rights available to the Holders. The Depositary shall make such rights available to Holders only if (i) the Company shall have timely requested that such rights be made available to Holders, (ii) the Depositary shall have received satisfactory documentation within the terms of Section 5.7, and (iii) the Depositary shall have determined that such distribution of rights is practicable. In the event any of the conditions set forth above are not satisfied or if the Company requests that the rights not be made available to Holders of ADSs, the Depositary shall proceed with the sale of the rights as contemplated in Section 4.4(b) below. In the event all conditions set forth above are satisfied, the Depositary shall establish an ADS Record Date (upon the terms described in Section 4.9) and establish procedures to (x) distribute rights to purchase additional ADSs (by means of warrants or otherwise), (y) to enable the Holders to exercise such rights (upon payment of the subscription price and of the applicable (a) fees and charges of, and expenses incurred by, the Depositary and (b) applicable taxes), and (z) to deliver ADSs upon the valid exercise of such rights. The Company shall assist the Depositary to the extent necessary in establishing such procedures. Nothing herein shall obligate the Depositary to make available to the Holders a method to exercise rights to subscribe for Shares (rather than ADSs).

(b) Sale of Rights. If (i) the Company does not timely request the Depositary to make the rights available to Holders or requests that the rights not be made available to Holders, (ii) the Depositary fails to receive satisfactory documentation within the terms of Section 5.7, or determines it is not practicable to make the rights available to Holders, or (iii) any rights made available are not exercised and appear to be about to lapse, the Depositary shall determine whether it is lawful and practicable to sell such rights, in a riskless principal capacity, at such place and upon such terms (including public or private sale) as it may deem practicable. The Company shall assist the Depositary to the extent necessary to determine such legality and practicability. The Depositary shall, upon such sale, convert and distribute proceeds of such sale (net of applicable (a) fees and charges of, and expenses incurred by, the Depositary and (b) applicable taxes withheld as a result of the sale) upon the terms set forth in Section 4.1.

(c) Lapse of Rights. If the Depositary is unable to make any rights available to Holders upon the terms described in Section 4.4(a) or to arrange for the sale of the rights upon the terms described in Section 4.4(b), the Depositary shall allow such rights to lapse.

The Depositary shall not be responsible for (i) any failure to determine that it may be lawful or practicable to make such rights available to Holders in general or any Holders in particular, (ii) any foreign exchange exposure or loss incurred in connection with such sale, or exercise, or (iii) the content of any materials forwarded to the Holders on behalf of the Company in connection with the rights distribution.

Notwithstanding anything to the contrary in this Section 4.4, if registration (under the Securities Act or any other applicable law) of the rights or the securities to which any rights relate may be required in order for the Company to offer such rights or such securities to Holders and to sell the securities represented by such rights, the Depositary will not distribute such rights to the Holders (i) unless and until a registration statement under the Securities Act (or other applicable law) covering such offering is in effect or (ii) unless the Company furnishes the Depositary opinion(s) of counsel for the Company in the United States and counsel to the Company in any other applicable country in which rights would be distributed, in each case reasonably satisfactory to the Depositary, to the effect that the offering and sale of such securities to Holders and Beneficial Owners are exempt from, or do not require registration under, the provisions of the Securities Act or any other applicable laws.

In the event that the Company, the Depositary or the Custodian shall be required to withhold and does withhold from any distribution of Deposited Property (including rights) an amount on account of taxes or other governmental charges, the amount distributed to the Holders of ADSs shall be reduced accordingly. In the event that the Depositary reasonably determines that any distribution of Deposited Property (including Shares and rights to subscribe therefor) is subject to any tax or other governmental charges which the Depositary is obligated to withhold, the Depositary may dispose of all or a portion of such Deposited Property (including Shares and rights to subscribe therefor) in such amounts and in such manner, including by public or private sale, as the Depositary deems necessary and practicable to pay any such taxes or charges.

There can be no assurance that Holders generally, or any Holder in particular, will be given the opportunity to receive or exercise rights on the same terms and conditions as the holders of Shares or be able to exercise such rights. Nothing herein shall obligate the Company to file any registration statement in respect of any rights or Shares or other securities to be acquired upon the exercise of such rights.

Section 4.5 Distributions Other Than Cash, Shares or Rights to Purchase Shares.

(a) Whenever the Company intends to distribute to the holders of Deposited Securities property other than cash, Shares or rights to purchase additional Shares, the Company shall give timely notice thereof to the Depositary and shall indicate whether or not it wishes such distribution to be made to Holders of ADSs. Upon receipt of a notice indicating that the Company wishes such distribution be made to Holders of ADSs, the Depositary shall consult with the Company, and the Company shall assist the Depositary, to determine whether such distribution to Holders is lawful and practicable. The Depositary shall not make such distribution unless (i) the Company shall have requested the Depositary to make such distribution to Holders, (ii) the Depositary shall have received satisfactory documentation within the terms of Section 5.7, and (iii) the Depositary shall have determined that such distribution is practicable.

(b) Upon receipt of satisfactory documentation and the request of the Company to distribute property to Holders of ADSs and after making the requisite determinations set forth in (a) above, the Depositary shall distribute the property so received to the Holders of record, as of the ADS Record Date, in proportion to the number of ADSs held by them respectively and in such manner as the Depositary may deem practicable for accomplishing such distribution (i) upon receipt of payment or net of the applicable fees and charges of, and expenses incurred by, the Depositary, and (ii) net of any taxes withheld as a result of the distribution. The Depositary may dispose of all or a portion of the property so distributed and deposited, in such amounts and in such manner (including public or private sale) as the Depositary may deem practicable or necessary to satisfy any taxes (including applicable interest and penalties) or other governmental charges applicable to the distribution.

(c) If (i) the Company does not request the Depositary to make such distribution to Holders or requests not to make such distribution to Holders, (ii) the Depositary does not receive satisfactory documentation within the terms of Section 5.7, or (iii) the Depositary determines that all or a portion of such distribution is not practicable, the Depositary shall sell or cause such property to be sold in a public or private sale, at such place or places and upon such terms as it may deem practicable and shall (i) cause the proceeds of such sale, if any, to be converted into Dollars and (ii) distribute the proceeds of such conversion received by the Depositary (net of applicable (a) fees and charges of, and expenses incurred by, the Depositary and (b) applicable taxes withheld as a result of the sale) to the Holders as of the ADS Record Date upon the terms of Section 4.1. If the Depositary is unable to sell such property, the Depositary may dispose of such property for the account of the Holders in any way it deems practicable under the circumstances.

(d) Neither the Depositary nor the Company shall be responsible for (i) any failure to determine whether it is lawful or practicable to make the property described in this Section 4.5 available to Holders in general or any Holders in particular, nor (ii) any loss incurred in connection with the sale or disposal of such property.

Section 4.6 <u>Distributions with Respect to Deposited Securities in Bearer Form</u>. Subject to the terms of this Article IV, distributions in respect of Deposited Securities that are held by the Depositary in bearer form shall be made to the Depositary for the account of the respective Holders of ADS(s) with respect to which any such distribution is made upon due presentation by the Depositary or the Custodian to the Company of any relevant coupons, talons, or certificates. The Company shall promptly notify the Depositary of such distributions. The Depositary or the Custodian shall promptly present such coupons, talons or certificates, as the case may be, in connection with any such distribution.

Section 4.7 <u>Redemption</u>. If the Company intends to exercise any right of redemption in respect of any of the Deposited Securities, the Company shall give notice thereof to the Depositary at least thirty (30) calendar days prior to the intended date of redemption which notice shall set forth the particulars of the proposed redemption. Upon timely receipt of (i) such notice and (ii) satisfactory documentation given by the Company to the Depositary within the terms of Section 5.7, and only if, after consultation between the Depositary and the Company, the Depositary shall have determined that such proposed redemption is practicable, the

Depositary shall provide to each Holder a notice setting forth the intended exercise by the Company of the redemption rights and any other particulars set forth in the Company's notice to the Depositary. The Depositary shall instruct the Custodian to present to the Company the Deposited Securities in respect of which redemption rights are being exercised against payment of the applicable redemption price. Upon receipt of confirmation from the Custodian that the redemption has taken place and that funds representing the redemption price have been received, the Depositary shall convert, transfer, and distribute the proceeds (net of applicable (a) fees and charges of, and the expenses incurred by, the Depositary, and (b) applicable taxes), retire ADSs and cancel ADRs, if applicable, upon delivery of such ADSs by Holders thereof and the terms set forth in Sections 4.1 and 6.2. If less than all outstanding Deposited Securities are redeemed, the ADSs to be retired will be selected by lot or on a pro rata basis, as may be determined by the Depositary after consultation with the Company. The redemption price per ADS shall be the dollar equivalent of the per share amount received by the Depositary (adjusted to reflect the ADS(s)-to-Share(s) ratio) upon the redemption of the Deposited Securities represented by ADSs (subject to the terms of Section 4.8 and the applicable fees and charges of, and expenses incurred by, the Depositary, and applicable taxes) multiplied by the number of Deposited Securities represented by each ADS redeemed. Notwithstanding anything contained in the Deposit Agreement to the contrary, in the event the Company fails to give the Depositary timely notice of the proposed redemption provided for in this Section 4.7, the Depositary agrees to use commercially reasonable efforts to perform the actions contemplated in this Section 4.7, and the Company, the Holders and the Beneficial Owners acknowledge that the Depositary shall have no liability for the Depositary's failure to perform the actions contemplated in this Section 4.7 solely where such notice has not been so timely given, other than its failure to use commercially reasonable efforts, as provided herein.

Section 4.8 Conversion of Foreign Currency. Whenever the Depositary or the Custodian shall receive Foreign Currency, by way of dividends or other distributions or the net proceeds from the sale of Deposited Property, which in the judgment of the Depositary can at such time be converted on a practicable basis, by sale or in any other manner that it may determine in accordance with applicable law, into Dollars transferable to the United States and distributable to the Holders entitled thereto, the Depositary shall convert or cause to be converted, by sale or in any other manner that it may determine, such Foreign Currency into Dollars, and shall distribute such Dollars (net of any applicable fees, any reasonable and customary expenses incurred in such conversion and any expenses incurred on behalf of the Holders in complying with currency exchange control or other governmental requirements) in accordance with the terms of the applicable sections of the Deposit Agreement. If the Depositary shall have distributed warrants or other instruments that entitle the holders thereof to such Dollars, the Depositary shall distribute such Dollars to the holders of such warrants and/or instruments upon surrender thereof for cancellation, in either case without liability for interest thereon. Such distribution may be made upon an averaged or other practicable basis without regard to any distinctions among Holders on account of any application of exchange restrictions or otherwise.

If such conversion or distribution generally or with regard to a particular Holder can be effected only with the approval or license of any government or agency thereof, the Depositary shall have authority to file such application for approval or license, if any, as it may deem desirable. In no event, however, shall the Depositary be obligated to make such a filing.

If at any time the Depositary shall determine that in its judgment the conversion of any Foreign Currency and the transfer and distribution of proceeds of such conversion received by the Depositary is not practicable or lawful, or if any approval or license of any governmental authority or agency thereof that is required for such conversion, transfer and distribution is denied or, in the opinion of the Depositary, not obtainable at a reasonable cost or within a reasonable period, the Depositary may, in its reasonable discretion, (i) make such conversion and distribution in Dollars to the Holders for whom such conversion, transfer and distribution is lawful and practicable, (ii) distribute the Foreign Currency (or an appropriate document evidencing the right to receive such Foreign Currency) to Holders for whom this is lawful and practicable, or (iii) hold (or cause the Custodian to hold) such Foreign Currency (without liability for interest thereon) for the respective accounts of the Holders entitled to receive the same.

Section 4.9 Fixing of ADS Record Date. Whenever the Depositary shall receive notice of the fixing of a record date by the Company for the determination of holders of Deposited Securities entitled to receive any distribution (whether in cash, Shares, rights, or other distribution), or whenever for any reason the Depositary causes a change in the number of Shares that are represented by each ADS, or whenever the Depositary shall receive notice of any meeting of, or solicitation of consents or proxies of, holders of Shares or other Deposited Securities, or whenever the Depositary shall find it necessary or convenient in connection with the giving of any notice, solicitation of any consent or any other matter, the Depositary shall fix a record date (the "ADS Record Date") for the determination of the Holders of ADS(s) who shall be entitled to receive such distribution, to give instructions for the exercise of voting rights at any such meeting, to give or withhold such consent, to receive such notice or solicitation or to otherwise take action, or to exercise the rights of Holders with respect to such changed number of Shares represented by each ADS. The Depositary shall use its commercially reasonable efforts to establish the ADS Record Date as closely as reasonably possible to the applicable record date for the Deposited Securities (if any) set by the Company in the Republic of France and shall not announce the establishment of any ADS Record Date prior to the relevant corporate action having been made public by the Company (if such corporate action affects the Deposited Securities). Subject to applicable law and the provisions of Section 4.1 through 4.8 and to the other terms and conditions of the Deposit Agreement, only the Holders of ADSs at the close of business in New York on such ADS Record Date shall be entitled to receive such distribution, to give such voting instructions, to receive such notice or solicitation, or otherwise take action.

Section 4.10 Voting of Deposited Securities. As soon as practicable after receipt of notice of any meeting at which the holders of Deposited Securities are entitled to vote, or of solicitation of consents or proxies from holders of Deposited Securities, the Depositary shall fix the ADS Record Date in respect of such meeting or solicitation of consent or proxy in accordance with Section 4.9. The Depositary shall, if requested by the Company in writing in a timely manner (the Depositary having no obligation to take any further action if the request shall not have been received by the Depositary at least thirty (30) calendar days prior to the date of such vote or meeting, except where under French law the notice period for such meeting is less than thirty (30) calendar days, in which case the Depositary shall upon receipt of the request use

all commercially reasonable efforts to distribute to Holders the material in (a), (b) and (c) of this paragraph and carry out the further actions set forth in this Section 4.10), at the Company's expense and provided no U.S. legal prohibitions exist, distribute as soon as practicable after receipt thereof to Holders as of the ADS Record Date: (a) such notice of meeting or solicitation of consent or proxy, (b) a statement that the Holders at the close of business on the ADS Record Date who continue to be Holders on the Share Record Date (as defined below) will be entitled, subject to any applicable law, the provisions of the Deposit Agreement, the By-Laws of the Company and the provisions of or governing the Deposited Securities (which provisions, if any, shall be summarized in pertinent part by the Company), to instruct the Depositary as to the exercise of the voting rights, if any, pertaining to the Deposited Securities represented by such Holder's ADSs, and (c) a brief statement as to the manner in which such voting instructions may be given to the Depositary or in which voting instructions may be deemed to have been given in accordance with this Section 4.10 if no such voting instructions have been given to the Depositary prior to the deadline set forth for such purpose.

Notwithstanding anything contained in the Deposit Agreement or any ADR, with the Company's prior written consent, the Depositary may, to the extent not prohibited by law or regulations, the By-Laws, or by the requirements of any stock exchange on which the ADSs may be listed, in lieu of distribution of the materials provided to the Depositary in connection with any meeting of, or solicitation of consents or proxies from, holders of Deposited Securities, distribute to the Holders a notice that provides Holders with, or otherwise publicizes to Holders, instructions on how to retrieve such materials or receive such materials upon request (*i.e.*, by reference to a website containing the materials for retrieval or a contact for requesting copies of the materials).

The Company has informed the Depositary that, as of the date of the Deposit Agreement, under French company law and the Company's By-Laws, (i) the record date for holders of Shares to vote at a shareholders meeting is at least three (3) business days prior to the shareholders' meeting (such date as may be established from time to time, the "Share Record Date"), (ii) in order to exercise voting rights holders of Shares in registered form must have their Shares registered in their own name, or where applicable in the name of a registered financial intermediary (*intermédiaire inscrit*), in a share account maintained by or on behalf of the Company as of the Share Record Date, (iii) in order to exercise voting rights holders of Shares in bearer form are required to have their Shares registered in their own name, or where applicable, in the name of a registered financial intermediary (*intermédiaire inscrit*) and obtain from an accredited financial intermediary (*intermédiaire habilité*), and provide to the Company, an attendance certificate (*attestation de participation*) attesting to the registration of such Shares in the financial intermediary's account as of the Share Record Date, and (iv) the voting form must be delivered to the Company at least three (3) business days prior to the date of the shareholders' meeting (voting forms sent by electronic form can be received by the Company up to the day immediately preceding the meeting date at 3:00 p.m., Paris time).

In accordance with the foregoing, a Holder as of the ADS Record Date who desires to exercise its voting rights with respect to ADSs representing Shares in registered or bearer form is required to: (a) be a Holder of the ADSs as of the Share Record Date, (b) deliver voting instructions to the Depositary, in a form acceptable to the Company and the Depositary, by the

date established by the Depositary for such purpose (the "Receipt Date"), (c) instruct the Depositary to request that the Custodian deliver a voting form (*formulaire de vote à distance*) to the Company prior to the deadline established by the Company, and (d) in the case of ADSs representing Shares in bearer form, instruct the Depositary to request that the Custodian deposit the requisite attendance certificate (*attestation de participation*) with the Company. The delivery of voting instructions shall be deemed instructions to request delivery of the voting form and the attendance certificate.

Voting instructions may be given only in respect of a number of ADSs representing an integral number of Deposited Securities. Upon receipt by the Depositary of (i) the voting instructions, in a form acceptable to the Company and the Depositary, on or before the Receipt Date, and (ii) evidence reasonably satisfactory to the Depositary that the applicable conditions of the preceding paragraph have been satisfied, the Depositary shall endeavor, insofar as practicable and permitted under any applicable provisions of French law and the Company's By-Laws, to cause to be voted the Shares represented by such ADSs in accordance with any non-discretionary instructions set forth in such voting instructions. If the Depositary receives from a Holder (who has otherwise satisfied all conditions to voting contemplated herein) voting instructions which fail to specify the manner in which the Depositary is to vote the Deposited Securities represented by such Holder's ADSs, the Depositary will deem such Holder (unless otherwise specified in the notice distributed to Holders) to have instructed the Depositary to vote in favor of all resolutions endorsed by the Company's board of directors. With respect to Deposited Securities represented by ADSs for which no timely voting instructions are received by the Depositary from the Holder, the Depositary shall (unless otherwise specified in the notice distributed to Holders) deem such Holder, to have instructed the Depositary to give a discretionary proxy to a person designated by the Company to vote the Deposited Securities; provided, however, that no such discretionary proxy shall be given by the Depositary with respect to any matter to be voted upon as to which the Company informs the Depositary that (i) the Company does not wish such proxy to be given, (ii) substantial opposition exists, or (iii) the rights of holders of Deposited Securities may be materially adversely affected. By way of example and not limitation, it is agreed that routine matters, such as appointing auditors and directors (except where a competing director or slate of directors is proposed), or the approval of a public offering or private placement of securities, would not materially affect the rights of Holders.

The Depositary will not knowingly take any action to impair its ability to carry out the voting instructions of Beneficial Owners of ADSs delivered to it by DTC, any DTC Participants or any of their agents. In the case of voting instructions received in respect of any Beneficial Owner of ADSs as of the ADS Record Date who is not the Holder of the ADSs on the books of the Depositary, the Depositary will not cause to be voted the number of Shares represented by such ADSs unless the Depositary has received evidence (reasonably satisfactory to it and to the Company) that such number of ADSs continue to be held by such Beneficial Owner as of the Share Record Date. Except as provided above, the Depositary will not cause to be voted Shares represented by ADSs in respect of which the voting instructions are improperly completed or in respect of which (and to the extent) the voting instructions are illegible or unclear. The Depositary will not charge any fees in connection with the foregoing transactions to enable any Holder to exercise its voting rights under the Deposit Agreement.

Neither the Depositary nor the Custodian shall under any circumstances exercise any discretion as to voting and neither the Depositary nor the Custodian shall vote, attempt to exercise the right to vote, or in any way make use of the Deposited Securities represented by ADSs, except pursuant to and in accordance with the voting instructions timely received from Holders or as otherwise contemplated herein. Except as provided above in this Section 4.10, Deposited Securities represented by ADSs for which no timely voting instructions are received by the Depositary from the Holder shall not be voted. Notwithstanding anything else contained herein, the Depositary shall, if so requested in writing by the Company, represent all Deposited Securities (whether or not voting instructions have been received in respect of such Deposited Securities from Holders as of the deadline specified herein) for the sole purpose of establishing a quorum at a meeting of shareholders.

Subject to applicable laws or rules of any securities exchange on which the Deposited Securities are listed or traded, at least three (3) business days prior to the date of a shareholders' meeting, the Company shall receive from the Depositary, unless the Company has agreed to a later date, a voting form, reflecting the tabulation of the voting instructions received from Holders of ADSs, if any, and the Depositary shall vote, or cause to be voted, the Deposited Securities represented by such Holders' ADSs in accordance with such instructions.

Notwithstanding anything else contained in the Deposit Agreement or any ADR to the contrary, and to the extent not prohibited by law or regulation, the Depositary and the Company may, by agreement between them, with notice to the Holders, modify, amend or adopt additional voting procedures from time to time as they determine may be necessary or appropriate (subject, in each case, to the terms of Sections 6.1 and 7.8 hereof).

The Company has informed the Depositary that, under French company law in effect as of the date of the Deposit Agreement, shareholders holding a certain percentage of the Company's Shares, the workers' council or the board of directors may submit a new resolution and the board of directors may also modify the resolutions proposed in the preliminary notice of meeting (*avis de réunion*), which notice must be published at least 35 days prior to the meeting date. In such case, Holders who have given prior instructions to vote on such resolutions shall be deemed to have voted in favor of the new or modified resolutions if approved by the Board and against if not approved by the Company's board of directors.

The Company has informed the Depositary that the Company may require voting instructions to be delivered in writing. In such circumstances, Holders of ADSs may be required to deliver signed voting instruction cards to the Depositary.

Notwithstanding anything else contained in the Deposit Agreement or any ADR, the Depositary shall not have any obligation to take any action with respect to any meeting, or solicitation of consents or proxies, of holders of Deposited Securities if the taking of such action would violate U.S. or French laws. The Company agrees to take any and all actions reasonably necessary and permitted by U.S. and French law to enable Holders and Beneficial Owners to exercise the voting rights accruing to the Deposited Securities and to deliver to the Depositary an opinion of counsel addressing any actions requested to be taken if so reasonably requested by the Depositary.

There can be no assurance that Holders generally or any Holder in particular will receive the notice described above with sufficient time to enable the Holder to return voting instructions to the Depositary in a timely manner or at all.

Section 4.11 Changes Affecting Deposited Securities. Upon any change in nominal or par value, split-up, cancellation, consolidation or any other reclassification of Deposited Securities, or upon any recapitalization, reorganization, merger, consolidation or sale of assets affecting the Company or to which it is a party, any property which shall be received by the Depositary or the Custodian in exchange for, or in conversion of, or replacement of, or otherwise in respect of, such Deposited Securities shall, to the extent permitted by law, be treated as new Deposited Property under the Deposit Agreement, and the ADSs shall, subject to the provisions of the Deposit Agreement, any ADR(s) evidencing such ADSs and applicable law, represent the right to receive such additional or replacement Deposited Property. In giving effect to such change, split-up, cancellation, consolidation or other reclassification of Deposited Securities, recapitalization, reorganization, merger, consolidation or sale of assets, the Depositary may, with the Company's approval, and shall, if the Company shall so request, subject to the terms of the Deposit Agreement and receipt of an opinion of counsel to the Company reasonably satisfactory to the Depositary that such actions are not in violation of any applicable laws or regulations, (i) issue and deliver additional ADSs as in the case of a stock dividend on the Shares, (ii) amend the Deposit Agreement and any applicable ADRs, (iii) amend the applicable Registration Statement(s) on Form F-6 as filed with the Commission in respect of the ADSs, (iv) call for the surrender of outstanding ADRs to be exchanged for new ADRs, and (v) take such other actions as are appropriate to reflect the transaction with respect to the ADSs. The Company agrees to, jointly with the Depositary, amend the Registration Statement on Form F-6 as filed with the Commission to permit the issuance of such new form of ADRs. Notwithstanding the foregoing, in the event that any Deposited Property so received may not be lawfully distributed to some or all Holders, the Depositary may, with the Company's approval, and shall, if the Company requests, subject to receipt of an opinion of counsel reasonably satisfactory to the Depositary that such action is not in violation of any applicable laws or regulations, sell such Deposited Property at public or private sale, at such place or places and upon such terms as it may deem proper and may allocate the net proceeds of such sales (net of (a) fees and charges of, and expenses incurred by, the Depositary and (b) applicable taxes) for the account of the Holders otherwise entitled to such Deposited Property upon an averaged or other practicable basis without regard to any distinctions among such Holders and distribute the net proceeds so allocated to the extent practicable as in the case of a distribution received in cash pursuant to Section 4.1. The Depositary shall not be responsible for (i) any failure to determine that it may be lawful or practicable to make such Deposited Property available to Holders in general or to any Holder in particular, (ii) any foreign exchange exposure or loss incurred in connection with such sale, or (iii) any liability to the purchaser of such Deposited Property.

Section 4.12 Available Information. As of the issue date of the ADSs, the Company will be subject to the periodic reporting requirements of the Exchange Act and, accordingly, will be required to file or submit certain reports with the Commission. These reports can be retrieved from the Commission's website (www.sec.gov) and can be inspected and copied at the public reference facilities maintained by the Commission located (as of the date of the Deposit Agreement) at 100 F Street, N.E., Washington D.C. 20549.

Section 4.13 Reports. The Depositary shall, as promptly as practicable, make available for inspection by Holders at its Principal Office this Deposit Agreement, the provisions of or governing the Deposited Securities and any reports and communications, including any proxy soliciting materials, received from the Company which are both (a) received by the Depositary, the Custodian, or the nominee of either of them as the holder of the Deposited Property and (b) made generally available to the holders of such Deposited Property by the Company. The Depositary shall also provide or make available to Holders copies of such reports when furnished by the Company pursuant to Section 5.6.

Section 4.14 List of Holders. Promptly upon written request by the Company, the Depositary shall furnish to the Company a list, as of a recent date, of the names, addresses and holdings of ADSs of all Holders.

Section 4.15 Taxation. The Depositary will, and will instruct the Custodian to, forward to the Company or its agents such information from its records as the Company may reasonably request to enable the Company or its agents to file any necessary tax filings or other reports with governmental authorities or agencies. The Depositary, the Custodian or the Company and its agents may file such reports as are necessary to reduce or eliminate applicable taxes on dividends and on other distributions in respect of Deposited Property under applicable tax treaties or laws for the Holders and Beneficial Owners. In accordance with instructions from the Company and to the extent practicable, the Depositary or the Custodian will take reasonable administrative actions to obtain tax refunds, reduced withholding of tax at source on dividends and other benefits under applicable tax treaties or laws with respect to dividends and other distributions on the Deposited Property. As a condition to receiving such benefits, Holders and Beneficial Owners of ADSs may be required from time to time, and in a timely manner, to file such proof of taxpayer status, residence and beneficial ownership (as applicable), to execute such certificates and to make such representations and warranties, or to provide any other information or documents, as the Depositary or the Custodian may deem necessary or proper to fulfill the Depositary's or the Custodian's obligations under applicable law. The Depositary and the Company shall have no obligation or liability to any person if any Holder or Beneficial Owner fails to provide such information, fails to provide such information in a timely manner or if such information does not reach the relevant tax authorities in time for any Holder or Beneficial Owner to obtain the benefits of any tax treatment. The Holders and Beneficial Owners shall indemnify the Depositary, the Company, the Custodian and any of their respective directors, employees, agents and Affiliates against, and hold each of them harmless from, any claims by any governmental authority with respect to taxes, additions to tax, penalties or interest arising out of any refund of taxes, reduced rate of withholding at source or other tax benefit obtained.

If the Company (or any of its agents) withholds from any distribution any amount on account of taxes or governmental charges, or pays any other tax in respect of such distribution (*e.g.*, stamp duty tax, capital gains or other similar tax), the Company shall (and shall cause such agent to) remit promptly to the Depositary information about such taxes or governmental charges withheld or paid, and, if so requested, the tax receipt (or other proof of payment to the applicable governmental authority) therefor, in each case, in a form reasonably satisfactory to the Depositary. The Depositary shall, to the extent required by applicable law, report to Holders any taxes withheld by it or the Custodian, and, if such information is provided to it by the Company,

any taxes withheld or paid by the Company. The Depositary and the Custodian shall not be required to provide the Holders with any evidence of the remittance by the Company (or its agents) of any taxes withheld, or of the payment of taxes by the Company, except to the extent the evidence is provided by the Company to the Depositary or the Custodian, as applicable. None of the Company, the Depositary and the Custodian shall be liable for the failure by any Holder or Beneficial Owner to obtain the benefits of credits on the basis of non-U.S. tax paid against such Holder's or Beneficial Owner's income tax liability.

The Depositary is under no obligation to provide the Holders and Beneficial Owners with any information about the tax status of the Company, except to the extent that the Company provides such information to the Depositary for distribution to the Holders and Beneficial Owners. Neither the Company nor the Depositary shall incur any liability for any tax consequences that may be incurred by Holders and Beneficial Owners on account of their ownership of the ADSs, including without limitation, tax consequences resulting from the Company (or any of its subsidiaries) being treated as a "Passive Foreign Investment Company" (in each case as defined in the U.S. Internal Revenue Code and the regulations issued thereunder) or otherwise.

ARTICLE V

THE DEPOSITARY, THE CUSTODIAN AND THE COMPANY

Section 5.1 Maintenance of Office and Transfer Books by the Registrar. Until termination of the Deposit Agreement in accordance with its terms, the Registrar shall maintain in the Borough of Manhattan, the City of New York, an office and facilities for the issuance and delivery of ADSs, the acceptance for surrender of ADS(s) for the purpose of withdrawal of Deposited Securities, the registration of issuances, cancellations, transfers, combinations and split-ups of ADS(s) and, if applicable, to countersign ADRs evidencing the ADSs so issued, transferred, combined or split-up, in each case in accordance with the provisions of the Deposit Agreement.

The Registrar shall keep books for the registration of ADSs which at all reasonable times shall be open for inspection by the Company and by the Holders of such ADSs, provided that such inspection shall not be, to the Registrar's knowledge, for the purpose of communicating with Holders of such ADSs in the interest of a business or object other than the business of the Company or other than a matter related to the Deposit Agreement or the ADSs.

The Registrar may close the transfer books with respect to the ADSs, at any time or from time to time, when deemed necessary or advisable by it in good faith in connection with the performance of its duties hereunder, or at the reasonable written request of the Company subject, in all cases, to Section 7.8.

If any ADSs are listed on one or more stock exchanges or automated quotation systems in the United States, the Depositary shall act as Registrar or appoint a Registrar or one or more co-registrars for registration of issuances, cancellations, transfers, combinations and split-ups of ADSs and, if applicable, to countersign ADRs evidencing the ADSs so issued, transferred,

combined or split-up, in accordance with any requirements of such exchanges or systems. Such Registrar or co-registrars may be removed and a substitute or substitutes appointed by the Depositary. As promptly as practicable, the Depositary shall notify the Company of any such removal or appointment.

Section 5.2 Exoneration. Notwithstanding anything contained in the Deposit Agreement or any ADR, neither the Depositary nor the Company shall be obligated to do or perform any act which is inconsistent with the provisions of the Deposit Agreement or incur any liability (i) if the Depositary or the Company shall be prevented or forbidden from, or delayed in, doing or performing any act or thing required by the terms of the Deposit Agreement, by reason of any provision of any present or future law or regulation of the United States, the Republic of France or any other country, or of any other governmental authority or regulatory authority or stock exchange, or on account of the possible criminal or civil penalties or restraint, or by reason of any provision, present or future, of the By-Laws of the Company or any provision of or governing any Deposited Securities, or by reason of any act of God or war or other circumstances beyond its control (including, without limitation, nationalization, expropriation, currency restrictions, work stoppage, strikes, civil unrest, acts of terrorism, revolutions, rebellions, explosions and computer failure), (ii) by reason of any exercise of, or failure to exercise, any discretion provided for in the Deposit Agreement or in the By-Laws of the Company or provisions of or governing Deposited Securities, (iii) for any action or inaction in reliance upon the advice of or information from legal counsel, accountants, any person presenting Shares for deposit, any Holder, any Beneficial Owner or authorized representative thereof, or any other person believed by it in good faith to be competent to give such advice or information, (iv) for the inability by a Holder or Beneficial Owner to benefit from any distribution, offering, right or other benefit which is made available to holders of Deposited Securities but is not, under the terms of the Deposit Agreement, made available to Holders of ADSs, or (v) for any consequential or punitive damages (including lost profits) for any breach of the terms of the Deposit Agreement.

The Depositary, its controlling persons, its agents, any Custodian and the Company, its controlling persons and its agents may rely and shall be protected in acting upon any written notice, request or other document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties.

No disclaimer of liability under the Securities Act is intended by any provision of the Deposit Agreement.

Section 5.3 Standard of Care. The Company and the Depositary assume no obligation and shall not be subject to any liability under the Deposit Agreement or any ADRs to any Holder(s) or Beneficial Owner(s), except that the Company and the Depositary agree to perform their respective obligations specifically set forth in the Deposit Agreement or any applicable ADRs without negligence or bad faith.

Without limitation of the foregoing, neither the Depositary, nor the Company, nor any of their respective controlling persons, or agents, shall be under any obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any Deposited Property or

in respect of the ADSs, which in its reasonable opinion may involve it in expense or liability, unless indemnity satisfactory to it against all expense (including fees and disbursements of counsel) and liability be furnished (and no Custodian shall be under any obligation whatsoever with respect to such proceedings, the responsibility of the Custodian being solely to the Depositary).

The Depositary and its agents shall not be liable for any failure to carry out any instructions to vote any of the Deposited Securities, or for the manner in which any vote is cast or the effect of any vote, provided that any such action or omission is in good faith, without negligence and in accordance with the terms of the Deposit Agreement. The Depositary shall not incur any liability for any failure to determine that any distribution or action may be lawful or practicable, for the content of any information submitted to it by the Company for distribution to the Holders or for any inaccuracy of any translation thereof, for any investment risk associated with acquiring an interest in the Deposited Property, for the validity or worth of the Deposited Property or for any tax consequences that may result from the ownership of ADSs, Shares or other Deposited Property, for the credit-worthiness of any third party, for allowing any rights to lapse upon the terms of the Deposit Agreement, for the failure or timeliness of any notice from the Company, or for any action of or failure to act by, or any information provided or not provided by, DTC or any DTC Participant.

The Depositary shall not be liable for any acts or omissions made by a successor depositary whether in connection with a previous act or omission of the Depositary or in connection with any matter arising wholly after the removal or resignation of the Depositary, provided that in connection with the issue out of which such potential liability arises the Depositary performed its obligations without negligence or bad faith while it acted as Depositary.

Section 5.4 Resignation and Removal of the Depositary; Appointment of Successor Depositary. The Depositary may at any time resign as Depositary hereunder by written notice of resignation delivered to the Company, such resignation to be effective on the earlier of (i) the 90th day after delivery thereof to the Company (whereupon the Depositary shall be entitled to take the actions contemplated in Section 6.2), or (ii) the appointment by the Company of a successor depositary and its acceptance of such appointment as hereinafter provided.

The Depositary may at any time be removed by the Company by written notice of such removal, which removal shall be effective on the later of (i) the 90th day after delivery thereof to the Depositary (whereupon the Depositary shall be entitled to take the actions contemplated in Section 6.2), or (ii) upon the appointment by the Company of a successor depositary and its acceptance of such appointment as hereinafter provided.

In case at any time the Depositary acting hereunder shall resign or be removed, the Company shall use its commercially reasonable efforts to appoint a successor depositary, which shall be a bank or trust company having an office in the Borough of Manhattan, the City of New York. Every successor depositary shall be required by the Company to execute and deliver to its predecessor and to the Company an instrument in writing accepting its appointment hereunder,

and thereupon such successor depositary, without any further act or deed (except as required by applicable law), shall become fully vested with all the rights, powers, duties and obligations of its predecessor (other than as contemplated in Sections 5.8 and 5.9). The predecessor depositary, upon payment of all sums due it and on the written request of the Company, shall, (i) execute and deliver an instrument transferring to such successor all rights and powers of such predecessor hereunder (other than as contemplated in Sections 5.8 and 5.9), (ii) duly assign, transfer and deliver all of the Depositary's right, title and interest to the Deposited Property to such successor, and (iii) deliver to such successor a list of the Holders of all outstanding ADSs and such other information relating to ADSs and Holders thereof as the successor may reasonably request. Any such successor depositary shall promptly provide notice of its appointment to such Holders.

Any entity into or with which the Depositary may be merged or consolidated shall be the successor of the Depositary without the execution or filing of any document or any further act.

Section 5.5 The Custodian. The Depositary has initially appointed Citibank International Limited as Custodian for the purpose of the Deposit Agreement. The Custodian or its successors in acting hereunder shall be subject at all times and in all respects to the direction of the Depositary for the Deposited Property for which the Custodian acts as custodian and shall be responsible solely to it. If any Custodian resigns or is discharged from its duties hereunder with respect to any Deposited Property and no other Custodian has previously been appointed hereunder, the Depositary shall promptly appoint a substitute custodian. The Depositary shall require such resigning or discharged Custodian to Deliver, or cause the Delivery of, the Deposited Property held by it, together with all such records maintained by it as Custodian with respect to such Deposited Property as the Depositary may request, to the Custodian designated by the Depositary. Whenever the Depositary determines, in its discretion, that it is appropriate to do so, it may appoint an additional custodian with respect to any Deposited Property, or discharge the Custodian with respect to any Deposited Property and appoint a substitute custodian, which shall thereafter be Custodian hereunder with respect to the Deposited Property. Immediately upon any such change, the Depositary shall give notice thereof in writing to all Holders of ADSs, each other Custodian and the Company.

Citibank, N.A. may at any time act as Custodian of the Deposited Property pursuant to the Deposit Agreement, in which case any reference to Custodian shall mean Citibank, N.A. solely in its capacity as Custodian pursuant to the Deposit Agreement, and the Depositary shall promptly give notice thereof to the Company. Notwithstanding anything contained in the Deposit Agreement or any ADR, the Depositary shall not be obligated to give notice to any Holders of ADSs or any other Custodian of its acting as Custodian pursuant to the Deposit Agreement.

Upon the appointment of any successor depositary, any Custodian then acting hereunder shall, unless otherwise instructed by the Depositary, continue to be the Custodian of the Deposited Property without any further act or writing, and shall be subject to the direction of the successor depositary. The successor depositary so appointed shall, nevertheless, on the written request of any Custodian, execute and deliver to such Custodian all such instruments as may be proper to give to such Custodian full and complete power and authority to act on the direction of such successor depositary.

Section 5.6 **Notices and Reports.** On or before the first date on which the Company gives notice, by publication or otherwise, of any meeting of holders of Shares or other Deposited Securities, or of any adjourned meeting of such holders, or of the taking of any action by such holders other than at a meeting, or of the taking of any action in respect of any cash or other distributions or the offering of any rights in respect of Deposited Securities, the Company shall transmit to the Depositary and the Custodian a copy of the notice thereof in the English language but otherwise in the form given or to be given to holders of Shares or other Deposited Securities. The Company shall also furnish to the Custodian and the Depositary a summary, in English, of any applicable provisions or proposed provisions of the By-Laws of the Company that may be relevant or pertain to such notice of meeting or be the subject of a vote thereat.

The Depositary shall arrange, at the request of the Company and at the Company's expense, to provide copies thereof to all Holders or make such notices, reports and other communications available to all Holders on a basis similar to that for holders of Shares or other Deposited Securities or on such other basis as the Company may advise the Depositary or as may be required by any applicable law, regulation or stock exchange requirement. The Company has made available to the Depositary and the Custodian a copy of the Company's By-Laws along with the provisions of or governing the Shares and any other Deposited Securities issued by the Company in connection with such Shares, and promptly upon any amendment thereto or change therein, the Company shall make available to the Depositary and the Custodian a copy of such amendment thereto or change therein to the extent such amendment or change is not available on the Company's website or is not otherwise publicly available. The Depositary may rely upon such copy for all purposes of the Deposit Agreement.

The Depositary will, at the expense of the Company, make available a copy of any such notices, reports or communications issued by the Company and delivered to the Depositary for inspection by the Holders of the ADSs at the Depositary's Principal Office, at the office of the Custodian and at any other designated transfer office.

Section 5.7 **Issuance of Additional Shares, ADSs etc.** The Company agrees that in the event it or any of its Affiliates proposes (i) an issuance, sale or distribution of additional Shares, (ii) an offering of rights to subscribe for Shares or other Deposited Securities, (iii) an issuance or assumption of securities convertible into or exchangeable for Shares, (iv) an issuance of rights to subscribe for securities convertible into or exchangeable for Shares, (v) an elective dividend of cash or Shares, (vi) a redemption of Deposited Securities, (vii) a meeting of holders of Deposited Securities, or solicitation of consents or proxies, relating to any reclassification of securities, merger or consolidation or transfer of assets, (viii) any assumption, reclassification, recapitalization, reorganization, merger, consolidation or sale of assets which affects the Deposited Securities, or (ix) a distribution of securities other than Shares, it will obtain U.S. legal advice and take all steps necessary to ensure that the proposed transaction does not violate the registration provisions of the Securities Act, or any other applicable laws (including, without limitation, the Investment Company Act of 1940, as amended, the Exchange Act and the securities laws of the states of the U.S.). In support of the foregoing, the Company will furnish to the Depositary (a) a written opinion of U.S. counsel (reasonably satisfactory to the Depositary) stating whether such transaction (1) requires a registration statement under the Securities Act to be in effect or (2) is exempt from the registration requirements of the Securities Act and (b) an

opinion of French counsel stating that (1) making the transaction available to Holders and Beneficial Owners does not violate the laws or regulations of the Republic of France and (2) all requisite regulatory consents and approvals, if any, have been obtained in the Republic of France, *provided*, however, that such opinions shall not be required in the event of an issuance of Shares as a bonus or compensation, share split or other similar events. If the filing of a registration statement is required, the Depositary shall not have any obligation to proceed with the transaction unless it shall have received evidence reasonably satisfactory to it that such registration statement has been declared effective. If, being advised by counsel, the Company determines that a transaction is required to be registered under the Securities Act, the Company will either (i) register such transaction to the extent necessary, (ii) alter the terms of the transaction to avoid the registration requirements of the Securities Act or (iii) direct the Depositary to take specific measures, in each case as contemplated in the Deposit Agreement, to prevent such transaction from violating the registration requirements of the Securities Act. The Company agrees with the Depositary that neither the Company nor any of its Affiliates will at any time (i) deposit any Shares or other Deposited Securities, either upon original issuance or upon a sale of Shares or other Deposited Securities previously issued and reacquired by the Company or by any such Affiliate, or (ii) issue additional Shares, rights to subscribe for such Shares, securities convertible into or exchangeable for Shares or rights to subscribe for such securities or distribute securities other than Shares, unless such transaction and the securities issuable in such transaction do not violate the registration provisions of the Securities Act, or any other applicable laws (including, without limitation, the Investment Company Act of 1940, as amended, the Exchange Act and any applicable securities laws of the states of the U.S.).

Notwithstanding anything else contained in the Deposit Agreement, nothing in the Deposit Agreement shall be deemed to obligate the Company to file any registration statement in respect of any proposed transaction.

Section 5.8 Indemnification. The Depositary agrees to indemnify the Company and its directors, officers, employees, agents and Affiliates against, and hold each of them harmless from, any direct loss, liability, tax, charge or expense of any kind whatsoever (including, but not limited to, the reasonable fees and expenses of counsel) which may arise out of acts performed or omitted by the Depositary and the Custodian (for so long as the Custodian is a branch of Citibank, N.A.) under the terms hereof due to the negligence or bad faith of the Depositary or the Custodian, as applicable.

The Company agrees to indemnify the Depositary, the Custodian and any of their respective directors, officers, employees, agents and Affiliates against, and hold each of them harmless from, any direct loss, liability, tax, charge or expense of any kind whatsoever (including, but not limited to, the reasonable fees and expenses of counsel) that may arise (a) out of, or in connection with, any offer, issuance, sale, resale, transfer, deposit or withdrawal of ADRs, ADSs, the Shares, or other Deposited Securities, as the case may be, (b) out of, or as a result of, any offering documents in respect thereof or (c) out of acts performed or omitted, including, but not limited to, any delivery by the Depositary on behalf of the Company of information regarding the Company in connection with the Deposit Agreement, the ADRs, the ADSs, the Shares, or any Deposited Property, in any such case (i) by the Depositary, the Custodian or any of their respective directors, officers, employees, agents and Affiliates, except

to the extent such loss, liability, tax, charge or expense is due to the negligence or bad faith of any of them, or (ii) by the Company or any of its directors, officers, employees, agents and Affiliates, provided, however, that the Company shall not be liable for any fees, charges or expenses payable by Holders or Beneficial Owners under this Deposit Agreement. The Company shall not indemnify the Depositary, the Custodian or any of their respective directors, officers, employees, agents and Affiliates against any liability or expense arising out of information relating to the Depositary or such Custodian, as the case may be, furnished in a writing to the Company, by the Depositary or such Custodian expressly for use in any registration statement, prospectus or preliminary prospectus relating to any Deposited Securities represented by the ADSs. The indemnities contained in this paragraph shall not extend to any liability or expense that may arise directly out of any Pre-Release Transaction (as defined in Section 5.10), other than a Pre-Release Transaction entered into at the written request of the Company.

The obligations set forth in this Section shall survive the termination of the Deposit Agreement and the succession or substitution of any party hereto.

Any person seeking indemnification hereunder (an “indemnified person”) shall notify the person from whom it is seeking indemnification (the “indemnifying person”) of the commencement of any indemnifiable action or claim promptly after such indemnified person becomes aware of such commencement (provided that the failure to make such notification shall not affect such indemnified person’s rights to seek indemnification except to the extent the indemnifying person is materially prejudiced by such failure) and shall consult in good faith with the indemnifying person as to the conduct of the defense of such action or claim that may give rise to an indemnity hereunder, which defense shall be reasonable in the circumstances. No indemnified person shall compromise or settle any action or claim that may give rise to an indemnity hereunder without the consent of the indemnifying person, which consent shall not be unreasonably withheld.

Section 5.9 ADS Fees and Charges. The Company, Holders, Beneficial Owners, persons depositing Shares for issuance of ADSs and persons surrendering ADSs for cancellation and for the purpose of withdrawal of Deposited Securities shall be required to pay the following ADS fees and charges identified as payable by them respectively in the ADS fee schedule attached hereto as Exhibit B. All ADS fees and charges so payable may be deducted from distributions or must be remitted to the Depositary, or its designee, and may, at any time and from time to time, be changed by agreement between the Depositary and the Company, but, in the case of ADS fees and charges payable by Holders and Beneficial Owners, only in the manner contemplated in Section 6.1. The Depositary shall provide, without charge, a copy of its latest ADS fee schedule to anyone upon request.

ADS fees and charges payable upon (i) deposit of Shares against issuance of ADSs and (ii) surrender of ADSs for cancellation and withdrawal of Deposited Securities will be payable by the person to whom the ADSs so issued are delivered by the Depositary (in the case of ADS issuances) and by the person who delivers the ADSs for cancellation to the Depositary (in the case of ADS cancellations). In the case of ADSs issued by the Depositary into DTC or presented to the Depositary via DTC, the ADS issuance and cancellation fees and charges will be payable by the DTC Participant(s) receiving the ADSs from the Depositary or the DTC Participant(s)

surrendering the ADSs to the Depositary for cancellation, as the case may be, on behalf of the Beneficial Owner(s) and will be charged by the DTC Participant(s) to the account(s) of the applicable Beneficial Owner(s) in accordance with the procedures and practices of the DTC participant(s) as in effect at the time. ADS fees and charges in respect of distributions and the ADS service fee are payable by Holders as of the applicable ADS Record Date established by the Depositary. In the case of distributions of cash, the amount of the applicable ADS fees and charges is deducted from the funds being distributed. In the case of (i) distributions other than cash and (ii) the ADS service fee, the applicable Holders as of the ADS Record Date established by the Depositary will be invoiced for the amount of the ADS fees and charges. For ADSs held through DTC, the ADS fees and charges for distributions other than cash and the ADS service fee are charged to the DTC Participants in accordance with the procedures and practices prescribed by DTC from time to time and the DTC Participants in turn charge the amount of such ADS fees and charges to the Beneficial Owners for whom they hold ADSs.

The Depositary may reimburse the Company for certain expenses incurred by the Company in respect of the ADR program established pursuant to the Deposit Agreement, by making available a portion of the ADS fees charged in respect of the ADR program or otherwise, upon such terms and conditions as the Company and the Depositary agree from time to time. The Company shall pay to the Depositary such fees and charges, and reimburse the Depositary for such out-of-pocket expenses, as the Depositary and the Company may agree from time to time. Responsibility for payment of such fees, charges and reimbursements may from time to time be changed by agreement between the Company and the Depositary. Unless otherwise agreed, the Depositary shall present its statement for such fees, charges and reimbursements to the Company once every three months. The charges and expenses of the Custodian are for the sole account of the Depositary.

The obligations of Holders and Beneficial Owners to pay ADS fees and charges shall survive the termination of the Deposit Agreement. As to any Depositary, upon the resignation or removal of such Depositary as described in Section 5.4, the right to collect ADS fees and charges shall extend for those ADS fees and charges incurred prior to the effectiveness of such resignation or removal.

Section 5.10 Pre-Release Transactions. Subject to the further terms and provisions of this Section 5.10, the Depositary, its Affiliates and their agents, on their own behalf, may own and deal in any class of securities of the Company and its Affiliates and in ADSs. In its capacity as Depositary, the Depositary shall not lend Shares or ADSs; provided, however, that the Depositary may (i) issue ADSs prior to the receipt of Shares pursuant to Section 2.3 and (ii) deliver Shares prior to the receipt of ADSs for withdrawal of Deposited Securities pursuant to Section 2.7, including ADSs which were issued under (i) above but for which Shares may not have been received (each such transaction a "Pre-Release Transaction"). The Depositary may receive ADSs in lieu of Shares under (i) above and receive Shares in lieu of ADSs under (ii) above. Each such Pre-Release Transaction will be (a) subject to a written agreement whereby the person or entity (the "Applicant") to whom ADSs or Shares are to be delivered (w) represents that at the time of the Pre-Release Transaction the Applicant or its customer owns the Shares or ADSs that are to be delivered by the Applicant under such Pre-Release Transaction, (x) agrees to indicate the Depositary as owner of such Shares or ADSs in its records and to hold such Shares

or ADSs in trust for the Depositary until such Shares or ADSs are delivered to the Depositary or the Custodian, (y) unconditionally guarantees to deliver to the Depositary or the Custodian, as applicable, such Shares or ADSs, and (z) agrees to any additional restrictions or requirements that the Depositary deems appropriate, (b) at all times fully collateralized with cash, U.S. government securities or such other collateral as the Depositary deems appropriate, (c) terminable by the Depositary on not more than five (5) business days' notice and (d) subject to such further indemnities and credit regulations as the Depositary deems appropriate. The Depositary will normally limit the number of ADSs and Shares involved in such Pre-Release Transactions at any one time to thirty percent (30%) of the ADSs outstanding (without giving effect to ADSs outstanding under (i) above), provided, however, that the Depositary reserves the right to change or disregard such limit from time to time as it deems appropriate.

The Depositary may also set limits with respect to the number of ADSs and Shares involved in Pre-Release Transactions with any one person on a case-by-case basis as it deems appropriate. The Depositary may retain for its own account any compensation received by it in conjunction with the foregoing. Collateral provided pursuant to (b) above, but not the earnings thereon, shall be held for the benefit of the Holders (other than the Applicant).

Section 5.11 Restricted Securities Owners. The Company agrees to advise in writing each of the persons or entities who, to the knowledge of the Company, holds Restricted Securities that such Restricted Securities are ineligible for deposit hereunder (except under the circumstances contemplated in Section 2.14) and, to the extent practicable, shall require each of such persons to represent in writing that such person will not deposit Restricted Securities hereunder (except under the circumstances contemplated in Section 2.14).

ARTICLE VI

AMENDMENT AND TERMINATION

Section 6.1 Amendment/Supplement. Subject to the terms and conditions of this Section 6.1 and applicable law, the ADRs outstanding at any time, the provisions of the Deposit Agreement and the form of ADR attached hereto and to be issued under the terms hereof may at any time and from time to time be amended or supplemented by written agreement between the Company and the Depositary in any respect which they may deem necessary or desirable without the prior written consent of the Holders or Beneficial Owners. Any amendment or supplement which shall impose or increase any fees or charges (other than charges in connection with foreign exchange control regulations, and taxes and other governmental charges, delivery and other such expenses), or which shall otherwise materially prejudice any substantial existing right of Holders or Beneficial Owners, shall not, however, become effective as to outstanding ADSs until the expiration of thirty (30) calendar days after notice of such amendment or supplement shall have been given to the Holders of outstanding ADSs. Notice of any amendment to the Deposit Agreement or any ADR shall not need to describe in detail the specific amendments effectuated thereby, and failure to describe the specific amendments in any such notice shall not render such notice invalid, provided, however, that, in each such case, the notice given to the Holders identifies a means for Holders and Beneficial Owners to retrieve or receive the text of such amendment (*i.e.*, upon retrieval from the Commission's, the Depositary's or the Company's

website or upon request from the Depositary). The parties hereto agree that any amendments or supplements which (i) are reasonably necessary (as agreed by the Company and the Depositary) in order for (a) the ADSs to be registered on Form F-6 or (b) the ADSs to be settled solely in electronic book-entry form and (ii) do not in either such case impose or increase any fees or charges to be borne by Holders, shall be deemed not to materially prejudice any substantial rights of Holders or Beneficial Owners. Every Holder and Beneficial Owner at the time any amendment or supplement so becomes effective shall be deemed, by continuing to hold such ADSs, to consent and agree to such amendment or supplement and to be bound by the Deposit Agreement and the ADR, if applicable, as amended or supplemented thereby. In no event shall any amendment or supplement impair the right of the Holder to surrender such ADS and receive therefor the Deposited Securities represented thereby, except in order to comply with mandatory provisions of applicable law. Notwithstanding the foregoing, if any governmental body should adopt new laws, rules or regulations which would require an amendment of, or supplement to, the Deposit Agreement to ensure compliance therewith, the Company and the Depositary may amend or supplement the Deposit Agreement and any ADRs at any time in accordance with such changed laws, rules or regulations. Such amendment or supplement to the Deposit Agreement and any ADRs in such circumstances may become effective before a notice of such amendment or supplement is given to Holders or within any other period of time as required for compliance with such laws, rules or regulations.

Section 6.2 Termination. The Depositary shall, at any time at the written direction of the Company, terminate the Deposit Agreement by distributing notice of such termination to the Holders of all ADSs then outstanding at least thirty (30) calendar days prior to the date fixed in such notice for such termination. If (i) ninety (90) calendar days shall have expired after the Depositary shall have delivered to the Company a written notice of its election to resign, or (ii) ninety (90) calendar days shall have expired after the Company shall have delivered to the Depositary a written notice of the removal of the Depositary, and, in either case, a successor depositary shall not have been appointed and accepted its appointment as provided in Section 5.4 of the Deposit Agreement, the Depositary may terminate the Deposit Agreement by distributing notice of such termination to the Holders of all ADSs then outstanding at least thirty (30) calendar days prior to the date fixed in such notice for such termination. The date so fixed for termination of the Deposit Agreement in any termination notice so distributed by the Depositary to the Holders of ADSs is referred to as the "Termination Date". Until the Termination Date, the Depositary shall continue to perform all of its obligations under the Deposit Agreement, and the Holders and Beneficial Owners will be entitled to all of their rights under the Deposit Agreement.

If any ADSs shall remain outstanding after the Termination Date, the Registrar and the Depositary shall not, after the Termination Date, have any obligation to perform any further acts under the Deposit Agreement, except that the Depositary shall, subject, in each case, to the terms and conditions of the Deposit Agreement, continue to (i) collect dividends and other distributions pertaining to Deposited Securities, (ii) sell Deposited Property received in respect of Deposited Securities, (iii) deliver Deposited Securities, together with any dividends or other distributions received with respect thereto and the net proceeds of the sale of any other Deposited Property, in exchange for ADSs surrendered to the Depositary (after deducting, or charging, as the case may be, in each case, the fees and charges of, and expenses incurred in connection therewith by, the

Depositary, and all applicable taxes or governmental charges for the account of the Holders and Beneficial Owners, in each case upon the terms set forth in Section 5.9 of the Deposit Agreement), and (iv) take such actions as may be required under applicable law in connection with its role as Depositary under the Deposit Agreement.

At any time after the Termination Date, the Depositary may sell the Deposited Property then held under the Deposit Agreement and shall after such sale hold un-invested the net proceeds of such sale, together with any other cash then held by it under the Deposit Agreement, in an un-segregated account and without liability for interest, for the pro rata benefit of the Holders whose ADSs have not theretofore been surrendered. After making such sale, the Depositary shall be discharged from all obligations under the Deposit Agreement except (i) to account for such net proceeds and other cash (after deducting, or charging, as the case may be, in each case, the fees and charges of, and expenses incurred by, the Depositary, and all applicable taxes or governmental charges for the account of the Holders and Beneficial Owners, in each case upon the terms set forth in Section 5.9 of the Deposit Agreement), and (ii) as may be required at law in connection with the termination of the Deposit Agreement. After the Termination Date, the Company shall be discharged from all obligations under the Deposit Agreement, except for its obligations to the Depositary under Sections 5.8, 5.9 and 7.6 of the Deposit Agreement. The obligations under the terms of the Deposit Agreement of Holders and Beneficial Owners of ADSs outstanding as of the Termination Date shall survive the Termination Date and shall be discharged only when the applicable ADSs are presented by their Holders to the Depositary for cancellation under the terms of the Deposit Agreement.

ARTICLE VII

MISCELLANEOUS

Section 7.1 Counterparts. The Deposit Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of such counterparts together shall constitute one and the same agreement. Copies of the Deposit Agreement shall be maintained with the Depositary and shall be open to inspection by any Holder during business hours.

Section 7.2 No Third-Party Beneficiaries. The Deposit Agreement is for the exclusive benefit of the parties hereto (and their successors) and shall not be deemed to give any legal or equitable right, remedy or claim whatsoever to any other person, except to the extent specifically set forth in the Deposit Agreement. Nothing in the Deposit Agreement shall be deemed to give rise to a partnership or joint venture among the parties nor establish a fiduciary or similar relationship among the parties. The parties hereto acknowledge and agree that (i) the Depositary and its Affiliates may at any time have multiple banking relationships with the Company and its Affiliates, (ii) the Depositary and its Affiliates may be engaged at any time in transactions in which parties adverse to the Company or the Holders or Beneficial Owners may have interests and (iii) nothing contained in the Deposit Agreement shall (a) preclude the Depositary or any of its Affiliates from engaging in such transactions or establishing or maintaining such relationships, and (b) obligate the Depositary or any of its Affiliates to disclose such transactions or relationships or to account for any profit made or payment received in such transactions or relationships.

Section 7.3 Severability. In case any one or more of the provisions contained in the Deposit Agreement or in the ADRs should be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein or therein shall in no way be affected, prejudiced or disturbed thereby.

Section 7.4 Holders and Beneficial Owners as Parties; Binding Effect. The Holders and Beneficial Owners from time to time of ADSs issued hereunder shall be parties to the Deposit Agreement and shall be bound by all of the terms and conditions hereof and of any ADR evidencing their ADSs by acceptance thereof or any beneficial interest therein.

Section 7.5 Notices. Any and all notices to be given to the Company shall be deemed to have been duly given if personally delivered or sent by mail, air courier or cable, telex or facsimile transmission, confirmed by letter personally delivered or sent by mail or air courier, addressed to 8 rue de la Croix Jarry, Paris, Ile-de-France, 75013 France, Attention: General Counsel, or to any other address which the Company may specify in writing to the Depositary.

Any and all notices to be given to the Depositary shall be deemed to have been duly given if personally delivered or sent by mail, air courier or cable, telex or facsimile transmission, confirmed by letter personally delivered or sent by mail or air courier, addressed to Citibank, N.A., 388 Greenwich Street, New York, New York 10013, U.S.A., Attention: Depositary Receipts Department, or to any other address which the Depositary may specify in writing to the Company.

Any and all notices to be given to any Holder shall be deemed to have been duly given if (a) personally delivered or sent by mail or cable, telex or facsimile transmission, confirmed by letter, addressed to such Holder at the address of such Holder as it appears on the books of the Depositary or, if such Holder shall have filed with the Depositary a request that notices intended for such Holder be mailed to some other address, at the address specified in such request, or (b) if a Holder shall have designated such means of notification as an acceptable means of notification under the terms of the Deposit Agreement, by means of electronic messaging addressed for delivery to the e-mail address designated by the Holder for such purpose. Notice to Holders shall be deemed to be notice to Beneficial Owners for all purposes of the Deposit Agreement. Failure to notify a Holder or any defect in the notification to a Holder shall not affect the sufficiency of notification to other Holders or to the Beneficial Owners of ADSs held by such other Holders.

Delivery of a notice sent by mail, air courier or cable, telex or facsimile transmission shall be deemed to be effective at the time when a duly addressed letter containing the same (or a confirmation thereof in the case of a cable, telex or facsimile transmission) is deposited, postage prepaid, in a post-office letter box or delivered to an air courier service, without regard for the actual receipt or time of actual receipt thereof by a Holder. The Depositary or the Company may, however, act upon any cable, telex or facsimile transmission received by it from any Holder, the Custodian, the Depositary, or the Company, notwithstanding that such cable, telex or facsimile transmission shall not be subsequently confirmed by letter.

Delivery of a notice by means of electronic messaging shall be deemed to be effective at the time of the initiation of the transmission by the sender (as shown on the sender's records), notwithstanding that the intended recipient retrieves the message at a later date, fails to retrieve such message, or fails to receive such notice on account of its failure to maintain the designated e-mail address, its failure to designate a substitute e-mail address or for any other reason outside of the control of the party delivering such electronic message.

Section 7.6 Governing Law and Jurisdiction. The Deposit Agreement and the ADRs shall be interpreted in accordance with, and all rights hereunder and thereunder and provisions hereof and thereof shall be governed by, the laws of the State of New York applicable to contracts made and to be wholly performed in that State. Notwithstanding anything contained in the Deposit Agreement, any ADR or any present or future provisions of the laws of the State of New York, the rights of holders of Shares and of any other Deposited Securities and the obligations and duties of the Company in respect of the holders of Shares and other Deposited Securities, as such, shall be governed by the laws of the Republic of France (or, if applicable, such other laws as may govern the Deposited Securities).

Except as set forth in the following paragraph of this Section 7.6, the Company and the Depositary agree that the federal or state courts in the City of New York shall have jurisdiction to hear and determine any suit, action or proceeding and to settle any dispute between them that may arise out of or in connection with the Deposit Agreement and, for such purposes, each irrevocably submits to the non-exclusive jurisdiction of such courts. The Company hereby irrevocably designates, appoints and empowers Puglisi & Associates (the "Agent") now at 850 Library Avenue, Suite 204, Newark, Delaware 19711 as its authorized agent to receive and accept for and on its behalf, and on behalf of its properties, assets and revenues, service by mail of any and all legal process, summons, notices and documents that may be served in any suit, action or proceeding brought against the Company in any federal or state court as described in the preceding sentence or in the next paragraph of this Section 7.6. If for any reason the Agent shall cease to be available to act as such, the Company agrees to designate a new agent in New York on the terms and for the purposes of this Section 7.6 reasonably satisfactory to the Depositary. The Company further hereby irrevocably consents and agrees to the service of any and all legal process, summons, notices and documents in any suit, action or proceeding against the Company, by service by mail of a copy thereof upon the Agent (whether or not the appointment of such Agent shall for any reason prove to be ineffective or such Agent shall fail to accept or acknowledge such service), with a copy mailed to the Company by registered or certified air mail, postage prepaid, to its address provided in Section 7.5. The Company agrees that the failure of the Agent to give any notice of such service to it shall not impair or affect in any way the validity of such service or any judgment rendered in any action or proceeding based thereon.

Notwithstanding the foregoing, the Depositary and the Company unconditionally agree that in the event that a Holder or Beneficial Owner brings a suit, action or proceeding against (a) the Company, (b) the Depositary in its capacity as Depositary under the Deposit Agreement or

(c) against both the Company and the Depositary, in any such case, in any state or federal court of the United States, and the Depositary or the Company have any claim, for indemnification or otherwise, against each other arising out of the subject matter of such suit, action or proceeding, then the Company and the Depositary may pursue such claim against each other in the state or federal court in the United States in which such suit, action, or proceeding is pending and, for such purposes, the Company and the Depositary irrevocably submit to the non-exclusive jurisdiction of such courts. The Company agrees that service of process upon the Agent in the manner set forth in the preceding paragraph shall be effective service upon it for any suit, action or proceeding brought against it as described in this paragraph.

The Company irrevocably and unconditionally waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of venue of any actions, suits or proceedings brought in any court as provided in this Section 7.6, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

The Company irrevocably and unconditionally waives, to the fullest extent permitted by law, and agrees not to plead or claim, any right of immunity from legal action, suit or proceeding, from setoff or counterclaim, from the jurisdiction of any court, from service of process, from attachment upon or prior to judgment, from attachment in aid of execution or judgment, from execution of judgment, or from any other legal process or proceeding for the giving of any relief or for the enforcement of any judgment, and consents to such relief and enforcement against it, its assets and its revenues in any jurisdiction, in each case with respect to any matter arising out of, or in connection with, the Deposit Agreement, any ADR or the Deposited Property.

No disclaimer of liability under the Securities Act is intended by any provision of the Deposit Agreement. The provisions of this Section 7.6 shall survive any termination of the Deposit Agreement, in whole or in part.

Section 7.7 Assignment. Subject to the provisions of Section 5.4, the Deposit Agreement may not be assigned by either the Company or the Depositary.

Section 7.8 Compliance with U.S. Securities Laws. Notwithstanding anything in the Deposit Agreement to the contrary, the withdrawal or delivery of Deposited Securities will not be suspended by the Company or the Depositary except as would be permitted by Instruction I.A.(1) of the General Instructions, as amended from time to time, to Form F-6.

Section 7.9 French Law References. Any summary of French laws and regulations and of the terms of the Company's By-Laws set forth in the Deposit Agreement have been provided by the Company solely for the convenience of Holders, Beneficial Owners and the Depositary. While such summaries are believed by the Company to be accurate as of the date of the Deposit Agreement, (i) they are summaries and as such may not include all aspects of the materials summarized applicable to a Holder or Beneficial Owner, and (ii) these laws and regulations and the Company's By-Laws may change after the date of the Deposit Agreement. Neither the Depositary nor the Company has any obligation under the terms of the Deposit Agreement to update any such summaries.

Section 7.10 <u>Titles and References</u>.

(a) <u>Deposit Agreement</u>. All references in the Deposit Agreement to exhibits, articles, sections, subsections, and other subdivisions refer to the exhibits, articles, sections, subsections and other subdivisions of the Deposit Agreement unless expressly provided otherwise. The words “the Deposit Agreement”, “herein”, “hereof”, “hereby”, “hereunder”, and words of similar import refer to the Deposit Agreement as a whole as in effect at the relevant time between the Company, the Depositary and the Holders and Beneficial Owners of ADSs and not to any particular subdivision unless expressly so limited. Pronouns in masculine, feminine and neuter gender shall be construed to include any other gender, and words in the singular form shall be construed to include the plural and *vice versa* unless the context otherwise requires. Titles to sections of the Deposit Agreement are included for convenience only and shall be disregarded in construing the language contained in the Deposit Agreement. References to “applicable laws and regulations” shall refer to laws and regulations applicable to ADRs, ADSs or Deposited Property as in effect at the relevant time of determination, unless otherwise required by law or regulation.

(b) <u>ADRs</u>. All references in any ADR(s) to paragraphs, exhibits, articles, sections, subsections, and other subdivisions refer to the paragraphs, exhibits, articles, sections, subsections and other subdivisions of the ADR(s) in question unless expressly provided otherwise. The words “the Receipt”, “the ADR”, “herein”, “hereof”, “hereby”, “hereunder”, and words of similar import used in any ADR refer to the ADR as a whole and as in effect at the relevant time, and not to any particular subdivision unless expressly so limited. Pronouns in masculine, feminine and neuter gender in any ADR shall be construed to include any other gender, and words in the singular form shall be construed to include the plural and *vice versa* unless the context otherwise requires. Titles to paragraphs of any ADR are included for convenience only and shall be disregarded in construing the language contained in the ADR. References to “applicable laws and regulations” shall refer to laws and regulations applicable to ADRs, ADSs or Deposited Property as in effect at the relevant time of determination, unless otherwise required by law or regulation.

IN WITNESS WHEREOF, CELLECTIS S.A. and CITIBANK, N.A. have duly executed the Deposit Agreement as of the day and year first above set forth and all Holders and Beneficial Owners shall become parties hereto upon acceptance by them of ADSs issued in accordance with the terms hereof, or upon acquisition of any beneficial interest therein.

CELLECTIS S.A.

By: ____________________________
Name:
Title:

CITIBANK, N.A.

By: ____________________________
Name:
Title:

EXHIBIT A

[FORM OF ADR]

Number CUSIP NUMBER: **[TBD]**

American Depositary Shares (each American Depositary Share representing the right to receive one (1) fully paid ordinary share)

AMERICAN DEPOSITARY RECEIPT

FOR

AMERICAN DEPOSITARY SHARES

representing

DEPOSITED ORDINARY SHARES

of

CELLECTIS S.A.

(Incorporated under the laws of the Republic of France)

CITIBANK, N.A., a national banking association organized and existing under the laws of the United States of America, as depositary (the "Depositary"), hereby certifies that is the owner of American Depositary Shares (hereinafter "ADS") representing deposited ordinary shares, including evidence of rights to receive such ordinary shares (the "Shares"), of Cellectis S.A., a company organized and existing under the laws of the Republic of France (the "Company"). As of the date of the Deposit Agreement (as hereinafter defined), each ADS represents the right to receive one (1) Share deposited under the Deposit Agreement with the Custodian, which at the date of execution of the Deposit Agreement is Citibank International Limited (the "Custodian"). The ADS(s)-to-Share(s) ratio is subject to amendment as provided in Articles IV and VI of the Deposit Agreement. The Depositary's Principal Office is located at 388 Greenwich Street, New York, New York 10013, U.S.A.

(1) <u>The Deposit Agreement</u>. This American Depositary Receipt is one of an issue of American Depositary Receipts ("ADRs"), all issued and to be issued upon the terms and

conditions set forth in the Deposit Agreement, dated as of **[DATE]**, 2015 (as amended and supplemented from time to time, the "Deposit Agreement"), by and among the Company, the Depositary, and all Holders and Beneficial Owners from time to time of ADSs issued thereunder. The Deposit Agreement sets forth the rights and obligations of Holders and Beneficial Owners of ADSs and the rights and duties of the Depositary in respect of the Shares deposited thereunder and any and all other Deposited Property (as defined in the Deposit Agreement) from time to time received and held on deposit in respect of the ADSs. Copies of the Deposit Agreement are on file at the Principal Office of the Depositary and with the Custodian. Each Holder and each Beneficial Owner, upon acceptance of any ADSs (or any interest therein) issued in accordance with the terms and conditions of the Deposit Agreement, shall be deemed for all purposes to (a) be a party to and bound by the terms of the Deposit Agreement and the applicable ADR(s), and (b) appoint the Depositary its attorney-in-fact, with full power to delegate, to act on its behalf and to take any and all actions contemplated in the Deposit Agreement and the applicable ADR(s), to adopt any and all procedures necessary to comply with applicable law and to take such action as the Depositary in its sole discretion may deem necessary or appropriate to carry out the purposes of the Deposit Agreement and the applicable ADR(s), the taking of such actions to be the conclusive determinant of the necessity and appropriateness thereof.

The statements made on the face and reverse of this ADR are summaries of certain provisions of the Deposit Agreement and the By-laws of the Company (as in effect on the date of the signing of the Deposit Agreement) and are qualified by and subject to the detailed provisions of the Deposit Agreement and the By-laws, to which reference is hereby made.

All capitalized terms not defined herein shall have the meanings ascribed thereto in the Deposit Agreement.

The Depositary makes no representation or warranty as to the validity or worth of the Deposited Property. The Depositary has made arrangements for the acceptance of the ADSs into DTC. Each Beneficial Owner of ADSs held through DTC must rely on the procedures of DTC and the DTC Participants to exercise and be entitled to any rights attributable to such ADSs. The Depositary may issue Uncertificated ADSs subject, however, to the terms and conditions of Section 2.13 of the Deposit Agreement.

(2) Surrender of ADSs and Withdrawal of Deposited Securities. The Holder of this ADR (and of the ADSs evidenced hereby) shall be entitled to Delivery (at the Custodian's designated office, or, at the request, risk and expense of the Holder, at such other place as the Holder requests) of the Deposited Securities at the time represented by the ADSs evidenced hereby upon satisfaction of each of the following conditions: (i) the Holder (or a duly-authorized attorney of the Holder) has duly Delivered ADSs to the Depositary at its Principal Office the ADSs evidenced hereby (and, if applicable, this ADR evidencing such ADSs) for the purpose of withdrawal of the Deposited Securities represented thereby, (ii) if applicable and so required by the Depositary, this ADR Delivered to the Depositary for such purpose has been properly endorsed in blank or is accompanied by proper instruments of transfer in blank (including signature guarantees in accordance with standard securities industry practice), (iii) if so required by the Depositary, the Holder of the ADSs has executed and delivered to the Depositary a written order directing the Depositary to cause the Deposited Securities being withdrawn to be

Delivered to or upon the written order of the person(s) designated in such order, and (iv) all applicable fees and charges of, and expenses incurred by, the Depositary and all applicable taxes and governmental charges (as are set forth in Section 5.9 of, and Exhibit B to, the Deposit Agreement) have been paid, *subject, however, in each case*, to the terms and conditions of this ADR evidencing the surrendered ADSs, of the Deposit Agreement, of the Company's By-Laws and of any applicable laws and the rules of the book-entry settlement entity, if available, and to any provisions of or governing the Deposited Securities, in each case as in effect at the time thereof.

Upon satisfaction of each of the conditions specified above, the Depositary as promptly as commercially practicable (i) shall cancel the ADSs Delivered to it (and, if applicable, this ADR(s) evidencing the ADSs so Delivered), (ii) shall direct the Registrar to record the cancellation of the ADSs so Delivered on the books maintained for such purpose, and (iii) shall direct the Custodian to Deliver, or cause the Delivery of, in each case, without unreasonable delay, the Deposited Securities represented by the ADSs so canceled together with any certificate or other document of title for the Deposited Securities, or evidence of the electronic transfer thereof (if available), as the case may be, to or upon the written order of the person(s) designated in the order delivered to the Depositary for such purpose, *subject however, in each case*, to the terms and conditions of the Deposit Agreement, of this ADR evidencing the ADS so canceled, of the By-Laws of the Company, of any applicable laws and of the rules of the book-entry settlement entity, if available, and to the terms and conditions of or governing the Deposited Securities, in each case as in effect at the time thereof.

The Depositary shall not accept for surrender ADSs representing less than one (1) Share. In the case of Delivery to it of ADSs representing a number other than a whole number of Shares, the Depositary shall cause ownership of the appropriate whole number of Shares to be Delivered in accordance with the terms hereof, and shall, at the discretion of the Depositary, either (i) return to the person surrendering such ADSs the number of ADSs representing any remaining fractional Share, or (ii) sell or cause to be sold the fractional Share represented by the ADSs so surrendered and remit the proceeds of such sale (net of (a) applicable fees and charges of, and expenses incurred by, the Depositary and (b) applicable taxes to be withheld as a result of such sale) to the person surrendering the ADSs.

Notwithstanding anything else contained in this ADR or the Deposit Agreement, the Depositary may make delivery at the Principal Office of the Depositary of Deposited Property consisting of (i) any cash dividends or cash distributions, or (ii) any proceeds from the sale of any non-cash distributions, which are at the time held by the Depositary in respect of the Deposited Securities represented by the ADSs surrendered for cancellation and withdrawal. At the request, risk and expense of any Holder so surrendering ADSs represented by this ADR, and for the account of such Holder, the Depositary shall direct the Custodian to forward (to the extent permitted by law) any Deposited Property (other than Deposited Securities) held by the Custodian in respect of such ADSs to the Depositary for delivery at the Principal Office of the Depositary. Such direction shall be given by letter or, at the request, risk and expense of such Holder, by cable, telex or facsimile transmission.

(3) Transfer, Combination and Split-up of ADRs. The Registrar shall as promptly as commercially practicable register the transfer of this ADR (and of the ADSs represented hereby) on the books maintained for such purpose and the Depositary shall as promptly as commercially practicable (x) cancel this ADR and execute new ADRs evidencing the same aggregate number of ADSs as those evidenced by this ADR canceled by the Depositary, (y) cause the Registrar to countersign such new ADRs, and (z) Deliver such new ADRs to or upon the order of the person entitled thereto, if each of the following conditions has been satisfied: (i) this ADR has been duly Delivered by the Holder (or by a duly authorized attorney of the Holder) to the Depositary at its Principal Office for the purpose of effecting a transfer thereof, (ii) this surrendered ADR has been properly endorsed or is accompanied by proper instruments of transfer (including signature guarantees in accordance with standard securities industry practice), (iii) this surrendered ADR has been duly stamped (if required by the laws of the State of New York or of the United States), and (iv) all applicable fees and charges of, and expenses incurred by, the Depositary and all applicable taxes and governmental charges (as are set forth in Section 5.9 of, and Exhibit B to, the Deposit Agreement) have been paid, *subject, however, in each case,* to the terms and conditions of this ADR, of the Deposit Agreement and of applicable law, in each case as in effect at the time thereof.

The Registrar shall as promptly as commercially practicable register the split-up or combination of this ADR (and of the ADSs represented hereby) on the books maintained for such purpose and the Depositary shall as promptly as commercially practicable (x) cancel this ADR and execute new ADRs for the number of ADSs requested, but in the aggregate not exceeding the number of ADSs evidenced by this ADR canceled by the Depository, (y) cause the Registrar to countersign such new ADRs, and (z) Deliver such new ADRs to or upon the order of the Holder thereof, if each of the following conditions has been satisfied: (i) this ADR has been duly Delivered by the Holder (or by a duly authorized attorney of the Holder) to the Depositary at its Principal Office for the purpose of effecting a split-up or combination hereof, and (ii) all applicable fees and charges of, and expenses incurred by, the Depositary and all applicable taxes and governmental charges (as are set forth in Section 5.9 of, and Exhibit B to, the Deposit Agreement) have been paid, *subject, however, in each case*, to the terms and conditions of this ADR, of the Deposit Agreement and of applicable law, in each case as in effect at the time thereof.

The Depositary may appoint one or more co-transfer agents for the purpose of effecting transfers, combinations and split-ups of ADRs at designated transfer offices on behalf of the Depositary and the Depositary shall as promptly as practicable notify the Company in writing upon any such appointment. In carrying out its functions, a co-transfer agent may require evidence of authority and compliance with applicable laws and other requirements by Holders or persons entitled to such ADRs and will be entitled to protection and indemnity to the same extent as the Depositary. Such co-transfer agents may be removed and substitutes appointed by the Depositary and the Depositary shall as promptly as practicable notify the Company in writing upon any such removal or substitution. Each co-transfer agent appointed under Section 2.6 of the Deposit Agreement (other than the Depositary) shall give notice in writing to the Depositary accepting such appointment and agreeing to be bound by the applicable terms of the Deposit Agreement.

(4) <u>Pre-Conditions to Registration, Transfer, Etc</u>. As a condition precedent to the execution and delivery, the registration of issuance, transfer, split-up, combination or surrender, of any ADS, the delivery of any distribution thereon, or the withdrawal of any Deposited Property, the Depositary or the Custodian may require (i) payment from the depositor of Shares or presenter of ADSs or of this ADR of a sum sufficient to reimburse it for any applicable tax or other governmental charge and any stock transfer or registration fee with respect thereto (including any such tax, charge or fee with respect to Shares being deposited or withdrawn) and payment of any applicable fees and charges of the Depositary as provided in Section 5.9 and <u>Exhibit B</u> to the Deposit Agreement and in this ADR, (ii) the production of proof reasonably satisfactory to it as to the identity and genuineness of any signature or any other matter contemplated by Section 3.1 of the Deposit Agreement, and (iii) compliance with (A) any laws or governmental regulations relating to the execution and delivery of this ADR or ADSs or to the withdrawal of Deposited Securities and (B) such reasonable regulations as the Depositary and the Company may establish consistent with the provisions of this ADR, if applicable, the Deposit Agreement and applicable law.

The issuance of ADSs against deposits of Shares generally or against deposits of particular Shares may be suspended, or the deposit of particular Shares may be refused, or the registration of transfer of ADSs in particular instances may be refused, or the registration of transfer of ADSs generally may be suspended, during any period when the transfer books of the Company, the Depositary, a Registrar or the Share Registrar are closed or if any such action is deemed necessary or advisable by the Depositary (whereupon the Depositary shall use commercially reasonable efforts to notify the Company promptly following such closure or determination) or the Company, in good faith, at any time or from time to time because of any requirement of law or regulation, any government or governmental body or commission or any securities exchange on which the ADSs or Shares are listed, or under any provision of the Deposit Agreement or this ADR, if applicable, or under any provision of, or governing, the Deposited Securities, or because of a meeting of shareholders of the Company or for any other reason, subject, in all cases to paragraph (25) of this ADR and Section 7.8 of the Deposit Agreement. Notwithstanding any provision of the Deposit Agreement or this ADR to the contrary, Holders are entitled to surrender outstanding ADSs to withdraw the Deposited Securities associated therewith at any time subject only to (i) temporary delays caused by closing the transfer books of the Depositary or the Company or the deposit of Shares in connection with voting at a shareholders' meeting or the payment of dividends, (ii) the payment of fees, taxes and similar charges, (iii) compliance with any U.S. or foreign laws or governmental regulations relating to the ADSs or to the withdrawal of the Deposited Securities, and (iv) other circumstances specifically contemplated by Instruction I.A.(l) of the General Instructions, as may be amended from time to time, to Registration Statement on Form F-6 under the Securities Act ("<u>Form F-6</u>").

(5) <u>Compliance With Information Requests</u>. Notwithstanding any other provision of the Deposit Agreement or this ADR, each Holder and Beneficial Owner of the ADSs represented hereby agrees to comply with requests from the Company pursuant to applicable law, the rules and requirements of any stock exchange on which the Shares or ADSs are, or will be, registered, traded or listed, or the By-Laws of the Company, which are made to provide information, *inter alia*, as to the capacity in which such Holder or Beneficial Owner owns ADSs

(and the Shares represented by such ADSs, as the case may be) and regarding the identity of any other person(s) interested in such ADSs and the nature of such interest and various other matters, whether or not they are Holders and/or Beneficial Owners at the time of such request. The Depositary agrees to use its reasonable efforts to forward, upon the request of the Company and at the Company's expense, any such request from the Company to the Holders and to forward to the Company, as promptly as practicable, any such responses to such requests received by the Depositary.

(6) Ownership Restrictions. Notwithstanding any other provision of this ADR or of the Deposit Agreement, the Company may restrict transfers of the Shares where such transfer might result in ownership of Shares exceeding limits imposed by applicable law or the By-Laws of the Company. The Company may also restrict, in such manner as it deems appropriate, transfers of the ADSs where such transfer may result in the total number of Shares represented by the ADSs owned by a single Holder or Beneficial Owner to exceed any such limits. The Company may, in its sole discretion but subject to applicable law, instruct the Depositary to take action with respect to the ownership interest of any Holder or Beneficial Owner in excess of the limits set forth in the preceding sentence, including but not limited to, the imposition of restrictions on the transfer of ADSs, the removal or limitation of voting rights or mandatory sale or disposition on behalf of a Holder or Beneficial Owner of the Shares represented by the ADSs held by such Holder or Beneficial Owner in excess of such limitations, if and to the extent such disposition is permitted by applicable law and the By-Laws of the Company. Nothing herein or in the Deposit Agreement shall be interpreted as obligating the Depositary or the Company to ensure compliance with the ownership restrictions described herein or in Section 3.5 of the Deposit Agreement.

(7) Reporting Obligations and Regulatory Approvals. Applicable laws and regulations may require holders and beneficial owners of Shares, including the Holders and Beneficial Owners of ADSs, to satisfy reporting requirements and obtain regulatory approvals in certain circumstances. Holders and Beneficial Owners of ADSs are solely responsible for determining and complying with such reporting requirements and obtaining such approvals. Each Holder and each Beneficial Owner hereby agrees to make such determination, file such reports, and obtain such approvals to the extent and in the form required by applicable laws and regulations as in effect from time to time. Neither the Depositary, the Custodian, the Company or any of their respective agents or affiliates shall be required to take any actions whatsoever on behalf of Holders or Beneficial Owners to determine or satisfy such reporting requirements or obtain such regulatory approvals under applicable laws and regulations.

(8) Liability for Taxes and Other Charges. Any tax or other governmental charge payable by the Custodian or by the Depositary with respect to any Deposited Property, ADSs or this ADR shall be payable by the Holders and Beneficial Owners to the Depositary. The Company, the Custodian and/or the Depositary may withhold or deduct from any distributions made in respect of Deposited Property, and may sell for the account of a Holder and/or Beneficial Owner any or all of the Deposited Property and apply such distributions and sale proceeds in payment of, any taxes (including applicable interest and penalties) or charges that are or become payable by Holders or Beneficial Owners in respect of the ADSs, Deposited Property and this ADR, the Holder and the Beneficial Owner hereof remaining liable for any deficiency.

The Custodian may refuse the deposit of Shares and the Depositary may refuse to issue ADSs, to deliver ADRs, register the transfer of ADSs, register the split-up or combination of ADRs and (subject to paragraph (25) of this ADR and Section 7.8 of the Deposit Agreement) the withdrawal of Deposited Property until payment in full of such tax, charge, penalty or interest is received. Every Holder and Beneficial Owner agrees to indemnify the Depositary, the Company, the Custodian, and any of their agents, officers, employees and Affiliates for, and to hold each of them harmless from, any claims with respect to taxes (including applicable interest and penalties thereon) arising from any tax benefit obtained for such Holder and/or Beneficial Owner.

(9) Representations and Warranties on Deposit of Shares. Each person depositing Shares under the Deposit Agreement shall be deemed thereby to represent and warrant that (i) such Shares and, if applicable, the certificates therefor are duly authorized, validly issued, fully paid, non-assessable and legally obtained by such person, (ii) all preemptive (and similar) rights, if any, with respect to such Shares have been validly waived or exercised, (iii) the person making such deposit is duly authorized so to do, (iv) the Shares presented for deposit are free and clear of any lien, encumbrance, security interest, charge, mortgage or adverse claim, (v) the Shares presented for deposit are not, and the ADSs issuable upon such deposit will not be, Restricted Securities (except as contemplated in Section 2.14 of the Deposit Agreement), and (vi) the Shares presented for deposit have not been stripped of any rights or entitlements. Such representations and warranties shall survive the deposit and withdrawal of Shares, the issuance and cancellation of ADSs in respect thereof and the transfer of such ADSs. If any such representations or warranties are false in any way, the Company and the Depositary shall be authorized, at the cost and expense of the person depositing Shares, to take any and all actions necessary to correct the consequences thereof.

(10) Proofs, Certificates and Other Information. Any person presenting Shares for deposit, any Holder and any Beneficial Owner may be required, and every Holder and Beneficial Owner agrees, from time to time to provide to the Depositary and the Custodian such proof of citizenship or residence, taxpayer status, payment of all applicable taxes or other governmental charges, exchange control approval, legal or beneficial ownership of ADSs and Deposited Property, compliance with applicable laws, the terms of the Deposit Agreement or this ADR evidencing the ADSs and the provisions of, or governing, the Deposited Property, to execute such certifications and to make such representations and warranties, and to provide such other information and documentation (or, in the case of Shares in registered form presented for deposit, such information relating to the registration on the books of the Company or of the Share Registrar) as the Depositary or the Custodian may deem necessary or proper or as the Company may reasonably require by written request to the Depositary consistent with its obligations under the Deposit Agreement and this ADR. The Depositary and the Registrar, as applicable, may, and at the reasonable request of the Company, shall, to the extent practicable, withhold the execution or delivery or registration of transfer of any ADR or ADS or the distribution or sale of any dividend or distribution of rights or of the proceeds thereof or, to the extent not limited by paragraph (25) and Section 7.8 of the Deposit Agreement, the delivery of any Deposited Property until such proof or other information is filed or such certifications are executed, or such representations and warranties are made, or such other documentation or information provided, in each case to the Depositary's, the Registrar's and the Company's satisfaction. The Depositary shall provide the Company, in a timely manner, with copies or

originals if necessary and appropriate of (i) any such proofs of citizenship or residence, taxpayer status, or exchange control approval or copies of written representations and warranties which it receives from Holders and Beneficial Owners, and (ii) any other information or documents which the Company may reasonably request and which the Depositary shall request and receive from any Holder or Beneficial Owner or any person presenting Shares for deposit or ADSs for cancellation, transfer or withdrawal. Nothing herein shall obligate the Depositary to (i) obtain any information for the Company if not provided by the Holders or Beneficial Owners, or (ii) verify or vouch for the accuracy of the information so provided by the Holders or Beneficial Owners.

(11) ADS Fees and Charges. The following ADS fees are payable under the terms of the Deposit Agreement:

(i) ADS Issuance Fee: by any person depositing Shares or to whom ADSs are issued upon the deposit of Shares (excluding issuances as a result of distributions described in paragraph (iv) below), a fee not in excess of U.S. $5.00 per 100 ADSs (or fraction thereof) so issued under the terms of the Deposit Agreement;

(ii) ADS Cancellation Fee: by any person surrendering ADSs for cancellation and withdrawal of Deposited Property or by any person to whom Deposited Property is delivered, a fee not in excess of U.S. $5.00 per 100 ADSs (or fraction thereof) surrendered;

(iii) Cash Distribution Fee: by any Holder of ADSs, a fee not in excess of U.S. $5.00 per 100 ADSs (or fraction thereof) held for the distribution of cash dividends or other cash distributions (*i.e.*, sale of rights and other entitlements);

(iv) Stock Distribution /Rights Exercise Fee: by any Holder of ADS(s), a fee not in excess of U.S. $5.00 per 100 ADSs (or fraction thereof) held for (a) stock dividends or other free stock distributions, or (b) exercise of rights to purchase additional ADSs;

(v) Other Distribution Fee: by any Holder of ADS(s), a fee not in excess of U.S. $5.00 per 100 ADSs (or fraction thereof) held for the distribution of securities other than ADSs or rights to purchase additional ADSs (i.e., spin-off shares); and

(vi) Depositary Services Fee: by any Holder of ADS(s), a fee not in excess of U.S. $5.00 per 100 ADSs (or fraction thereof) held on the applicable record date(s) established by the Depositary.

The Company, Holders, Beneficial Owners, persons depositing Shares and persons surrendering ADSs for cancellation and for the purpose of withdrawing Deposited Securities shall be responsible for the following ADS charges under the terms of the Deposit Agreement:

(a) taxes (including applicable interest and penalties) and other governmental charges;

(b) such registration fees as may from time to time be in effect for the registration of Shares or other Deposited Securities on the share register and applicable to transfers of Shares or other Deposited Securities to or from the name of the Custodian, the Depositary or any nominees upon the making of deposits and withdrawals, respectively;

(c) such cable, telex and facsimile transmission and delivery expenses as are expressly provided in the Deposit Agreement to be at the expense of the person depositing Shares or withdrawing Deposited Securities or of the Holders and Beneficial Owners of ADSs;

(d) the expenses and charges incurred by the Depositary in the conversion of foreign currency;

(e) such fees and expenses as are incurred by the Depositary in connection with compliance with exchange control regulations and other regulatory requirements applicable to Shares, Deposited Securities, ADSs and ADRs; and

(f) the fees and expenses incurred by the Depositary, the Custodian, or any nominee in connection with the delivery or servicing of Deposited Property.

All ADS fees and charges may, at any time and from time to time, be changed by agreement between the Depositary and Company but, in the case of ADS fees and charges payable by Holders and Beneficial Owners, only in the manner contemplated by paragraph (23) of this ADR and as contemplated in the Deposit Agreement. The Depositary shall provide, without charge, a copy of its latest ADS fee schedule to anyone upon request.

ADS fees and charges payable upon (i) deposit of Shares against issuance of ADSs and (ii) surrender of ADSs for cancellation and withdrawal of Deposited Securities will be payable by the person to whom the ADSs so issued are delivered by the Depositary (in the case of ADS issuances) and by the person who delivers the ADSs for cancellation to the Depositary (in the case of ADS cancellations). In the case of ADSs issued by the Depositary into DTC or presented to the Depositary via DTC, the ADS issuance and cancellation fees and charges will be payable by the DTC Participant(s) receiving the ADSs from the Depositary or the DTC Participant(s) surrendering the ADSs to the Depositary for cancellation, as the case may be, on behalf of the Beneficial Owner(s) and will be charged by the DTC Participant(s) to the account(s) of the applicable Beneficial Owner(s) in accordance with the procedures and practices of the DTC Participant(s) as in effect at the time. ADS fees and charges in respect of distributions and the ADS service fee are payable by Holders as of the applicable ADS Record Date established by the Depositary. In the case of distributions of cash, the amount of the applicable ADS fees and charges is deducted from the funds being distributed. In the case of (i) distributions other than

cash and (ii) the ADS service fee, the applicable Holders as of the ADS Record Date established by the Depositary will be invoiced for the amount of the ADS fees and charges. For ADSs held through DTC, the ADS fees and charges for distributions other than cash and the ADS service fee are charged to the DTC Participants in accordance with the procedures and practices prescribed by DTC from time to time and the DTC Participants in turn charge the amount of such ADS fees and charges to the Beneficial Owners for whom they hold ADSs.

The Depositary may reimburse the Company for certain expenses incurred by the Company in respect of the ADR program established pursuant to the Deposit Agreement, by making available a portion of the ADS fees charged in respect of the ADR program or otherwise, upon such terms and conditions as the Company and the Depositary agree from time to time. The Company shall pay to the Depositary such fees and charges, and reimburse the Depositary for such out-of-pocket expenses, as the Depositary and the Company may agree from time to time. Responsibility for payment of such fees, charges and reimbursements may from time to time be changed by agreement between the Company and the Depositary. Unless otherwise agreed, the Depositary shall present its statement for such fees, charges and reimbursements to the Company once every three months. The charges and expenses of the Custodian are for the sole account of the Depositary.

The obligations of Holders and Beneficial Owners to pay ADS fees and charges shall survive the termination of the Deposit Agreement. As to any Depositary, upon the resignation or removal of such Depositary as described in Section 5.4 of the Deposit Agreement, the right to collect ADS fees and charges shall extend for those ADS fees and charges incurred prior to the effectiveness of such resignation or removal.

(12) Title to ADRs. Subject to the limitations contained in the Deposit Agreement and in this ADR, it is a condition of this ADR, and every successive Holder of this ADR by accepting or holding the same consents and agrees, that title to this ADR (and to each Certificated ADS evidenced hereby) shall be transferable upon the same terms as a certificated security under the laws of the State of New York, provided that, in the case of Certificated ADSs, this ADR has been properly endorsed or is accompanied by proper instruments of transfer. Notwithstanding any notice to the contrary, the Depositary and the Company may deem and treat the Holder of this ADR (that is, the person in whose name this ADR is registered on the books of the Depositary) as the absolute owner thereof for all purposes. Neither the Depositary nor the Company shall have any obligation nor be subject to any liability under the Deposit Agreement or this ADR to any holder of this ADR or any Beneficial Owner unless, in the case of a holder of ADSs, such holder is the Holder of this ADR registered on the books of the Depositary or, in the case of a Beneficial Owner, such Beneficial Owner, or the Beneficial Owner's representative, is the Holder registered on the books of the Depositary.

(13) Validity of ADR. The Holder(s) of this ADR (and the ADSs represented hereby) shall not be entitled to any benefits under the Deposit Agreement or be valid or enforceable for any purpose against the Depositary or the Company unless this ADR has been (i) dated, (ii) signed by the manual or facsimile signature of a duly-authorized signatory of the Depositary, (iii) countersigned by the manual or facsimile signature of a duly-authorized signatory of the Registrar, and (iv) registered in the books maintained by the Registrar for the registration of

issuances and transfers of ADRs. An ADR bearing the facsimile signature of a duly-authorized signatory of the Depositary or the Registrar, who at the time of signature was a duly authorized signatory of the Depositary or the Registrar, as the case may be, shall bind the Depositary, notwithstanding the fact that such signatory has ceased to be so authorized prior to the delivery of such ADR by the Depositary.

(14) Available Information; Reports; Inspection of Transfer Books.

As of the issue date of the ADSs, the Company will be subject to the periodic reporting requirements of the Exchange Act and, accordingly, will be required to file or submit certain reports with the Commission. These reports can be retrieved from the Commission's website (www.sec.gov) and can be inspected and copied at the public reference facilities maintained by the Commission located (as of the date of the Deposit Agreement) at 100 F Street, N.E., Washington D.C. 20549. The Depositary shall, as promptly as practicable, make available for inspection by Holders at its Principal Office, the Deposit Agreement, the provisions of or governing the Deposited Securities and any reports and communications, including any proxy soliciting materials, received from the Company which are both (a) received by the Depositary, the Custodian, or the nominee of either of them as the holder of the Deposited Property and (b) made generally available to the holders of such Deposited Property by the Company. The Depository shall also provide or make available to Holders copies of such reports when furnished by the Company pursuant to Section 5.6 of the Deposit Agreement.

The Registrar shall keep books for the registration of ADSs which at all reasonable times shall be open for inspection by the Company and by the Holders of such ADSs, provided that such inspection shall not be, to the Registrar's knowledge, for the purpose of communicating with Holders of such ADSs in the interest of a business or object other than the business of the Company or other than a matter related to the Deposit Agreement or the ADSs.

The Registrar may close the transfer books with respect to the ADSs, at any time or from time to time, when deemed necessary or advisable by it in good faith in connection with the performance of its duties hereunder, or at the reasonable written request of the Company subject, in all cases, to paragraph (25) and Section 7.8 of the Deposit Agreement.

Dated:

CITIBANK, N.A. Transfer Agent and Registrar	CITIBANK, N.A. as Depositary
By: ____________________ Authorized Signatory	By: ____________________ Authorized Signatory

The address of the Principal Office of the Depositary is 388 Greenwich Street, New York, New York 10013, U.S.A.

[FORM OF REVERSE OF ADR]

SUMMARY OF CERTAIN ADDITIONAL PROVISIONS

OF THE DEPOSIT AGREEMENT

(15) Dividends and Distributions in Cash, Shares, etc. Whenever the Company intends to make a distribution of a cash dividend or other cash distribution in respect of any Deposited Securities, the Company shall give notice thereof to the Depositary at least twenty (20) calendar days prior to the proposed distribution specifying, *inter alia*, the record date applicable for determining the holders of Deposited Securities entitled to receive such distribution. Upon the timely receipt of such notice, the Depositary shall establish an ADS Record Date upon the terms described in Section 4.9 of the Deposit Agreement. Upon receipt of confirmation from the Custodian of the receipt of any cash dividend or other cash distribution on any Deposited Securities, or upon receipt of proceeds from the sale of any Deposited Property held in respect of the ADSs under the terms of the Deposit Agreement, the Depositary will (i) if at the time of receipt thereof any amounts received in a Foreign Currency can, in the judgment of the Depositary (pursuant to Section 4.8 of the Deposit Agreement), be converted on a practicable basis into Dollars transferable to the United States, promptly convert or cause to be converted such cash dividend, distribution or proceeds into Dollars (on the terms described in Section 4.8 of the Deposit Agreement), (ii) if applicable and unless previously established, establish the ADS Record Date upon the terms described in Section 4.9 of the Deposit Agreement, and (iii) distribute promptly the amount thus received (net of (a) the applicable fees and charges of, and expenses incurred by, the Depositary and (b) applicable taxes withheld as a result of the distribution) to the Holders entitled thereto as of the ADS Record Date in proportion to the number of ADSs held as of the ADS Record Date. The Depositary shall distribute only such amount, however, as can be distributed without attributing to any Holder a fraction of one cent, and any balance not so distributed shall be held by the Depositary (without liability for interest thereon) and shall be added to and become part of the next sum received by the Depositary for distribution to Holders of ADSs outstanding at the time of the next distribution. If the Company, the Custodian or the Depositary is required to withhold and does withhold from any cash dividend or other cash distribution in respect of any Deposited Securities, or from any cash proceeds from the sales of Deposited Property, an amount on account of taxes, duties or other governmental charges, the amount distributed to Holders on the ADSs shall be reduced accordingly. Such withheld amounts shall be forwarded by the Company, the Custodian or the Depositary to the relevant governmental authority. Evidence of payment thereof by the Company shall be forwarded by the Company to the Depositary upon request. The Depositary will hold any cash amounts it is unable to distribute in a non-interest bearing account for the benefit of the applicable Holders and Beneficial Owners of ADSs until the distribution can be effected or the funds that the Depositary holds must be escheated as unclaimed property in accordance with the laws of the relevant states of the United States. Notwithstanding anything contained in the Deposit Agreement to the contrary, in the event the Company fails to give the Depositary timely notice of the proposed distribution provided for in Section 4.1 of the Deposit Agreement, the Depositary agrees to use commercially reasonable efforts to perform the actions contemplated in Section 4.1 of the Deposit Agreement, and the Company, the Holders and the

Beneficial Owners acknowledge that the Depositary shall have no liability for the Depositary's failure to perform the actions contemplated in Section 4.1 of the Deposit Agreement solely where such notice has not been so timely given, other than its failure to use commercially reasonable efforts, as provided herein.

Whenever the Company intends to make a distribution that consists of a dividend in, or free distribution of, Shares, the Company shall give notice thereof to the Depositary at least twenty (20) calendar days prior to the proposed distribution, specifying, *inter alia*, the record date applicable to holders of Deposited Securities entitled to receive such distribution. Upon the timely receipt of such notice from the Company, the Depositary shall establish the ADS Record Date upon the terms described in Section 4.9 of the Deposit Agreement. Upon receipt of confirmation from the Custodian of the receipt of the Shares so distributed by the Company, the Depositary shall either (i) subject to Section 5.9 of the Deposit Agreement, distribute to the Holders as of the ADS Record Date in proportion to the number of ADSs held as of the ADS Record Date, additional ADSs, which represent in the aggregate the number of Shares received as such dividend, or free distribution, subject to the other terms of the Deposit Agreement (including, without limitation, payment of (a) the applicable fees and charges of, and expenses incurred by, the Depositary and (b) applicable taxes), or (ii) if additional ADSs are not so distributed, take all actions necessary so that each ADS issued and outstanding after the ADS Record Date shall, to the extent permissible by law, thenceforth also represent rights and interests in the additional integral number of Shares distributed upon the Deposited Securities represented thereby (net of (a) the applicable fees and charges of, and expenses incurred by, the Depositary, and (b) applicable taxes withheld as a result of the distribution). In lieu of delivering fractional ADSs, the Depositary shall sell the number of Shares or ADSs, as the case may be, represented by the aggregate of such fractions and distribute the net proceeds upon the terms described in Section 4.1 of the Deposit Agreement.

In the event that the Depositary determines that any distribution in property (including Shares) is subject to any tax or other governmental charges which the Depositary is obligated to withhold, or, if the Company in the fulfillment of its obligations under Section 5.7 of the Deposit Agreement, has furnished an opinion of U.S. counsel determining that Shares must be registered under the Securities Act or other laws in order to be distributed to Holders (and no such registration statement has been declared effective), the Depositary may dispose of all or a portion of such property (including Shares and rights to subscribe therefor) in such amounts and in such manner, including by public or private sale, as the Depositary deems necessary and practicable, and the Depositary shall distribute the net proceeds of any such sale (after deduction of (a) applicable taxes paid or withheld and (b) fees and charges of, and expenses incurred by, the Depositary) to Holders entitled thereto upon the terms of Section 4.1 of the Deposit Agreement. The Depositary shall hold and/or distribute any unsold balance of such property in accordance with the provisions of the Deposit Agreement. Notwithstanding anything contained in the Deposit Agreement to the contrary, in the event the Company fails to give the Depositary timely notice of the proposed distribution provided for in Section 4.2 of the Deposit Agreement, the Depositary agrees to use commercially reasonable efforts to perform the actions contemplated in Section 4.2 of the Deposit Agreement, and the Company, the Holders and the Beneficial Owners acknowledge that the Depositary shall have no liability for the Depositary's failure to perform the actions contemplated in Section 4.2 of the Deposit Agreement where such notice has not been so timely given, other than its failure to use commercially reasonable efforts, as provided herein.

Whenever the Company intends to make a distribution payable at the election of the holders of Deposited Securities in cash or in additional Shares, the Company shall give notice thereof to the Depositary at least sixty (60) calendar days prior to the proposed distribution specifying, *inter alia*, the record date applicable to holders of Deposited Securities entitled to receive such elective distribution and whether or not it wishes such elective distribution to be made available to Holders of ADSs. Upon the timely receipt of a notice indicating that the Company wishes such elective distribution to be made available to Holders of ADSs, the Depositary shall consult with the Company to determine, and the Company shall assist the Depositary in its determination, whether it is lawful and practicable to make such elective distribution available to the Holders of ADSs. The Depositary shall make such elective distribution available to Holders only if (i) the Company shall have timely requested that the elective distribution be made available to Holders, (ii) the Depositary shall have determined that such distribution is practicable and (iii) the Depositary shall have received satisfactory documentation within the terms of Section 5.7 of the Deposit Agreement. If the above conditions are not satisfied, the Depositary shall establish an ADS Record Date on the terms described in Section 4.9 of the Deposit Agreement and, to the extent permitted by law, distribute to the Holders, on the basis of the same determination as is made in the Republic of France in respect of the Shares for which no election is made, either (X) cash upon the terms described in Section 4.1 of the Deposit Agreement or (Y) additional ADSs representing such additional Shares upon the terms described in Section 4.2 of the Deposit Agreement. If the above conditions are satisfied, the Depositary shall establish an ADS Record Date on the terms described in Section 4.9 of the Deposit Agreement and establish procedures to enable Holders to elect the receipt of the proposed distribution in cash or in additional ADSs. The Company shall assist the Depositary in establishing such procedures to the extent necessary. If a Holder elects to receive the proposed distribution (X) in cash, the distribution shall be made upon the terms described in Section 4.1 of the Deposit Agreement, or (Y) in ADSs, the distribution shall be made upon the terms described in Section 4.2 of the Deposit Agreement. Nothing herein or in the Deposit Agreement shall obligate the Depositary to make available to the Holder a method to receive the elective distribution in Shares (rather than ADSs). There can be no assurance that the Holder generally, or any Holder in particular, will be given the opportunity to receive elective distributions on the same terms and conditions as the holders of Shares. Notwithstanding anything contained in the Deposit Agreement to the contrary, in the event the Company fails to give the Depositary timely notice of the proposed distribution provided for in Section 4.3 of the Deposit Agreement, the Depositary agrees to use commercially reasonable efforts to perform the actions contemplated in Section 4.3 of the Deposit Agreement, and the Company, the Holders and the Beneficial Owners acknowledge that the Depositary shall have no liability for the Depositary's failure to perform the actions contemplated in Section 4.3 of the Deposit Agreement where such notice has not been so timely given, other than its failure to use commercially reasonable efforts, as provided herein.

Whenever the Company intends to offer or distribute or cause to be offered or distributed to the holders of the Deposited Securities rights to subscribe for additional Shares, the Company shall give notice thereof to the Depositary at least sixty (60) calendar days prior to the proposed

offer specifying, _inter alia_, the record date applicable to holders of Deposited Securities entitled to receive such distribution and whether or not it wishes such rights to be made available to Holders of ADSs. Upon the timely receipt of a notice indicating that the Company wishes such rights to be made available to Holders of ADSs, the Depositary shall consult with the Company to determine, and the Company shall assist the Depositary in its determination, whether it is lawful and practicable to make such rights available to the Holders. The Depositary shall make such rights available to Holders only if (i) the Company shall have timely requested that such rights be made available to Holders, (ii) the Depositary shall have received satisfactory documentation within the terms of Section 5.7 of the Deposit Agreement in the Deposit Agreement, and (iii) the Depositary shall have determined that such distribution of rights is practicable. In the event any of the conditions set forth above are not satisfied or if the Company requests that the rights not be made available to Holders of ADSs, the Depositary shall proceed with the sale of the rights as contemplated in Section 4.4(b) of the Deposit Agreement. In the event all conditions set forth above are satisfied, the Depositary shall establish an ADS Record Date (upon the terms described in Section 4.9 of the Deposit Agreement) and establish procedures to (x) distribute rights to purchase additional ADSs (by means of warrants or otherwise), (y) to enable the Holders to exercise such rights (upon payment of the subscription price and of the applicable (a) fees and charges of, and expenses incurred by, the Depositary and (b) applicable taxes), and (z) to deliver ADSs upon the valid exercise of such rights. The Company shall assist the Depositary to the extent necessary in establishing such procedures. Nothing herein shall obligate the Depositary to make available to the Holders a method to exercise rights to subscribe for Shares (rather than ADSs). If (i) the Company does not timely request the Depositary to make the rights available to Holders or requests that the rights not be made available to Holders, (ii) the Depositary fails to receive satisfactory documentation within the terms of Section 5.7 of the Deposit Agreement or determines it is not practicable to make the rights available to Holders, or (iii) any rights made available are not exercised and appear to be about to lapse, the Depositary shall determine whether it is lawful and practicable to sell such rights, in a riskless principal capacity, at such place and upon such terms (including public and private sale) as it may deem practicable. The Company shall assist the Depositary to the extent necessary to determine such legality and practicability. The Depositary shall, upon such sale, convert and distribute proceeds of such sale (net of applicable (a) fees and charges of, and expenses incurred by, the Depositary and (b) applicable taxes withheld as a result of the sale) upon the terms hereof and of Section 4.1 of the Deposit Agreement. If the Depositary is unable to make any rights available to Holders upon the terms described in Section 4.4(a) of the Deposit Agreement or to arrange for the sale of the rights upon the terms described in Section 4.4(b) of the Deposit Agreement, the Depositary shall allow such rights to lapse. The Depositary shall not be responsible for (i) any failure to determine that it may be lawful or practicable to make such rights available to Holders in general or any Holders in particular, (ii) any foreign exchange exposure or loss incurred in connection with such sale, or exercise, or (iii) the content of any materials forwarded to the Holders on behalf of the Company in connection with the rights distribution.

Notwithstanding anything herein or in Section 4.4 of the Deposit Agreement to the contrary, if registration (under the Securities Act or any other applicable law) of the rights or the securities to which any rights relate may be required in order for the Company to offer such rights or such securities to Holders and to sell the securities represented by such rights, the

Depositary will not distribute such rights to the Holders (i) unless and until a registration statement under the Securities Act (or other applicable law) covering such offering is in effect or (ii) unless the Company furnishes the Depositary opinion(s) of counsel for the Company in the United States and counsel to the Company in any other applicable country in which rights would be distributed, in each case reasonably satisfactory to the Depositary, to the effect that the offering and sale of such securities to Holders and Beneficial Owners are exempt from, or do not require registration under, the provisions of the Securities Act or any other applicable laws. In the event that the Company, the Depositary or the Custodian shall be required to withhold and does withhold from any distribution of Deposited Property (including rights) an amount on account of taxes or other governmental charges, the amount distributed to the Holders of ADSs shall be reduced accordingly. In the event that the Depositary reasonably determines that any distribution of Deposited Property (including Shares and rights to subscribe therefor) is subject to any tax or other governmental charges which the Depositary is obligated to withhold, the Depositary may dispose of all or a portion of such Deposited Property (including Shares and rights to subscribe therefor) in such amounts and in such manner, including by public or private sale, as the Depositary deems necessary and practicable to pay any such taxes or charges.

There can be no assurance that Holders generally, or any Holder in particular, will be given the opportunity to receive or exercise rights on the same terms and conditions as the holders of Shares or be able to exercise such rights. Nothing herein or in the Deposit Agreement shall obligate the Company to file any registration statement in respect of any rights or Shares or other securities to be acquired upon the exercise of such rights.

Whenever the Company intends to distribute to the holders of Deposited Securities property other than cash, Shares or rights to purchase additional Shares, the Company shall give timely notice thereof to the Depositary and shall indicate whether or not it wishes such distribution to be made to Holders of ADSs. Upon receipt of a notice indicating that the Company wishes such distribution be made to Holders of ADSs, the Depositary shall consult with the Company, and the Company shall assist the Depositary, to determine whether such distribution to Holders is lawful and practicable. The Depositary shall not make such distribution unless (i) the Company shall have requested the Depositary to make such distribution to Holders, (ii) the Depositary shall have received satisfactory documentation within the terms of Section 5.7 of the Deposit Agreement, and (iii) the Depositary shall have determined that such distribution is practicable.

Upon receipt of satisfactory documentation and the request of the Company to distribute property to Holders of ADSs and after making the requisite determinations set forth in (a) above, the Depositary shall distribute the property so received to the Holders of record, as of the ADS Record Date, in proportion to the number of ADSs held by them respectively and in such manner as the Depositary may deem practicable for accomplishing such distribution (i) upon receipt of payment or net of the applicable fees and charges of, and expenses incurred by, the Depositary, and (ii) net of any taxes withheld as a result of the distribution. The Depositary may dispose of all or a portion of the property so distributed and deposited, in such amounts and in such manner (including public or private sale) as the Depositary may deem practicable or necessary to satisfy any taxes (including applicable interest and penalties) or other governmental charges applicable to the distribution.

If (i) the Company does not request the Depositary to make such distribution to Holders or requests not to make such distribution to Holders, (ii) the Depositary does not receive satisfactory documentation within the terms of Section 5.7 of the Deposit Agreement, or (iii) the Depositary determines that all or a portion of such distribution is not practicable, the Depositary shall sell or cause such property to be sold in a public or private sale, at such place or places and upon such terms as it may deem practicable and shall (i) cause the proceeds of such sale, if any, to be converted into Dollars and (ii) distribute the proceeds of such conversion received by the Depositary (net of applicable (a) fees and charges of, and expenses incurred by, the Depositary and (b) applicable taxes withheld as a result of the sale) to the Holders as of the ADS Record Date upon the terms of Section 4.1 of the Deposit Agreement. If the Depositary is unable to sell such property, the Depositary may dispose of such property for the account of the Holders in any way it deems reasonably practicable under the circumstances.

Neither the Depositary nor the Company shall be responsible for (i) any failure to determine whether it is lawful or practicable to make the property described in Section 4.5 of the Deposit Agreement available to Holders in general or any Holders in particular, nor (ii) any loss incurred in connection with the sale or disposal of such property.

(16) Redemption. If the Company intends to exercise any right of redemption in respect of any of the Deposited Securities, the Company shall give notice thereof to the Depositary at least thirty (30) calendar days prior to the intended date of redemption which notice shall set forth the particulars of the proposed redemption. Upon timely receipt of (i) such notice and (ii) satisfactory documentation given by the Company to the Depositary within the terms of Section 5.7 of the Deposit Agreement, and only if, after consultation between the Depositary and the Company, the Depositary shall have determined that such proposed redemption is practicable, the Depositary shall provide to each Holder a notice setting forth the intended exercise by the Company of the redemption rights and any other particulars set forth in the Company's notice to the Depositary. The Depositary shall instruct the Custodian to present to the Company the Deposited Securities in respect of which redemption rights are being exercised against payment of the applicable redemption price. Upon receipt of confirmation from the Custodian that the redemption has taken place and that funds representing the redemption price have been received, the Depositary shall convert, transfer, and distribute the proceeds (net of applicable (a) fees and charges of, and the expenses incurred by, the Depositary, and (b) applicable taxes), retire ADSs and cancel ADRs, if applicable, upon delivery of such ADSs by Holders thereof and the terms set forth in Sections 4.1 and 6.2 of the Deposit Agreement. If less than all outstanding Deposited Securities are redeemed, the ADSs to be retired will be selected by lot or on a pro rata basis, as may be determined by the Depositary after consultation with the Company. The redemption price per ADS shall be the dollar equivalent of the per share amount received by the Depositary (adjusted to reflect the ADS(s)-to-Share(s) ratio) upon the redemption of the Deposited Securities represented by ADSs (subject to the terms of Section 4.8 of the Deposit Agreement and the applicable fees and charges of, and expenses incurred by, the Depositary, and applicable taxes) multiplied by the number of Deposited Securities represented by each ADS redeemed. Notwithstanding anything contained in the Deposit Agreement to the contrary, in the event the Company fails to give the Depositary timely notice of the proposed redemption provided for in Section 4.7 of the Deposit Agreement, the Depositary agrees to use commercially reasonable efforts to perform the actions contemplated in Section 4.7 of the

Deposit Agreement, and the Company, the Holders and the Beneficial Owners acknowledge that the Depositary shall have no liability for the Depositary's failure to perform the actions contemplated in Section 4.7 of the Deposit Agreement where such notice has not been so timely given, other than its failure to use commercially reasonable efforts, as provided herein.

(17) Fixing of ADS Record Date. Whenever the Depositary shall receive notice of the fixing of a record date by the Company for the determination of holders of Deposited Securities entitled to receive any distribution (whether in cash, Shares, rights or other distribution), or whenever for any reason the Depositary causes a change in the number of Shares that are represented by each ADS, or whenever the Depositary shall receive notice of any meeting of, or solicitation of consents or proxies of, holders of Shares or other Deposited Securities, or whenever the Depositary shall find it necessary or convenient in connection with the giving of any notice, solicitation of any consent or any other matter, the Depositary shall fix the record date (the "ADS Record Date") for the determination of the Holders of ADS(s) who shall be entitled to receive such distribution, to give instructions for the exercise of voting rights at any such meeting, to give or withhold such consent, to receive such notice or solicitation or to otherwise take action, or to exercise the rights of Holders with respect to such changed number of Shares represented by each ADS. The Depositary shall use its commercially reasonable efforts to establish the ADS Record Date as closely as reasonably possible to the applicable record date for the Deposited Securities (if any) set by the Company in the Republic of France and shall not announce the establishment of any ADS Record Date prior to the relevant corporate action having been made public by the Company (if such corporate action affects the Deposited Securities). Subject to applicable law and the provisions of Sections 4.1 through 4.8 and to the other terms and conditions of the Deposit Agreement, only the Holders of ADSs at the close of business in New York on such ADS Record Date shall be entitled to receive such distribution, to give such voting instructions, to receive such notice or solicitation, or otherwise take action.

(18) Voting of Deposited Securities. As soon as practicable after receipt of notice of any meeting at which the holders of Deposited Securities are entitled to vote, or of solicitation of consents or proxies from holders of Deposited Securities, the Depositary shall fix the ADS Record Date in respect of such meeting or solicitation of consent or proxy in accordance with Section 4.9 of the Deposit Agreement. The Depositary shall, if requested by the Company in writing in a timely manner (the Depositary having no obligation to take any further action if the request shall not have been received by the Depositary at least thirty (30) calendar days prior to the date of such vote or meeting, except where under French law the notice period for such meeting is less than thirty (30) calendar days, in which case the Depositary shall upon receipt of the request use all commercially reasonable efforts to distribute to Holders the material in (a), (b) and (c) of this paragraph and carry out the further actions set forth in Section 4.10 of the Deposit Agreement), at the Company's expense and provided no U.S. legal prohibitions exist, distribute as soon as practicable after receipt thereof to Holders as of the ADS Record Date: (a) such notice of meeting or solicitation of consent or proxy, (b) a statement that the Holders at the close of business on the ADS Record Date who continue to be Holders on the Share Record Date (as defined below) will be entitled, subject to any applicable law, the provisions of the Deposit Agreement, the By-Laws of the Company and the provisions of or governing the Deposited Securities (which provisions, if any, shall be summarized in pertinent part by the Company), to instruct the Depositary as to the exercise of the voting rights, if any, pertaining to the Deposited

Securities represented by such Holder's ADSs, and (c) a brief statement as to the manner in which such voting instructions may be given to the Depositary or in which voting instructions may have been deemed to have been given in accordance with Section 4.10 of the Deposit Agreement if no such voting instructions have been given to the Depositary prior to the deadline set forth for such purpose.

Notwithstanding anything contained in the Deposit Agreement or any ADR, with the Company's prior written consent, the Depositary may, to the extent not prohibited by law or regulations, the By-Laws, or by the requirements of any stock exchange on which the ADSs may be listed, in lieu of distribution of the materials provided to the Depositary in connection with any meeting of, or solicitation of consents or proxies from, holders of Deposited Securities, distribute to the Holders a notice that provides Holders with, or otherwise publicizes to Holders, instructions on how to retrieve such materials or receive such materials upon request (*i.e.*, by reference to a website containing the materials for retrieval or a contact for requesting copies of the materials).

The Company has informed the Depositary that, as of the date of the Deposit Agreement, under French company law and the Company's By-Laws, (i) the record date for holders of Shares to vote at a shareholders meeting is at least three (3) business days prior to the shareholder's meeting (such date as may be established from time to time, the "Share Record Date"), (ii) in order to exercise voting rights holders of Shares in registered form must have their Shares registered in their own name, or where applicable in the name of a registered financial intermediary (*intermédiaire inscrit*), in a share account maintained by or on behalf of the Company as of the Share Record Date, (iii) in order to exercise voting rights holders of Shares in bearer form are required to have their Shares registered in their own name, or where applicable, in the name of a registered financial intermediary (*intermédiaire inscrit*) and obtain from an accredited financial intermediary (*intermédiaire habilité*), and provide to the Company, an attendance certificate (*attestation de participation*) attesting to the registration of such Shares in the financial intermediary's account as of the Share Record Date, and (iv) the voting form must be delivered to the Company at least three (3) days prior to the date of the shareholders' meeting (voting forms sent by electronic form can be received by the Company up to the day immediately preceding the meeting date at 3:00 p.m., Paris time).

In accordance with the foregoing, a Holder as of the ADS Record Date who desires to exercise its voting rights with respect to ADSs representing Shares in registered or bearer form is required to: (a) be a Holder of the ADSs as of the Share Record Date, (b) deliver voting instructions to the Depositary, in a form acceptable to the Company and the Depositary, by the date established by the Depositary for such purpose (the "Receipt Date"), (c) instruct the Depositary to request that the Custodian deliver a voting form (*formulaire de vote à distance*) to the Company prior to the deadline established by the Company, and (d) in the case of ADSs representing Shares in bearer form, instruct the Depositary to request that the Custodian deposit the requisite attendance certificate (*attestation de participation*) with the Company. The delivery of voting instructions shall be deemed instructions to request delivery of the voting form and the attendance certificate.

Voting instructions may be given only in respect of a number of ADSs representing an integral number of Deposited Securities. Upon receipt by the Depositary of (i) the voting instructions, in a form acceptable to the Company and the Depositary, on or before the Receipt Date, and (ii) evidence reasonably satisfactory to the Depositary that the applicable conditions of the preceding paragraph have been satisfied, the Depositary shall endeavor, insofar as practicable and permitted under any applicable provisions of French law and the Company's By-Laws, to cause to be voted the Shares represented by such ADSs in accordance with any non-discretionary instructions set forth in such voting instructions. If the Depositary receives from a Holder (who has otherwise satisfied all conditions to voting contemplated herein) voting instructions which fail to specify the manner in which the Depositary is to vote the Deposited Securities represented by such Holder's ADSs, the Depositary will deem such Holder (unless otherwise specified in the notice distributed to Holders) to have instructed the Depositary to vote in favor of all resolutions endorsed by the Company's board of directors. With respect to Deposited Securities represented by ADSs for which no timely voting instructions are received by the Depositary from the Holder, the Depositary shall (unless otherwise specified in the notice distributed to Holders) deem such Holder, to have instructed the Depositary to give a discretionary proxy to a person designated by the Company to vote the Deposited Securities; provided, however, that no such discretionary proxy shall be given by the Depositary with respect to any matter to be voted upon as to which the Company informs the Depositary that (i) the Company does not wish such proxy to be given, (ii) substantial opposition exists, or (iii) the rights of holders of Deposited Securities may be materially adversely affected. By way of example and not limitation, it is agreed that routine matters, such as appointing auditors and directors (except where a competing director or slate of directors is proposed), or the approval of a public offering or private placement of securities, would not materially affect the rights of Holders.

The Depositary will not knowingly take any action to impair its ability to carry out the voting instructions of Beneficial Owners of ADSs delivered to it by DTC, any DTC Participants or any of their agents. In the case of voting instructions received in respect of any Beneficial Owner of ADSs as of the ADS Record Date who is not the Holder of the ADSs on the books of the Depositary, the Depositary will not cause to be voted the number of Shares represented by such ADSs unless the Depositary has received evidence (reasonably satisfactory to it and to the Company) that such number of ADSs continue to be held by such Beneficial Owner as of the Share Record Date. Except as provided above, the Depositary will not cause to be voted Shares represented by ADSs in respect of which the voting instructions are improperly completed or in respect of which (and to the extent) the voting instructions are illegible or unclear. The Depositary will not charge any fees in connection with the foregoing transactions to enable any Holder to exercise its voting rights under the Deposit Agreement.

Neither the Depositary nor the Custodian shall under any circumstances exercise any discretion as to voting and neither the Depositary nor the Custodian shall vote, attempt to exercise the right to vote, or in any way make use of the Deposited Securities represented by ADSs, except pursuant to and in accordance with the voting instructions timely received from Holders or as otherwise contemplated herein. Except as provided above in Section 4.10, Deposited Securities represented by ADSs for which no timely voting instructions are received by the Depositary from the Holder shall not be voted. Notwithstanding anything else contained herein, the Depositary shall, if so requested in writing by the Company, represent all Deposited

Securities (whether or not voting instructions have been received in respect of such Deposited Securities from Holders as of the deadline specified herein) for the sole purpose of establishing a quorum at a meeting of shareholders.

Subject to applicable laws or rules of any securities exchange on which the Deposited Securities are listed or traded, at least three (3) business days prior to the date of a meeting, the Company shall receive from the Depositary, unless the Company has agreed to a later date, a voting Form, reflecting the tabulation of the voting instructions received from Holders of ADSs, if any, and the Depositary shall vote, or cause to be voted, the Deposited Securities represented by such Holders' ADSs in accordance with such instructions.

Notwithstanding anything else contained in the Deposit Agreement or any ADR to the contrary, and to the extent not prohibited by law or regulation, the Depositary and the Company may, by agreement between them, with notice to the Holders, modify, amend or adopt additional voting procedures from time to time as they determine may be necessary or appropriate (subject, in each case, to the terms of Sections 6.1 and 7.8 of the Deposit Agreement).

The Company has informed the Depositary that, under French company law in effect as of the date of the Deposit Agreement, shareholders holding a certain percentage of the Company's Shares, the workers' council or the board of directors may submit a new resolution and the board of directors may also modify the resolutions proposed in the preliminary notice of meeting (*avis de réunion*), which notice must be published at least 35 days prior to the meeting date. In such case, Holders who have given prior instructions to vote on such resolutions shall be deemed to have voted in favor of the new or modified resolutions if approved by the Board and against if not approved by the Company's board of directors.

The Company has informed the Depositary that the Company may require voting instructions to be delivered in writing. In such circumstances, Holders of ADSs may be required to deliver signed voting instruction cards to the Depositary.

Notwithstanding anything else contained in the Deposit Agreement or any ADR, the Depositary shall not have any obligation to take any action with respect to any meeting, or solicitation of consents or proxies, of holders of Deposited Securities if the taking of such action would violate U.S. or French laws. The Company agrees to take any and all actions reasonably necessary and permitted by U.S. and French law to enable Holders and Beneficial Owners to exercise the voting rights accruing to the Deposited Securities and to deliver to the Depositary an opinion of counsel addressing any actions requested to be taken if so reasonably requested by the Depositary.

There can be no assurance that Holders generally or any Holder in particular will receive the notice described above with sufficient time to enable the Holder to return voting instructions to the Depositary in a timely manner or at all.

(19) Changes Affecting Deposited Securities. Upon any change in nominal or par value, split-up, cancellation, consolidation or any other reclassification of Deposited Securities, or upon any recapitalization, reorganization, merger, consolidation or sale of assets affecting the

Company or to which it is a party, any property which shall be received by the Depositary or the Custodian in exchange for, or in conversion of, or replacement of, or otherwise in respect of, such Deposited Securities shall, to the extent permitted by law, be treated as new Deposited Property under the Deposit Agreement, and this ADR shall, subject to the provisions of the Deposit Agreement, this ADR evidencing such ADSs and applicable law, represent the right to receive such additional or replacement Deposited Property. In giving effect to such change, split-up, cancellation, consolidation or other reclassification of Deposited Securities, recapitalization, reorganization, merger, consolidation or sale of assets, the Depositary may, with the Company's approval, and shall, if the Company shall so request, subject to the terms of the Deposit Agreement and receipt of an opinion of counsel to the Company reasonably satisfactory to the Depositary that such actions are not in violation of any applicable laws or regulations, (i) issue and deliver additional ADSs as in the case of a stock dividend on the Shares, (ii) amend the Deposit Agreement and any applicable ADRs, (iii) amend the applicable Registration Statement(s) on Form F-6 as filed with the Commission in respect of the ADSs, (iv) call for the surrender of outstanding ADRs to be exchanged for new ADRs, and (v) take such other actions as are appropriate to reflect the transaction with respect to the ADSs. The Company agrees to, jointly with the Depositary, amend the Registration Statement on Form F-6 as filed with the Commission to permit the issuance of such new form of ADRs. Notwithstanding the foregoing, in the event that any Deposited Property so received may not be lawfully distributed to some or all Holders, the Depositary may, with the Company's approval, and shall, if the Company requests, subject to receipt of an opinion of Company's counsel reasonably satisfactory to the Depositary that such action is not in violation of any applicable laws or regulations, sell such Deposited Property at public or private sale, at such place or places and upon such terms as it may deem proper and may allocate the net proceeds of such sales (net of (a) fees and charges of, and expenses incurred by, the Depositary and (b) applicable taxes) for the account of the Holders otherwise entitled to such Deposited Property upon an averaged or other practicable basis without regard to any distinctions among such Holders and distribute the net proceeds so allocated to the extent practicable as in the case of a distribution received in cash pursuant to Section 4.1 of the Deposit Agreement. The Depositary shall not be responsible for (i) any failure to determine that it may be lawful or practicable to make such Deposited Property available to Holders in general or to any Holder in particular, (ii) any foreign exchange exposure or loss incurred in connection with such sale, or (iii) any liability to the purchaser of such Deposited Property.

(20) Exoneration. Notwithstanding anything contained in the Deposit Agreement or any ADR, neither the Depositary nor the Company shall be obligated to do or perform any act which is inconsistent with the provisions of the Deposit Agreement or incur any liability (i) if the Depositary or the Company shall be prevented or forbidden from, or delayed in, doing or performing any act or thing required by the terms of the Deposit Agreement and this ADR, by reason of any provision of any present or future law or regulation of the United States, the Republic of France, or any other country, or of any other governmental authority or regulatory authority or stock exchange, or on account of the possible criminal or civil penalties or restraint, or by reason of any provision, present or future, of the By-Laws of the Company or any provision of or governing any Deposited Securities, or by reason of any act of God or war or other circumstances beyond its control (including, without limitation, nationalization, expropriation, currency restrictions, work stoppage, strikes, civil unrest, acts of terrorism,

revolutions, rebellions, explosions and computer failure), (ii) by reason of any exercise of, or failure to exercise, any discretion provided for in the Deposit Agreement or in the By-Laws of the Company or provisions of or governing Deposited Securities, (iii) for any action or inaction in reliance upon the advice of or information from legal counsel, accountants, any person presenting Shares for deposit, any Holder, any Beneficial Owner or authorized representative thereof, or any other person believed by it in good faith to be competent to give such advice or information, (iv) for the inability by a Holder or Beneficial Owner to benefit from any distribution, offering, right or other benefit which is made available to holders of Deposited Securities but is not, under the terms of the Deposit Agreement, made available to Holders of ADSs, or (v) for any consequential or punitive damages (including lost profits) for any breach of the terms of the Deposit Agreement. The Depositary, its controlling persons, its agents, any Custodian and the Company, its controlling persons and its agents may rely and shall be protected in acting upon any written notice, request or other document believed by it to be genuine and to have been signed or presented by the proper party or parties. No disclaimer of liability under the Securities Act is intended by any provision of the Deposit Agreement or this ADR.

(21) Standard of Care. The Company and the Depositary assume no obligation and shall not be subject to any liability under the Deposit Agreement or this ADR to any Holder(s) or Beneficial Owner(s), except that the Company and the Depositary agree to perform their respective obligations specifically set forth in the Deposit Agreement or this ADR without negligence or bad faith. Without limitation of the foregoing, neither the Depositary, nor the Company, nor any of their respective controlling persons, or agents, shall be under any obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any Deposited Property or in respect of the ADSs, which in its reasonable opinion may involve it in expense or liability, unless indemnity satisfactory to it against all expense (including fees and disbursements of counsel) and liability be furnished (and no Custodian shall be under any obligation whatsoever with respect to such proceedings, the responsibility of the Custodian being solely to the Depositary).

The Depositary and its agents shall not be liable for any failure to carry out any instructions to vote any of the Deposited Securities, or for the manner in which any vote is cast or the effect of any vote, provided that any such action or omission is in good faith, without negligence, and in accordance with the terms of the Deposit Agreement. The Depositary shall not incur any liability for any failure to determine that any distribution or action may be lawful or practicable, for the content of any information submitted to it by the Company for distribution to the Holders or for any inaccuracy of any translation thereof, for any investment risk associated with acquiring an interest in the Deposited Property, for the validity or worth of the Deposited Property or for any tax consequences that may result from the ownership of ADSs, Shares or other Deposited Property, for the credit-worthiness of any third party, for allowing any rights to lapse upon the terms of the Deposit Agreement, for the failure or timeliness of any notice from the Company, or for any action of or failure to act by, or any information provided or not provided by, DTC or any DTC Participant.

The Depositary shall not be liable for any acts or omissions made by a successor depositary whether in connection with a previous act or omission of the Depositary or in

connection with any matter arising wholly after the removal or resignation of the Depositary, provided that in connection with the issue out of which such potential liability arises the Depositary performed its obligations without negligence or bad faith while it acted as Depositary.

(22) Resignation and Removal of the Depositary; Appointment of Successor Depositary. The Depositary may at any time resign as Depositary under the Deposit Agreement by written notice of resignation delivered to the Company, such resignation to be effective on the earlier of (i) the 90th day after delivery thereof to the Company (whereupon the Depositary shall be entitled to take the actions contemplated in Section 6.2 of the Deposit Agreement), or (ii) the appointment by the Company of a successor depositary and its acceptance of such appointment as provided in the Deposit Agreement. The Depositary may at any time be removed by the Company by written notice of such removal, which removal shall be effective on the later of (i) the 90th day after delivery thereof to the Depositary (whereupon the Depositary shall be entitled to take the actions contemplated in Section 6.2 of the Deposit Agreement), or (ii) upon the appointment by the Company of a successor depositary and its acceptance of such appointment as provided in the Deposit Agreement. In case at any time the Depositary acting hereunder shall resign or be removed, the Company shall use its commercially reasonable efforts to appoint a successor depositary, which shall be a bank or trust company having an office in the Borough of Manhattan, the City of New York. Every successor depositary shall be required by the Company to execute and deliver to its predecessor and to the Company an instrument in writing accepting its appointment hereunder, and thereupon such successor depositary, without any further act or deed (except as required by applicable law), shall become fully vested with all the rights, powers, duties and obligations of its predecessor (other than as contemplated in Sections 5.8 and 5.9 of the Deposit Agreement). The predecessor depositary, upon payment of all sums due it and on the written request of the Company, shall, (i) execute and deliver an instrument transferring to such successor all rights and powers of such predecessor hereunder (other than as contemplated in Sections 5.8 and 5.9 of the Deposit Agreement), (ii) duly assign, transfer and deliver all of the Depositary's right, title and interest to the Deposited Property to such successor, and (iii) deliver to such successor a list of the Holders of all outstanding ADSs and such other information relating to ADSs and Holders thereof as the successor may reasonably request. Any such successor depositary shall promptly provide notice of its appointment to such Holders. Any entity into or with which the Depositary may be merged or consolidated shall be the successor of the Depositary without the execution or filing of any document or any further act.

(23) Amendment/Supplement. Subject to the terms and conditions of this paragraph 23, and Section 6.1 of the Deposit Agreement and applicable law, this ADR and any provisions of the Deposit Agreement may at any time and from time to time be amended or supplemented by written agreement between the Company and the Depositary in any respect which they may deem necessary or desirable without the prior written consent of the Holders or Beneficial Owners. Any amendment or supplement which shall impose or increase any fees or charges (other than charges in connection with foreign exchange control regulations, and taxes and other governmental charges, delivery and other such expenses), or which shall otherwise materially prejudice any substantial existing right of Holders or Beneficial Owners, shall not, however, become effective as to outstanding ADSs until the expiration of thirty (30) calendar days after

notice of such amendment or supplement shall have been given to the Holders of outstanding ADSs. Notice of any amendment to the Deposit Agreement or any ADR shall not need to describe in detail the specific amendments effectuated thereby, and failure to describe the specific amendments in any such notice shall not render such notice invalid, provided, however, that, in each such case, the notice given to the Holders identifies a means for Holders and Beneficial Owners to retrieve or receive the text of such amendment (*i.e.*, upon retrieval from the Commission's, the Depositary's or the Company's website or upon request from the Depositary). The parties hereto agree that any amendments or supplements which (i) are reasonably necessary (as agreed by the Company and the Depositary) in order for (a) the ADSs to be registered on Form F-6 or (b) the ADSs to be settled solely in electronic book-entry form and (ii) do not in either such case impose or increase any fees or charges to be borne by Holders, shall be deemed not to materially prejudice any substantial rights of Holders or Beneficial Owners. Every Holder and Beneficial Owner at the time any amendment or supplement so becomes effective shall be deemed, by continuing to hold such ADSs, to consent and agree to such amendment or supplement and to be bound by the Deposit Agreement and this ADR, if applicable, as amended or supplemented thereby. In no event shall any amendment or supplement impair the right of the Holder to surrender such ADS and receive therefor the Deposited Securities represented thereby, except in order to comply with mandatory provisions of applicable law. Notwithstanding the foregoing, if any governmental body should adopt new laws, rules or regulations which would require an amendment of, or supplement to, the Deposit Agreement to ensure compliance therewith, the Company and the Depositary may amend or supplement the Deposit Agreement and this ADR at any time in accordance with such changed laws, rules or regulations. Such amendment or supplement to the Deposit Agreement and this ADR, if applicable, in such circumstances may become effective before a notice of such amendment or supplement is given to Holders or within any other period of time as required for compliance with such laws, rules or regulations.

(24) Termination. The Depositary shall, at any time at the written direction of the Company, terminate the Deposit Agreement by distributing notice of such termination to the Holders of all ADSs then outstanding at least thirty (30) calendar days prior to the date fixed in such notice for such termination. If (i) ninety (90) calendar days shall have expired after the Depositary shall have delivered to the Company a written notice of its election to resign, or (ii) ninety (90) calendar days shall have expired after the Company shall have delivered to the Depositary a written notice of the removal of the Depositary, and, in either case, a successor depositary shall not have been appointed and accepted its appointment as provided in Section 5.4 of the Deposit Agreement, the Depositary may terminate the Deposit Agreement by distributing notice of such termination to the Holders of all ADSs then outstanding at least thirty (30) calendar days prior to the date fixed in such notice for such termination. The date so fixed for termination of the Deposit Agreement in any termination notice so distributed by the Depositary to the Holders of ADSs is referred to as the "Termination Date". Until the Termination Date, the Depositary shall continue to perform all of its obligations under the Deposit Agreement, and the Holders and Beneficial Owners will be entitled to all of their rights under the Deposit Agreement. If any ADSs shall remain outstanding after the Termination Date, the Registrar and the Depositary shall not, after the Termination Date, have any obligation to perform any further acts under the Deposit Agreement, except that the Depositary shall, subject, in each case, to the terms and conditions of the Deposit Agreement, continue to (i) collect dividends and other

distributions pertaining to Deposited Securities, (ii) sell Deposited Property received in respect of Deposited Securities, (iii) deliver Deposited Securities, together with any dividends or other distributions received with respect thereto and the net proceeds of the sale of any other Deposited Property, in exchange for ADSs surrendered to the Depositary (after deducting, or charging, as the case may be, in each case, the fees and charges of, and expenses incurred in connection therewith by, the Depositary, and all applicable taxes or governmental charges for the account of the Holders and Beneficial Owners, in each case upon the terms set forth in Section 5.9 of the Deposit Agreement), and (iv) take such actions as may be required under applicable law in connection with its role as Depositary under the Deposit Agreement. At any time after the Termination Date, the Depositary may sell the Deposited Property then held under the Deposit Agreement and shall after such sale hold un-invested the net proceeds of such sale, together with any other cash then held by it under the Deposit Agreement, in an un-segregated account and without liability for interest, for the pro rata benefit of the Holders whose ADSs have not theretofore been surrendered. After making such sale, the Depositary shall be discharged from all obligations under the Deposit Agreement except (i) to account for such net proceeds and other cash (after deducting, or charging, as the case may be, in each case, the fees and charges of, and expenses incurred by, the Depositary, and all applicable taxes or governmental charges for the account of the Holders and Beneficial Owners, in each case upon the terms set forth in Section 5.9 of the Deposit Agreement), and (ii) as may be required at law in connection with the termination of the Deposit Agreement. After the Termination Date, the Company shall be discharged from all obligations under the Deposit Agreement, except for its obligations to the Depositary under Sections 5.8, 5.9 and 7.6 of the Deposit Agreement. The obligations under the terms of the Deposit Agreement of Holders and Beneficial Owners of ADSs outstanding as of the Termination Date shall survive the Termination Date and shall be discharged only when the applicable ADSs are presented by their Holders to the Depositary for cancellation under the terms of the Deposit Agreement.

(25) Compliance with U.S. Securities Laws. Notwithstanding any provisions in this ADR or the Deposit Agreement to the contrary, the withdrawal or delivery of Deposited Securities will not be suspended by the Company or the Depositary except as would be permitted by Instruction I.A.(1) of the General Instructions, as amended from time to time, to Form F-6.

(26) Certain Rights of the Depositary; Limitations. Subject to the further terms and provisions of this paragraph (26) and Section 5.10 of the Deposit Agreement, the Depositary, its Affiliates and their agents, on their own behalf, may own and deal in any class of securities of the Company and its Affiliates and in ADSs. In its capacity as Depositary, the Depositary shall not lend Shares or ADSs; provided, however, that the Depositary may (i) issue ADSs prior to the receipt of Shares pursuant to Section 2.3 of the Deposit Agreement and (ii) deliver Shares prior to the receipt of ADSs for withdrawal of Deposited Securities pursuant to Section 2.7 of the Deposit Agreement, including ADSs which were issued under (i) above but for which Shares may not have been received (each such transaction a "Pre-Release Transaction"). The Depositary may receive ADSs in lieu of Shares under (i) above and receive Shares in lieu of ADSs under (ii) above. Each such Pre-Release Transaction will be (a) subject to a written agreement whereby the person or entity (the "Applicant") to whom ADSs or Shares are to be delivered (w) represents that at the time of the Pre-Release Transaction the Applicant or its customer owns the Shares or ADSs that are to be delivered by the Applicant under such Pre-Release

Transaction, (x) agrees to indicate the Depositary as owner of such Shares or ADSs in its records and to hold such Shares or ADSs in trust for the Depositary until such Shares or ADSs are delivered to the Depositary or the Custodian, (y) unconditionally guarantees to deliver to the Depositary or the Custodian, as applicable, such Shares or ADSs and (z) agrees to any additional restrictions or requirements that the Depositary deems appropriate, (b) at all times fully collateralized with cash, U.S. government securities or such other collateral as the Depositary deems appropriate, (c) terminable by the Depositary on not more than five (5) business days' notice and (d) subject to such further indemnities and credit regulations as the Depositary deems appropriate. The Depositary will normally limit the number of ADSs and Shares involved in such Pre-Release Transactions at any one time to thirty percent (30%) of the ADSs outstanding (without giving effect to ADSs outstanding under (i) above), provided, however, that the Depositary reserves the right to change or disregard such limit from time to time as it deems appropriate. The Depositary may also set limits with respect to the number of ADSs and Shares involved in Pre-Release Transactions with any one person on a case-by-case basis as it deems appropriate. The Depositary may retain for its own account any compensation received by it in conjunction with the foregoing. Collateral provided pursuant to (b) above, but not the earnings thereon, shall be held for the benefit of the Holders (other than the Applicant).

(27) Governing Law and Jurisdiction. The Deposit Agreement and the ADRs shall be interpreted in accordance with, and all rights hereunder and thereunder and provisions hereof and thereof shall be governed by, the laws of the State of New York applicable to contracts made and to be wholly performed in that State. Notwithstanding anything contained in the Deposit Agreement, any ADR or any present or future provisions of the laws of the State of New York, the rights of holders of Shares and of any other Deposited Securities and the obligations and duties of the Company in respect of the holders of Shares and other Deposited Securities, as such, shall be governed by the laws of the Republic of France (or, if applicable, such other laws as may govern the Deposited Securities).

(ASSIGNMENT AND TRANSFER SIGNATURE LINES)

FOR VALUE RECEIVED, the undersigned Holder hereby sell(s), assign(s) and transfer(s) unto whose taxpayer identification number is and whose address including postal zip code is , the within ADR and all rights thereunder, hereby irrevocably constituting and appointing attorney-in-fact to transfer said ADR on the books of the Depositary with full power of substitution in the premises.

Dated:

Name: ______________________________

By:

Title:

NOTICE: The signature of the Holder to this assignment must correspond with the name as written upon the face of the within instrument in every particular, without alteration or enlargement or any change whatsoever.

If the endorsement be executed by an attorney, executor, administrator, trustee or guardian, the person executing the endorsement must give his/her full title in such capacity and proper evidence of authority to act in such capacity, if not on file with the Depositary, must be forwarded with this ADR.

____

SIGNATURE GUARANTEED

All endorsements or assignments of ADRs must be guaranteed by a member of a Medallion Signature Program approved by the Securities Transfer Association, Inc.

EXHIBIT B

FEE SCHEDULE

ADS FEES AND RELATED CHARGES

All capitalized terms used but not otherwise defined herein shall have the meaning given to such terms in the Deposit Agreement.

I. <u>ADS Fees</u>

The following ADS fees are payable under the terms of the Deposit Agreement:

Service	Rate	By Whom Paid
(1) Issuance of ADSs upon deposit of Shares (excluding issuances as a result of distributions described in paragraph (4) below).	Up to U.S. $5.00 per 100 ADSs (or fraction thereof) issued.	Person depositing Shares or person receiving ADSs.
(2) Delivery of Deposited Securities against surrender of ADSs.	Up to U.S. $5.00 per 100 ADSs (or fraction thereof) surrendered.	Person surrendering ADSs for the purpose of withdrawal of Deposited Securities or person to whom Deposited Securities are delivered.
(3) Distribution of cash dividends or other cash distributions (*i.e.*, sale of rights and other entitlements).	Up to U.S. $5.00 per 100 ADSs (or fraction thereof) held.	Person to whom distribution is made.
(4) Distribution of ADSs pursuant to (i) stock dividends or other free stock distributions, or (ii) exercise of rights to purchase additional ADSs.	Up to U.S. $5.00 per 100 ADSs (or fraction thereof) held.	Person to whom distribution is made.
(5) Distribution of securities other than ADSs or rights to purchase additional ADSs (*i.e.*, spin-off shares).	Up to U.S. $5.00 per 100 ADSs (or fraction thereof) held.	Person to whom distribution is made.
6) ADS Services.	Up to U.S. $5.00 per 100 ADSs (or fraction thereof) held on the applicable record date(s) established by the Depositary.	Person holding ADSs on the applicable record date(s) established by the Depositary.

II. Charges

The Company, Holders, Beneficial Owners, persons depositing Shares and persons surrendering ADSs for cancellation and for the purpose of withdrawing Deposited Securities shall be responsible for the following ADS charges under the terms of the Deposit Agreement:

(i) taxes (including applicable interest and penalties) and other governmental charges;

(ii) such registration fees as may from time to time be in effect for the registration of Shares or other Deposited Securities on the share register and applicable to transfers of Shares or other Deposited Securities to or from the name of the Custodian, the Depositary or any nominees upon the making of deposits and withdrawals, respectively;

(iii) such cable, telex and facsimile transmission and delivery expenses as are expressly provided in the Deposit Agreement to be at the expense of the person depositing Shares or withdrawing Deposited Securities or of the Holders and Beneficial Owners of ADSs;

(iv) the expenses and charges incurred by the Depositary in the conversion of foreign currency;

(v) such fees and expenses as are incurred by the Depositary in connection with compliance with exchange control regulations and other regulatory requirements applicable to Shares, Deposited Securities, ADSs and ADRs; and

(vi) the fees and expenses incurred by the Depositary, the Custodian, or any nominee in connection with the servicing or delivery of Deposited Property.

Exhibit 10.8

COMMITMENT LETTER

BETWEEN:

CELLECTIS S.A., a French s*ociété anonyme* with a share capital of 1,023,813.15 euros with its registered office at 8, rue de la Croix Jarry, Paris 75013, Paris, France, registered in the Paris Trade and Companies Registry under number B 428 859 052, represented by Mr André Choulika, acting as Chairman and CEO

(Hereafter referred to as "**the Issuer**" or "**CELLECTIS**")

on a first part

KEPLER CORPORATE FINANCE, a Swiss s*ociété anonyme* with a share capital of CHF 100,000, with its registered office at Chemin du Joran 10, c/o Kepler Holding SA, 1260 Nyon, Switzerland, registered in the Nyon Trade and Companies Registry under number CH-550-10615996-0, represented for this act by Mr Dominik Belloin acting in his capacity of Director,

KEPLER CAPITAL MARKETS S.A., a French *société anonyme* with a share capital of 58,049,522 euros, with its registered office at 112, avenue Kléber – 75116 Paris, France, registered in the Paris Trade and Companies Registry under number B 413 064 841, represented by Mr Laurent Quirin and Mr Francis Canard duly empowered to act on its behalf,

(Hereinafter together « **KEPLER** »)

on a second part

THE PARTIES FIRST AGREE ON THE FOLLOWING RECITALS:

To meet CELLECTIS' goal to increase the Group's financial flexibility along with other means of financing already in place, KEPLER proposed to put in place a multi-year equity line financing in the form of a Contingent Equity Line (the "**Operation**").

CELLECTIS will be able to issue, as necessary, a certain number of shares ("**New Shares**"), and KEPLER agrees to participate in each issuance of New Shares as decided by the Issuer.

This Operation is based on the issuance of warrants giving access to Cellectis share capital (the "**Warrants**") that require KEPLER, as the sole holder, to purchase ordinary shares upon CELLECTIS' request. The issuance of the Warrants was authorized by the 17th resolution adopted by the CELLECTIS Combined Shareholders Meeting held on June 22, 2012, concerning the delegation of authority granted to the Board of Directors until August 22, 2014 to issue ordinary shares and / or other securities giving access to the share capital of the Company or giving the right to a debt security without preferential subscription rights.

Following a decision dated December 11, 2012, the Board of Directors of CELLECTIS approved the terms of this commitment letter and has decided to issue warrants, the terms and specifications of which comply with the draft agreement attached as Annex I (the "**Issuance Agreement**").

Each issuance of New Shares from the exercise of these Warrants (the "**Drawdown**") will be decided by CELLECTIS at such times as it deems appropriate during the next thirty-six months, subject to certain conditions.

Acting as financial intermediary, KEPLER does not intend to remain in the capital of CELLECTIS and will therefore resell all or part of the New Shares it purchases hereunder.

The Shares, Warrants and the New Shares have not been and will not be registered under the *U.S. Securities Act of 1933*, or under any other securities regulation of any U.S. state, or with the securities regulatory authority of any other U.S. state or any other jurisdiction of the United States of America; as such, the Shares, the Warrants and the New Shares are *restricted securities* within the meaning of these laws and may not be offered, sold, acquired or exercised in the United States of America.

The purpose of this commitment letter (the "**Commitment Letter**") is to set forth the conditions under which the Issuer on the one hand, and KEPLER on the other hand, accept the necessary commitments for the implementation of the Operation.

THIS BEING STATED IT WAS AGREED THAT:

The terms not specifically defined in this Commitment Letter or the General Terms in Annex IV, which are an integral part of this agreement, shall have the meaning given to them in the Issuance Agreement.

1. KEPLER'S COMMITMENTS

Subject only to the conditions precedent set out in Article 3 below, KEPLER irrevocably undertakes to purchase, no later than five calendar days after these events, two million (2,000,000) Warrants at a unit price of 0.001 (zero point zero zero one) euro.

KEPLER undertakes, within the strict framework of the Operation, to refrain from any pre-sale of shares purchased subject to its commitments under the Warrants and any intervention on the Issuer's shares during the Reference Period. This commitment does not preclude carrying out operations conducted independently of the Operation, by KEPLER or by KEPLER group entities acting in the normal course of business on their behalf or on third parties' behalf.

2. ISSUER'S COMMITMENTS

The Issuer irrevocably undertakes to take all measures, request all authorizations, and more generally, to do everything in its power, in order to satisfy the conditions set out in Article 3 below at the earliest possible date and before January 30, 2013.

The Issuer undertakes to refrain from any interference in its shares market and not to issue capital securities other than those provided for in the Issuance Agreement during the Reference Period and during the Time Interval following a Trading Day, with the exception of the following transactions:

(i) those conducted in the framework of a liquidity agreement in accordance with the AMAFI's code of conduct; or

(ii) resulting from a commitment made prior to the beginning of the Reference Period (mainly in regards to the implementation of its employee share purchase plans).

The Parties understood from AMF rulings that the implementation of the Operation shall not be considered a "public offering" within the meaning of Article L. 411-1 of the French Monetary and Financial Code, and that no prospectus would therefore be required, as CELLECTIS' shares are not traded on a regulated market.

However, in the event that AMF requires the Issuer to draft a prospectus, the latter undertakes to consult with KEPLER for its prior approval of the content, especially in regards to the description of the Operation.

3. CONDITIONS PRECEDENT

The Issuer's option to make its first Drawdown is subject to the realization of the following conditions:

(a) The law firm Jones Day, appointed for this purpose by the Issuer, shall provide KEPLER with a legal opinion confirming that the issuance of the Warrants was properly decided by the Issuer's Board of Directors, in the form set out in Annex II;

(b) The Issuer shall provide KEPLER with a true copy certified by the Issuer's Chairman of the Board of Directors of the minutes of the Board's deliberations including the decision to issue the Warrants pursuant to the Issuance Agreement;

(c) The signature of the Issuance Agreement by the Issuer's legal representative.

4. FEES

Under this Commitment Letter and as part of the Operation, the Issuer agrees to pay the following fees to KEPLER:

4.1 Structuring Fees

The Issuer undertakes to pay the Holder a commission of 252,000 euros for structuring the operation contemplated by the Issuance Agreement (the "**Structuring Fee**").

The structuring fee shall be paid by the Issuer to the Holder under the following conditions:

- the first half (50%) will be paid on the signing date of the Commitment Letter,
- the second half (50%) will be paid no later than three months after the signing date of the Commitment Letter.

4.2 Drawdown fee

The Issuer undertakes to pay to the Holder a fee, for each Drawdown made, equal to 1.0% of Gross Amount Purchased (the "**Drawdown Fee**").

This amount will be paid to KEPLER by the Issuer, acting through the Agent, on or before the third Trading Day following the end of the Reference Period.

4.3 Success Fee

The Issuer undertakes to pay to the Subscription a commission each time that, after a Drawdown, the amount of the Drawdown is strictly greater than the Minimum (the “**Success Fee**”) .

This amount will be paid to KEPLER by the Issuer, acting through the Agent, on or before the third Trading Day following the end of the Reference Period.

The Success Fee will be equal, during the first six months of the Issuance Agreement, to 0.80% of Gross Amount Purchased above the Minimum. It will be then revised every six months, according to the following formula calculated on the previous six months (the “**Formula**”):

S(Drawdown Size x D)

Where: D = $VWAP_{iT}$- $VWAP_{pR}$

and: **$VWAP_{it}$”:** volume-weighted average price computed on each corresponding Time Interval.

Success Fee will in no case be less than 0.30 % or more than 0.80% of Gross Amount Purchased above the Minimum.

Subject to the previous limits, the Success Fee will be revised as follows:

- when the Formula is negative, the Success Fee will be revised up to + 50 bp
- when the Formula is positive, the Success Fee will be revised downward - 50 bp

5. EXPENSES

The Issuer will reimburse KEPLER, upon sufficient proof, for all costs, fees and disbursements, related to advice and attorneys hired by the Holder up to an aggregate amount of 35,000 (thirty-five thousand) euros.

6. ASSIGNMENT

The parties may not assign or transfer to third parties their rights and obligations arising under this Commitment Letter.

7. CONFIDENTIALITY

Receipt of all contractual documentation which will be conducted as part of this operation, implies the obligation to maintain strict confidentiality.

The parties acknowledge that all contractual documentation which will be conducted as part of this transaction and any document or information, written or oral, relating to the transaction (the "**Confidential Information**") is confidential, subject to the provisions of Article 8 below, unless disclosure of the Confidential Information is required by applicable laws or regulations.

8. COMMUNICATION

In case of communication to the public regarding the Operation, the Issuer shall ensure that the presentation of the Operation is done in a fair and satisfactory manner and that the use of funds, if specified, is consistent with the parties' agreement.

In particular, both parties shall only use the term "Contingent equity line" to refer to the Operation.

9. MISCELLANEOUS

9.1 This Commitment Letter and its appendices constitute the full and sole agreement between the parties concerning its provisions. Therefore, it shall not be amended or modified except in writing signed by both parties. Unless otherwise provided in this Commitment Letter, the latter supersedes any prior agreement, oral and/or written, between the parties mentioned above, on the same subject as that of the present Letter of Commitment and its annexes.

9.2 The invalidity of any provision of this Commitment Letter shall not affect the validity of the other provisions of this Commitment Letter.

Non-performance or late exercise by KEPLER of a right resulting from this Commitment Letter shall not constitute a waiver of such right and exercise of one of these rights or partial exercise will not prevent KEPLER from exercising it again in the future or to exercise any other right.

10. DURATION

This Commitment Letter will terminate upon the expiration of the Issuance Agreement.

11. APPLICABLE LAW

This Commitment Letter is subject to French law.

12. JURISDICTION

ANY DISPUTE RELATED TO THE VALIDITY, INTERPRETATION OR PERFORMANCE OF THIS COMMITMENT LETTER WILL BE BROUGHT BEFORE THE COMMERCIAL COURT OF PARIS.

CELLECTIS S.A.

Signed in Paris on December 21st, 2012, in three originals.
Represented by: André CHOULIKA
Chairman and CEO

KEPLER CORPORATE FINANCE

Signed in Paris on December 21st, 2012, in three originals.
Represented by: Dominik BELLOIN

Director

KEPLER CAPITAL MARKETS S.A.

Signed in Paris on December 21st, 2012, in three originals.
Represented by: Dominik BELLOIN and Francis CANARD

Directors

Annex 1

ISSUANCE AGREEMENT

ISSUANCE AGREEMENT

December 20th, 2012

CELLECTIS SA

KEPLER CAPITAL MARKET S.A.

1. FRAMEWORK OF THE ISSUANCE

1.1. Shareholders' meeting (ordinary and extraordinary) authorization

The Combined General Meeting of Shareholders of CELLECTIS held on June 22nd 2012 has adopted the 17th resolution, in accordance with the provisions of Articles L.225-129, L.225-129-2, L.225-129-4, L.225-135, L.225-136 and L.228-91 onwards of the *French Code of Commerce*, it has delegated *"to the Board of Directors, with powers of delegation and sub-delegation subject to legal conditions, the power to decide in such proportions and at such times as it considers appropriate, one or more capital increases by the issuance, without preferential subscription rights of shareholders, in France or abroad, of ordinary shares of the Company or of any securities giving access by any means, immediately or in the future, to shares of the Company or of any company that would directly or indirectly own more than half of its capital or which would own directly or indirectly more than half the capital of the Company or any securities giving rights to the allocation of debt securities, such securities may be issued in euros, foreign currency, or in any monetary units established by reference to several currencies as the Board of Directors may elect, and for which payment may be made in cash or offset by a debt securities."*

The General Meeting has also specified that issuance which could be performed pursuant to this resolution may be carried out by an offering to qualified investors or to a restricted circle of investors as set out in paragraph II of Article L. 411-2 of the French Monetary and Financial Code (private placement).

1.2 Decision of the Board of Directors

Pursuant to the authorization granted to it by the Combined Shareholders Meeting of the Issuer held on June 22, 2012, mentioned in section 1.1. above, the Board of Directors of CELLECTIS, acknowledging the relevance and value of the Operation, (i) has stated that the unused part of the delegation would allow for the completion of the Operation and (ii) has decided during its meeting held on December 11, 2012 to issue two million (2,000,000) Warrants that Kepler is committed to purchase in full, in order to be the sole owner.

2. DEFINITIONS

2.1. Glossary

"Share": means ordinary shares of the Issuer currently listed - on the ALTERNEXT stock exchange of NYSE Euronext in Paris, under number ISIN FR0010425595.

"VWAP": volume-weighted average price (Source Bloomberg: ALCLS FP equity AQR).

"Drawdown Request" means the written notice of exercise of Warrants sent by the Issuer to the Holder, a template of which is in Annex B.

"Drawdown Request Day" means any day during which the Holder receives from the Issuer a Drawdown Request.

"Exercise Day" means the date on which the Warrants must be exercised by the Holder, i.e. the first Trading Day following the Reference Period for a given Drawdown Request.

"Trading Day" means any Business Day other than a Saturday or Sunday, when the Market is open and operates continuously during normal trading hours set by NYSE Euronext Paris.

"Recording Day" means the last Trading Day of the Reference Period.

"Business Day" means any whole day, other than a Saturday or a Sunday, during which banks are open in Paris, where Euroclear operates and the Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET) is open.

"Agent" means Société Générale Securities Services, 32, rue du Champ de Tir, BP8126, 44312 Nantes, which is the provider, entrusted by the Issuer, of the securities services of the Warrants.

"Market" means the Alternext market, organized multilateral trading facility (OMTF) by NYSE Euronext Paris or any other market, French or European, which would become in the future the principal place of trading for the shares.

“Maximum Number of Shares”: two million (2,000,000) New Shares issued upon exercise of the Warrants and subject to the adjustment of the Exercise Exchange in accordance with the provisions of Article 6.2 of this Issuance Agreement, and within 9.9% of the capital of the Issuer.

“Financial Transaction” means any transaction giving rise to adjustment of the Exercise in accordance with Article 6.2 of this Issuance Agreement.

“Reference Period” means the period of five (5) consecutive Trading Days. Subject to section 5.4.1., it begins two (2) Trading Days preceding the Drawdown Request Day.

“Non-Interference Period” means the period beginning on a given Drawdown Request Day and ending on the last Trading Day (inclusive) of the Time Interval.

“Bloomberg System” means the financial information system Bloomberg Professional™ commercialized by Bloomberg L.P.

“Eligible Transactions” means the transactions on the Share performed by matching orders in the order book market during the trading sessions. For clarity, it is specified that the following transactions (as defined in articles 4401 and following of Book I of the Market Rules published by Euronext Paris on remand of section 6.1.2 Alternext Market Rules) are Eligible Transactions:

- Transactions concluded by continuously matching the central order book;
- Transactions concluded within the fixings’ opening and closing;
- Applications and matching operations.

However, the following transactions are not Eligible Transactions:

- Transactions carried out outside trading sessions of the Share (outside negotiations);
- Block trades, as defined in section 4404 of Book I of the Market Rules published by Euronext Paris, executed outside of the central order book.

“Vol” means the 10-day Share volatility determined on the Exercise Day of the Warrants (source Bloomberg: ALCLS FP equity LVH).

“Daily Volume” means the number of the Issuer Shares traded on the market Altemext under Eligible Transactions during a given Dealing Day.

“Volume_{PR}” means the arithmetic average of Daily Volumes of the Share, traded on the Market (outside of block negotiations or outside negotiations) calculated on the Reference Period (Bloomberg Source: ALCLS FP equity RDI).

2.2. Clarifications

The source of information used by the Parties to determine the VWAP and Daily Volume is the Bloomberg System:

- VWAP can be found on ALCLS FP Equity AQR pages of Bloomberg System by manually entering in the Bloomberg system (i) as the date and time of the start of the calculation period, the date of the first Trading Day of the Reference Period and the time of the Market opening that day, and (ii) as date and time of end of the calculation period, the date of the last Trading Day of the Reference Period and time of the Market closing that day.

- The Daily Volume can be found on ALCLS FP Equity AQR pages of Bloomberg System by manually entering in the Bloomberg System (i) as the date and time of the start of the calculation period, the date of the relevant Trading Day and the time of the Market opening that day, and (ii) as date and time of end of the calculation period, the date of the relevant Trading Day and the time of the Market closing that day.

In case of unavailability of the Bloomberg System, for any reason, Holder will use other sources of information available to it (flows directly from Euronext, Reuters system, etc.) and will make its best efforts to notify the Issuer in the shortest possible time of the VWAP and Daily Volume, as well as the source of information used.

3. ISSUANCE OF WARRANTS

Two millions (2.000.000) Warrants have been issued on this day (the **"Issue Date"**), such Warrants will be immediately purchased by the Holder through a Subscription Form, in the same form as attached in Annex A.

The Price of the Warrants issued ("Issuance Price") is 0,001 euro per Warrant, or a total subscription price two thousand (2,000) euros.

The Issuance Price will be paid to the Issuer upon subscription by the Holder, and the corresponding Warrants shall be immediately issued and registered in an account.

4. CHARACTERISTICS OF THE WARRANT

4.1 Characteristics of the Warrants.

The Warrants are securities giving access to the share capital of the Issuer, upon Issuer's request, in the conditions defined in this Issuance Agreement into shares of the Issuer.

The Warrants will be issued only as nominative. They will be registered in the name of the Holder on the accounts maintained by the Agent.

The Warrants will not be assignable by the Holder outside of its group, with the exception of an assignment to the Issuer acting pursuant to Article 9.2 of this Issuance Agreement.

The Warrants will not be subject to an application for admission for trading on a market, whether regulated or not; in particular, the Warrants have not been and will not be registered under the U.S. Securities Act of 1933 (the "Securities Act") or under any securities laws of any State or other jurisdiction of the United States of America. Therefore, the Warrants are restricted securities according to the U.S. Securities Act and cannot be offered, sold, acquired or exercised in the United States of America unless they have been registered under the U.S. Securities Act, or there is an applicable exemption from registration requirements.

The Warrants will require the Holder to purchase new ordinary shares of the Issuer (the "New Shares"), according to the following terms and conditions.

4.2 Characteristics of the New Shares

The New Shares are fully assimilated with all other shares of same category of the Issuer upon their issuance. They shall be entitled to the same dividend as what may be distributed to other Shares with the same rights and privileges. No clause in the bylaws limits the free trading of the Shares forming the share capital of the Issuer.

The New Shares will be held as either registered or bearer shares, at the discretion of the Holder. The New Shares, whatever their form, must be registered in an account, as appropriate, by the Issuer (or intermediary appointed by the Issuer for this purpose) or by an authorized intermediary.

The New Shares resulting from the exercise of the Warrants, will be subject to periodic requests for admission to trading on the Market. They will be admitted to trade on the Market on the same trading line as the existing Shares of the Issuer and will be registered under the same ISIN code.

It is emphasized that the Shares and the New Shares resulting from the exercise of the Warrants, have not been and will not be registered under the U.S. Securities Act or under any securities laws of any State of the U.S.A. or from any market regulation authority under any State of the U.S.A. or under any other jurisdiction of the United States of America.

Therefore, the Shares, as the New Shares, are restricted securities within the meaning of the U.S. Securities Act and may not be offered, sold, or purchased in the United States of America unless they have been registered under the U.S. Securities Act or that an exemption from the registration requirements is applicable.

5. Terms and Conditions for the exercise of Warrants.

5.1 Performance Period

The Holder shall perform its commitments under the Warrants, in whole or in part and on one or more occasions, pursuant to the terms and conditions set forth in this Article 5, at any time between the Issue Date and the earliest of the following dates (the "Performance Period"):

- the day falling on the same date of the thirty-sixth month following the Issue Date;
- the day during which the Maximum Number of Shares is reached (after taking into account any fractional shares referred to in Article 7.2).

Warrants that have not resulted in the performance by the Holder of its commitments at the end of the Performance Period will lose any value and be canceled.

5.2. Execution of the commitments under the Warrants.

The Holder undertakes, during the Performance Period, to subscribe New Shares by exercising the Warrants upon each Issuer Drawdown Request according to Section 5.3. below and subject to the reservations mentioned in section 5.4. below, in the amounts and in the manner described below.

In case of a Drawdown Request, the Issuer shall mention the number of New Shares it wishes to be issued ("N") and the Holder shall exercise, on the Exercise Day, the number of Warrants required to obtain a determined number of New Shares within the following conditions ("Drawdown Size"):

1. If N is less than or equal to the Minimum, then the Drawdown Size will be fully issued (i.e. the Drawdown Size will be equal to N);

   Where "Minimum" is equal to the smallest of the three following numbers: (1.5 x VolumePR); 20,000 Shares; 100,000 euros.

2. If N is strictly greater than the Minimum, then the Holder agrees to use its best efforts to satisfy the Drawdown Request up to N, but this can be partially fulfilled, at the Holder's discretion, without be less than the Minimum or beyond the Maximum.

   Where "Maximum" is equal to the smallest of the three following numbers: (4,0 x VolumePR; 30,000 Shares; 200,000 euros).

   The Parties agree to meet to discuss a possible resizing of the Drawdown Size (limited to once every six months) if the Share Market has significantly changed, both in value and liquidity during the 6 previous months. Such an amendment requires the agreement of both Parties.

5.3 Conditions for the validity of a Drawdown Request

The validity of a Drawdown Request made by the Issuer to the Holder on a given day is dependent on the completion on that day of the following conditions:

a) the day is a Business Day;

b) there is no Issuer Default under Article 9 below;

c) the trading of the Issuer's Shares on the Market is not suspended at the end of the day in question;

d) the Drawdown Request is in the form set out in Annex B.

Any Drawdown Request received by the Holder that does not comply with the conditions above will be invalid and will not be considered.

5.4. Reserves

5.4.1. Stop Loss

The Holder and the Issuer shall have the right to delay the Exercise Day if the closing price of the fifth and last trading day of the Reference Period ("Recognition Day") is lower by more than 4.0% (four percent) compared to the $VWAP_{PR}$ (the "Market Conditions"), as defined in Article 6.1 of this Issuance Agreement. Each Party shall notify the other of its decision no later than on the Recording Day at 6:30 pm.

In such case, each Party may decide to delay the end of the Reference Period by 24 hours, within five (5) consecutive Trading Days (the "Delay") until the parties determine that, in light of the closing price of the fifth and last Trading Day of the Reference Period that the Market Condition has disappeared. If at the end of this Delay, the Market Condition has not disappeared, the Drawdown Request will be considered void.

5.4.2 Time Interval

The Issuer may not send to the Holder a new Drawdown Request during the Time Interval.

The Time Interval is the period beginning on the Exercise Day and ending:

- the following 6th Trading Day if the Drawdown Size corresponding to the New Shares issued upon the previous Exercise Day is less than or equal to the Minimum;
- or the next 12th Trading Day if the Drawdown Size corresponding to the New Shares issued during the previous Exercise Day exceeds the Minimum.

The Time Interval between two Drawdowns can be reduced at the sole initiative of the Holder, who shall notify the Issuer of such.

5.4.3 Clear Market

The Issuer agrees not to send to the Holder a Drawdown Request:

(a) Within the period of 10 Trading Days preceding the date on which the annual and semi-annual financial statements of the Issuer are made public.

(b) When the Issuer is in possession of insider information as defined in Article 621-1 of the AMF General Regulations.

6. EXCHANGE AND EXERCISE PRICE OF THE COMMITMENTS UNDER THE WARRANTS.

6.1. Exercise Exchange, Exercise Price and Discount.

Subject to the adjustments provided for in 6.2. below in the case of Financial Operations, the execution by the Holder of commitments under 1 (one) Warrant will allow the Issuer to issue 1 (one) New Share (the “Exercise Exchange”), subject to the adjustments required by laws, regulations, and contractual provisions, subject to payment by the Holder of the price per New Share (the “Exercise Price”), rounded down to the second decimal, equal to the result of the following formula: Exercice Price = $\mathbf{VWAP_{RP}}$ x (100-D)%

Where “$VWAP_{RP}$” is the smallest of the daily VWAP recognized during the Reference Period.

Where “D” (“Discount”) is proportional to Share volatility and the Drawdown Size:

(i) If Vol is strictly greater than 55%, then D=7.0, whatever the Drawdown Size.

(ii) If Vol is less than or equal to 55%, then D is a function of the Drawdown Size:

- if Drawdown Size is less than or equal to the minimum, then D = 5.5
- if Drawdown Size is greater than the minimum, then D = 7.0

In no case shall the exercise price be less than 80% of the VWAP recognized during the period consists of five (5) consecutive trading days prior to the Exercise Day.

6.2. Adjustment of the Exercise Exchange

6.2.1 In the event of a capital reduction due to losses

In case of a reduction of the Issuer's share capital resulting from losses and accomplished by decreasing the nominal amount or number of shares forming the share capital, the rights of the Holder will be reduced accordingly, as if the Warrants had resulted in the exercise of its commitments before the date on which the capital reduction had become final.

6.2.2 In case of Financial Operations

Insofar as there are valid Warrants, the following Financial Operations may be carried out to preserve the rights of the Holder by making an adjustment to the Exercise Exchange in accordance with the terms below.

This adjustment will be made so that it equalizes, to the hundredth of a Share, the value of the Shares to be purchased in case of performance of Warrant commitments following the completion of the planned Financial Transaction and the value of the Shares that would have resulted in case of performance of the Warrant commitments prior to the completion of the Financial Transaction.

The possible successive adjustments shall be made from the immediately preceding and rounded down Exercise Exchange. However, the performance of the Warrant commitments will result in the delivery of a whole number of Shares, the treatment of fractional shares being specified in Article 7 below.

In the event that the Issuer carries out transactions for which an adjustment was not made in respect of cases (1) to (11) below and where later legislation or other regulations require an adjustment, the Issuer will make such adjustments in light of professional practice in the field.

After each adjustment, the new Exercise Exchange will be brought to the attention of the Holder by registered letter with return receipt requested. The board of directors of the Issuer will report the components of the calculation and the results of any adjustment in the next annual report.

The Issuer undertakes not to conclude any Financial Operation during a Non-Interference Period.

1. In case of issuance of securities with preferential subscription rights, the new Exercise Exchange will be equal to the product of the exchange in force before the beginning of the operation subject to the following adjustment factor:

$$1 + \frac{\text{Value of the preferential subscription rights}}{\text{Value of the Share after detaching of the preferential subscription rights.}}$$

To calculate this adjustment factor, the value of the preferential subscription rights and the value of the Share after the detaching of the preferential subscription rights will be determined according to the average of the first trading price on the Market during all trading sessions included in the subscription period.

2. In case of allocation of free shares to all shareholders of the Issuer, the new Exercise Exchange will be equal to the product of the exchange in force before the beginning of the operation by the following adjustment factor:

1 + number of shares which entitles 1 existing share

3. In case of distribution of reserves or premiums in cash or in kind, the new Exercise Exchange will be equal to the product of the exchange in force before the beginning of the operation by the following adjustment factor:

$$\frac{1}{1 - \frac{\text{Amount per share of the distribution}}{\text{Value of the share after distribution}}}$$

To calculate this adjustment factor, the value of the share before the distribution will be equal to the weighted average of the last three trading sessions on the Market preceding the distribution date.

4. In case of modification of the allocation of profits, the new Exercise Exchange shall be equal to the product of the applicable exchange before the beginning of the operation by the following adjustment factor:

$$\frac{1}{1 - \frac{\text{Reduction of distribution per share}}{\text{Share value before this modification}}}$$

5. In case of a depreciation of capital, the new Exercise Exchange will be equal to the product of the exchange in force before the beginning of the operation by the following adjustment factor:

$$\frac{1}{1 - \dfrac{\text{Depreciation per share}}{\text{Value of the share before depreciation}}}$$

To calculate this adjustment factor, the value of the share before depreciation will be equal to the weighted average of the last three trading sessions on the Market preceding the depreciation date.

6. In case of absorption of the Issuer by another company or of a merger of the Issuer with one or more other corporations to form a new company or of a demerger, the holder(s) of Warrants may exercise their rights in the beneficiary company(ies).

The new Exercise Exchange will be determined by adjusting the number of shares that it is expected to issue before the beginning of the proposed operation in light of the share exchange ratio compared to the shares of the person or companies receiving such contributions. The company or companies will be automatically substituted to the Issuer in its obligations to each Warrant holder, including the application of the provisions of this paragraph to preserve the rights of each Warrant holders in the event of financial operations or securities and, in general, to ensure the respect of the rights of each Warrant holder in compliance with the legal, regulatory, and contractual requirements.

7. In case of purchase by the Issuer of its own Shares at a purchase price higher than the market price, the new Exercise Exchange will be equal to the product of the exchange in force before the beginning of the operation by the following adjustment factor:

$$1 + Pc\% \times \frac{\text{Buyback price – share value}}{\text{Share value}}$$

To calculate this adjustment factor, the share value will be equal to the weighted average of the last three trading sessions on the Market preceding the purchase or the possibility to purchase, and “Pc%” means the percentage of repurchased capital.

8. In case of share consolidation or of a share split, the new Exercise Exchange will be equal to the product of the exchange in force before the beginning of the operation by the following adjustment factor:

$$\frac{\text{Number of shares constituting the share capital after the event}}{\text{Number of shares constituting the share capital before the event}}$$

9. In case of an increase of the shares' nominal value, the nominal value of the shares that may be obtained by the Warrant holder(s) will be increased accordingly.

10. In case of free allocation to all of the Issuer's shareholders of securities for example ordinary-share subscription warrants (*bons souscriptions d'actions*) the new Exercise Exchange will be determined:

(i) if the free allocation right is listed, the new Exercise Exchange will be equal to the product of the applicable Exercise Exchange before the beginning of the operation and the following adjustment factor:

$$1 + \frac{\text{Value of the free allocation right}}{\text{Value of the share after detaching the free allocation right}}$$

To calculate this adjustment factor, the value of the free allocation right and the value of the Share after detaching of the free allocation right will be determined from the weighted average of the first three trading sessions on Market following the detachment of the free allocation right.

(ii) if the free allocation right is not listed, the new Exercise Exchange will be equal to the product of the applicable Exercise Exchange before the beginning of the operation and the following adjustment factor:

$$1 + \frac{\text{Value of allocated securities(s)}}{\text{Value of the share after detaching of the free allocation right}}$$

To calculate this adjustment factor, the value of the allocated security and the value of the Share after detachment of the free allocation right will be determined using the weighted average of the first three trading days on the market as from the date of detachment of the free allocation right.

In the absence of listing of the allocated securities on the Market, their value will be determined by an internationally recognized expert appointed by the Issuer, whose opinion shall not be subject to appeal.

11. In case of distribution of a special dividend, the new Exercise Exchange will be equal to the product of the exchange in force before the beginning of the operation by the following adjustment factor:

1 + distribution yield – 2,5%

For the purposes of this paragraph (11), the payment of a dividend or interim dividend is considered a special dividend distribution if the distribution yield is equal to or greater than 5%.

To calculate this adjustment factor, the yield of the distribution of a dividend or an interim dividend is the ratio (expressed as a percentage) between the amount of such dividend or interim dividend and the value of the Share plus, if applicable, the relation between each of the previous dividend payments of dividends or amounts paid during the same financial year and the corresponding Share values.

Dividends or interim dividends are taken into account for the amount before withholding tax and the value of the share corresponding to a dividend payment or interim dividend is equal to the weighted average of the last three trading sessions on Market preceding the date of payment.

If payment of a dividend or interim dividend following a distribution of special dividend during the same financial year, the Exercise Exchange will again be adjusted and the new Exercise Exchange will be equal to the product of the applicable Exchange before the start of the operation by the following adjustment factor:

1 + the distribution yield

In this last case, to determine the distribution yield, the amount of the last dividend or interim dividend and the corresponding value of the share, will not be taken into account as indicated above.

7. DELIVERY RULES – FRACTIONAL SHARES – INFORMATION

7.1 Delivery-Rules

At the latest on the second Trading Day following each Exercise Day:

(a) the Holder will have sent a fax or an email to the Agent, with a copy addressed to the Issuer, indicating the Drawdown Size, the amount of Drawdown and Success Commissions (as such Commissions are defined in the Commitment Letter signed on this date by and between the Issuer, the Holder and Kepler Corporate Finance) as well as the total amount of New Shares purchased, in accordance with the model set forth as Annex C;

(b) the Holder will have paid the Issuer a gross amount equal to the Number of Warrants purchased multiplied by the Purchase Price (the **"Purchased Gross Amount"**), which will be paid to the Agent;

(c) The Agent will have fulfilled all formalities relating to the creation of New Shares, together with Euroclear, and their admission to trading on the Market;

(d) The Agent will have delivered the New Shares to the Holder;

(e) The Agent will have paid the Holder the Drawdown Fee and eventually the Success Fee.

7.2. Fractional Shares

Where, due to the adjustment of the Exercise Exchange following one of the Financial Operations mentioned in 6.2. above, the Holder would have access, when carrying out the Warrant commitments, to a number of New Shares that is not a whole number, he will be issued the number of New Shares immediately below, and he will be paid in cash, an amount equal to the product of the fractional share and the fractional value of the Share as calculated on the basis of the opening price of the Trading Day preceding the Exercise Date.

7.3. Information

Upon each execution of the Warrant commitments, the Issuer will inform the Market of the issued New Shares and their Exercise Price, by publishing a notice from the company that manages the Market and a statement posted on its website on the day following the Exercise Day (insofar as a publication on that date is technically possible, otherwise they will be published as soon as possible).

8. REPRESENTATIONS

8.1. Issuer's Representations

The Issuer represents that, as of the Issue Date, except for any event that would by its nature jeopardize the Issuer's ability to perform its obligations under the present Issuance Agreement and that would not have (and is not likely to have) any impact, immediately or within a short term, on the Share price:

(a) it is duly incorporated in France as a French *société anonyme*, validly existing and having full corporate power and authority to enjoy its rights and exercise them, as well as to carry on its business as it is now being conducted,

(b) it has all power and authority and the legal right to, enter into this Issuance Agreement, and it has obtained all authorizations required by applicable laws and regulations and pursuant to its bylaws to execute the present Issuance Agreement and to perform its obligations resulting thereof;

(c) Any and all obligations of the Issuer under this Issuance Agreement are validly entered into, in particular all the formal requirements to ensure their validity and binding nature and all the formalities necessary for the same purpose (registration, deposits or other) have been satisfied or carried out;

(d) neither the issuance of the Warrants in accordance with the Issuance Agreement, nor the execution of any of its provisions, is incompatible with the laws and regulations to which the Issuer is subject or with a contract or any commitment by which it is bound;

(e) no authority, action, suit, or administrative proceedings of which the outcome is likely to jeopardize its ability to perform its obligations under the Issuance Agreement, or which could have a material adverse effect on its business, its heritage and its economic or financial situation, is in progress, subject to what is stated in the disclosure documents made publicly available on the *AMF*' website or made known to the Market in accordance with the provisions of the *AMF*;

(f) all financial and accounting documents provided to the Holder have been prepared in accordance with accounting principles generally accepted in France and provide a true picture of the results for each exercise;

(g) no events have occurred that would be likely to have a significant impact on the price of the Share or regarding the rights of Shareholders and that has not been made known to the Market in accordance with the provisions of the *AMF*;

(h) it is in good standing with respect its significant tax obligations;

(i) It is, to the best of its knowledge, up to date with all its obligations under the stock market regulations;

(j) It is not in default on its debts.

8.2 Representations of the Holder

The Holder represents that, as of the Issue Date:

(a) it has all power and authority and the legal right to, enter into this Issuance Agreement and purchase Warrants in accordance with the Issuance Agreement, and it has obtained all authorizations required by applicable French laws and regulations and pursuant to its bylaws to execute the present Issuance Agreement and purchase the Warrants and to perform its obligations resulting thereto;

(b) Any and all obligations resulting for the Holder from this Issuance Agreement and the purchase of the Warrants shall validly bind him, in particular all the formal requirements to ensure their validity and binding nature and all the formalities necessary for the same purpose (registration, deposits or other) have been satisfied or carried out;

(c) neither the purchase of Warrants in accordance with the Issuance Agreement, nor the execution of any of its provisions, is incompatible with the laws and regulations to which it is subject or with a contract or any commitment by which it is bound;

(d) It acts on its own behalf and is a qualified investor as defined under Article L. 411-2 of the French Monetary and Financial Code (*Code Monétaire et Financier*);

(e) it is neither registered in the United States of America nor a U.S. Entity, and therefore acquires the Warrants and will purchase the New Shares pursuant to an *offshore transaction*, as defined in regulation S of the Securities Act;

(f) it acknowledges understanding that the Warrants and New Shares have not been and will not be registered under the Securities Act or any securities laws of a U.S. State or with any market regulatory authority of a U.S. state or of any other jurisdiction of the United States of America. Therefore, the Warrants and New Shares being *restricted securities* as defined by the Securities Act, they may not be offered, sold, acquired or exercised in the United States of America unless they have been registered under the Securities Act, or an exemption from the registration requirements is applicable;

(g) It undertakes not to offer or sell the Warrants or the New Shares except in accordance with the regulation S under the Securities Act.

9. DEFAULTS

9.1 Definition of Default

(a) the Issuer fails to perform any of its obligations arising from the Issuance Agreement;

(b) any amount payable by the Issuer pursuant to the Issuance Agreement is not paid when due or as provided by said Issuance Agreement;

(c) a material inaccuracy affects a statement made by the Issuer under this Issuance Agreement or in any document delivered pursuant to its execution;

(d) one of the permits or authorizations allowing the Issuer to perform its obligations under the Issuance Agreement becomes invalid;

(e) Shares are no longer listed, or there is a serious risk that such an event will occur in the near future;

(f) There is a change of a legal, financial, or other nature in the structure or status of the Issuer, which could significantly affect its ability to meet its obligations under the Issuance Agreement;

(g) the Issuer shall be submitted under any jurisdiction to a bankruptcy for the settlement of debts, including any petition in bankruptcy or insolvency, or for an arrangement or for the appointment of a receiver or trustee to its assets or any analogous proceedings, subject to applicable law;

(h) the Issuer enters into a conciliation protocol rescheduling its debt with one or more of its creditors;

(i) an action, suit, or administrative proceedings are pending or about to be instituted or undertaken to challenge the validity of the issuance of the Warrants or the New Shares issued by implementation of commitments under the Warrants;

(j) There is a restriction regarding the free negotiability and transferability of the New Shares previously issued.

9.2 Consequences

If any Default has occurred, the Holder may give notice in writing to the Issuer. The Drawdown Requests received by the Holder prior to the notification of the Default and not performed will then be suspended and the Issuer shall not be entitled to send new requests until the Issuer has remedied the breach in a manner satisfactory to the Holder.

In the event of the occurrence of any Default mentioned above, which has not been remedied in a manner satisfactory for the Holder after the expiry of one (1) month - or upon its occurrence if the Default cannot be remedied - the Issuer will definitively lose, unless otherwise agreed between the Parties, the right to send the Holder Drawdown Requests, without compensation in whole or in part.

Failing to remedy a Default within one (1) month following its notification, the Issuer may redeem all outstanding Warrants from the Holder and cancel them, at their Purchase Price, and the Holder agrees to sell the Warrants in this particular case at a price equal to the Purchase Price.

10. INDEMNIFICATION

10.1 Non-occurrence of the condition set forth in Article 5.3 (b).

Considering that the occurrence of condition (b) described in Article 5.3 cannot be verified by the Holder, the Issuer shall indemnify the Holder, upon simple and documented request by the latter, from and against any and all losses, costs and other expenses (including without limitation reasonable attorneys’ fees and expenses and taxes related thereto) incurred by the Holder and resulting from an inquiry *a posteriori*, based on the lack of fulfillment of this condition, concerning the validity of a Drawdown Request that the Holder had already fulfilled.

10.2 Breach of the «Clear Market» clause – Default under Article 9.1. (j)

In case of a breach of the obligation in paragraph 5.4.3. or Default referred to in Article 9.1. (j), the Issuer shall indemnify the Holder up to a lump sum (the "Package") determined in the manner set out below.

The Package will be equal to the following:

20% x Volumes$_{PS}$ x D

where:

«Volumes$_{PS}$» means the arithmetic average of Daily Volumes of the Shares traded on the Market (excluding block negotiations or negotiations outside trading sessions) calculated on the Sensitive Period (Bloomberg Source : ALCLS FP equity AQR).

"Sensitive Period" corresponds to the period between:

(i) the date of the press release or publication by the Issuer of the information referred to in Article 5.43 or 9.1 (j) if it occurs prior to the release of the relevant release in question (hereinafter the "Release") including the trading day prior to the Release if it is broadcasted before the close of the markets, and

(ii) the last day of the Time Interval concerned.

"D" shall be equal to the difference, if positive, between (i) the Price of the Warrants Exercise purchased by the Holder during the applicable Drawdown Request and (ii) the VWAP ascertained during the Time Interval, it being specified as necessary that no compensation will be payable if the D is negative.

11. FEES

All costs, registration fees, taxes, withholdings or deductions (hereinafter "Fees") due to the issuance of the Warrants and the issuance of New Shares will be borne by the Issuer.

12. MISCELLANEOUS

12.1 Partial Invalidity

The invalidity of any provision of this Issuance Agreement shall not affect the validity of the remaining provisions of the Issuance Agreement.

12.2 No Waiver

The non-performance or late exercise by the Holder of any right under this Issuance Agreement shall not constitute a waiver of that right and the exercise of only one of these rights or partial exercise will not prevent the Holder from exercising it again in the future or from the exercising of any other right.

12.3 Notifications

To be validly considered, the Issuer must send the Drawdown Requests by e-mail to the Holder before 8:00 PM, Paris time, on the Date of Drawdown Request.

If email is not available for any of the Parties, Drawdown Requests must be sent, within the same timelines, by any other means deemed appropriate by the Parties. In particular, the Parties shall allow each other to record any phone conversation. In case of disagreement on the terms of a Drawdown Request, the Parties may use their phone records as a form of evidence.

The notifications regarding the execution of this Issuance Agreement will be sent to the following addresses:

To the Issuer: CELLECTIS S.A.

Email: lebozec@cellectis.com
Attention: Marc LE BOZEC

To the Holder: KEPLER CAPITAL MARKETS S.A.

Email: Thierry.du-boislouveau@keplercf.com
Attention: Thierry du BOISLOUVEAU

A list of the names and signature examples of the persons authorized by the Issuer to send Drawdown Request to the Holder is set forth in Appendix D.

12.4 Cooperation between the Parties

The Parties agree to negotiate the terms of the Issuance Agreement in good faith as well as any other agreements necessary for the implementation of the transaction contemplated under the present agreement.

12.5 Applicable Law

The terms of this Issuance Agreement shall be governed by French law, in regards to its validity, interpretation and execution.

12.6 Jurisdiction

ANY DISPUTE CONCERNING THE VALIDITY, INTERPRETATION OR EXECUTION OF THE ISSUANCE AGREEMENT AND ALL CONTRACTUAL DOCUMENTATION WHICH WILL BE MADE WITHIN THE SCOPE OF THE PRESENT OPERATION WILL BE REFERRED TO THE EXCLUSIVE JURISDICTION OF THE PARIS COMMERCIAL COURT.

CELLECTIS S.A.

Signed in Paris, on December 20, 2012 in duplicate originals

Represented by: André CHOULIKA
Acting as Chief Executive Officer

KEPLER CAPITAL MARKETS S.A

Signed in Paris, on December 20, 2012 in duplicate originals

Represented by: Laurent QUIRIN	Represented by: Francis CANARD
Chairman of the Board of Directors	Deputy Chief Executive Officer

ANNEX II

DRAFT OF LEGAL OPINION

[—]

ANNEX III

DRAFT OF PRESS RELEASE

CELLECTIS is pleased to announce that it has successfully completed a fundraising of [—] EUR within its Contingent Equity Line signed with Kepler. Shares have been issued at a price of [—] EUR. And account for [—]% of the company’s share capital.

As a consequence, the company’s share capital accounts for [—] EUR represented by [—] shares (ISIN FR0010425595).

Exhibit 10.8.1

Les parties au contrat d'émission signé le 20 décembre 2012 sont convenues d'y apporter certaines modifications.

La définition de la Période de Référence de clause 2.1 est remplacée par la définition suivante:

« Période Référence »: désigne la période constituée de trois (3) Jours de Bourse consécutifs. Sous réserve de ce qui est dit au 5.4.1, elle commence un (1) Jour de Bourse précédent le Jour de Demande de Tirage ».

Les points 1 et 2 de la clause 5.2 sont remplacés par les dispositions suivantes:

« 1. Si N est inférieur ou égal au Minimum, alors la Demande de Tirage sera intégralement servie (i.e. la Taille de Tirage sera égale à N);

où « Minimum » est égal au plus petit des deux nombres suivants: (3,0 x VolumePR); 60.000 Actions).

2. Si N est strictement supérieur au Minimum, alors le Titulaire s'engage à faire les meilleurs efforts pour satisfaire à la Demande de Tirage à hauteur de N, mais celle-ci pourra n'être servie que partiellement, à la discrétion du Titulaire, sans pouvoir être inférieure au Minimum ni dépasser Maximum.

Où « Maximum » est égal au plus petit des deux nombres suivants: (6,0 x Volume PR; 100.000 Actions) sans pouvoir excéder 800.000 euros. »

La rédaction initiale de la Clause 5.4.1 est remplacée par la disposition suivante:

« 5.4.1 « Stop Loss »

Tant le Titulaire que l'Emetteur auront le droit de reporter le Jour de l'Exercice si le cours de clôture du troisième et dernier Jour de Bourse de la Période de Référence (« Jour de Constatation ») est inférieur de plus de 4,0% (quatre pour cent) par rapport au CMPVPR (la « Condition de Marché »), tel que défini à l'Article 6.1 du présent Contrat d'Emission. Chaque Partie devra informer l'autre de sa décision au plus tard le Jour de Constatation à 18h30.

Dans ce cas, chaque Partie peut décider de 24H la fin de la Période de Référence, dans la limite de 5 (cinq) Jours de Course consécutifs, (le « Report ») jusqu'à ce que les Parties constatent au vu du cours de clôture du troisième et dernier Jour de Bourse de la Période de

AMENDMENT
ISSUANCE AGREEMENT

The parties to the Issuance Agreement signed December 20, 2012 have agreed to make certain changes.

The definition in section 2.1 of Reference Period is replaced by the following definition:

"Reference Period" means the period consisting of three (3) consecutive Trading Days. Subject to Section 5.4.1, it begins one (1) Trading Day prior to the Drawdown Request Day".

Items 1 and 2 of section 5.2 are replaced by the following:

"1. If N is less than or equal to the Minimum, then the Drawdown Size will be fully served (i.e. the Drawdown Size will be equal to N);

where "Minimum" is equal to the smaller of the two following numbers: (3.0 x VolumePR) or 60,000 Shares).

2. If N is strictly greater than the Minimum, then the Holder agrees to use its best efforts to satisfy the Drawdown Request, but at the Holder's discretion this may only be partially fulfilled, without being less than the Minimum or greater than the Maximum.

Where "Maximum" is equal to the smaller of the two following numbers: (6.0 x Volume PR, or 100,000 Shares) and cannot be greater than 800,000 euros. »

The initial wording of Clause 5.4.1 is replaced by the following:

"5.4.1 Stop Loss"

The Holder and the Issuer shall have the right to delay reporting the Exercise Day if the closing price of the third and last Trading Day of the Reference Period ("Recognition Day") is lower by more than 4.0% (four percent) compared to the VWAPPR (the "Market Condition"), as defined in Article 6.1 of this Issuance Agreement. Each Party shall notify the other of its decision no later than Recording Day at 6:30pm.

In such case, each Party may decide to delay the end of the Reference Period by 24 hours, within five (5) consecutive Trading Days (the "Delay"), until the parties determine, in light of the closing price of the third and last Trading Day of the Reference Period, that the Market Condition has disappeared. If at the end of this Delay, the Market Condition has not disappeared, the Drawdown Request will be considered void.

Référence que la Condition de Marché a disparu. Si, à l'issue de ce Report, la Condition de Marché n'a pas disparu, alors la Demande de Tirage sera considérée comme caduque ».

La rédaction initiale de la clause 6.1 est remplacée par la disposition suivante:

« 6.1 Parité d'exécution et prix d'exercice

Sous réserve des ajustements prévus au 6.2 ci-dessous en cas d'Opérations Financières, l'exécution par le Titulaire des engagements pris au titre de 1 (un) Bon permettra à l'Emetteur d'émettre 1 (une Action Nouvelle (la « Parité d'Execution »), sous réserve des ajustements requis par les dispositions législatives, réglementaires et contractuelles applicables, moyennant le versement par le Titulaire d'un prix par Action Nouvelle (le « Prix d'Exercice ») arrondi à la deuxième décimale inférieure, égal au résultat de la formule suivante:

Prix d'Exercice = CMPVPM x 90%

En aucun cas, le Prix d'Exercice ne pourra être inférieur à 80% du CMPV constaté au cours de la période constituée des cinq (5) Jours de Bourse consécutifs précédents le Jour d'Exercice. »

En conséquence, la nouvelle version du Contrat d'Emission figurant en annexe s'appliquera à compter de ce jour. Elle annule et remplace la version du 20 décembre 2012.

Signé à Paris, le 06 juin 2013, en deux exemplaires originaux.

CELLECTIS S.A.

Représenté par: André CHOULIKA
En tant que Président Directeur Général

KEPLER CAPITAL MARKETS S.A.
Représenté par Laurent QUIRIN
Président Directeur Général

Représenté par Francis CANARD
Directeur Général Délégué

The initial wording of Clause 6.1 is replaced by the following:

6.1 Exercise Exchange and Exercise Price

Subject to the adjustments provided for in 6.2. below in the case of Financial Operations, the execution by the Holder of commitments under 1 (one) Warrant will allow the Issuer to issue 1 (one) New Share (the "Exercise Exchange"), subject to the adjustments required by laws, regulations and contractual provisions, subject to payment by the Holder of a price per New Share (the "Exercise Price"), rounded to the second decimal, equal to the result of the following formula:

Exercise Price = VWAPPR x 90%

In any case, the exercise price shall not be less than 80% of the VWAP realized during the period consisting of five (5) consecutive trading days prior to the Exercise Day.

As a result, the new version of the Issuance Agreement, as annexed, will apply as of this day. It supersedes the version of December, 20 2012.

Signed in Paris, June 6, 2013, in two originals.

CELLECTIS S.A.

Represented by: André CHOULIKA
Chairman and CEO

KEPLER CAPITAL MARKETS S.A.
Represented by Laurent QUIRIN
Chairman and CEO

Represented by Francis CANARD
Deputy Chief Executive Officer

Exhibit 10.8.2

AVENANT 2
CONTRAT D'EMISSION

Les Parties au Contrat d'Emission signé le 20 décembre 2012 et modifié par avenant le 6 juin 2013 sont convenues d'y apporter certaines modifications afin de tenir compte des caractéristiques boursières de l'Action, en particulier sa forte volatilité ainsi que sa liquidité erratique.

la définition du Jour d'Exercice de la clause 2.1. est remplacée par la définition suivante:

« Jour d'Exercice » désigne la date à laquelle des Bons sont exercés par le Titulaire:

soit le premier Jour de Bourse suivant la Période de Référence;

soit le premier Jour de Bourse suivant l'Intervalle de Temps entre les deux Exercices. »

la rédaction initiale de la clause 5.2. est remplacée par la rédaction suivante:

« Le Titulaire s'engage, pendant la Période d'Exécution, à souscrire des Actions Nouvelles par exercice de Bons toutes les fois que l'Emetteur lui adresser une Demande Tirage remplissant les conditions visées à l'article 5.3. ci-après et sous les réserves mentionnées au 5.4 ci-après, pour les montants et selon les modalités décrits ci-dessous.

5.2.1. Taille du Tirage

En cas de Demande de Tirage, l'Emetteur indiquera le nombre d'Actions Nouvelles qu'il souhaite émettre (« N ») et le Titulaire exercera, en une ou plusieurs fois (« Exercice »), une partie des Bons requis pour obtenir, en respectant le Calendrier des Exercices tel que défini au 5.2.2, un nombre d'Actions Nouvelles déterminés dans les conditions suivantes (ci-après la « Taille du Tirage »);

La Taille du Tirage ne pourra dépasser le Maximum défini ci-après;

Où « Maximum » est égal à 300.000 Actions.

Chaque Exercice sera au moins égal au Minimum défini ci-après;

AMENDMENT 2
ISSUANCE AGREEMENT

The Parties to the Issuance Agreement signed December 20, 2012 and amended June 6, 2013 agreed to make some modifications to take into account the stock market characteristics of the Share, particularly its high volatility and its erratic liquidity.

1) the definition of the Exercise Day in section 2.1. is replaced by the following definition:

"Exercise Day" means the date on which the Warrants are exercised by the Holder:

either the first Trading Day following the Reference Period;

or the first Trading Day following the Time Interval between the two Exercises.

2) the initial wording of section 5.2. is replaced by the following wording:

The Holder undertakes, during the Performance Period, to subscribe New Shares by exercising the Warrants upon each Issuer Drawdown Request according to Section 5.3. below and with the reservations mentioned in section 5.4. below, in the amounts and in the manner described below.

5.2.1 Drawdown Size

In case of a Drawdown Request, the Issuer shall indicate the number of New Shares it wishes to be issued ("N") and the Holder shall exercise, in one or more times ("Exercise"), a part of the Warrants required to obtain, according to the Exercises' Timeline as defined in 5.2.2, a number of New Shares determined in the following conditions (hereinafter the "Drawdown Size");

Drawdown Size may not exceed the maximum defined below; Where "Maximum" is equal to 300,000 shares.

2. Each Exercise shall be at least equal to the Minimum defined below; Where "Minimum" is equal to the smaller of the two following numbers: (0.3 x ADV, or 60,000 Shares).

5.2.2. Exercises' Timeline.

When there is a Drawdown Request, subject to section 5.4.1. and according to the Time Interval,

Où « Minimum » est égal au plus petit des deux nombres suivants: (0,3 x ADV ; 60.000 Actions).

5.2.2. Calendrier des Exercices

A l'occasion d'une Demande de Tirage, sous réserve de l'article 5.4.1. et en repsectant l'Intervall de Temps, le Titulaire procédera à autant d'Exercices qu'il faudra pour atteindre N, selon les modalités suivantes (le « Calendrier des Exercices »):

le premier Exercice sera en tout état de cause effectué le premier Jour de Bourse suivant le Période de Référence;

la mise en œuvre des Exercices suivants pourra être interrompue par l 'Emetteur qui devra notifier, par simple email, au Titulaire sa décision de poursuivre (ou non) avant que ce dernier ne procède à d'autres Exercices;

le dernier Exercice sera en tout état de cause effectué au plus tard le 12e Jour de Bourse suivant la Période de référence.

La rédaction de la clause 5.4.1. est remplacée par la rédaction suivante:

« 5.4.1. « Stop Loss »

Tant le Titulaire que l'Emetteur auront le droit de reporter un Jour d'Exercice si le dernier cours de clôture de Jour de Bourse précédent le Jour d'Exercice «(« Jour de Constatation ») est inférieur de plus de quatre pour cent (4%) par rapport au CMPVPR (la « Condition de Marché »), tel que définit à l'Article 6.1 du présent Contrat d'Emission.

Chaque Partie devra informer l'autre de sa décision au plus tard le Jour de Constatation à dix-huit heures trente (18H30).

the Holder shall conduct all Exercises necessary to reach N, in the following manner (the "Exercises' Timeline"):

- The first Exercise shall be made on the first Trading Day following the Reference Period;
- The implementation of the following Exercises may be interrupted by the Issuer who shall notify the Holder by e-mail, of its decision to continue (or not) before the latter proceeds with other Exercises;
- The last Exercise shall be made no later than the 12th Trading Day following the Reference Period.

3) The wording of section 5.4.1. is replaced with the following wording:

"5.4.1. "Stop Loss"

The Holder and the Issuer will have the right to delay Exercise Day if the last closing price of the Trading Day preceding the Exercise Day ("Recognition Day") is lower by more than four percent (4%) compared to VWAPPR (the "Market Condition"), as defined in Article 6.1 of the Issuance Agreement.

Each Party shall notify the other of its decision no later than on the Recognition Day at 6:30 p.m. (6:30 p.m.).

In such case, each Party may decide to postpone the Exercise Day by twenty-four hours (24H), within two (2) consecutive Trading Days (the "Report"), until the Parties find that the market condition has disappeared.

If at the end of this Report, the Market Condition has not disappeared, the Drawdown Request will be considered void for the Warrants that have not yet been exercised".

The other provisions of the Issuance Agreement remain unchanged.

As a result, the new version of Issuance Agreement will apply as of this day. It supersedes the version of the signed version of December 20, 2012 and amended June 6, 2013.

Signed in Paris October 7, 2013, in two originals.

CELLECTIS S.A.

Represented by: André CHOULIKA
As Chairman and CEO

Dans ce cas, chaque Partie peut décider de décaler de vingt-quatre heure (24H) le Jour d'Exercice, dans la limite de deux (2) Jours de Bourse consécutifs (le « Report ») jusqu'à ce que les Parties constatent que la Condition de Marché a disparu.

Si, à l'issue de ce Report, la Condition de Marché n'a pas disparu, alors la Demande de Tirage sera considérée comme caduqyye pour les Bons n'ayant pas encore fait l'objet d'un Exercice ».

Les aures dispositions au contrat restent inchangés.

EN conséquence, la nouvelle version du Contrat d'Emission s'appliquera à compter de ce jour. Elle annule et remplace la version du signé le 20 décembre 2012 et modifié par avenant le 6 juin 2013.

Signé à Paris le 07 octobre 2013, en deux exemplaires originaux.

CELLECTIS S.A.

Représenté par: André CHOULIKA
En tant que Président Directeur Général

KEPLER CAPITAL MARKETS S.A.
Représenté par Laurent QUIRIN
Président Directeur Général

Réprésenté par Francis CANARD
Directeur Général Délégué

KEPLER CAPITAL MARKETS S.A.
Represented by Laurent QUIRIN
Chairman and CEO

Represented by Francis CANARD
Deputy CEO

Exhibit 10.9

NEITHER THE WARRANTS NOR THE SHARES DELIVERABLE UPON EXERCISE OF THE WARRANTS (THE "**WARRANT SHARES**") HAVE BEEN OR WILL BE REGISTERED WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT, OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO CELLECTIS.

CELLECTIS

WARRANT AGREEMENT

Trout Capital LLC
740 Broadway, 9th Floor
New York, NY 10003
United States

hereinafter referred to as the "**Beneficiary**"

On March 24, 2014, the board of directors, using the delegation of competence granted to it by the extraordinary shareholders meeting of CELLECTIS (the "**Company**") held on June 14, 2013, issued and granted to the Beneficiary 50,000 warrants (the "**Warrants**") under the terms and conditions set forth in this agreement.

For the avoidance of doubt, the present document shall in no event be deemed as the certificate referred to in article R. 211-7 of the French Code monétaire et financier and shall only be deemed, for purposes of French law, to set forth the terms and conditions of the Warrants.

Date of Grant:	March 24, 2014
Subscription Price of the Warrants:	EUR. 30,000.00 (i.e., EUR. 0.60 per Warrant)
Maximum number of ordinary shares (the "**Warrant Shares**") to be subscribed upon exercise of the Warrants:	50,000 (i.e., 1 Warrant Share per Warrant)
Exercise price per Warrant Share:	EUR 6.00
Term/Expiration date of the Warrants:	2 years from date of grant, i.e. March 24, 2016

Article 1 - Validity of the Warrants

The Warrants will be validly issued as from the date of their subscription by the Beneficiary subject to the conditions precedent that the Beneficiary:

(i) executes and returns to the Company the subscription form of the Warrants in the form attached as exhibit 1 hereto; and

(ii) pays the Subscription Price in full, in cash or by way of set off against receivables in accordance with applicable French law, on or before March 31, 2014.

Article 2 - Exercise of the Warrants

2.1 Vesting period

The Warrants may be exercised at any time from their issue date until March 24, 2016.

Any Warrant not exercised on or before March 24, 2016 shall be automatically void.

2.2 Method of Exercise

The Warrants are exercisable by delivery of an exercise notice, in the form attached hereto under exhibit 2 (the "**Exercise Notice**"), comprising a Warrant Share subscription form (*bulletin de souscription*) which shall state the Beneficiary's election to exercise all or parts of the Warrants and the number of Warrant Shares in respect of which the Warrants are being exercised. The Exercise Notice shall be signed by the Beneficiary and shall be delivered in person or by certified mail to the Company or its designated representative or by facsimile message to be immediately confirmed by certified mail to the Company. The Exercise Notice shall be accompanied by the payment of the aggregate exercise price (the "**Exercise Price**") of all Warrant Shares. If the Exercise Price is paid by wire transfer, the Exercise Price will have to be paid on the Company's bank account at the latest within 10 calendar days following the receipt by the Company of the Exercise Notice. The Warrants shall be deemed to be exercised upon receipt by the Company of such fully executed Exercise Notice accompanied by the proof of payment of such Exercise Price.

Warrant Shares shall be issued and held in registered form in the Beneficiary's name in a Company shareholders' account held by the Company or its registrar (currently Société Générale Securities Services) (the "**Registrar**"), with an indication of the applicable transfer restrictions set forth herein. The Registrar will arrange for the Warrant Shares to be admitted to Euroclear as soon as possible (consistent with standard practice at the time of exercise) after the creation of the Warrant Shares.

Upon exercise of the Warrants, the Warrant Shares issued to the Beneficiary shall be assimilated with all other ordinary shares of the Company (other than with respect to the obligation to transfer the Warrants Shares only in an "offshore transaction" as that term is defined in Regulation S under the Securities Act or otherwise in a transaction not requiring registration under the Securities Act) and shall be entitled to dividend for the fiscal year during which the Warrant Shares are subscribed and issued.

2.3 Payment of the Warrant Shares

Payment of the aggregate Exercise Price of the Warrant Shares shall be made, at the election of the Beneficiary, by:

(1) bank wire transfer; or

(2) check; or

(3) set off against receivables in accordance with applicable French law; or

(4) any combination of the foregoing methods of payment.

Article 3 - Transfer of the warrants

3.1 Transferability

Neither the Warrants nor any Warrant Shares issued upon exercise of the Warrants shall be sold, transferred, assigned, pledged, or hypothecated, or be the subject of any hedging, short sale, derivative, put, or call transaction that would result in the effective economic disposition of the securities by any person for a period of 180 days immediately following the date of this agreement, except the transfer of any security:

i. by operation of law or by reason of reorganization of the Company; or

ii. the exercise or conversion of any security, if all securities received remain subject to the lock-up restriction in this Section 3.1 for the remainder of the time period.

Subject to the foregoing restrictions and compliance with any applicable securities laws, the Warrants and all rights hereunder are transferable, in whole or in part, upon written notice substantially in the form attached hereto in exhibit 3 (the "**Transfer Notice**") duly executed by the Beneficiary or its agent or attorney and sent to the principal office of the Company, together with wire of funds sufficient to pay any transfer taxes payable upon the making of such transfer on the Company's bank account following due notification to the Beneficiary. Upon such notice and surrender and, if required, such payment, the Company shall transcribe the transfer and inscribe the assignee or assignees as Warrantholder(s) in its register and execute and deliver a new Warrant Agreement or Agreements in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant Agreement evidencing that number of Warrants not so assigned, and this Warrant Agreement shall promptly be cancelled. The Warrants, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having new Warrant Agreement(s) executed. Notwithstanding the foregoing, the Company shall have the right to decline to make a transfer of the Warrant or Warrants if such transfer is in violation of the applicable transfer restrictions described herein.

3.2 Transfer Restrictions.

The Warrants may only be disposed of in compliance with French, U.S., state and Federal securities laws and in an "offshore transaction" in accordance with Regulation S under the Securities Act, or pursuant to an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. If, at the time of receipt of the Transfer Notice in

connection with any transfer of the Warrants, the Company may require, as a condition of allowing such transfer, that the Holder or transferee of the Warrants, as the case may be, provide to the Company an opinion of counsel selected by the transferor and reasonably acceptable to the Company, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred Warrant or the Warrant Shares under the Securities Act.

Article 4 - Other terms of the Warrants

In the event of a reduction in the Company's share capital resulting from losses and implemented through share cancellation, the Beneficiary's rights regarding the number of shares to be issued upon exercise of its Warrants shall be reduced accordingly, as if the Beneficiary were a shareholder at the time of such reduction in share capital.

In the event of a reduction in the Company's share capital resulting from losses and implemented through reduction of the Company's shares par value, the subscription price for the shares issued upon exercise of the Warrants shall not change, and the issuance premium shall be increased in an amount corresponding to the aggregate amount of the reduction of the Company's shares par value.

In the event of a reduction in the Company's share capital not resulting from losses and implemented through reduction of the Company's shares par value, the subscription price of the shares issued upon exercise of the Warrants shall be reduced accordingly.

In the event of a reduction in the Company's share capital not resulting from losses and implemented through share cancellation, should the Beneficiary choose to exercise its Warrants, it shall be entitled to request the purchase by the Company of a quantum of shares (granted upon exercise of the Warrants) under the same conditions as those set in favor of then existing shareholders when such reduction in the Company's share capital occurred.

In case of a rights issue (in which all shareholders are offered to participate prorata their respective equity stake), the Company will take one or several of the following decisions to preserve the rights of Warrants holders, in accordance with the provisions of article L. 228-99 of the French commercial code and applicable French and U.S. securities laws:

1. permit any Warrant holder to exercise his Warrants immediately so that such holder may participate in the rights issue, which will not alter or limit the rights of the Beneficiary to exercise the Warrants under Section 2.1 of this Warrant Agreement; or

2. take any measures which would allow the Beneficiary, should he decide to exercise the Warrants, to eventually be in the same position as other shareholders as if the Beneficiary were a shareholder at the time of such operations. Should the Beneficiary exercise its Warrants, the Company could thus allow the Beneficiary to subscribe a *pro rata* share of a new rights' issue or be the beneficiary of free allocation of shares, or receive cash or goods under the same form, proportion, terms and conditions (except for use) as those set in favor of then existing shareholders when such operations occurred; or

3. adjust the Warrants' exercise price, conversion-into-shares ratio or other terms relating to subscription of the Company's shares in order to take into account the new rights issue. In such case, any such adjustment shall be carried out in accordance with the method set forth in article R. 228-91 of French Commercial Code (*Code de commerce*), it being specified that the value of an existing shareholder's right to participate, as well as the value of the share itself (including the right to participate in the rights issue), shall be determined by the board of directors of the Company. The board shall determine such value while taking into account, as the case may be, the subscription, exchange or sale price per share used during the last operation relating to the Company's share capital (such as any share capital increase, contribution in kind, sale of shares,…) which occurred during a six (6)-month period immediately preceding such board of directors' meeting. In the event no such operation occurred over such period, the board shall take into account any other financial parameter which it finds relevant (and which relevancy shall then be confirmed by the Company's statutory auditor).

The Company is authorized, without requesting the specific consent of the holder of the Warrants, to modify its corporate form and its corporate purpose.

If at any time the Warrants should be held by more than one holder and in accordance with Article L.228-103 of the French Commercial Code, holders of the Warrants would then be aggregated together in an independent legal entity (the "**Masse**") for the defense of their collective rights.

A general meeting of the holders of the Warrants shall be called to authorize all modifications of the terms and conditions of the Warrants, and to vote on all decisions and actions that, by law, must be submitted for its approval.

The Company may amend the rules regarding profit allocation, amortize the share capital and create and issue preferred shares entailing any such modification or amortization without requesting the specific consent of the holder of the Warrants subject to complying with the provisions of Article L. 228-98 of the French Commercial Code.

Article 5 - Governing Law

This agreement is governed by the laws of the Republic of France.

Any claim or dispute arising under this agreement shall be subject to the exclusive jurisdiction of the court competent for the place of the registered office of the Company.

/s/ Jonathan Fassberg	/s/ André Choulika
For TROUT CAPITAL LLC	**For CELLECTIS**
By: Jonathan Fassberg	**By: André Choulika**
Title: CCO	**Title: *Président directeur général (CEO)***

EXHIBIT 1

SUBSCRIPTION FORM OF THE WARRANTS

CELLECTIS

French *société anonyme* with a share capital of EUR. 1.054.115,85
Registered office: 8 rue de la Croix Jarry, 75013 Paris, France

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SUBSCRIPTION FORM

Amount and terms of the issuance of the warrant

Issuance at a total price of EUR. 30,000.00 of 50,000 warrants (hereafter the "**Warrants**"), giving the right to subscribe a maximum number of 50,000 ordinary shares (hereafter the "**Warrant Shares**"), each of a nominal value of EUR. 0.05, at a fixed price of EUR. 6.00 each (issue premium included), to be fully paid up in cash or by way of set off against receivables and the subscription of which has been reserved to the subscriber.

The issuance has been decided by the board of directors of Cellectis on March 27, 2014 pursuant to the authorization granted to it by the extraordinary shareholders' meeting of June 14, 2013.

The terms and conditions of the Warrants are described in the warrant agreement executed by the subscriber and Cellectis on March 26, 2014.

The subscription period is opened from March 26, 2014 to April 4, 2014 included.

The amount of the subscription shall be paid in cash or by way of set off against receivables in accordance with applicable French law.

—ooOoo—

The undersigned

Trout Capital LLC, a limited liability company incorporated in the State of New York in the United States of America, having its registered office at 740 Broadway, 9th Floor, New York, NY 10003, United States,

acknowledging the terms and conditions of the Warrants, including:

- that neither the Warrants nor the Warrant Shares have been, nor will be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") by reason of a specific exemption from the registration provisions of the Securities Act, the availability of which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of the representations below;

and representing and warranting to Cellectis as follows:

- that it is acquiring the Warrants for investment for its own account, not as a nominee or agent, and not with the view to, or for resale in connection with, any distribution thereof, and that it has no present intention of selling, granting any participation in, or otherwise distributing the same;

- that it does not have any contract, undertaking, agreement or arrangement with any person or entity to sell, transfer or grant participation to such person or entity or to any third person or entity with respect to any of the Warrants;
- that it is an institutional "accredited investor" as defined in Regulation D, Rule 501(a) under the Securities Act, has such knowledge and experience in financial and business matters so that it is capable of evaluating the merits and risks of its investment in Cellectis and it understands and acknowledges that an investment in Cellectis is highly speculative and involves substantial risks. It can bear the economic risk of its investment and is able, without impairing its financial condition, to hold the Warrants and the Warrant Shares for an indefinite period of time and to suffer a complete loss of its investment;
- that it has had an opportunity to ask questions of, and receive answers from, the officers of Cellectis concerning this Warrant Agreement, as well as its business, management and financial affairs, which questions were answered to its satisfaction;
- that it believes that it has received all the information it considers necessary or appropriate for deciding whether to receive Warrants. It acknowledges that any future plans and forward looking statements expressed by Cellectis are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the future plans and forward looking statements will not materialize or will vary significantly from actual results. It also acknowledges that it is relying solely on its own counsel and not on any statements or representations of Cellectis, or any agent or adviser of Cellectis for legal advice with respect to the subscription of the Warrants;
- that the Warrants are being acquired by it in reliance on a private placement exemption from the registration requirements of the Securities Act and the Warrants and any Warrants Shares are and will be "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and that the exemption from registration provided under Rule 144 may not be available for resales by it of the Warrants or the Warrants Shares. Therefore, it further agrees that if it wishes to dispose of or exchange any of the Warrants or Warrant Shares, it will not transfer any of the Warrants or Warrant Shares, directly or indirectly, unless such transfer is a transaction that is deemed to occur outside of the United States under Regulation S under the Securities Act, or pursuant to an available exemption from, or in a transaction not subject to, the registration requirements, of the Securities Act. The Company may require, as a condition of allowing any transfer, that the holder or transferee of the Warrants or Warrant Shares, as the case may be, provide to the Company an opinion of counsel selected by the transferor and reasonably acceptable to the Company, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred Warrant or the Warrant Shares under the Securities Act;

hereby subscribes the Warrants and pays the amount of its subscription, i.e. EUR. 30,000.00, by way of set off against receivables in accordance with applicable French law.

Made in
On
In two (2) copies

For Trout Capital LLC*
By:
Title:

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* the signature shall be preceded by the following handwritten sentence: “Approval for formal and irrevocable subscription of 50,000 (fifty thousand) Warrants”

EXHIBIT 2

EXERCISE NOTICE OF THE WARRANTS
(Share subscription form)

CELLECTIS
8 rue de la Croix Jarry
75013 Paris
France

[ ], [ ]

Attention: André Choulika/Thierry Moulin

Trout Capital LLC, a limited liability company incorporate in the State of New York in the United States of America, having its registered office at 740 Broadway, 9th Floor, New York, NY 10003, United States,

holder of 50,000 Warrants, each giving right to subscribe for one ordinary share (each a "**Warrant Share**") of Cellectis (the "**Company**") issued pursuant to the resolution of the board of directors of Cellectis held on March 24, 2014,

having examined the terms and conditions of the Warrants, including:

- that neither the Warrants nor the Warrant Shares have been, nor will be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") by reason of a specific exemption from the registration provisions of the Securities Act and therefore the Warrants and the Warrants Shares are and will be "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act;
- that the exemption from registration provided under Rule 144 may not be available for resales by it of the Warrants Shares;
- therefore, it agrees that the Warrant Shares may only be transferred, directly or indirectly, in a transaction that is deemed to occur outside of the United States under Regulation S under the Securities Act, or pursuant to an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act; it agrees that the Company may require, as a condition of allowing any transfer, that the holder or transferee of the Warrant Shares, as the case may be, provide to the Company an opinion of counsel selected by the transferor and reasonably acceptable to the Company, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred Warrant Shares under the Securities Act and that these restrictions have been noted in Cellectis's share registry held by its registrar;

hereby

exercises [_—_] Warrants

and

subscribes consequently for [_—_] Warrant Shares of Cellectis, each of a nominal value of EUR. 0.05, for a subscription price per share of EUR. 6.00 share premium included,

pays, for this subscription, the total amount of EUR. [_—_], corresponding to the aggregate of the nominal value and the share premium of the above Warrant Shares,

by wire transfer to Cellectis's bank account opened at [_—_], Bank Code: [_—_], Desk Code: [_—_], Account: [_—_], Cle RIB: [_—_], IBAN International Bank Account Number [_—_].

Made in
On
In two copies

For Trout Capital LLC*
By:
Title:

* Signature preceded by: "Approval for formal and irrevocable subscription of [_—_] ordinary shares" (number of shares to be mentioned in both figures and letters.)

Exhibit 10.10

CHANGE OF CONTROL PLAN

The executive and employee change of control plan (the "**Plan**") has been adopted by our board of directors on September 4, 2014 and was subsequently amended on December 11, 2014.

The Plan is effective as from September 4, 2014 with respect to the concerned executives and will be effective towards the concerned employees upon the execution by each concerned employee of an amendment to his or her employment agreement to this effect.

A free translation of the relevant excerpt of the minutes of our board of directors' meeting held on December 11, 2014 is presented on the following page.

CELLECTIS
A French *société anonyme* with a share capital of EUR 1,470,986.05
Registered office: 8, rue de la Croix Jarry – 75013 Paris - France
428 859 052 R.C.S. Paris

Translated excerpt of the minutes of the board of directors

held on December 11, 2014

During its meeting held on December 11, 2014, the board of directors of Cellectis (the "**Company**") has made the following decision:

Modifications of the circumstances in which a severance package should be paid by the Company to managers upon a change of control

The chairman reports that his attention has been drawn to the need to clarify the circumstances in which the severance package approved by the board of directors held on September 4, 2014 should be paid to the managers of the group upon a change of control.

The chairman reminds the directors the list of the relevant managers together with their respective compensation levels:

First name	Last name	Position	Annual compensation (gross)	Bonus (% of annual compensation)	Comments
André	Choulika	Chairman of the board of directors and CEO	240,000	80%	
Mathieu	Simon	EVP	245,000	40%	contractual
David	Sourdive	EVP	180,000	40%	
Philippe	Duchateau	CSO	120,000	40%	
Marie-Bleuenn	Terrier	GC	85,000	14%	(non contractual 2013 bonus)
Philippe	Valachs	CS	144,000	40%	
Thierry	Moulin	CFO	140,000	40%	
Delphine	Jay	HR	110,000	12%	(non contractual 2013 bonus 2013)
Julia	Berretta	BusDev	70,000	12%	(non contractual 2013 bonus)
Laurent	Poirot	Innovation Manager	70,000	17%	(non contractual 2013 bonus)
Julianne	Smith	VP CART Platform	80,000	21%	(non contractual 2013 bonus)

The chairman also reminds the directors that the board of directors has, during its meeting held on September 4, 2014, set this severance package at an amount equal to 24 months of gross fixed salary (or for executives, 24 months of compensation) increased by an amount equal to the maximum target bonus to which the employees or executives concerned may be entitled for the year of their departure, or, in the absence of such a target bonus, 1.5 times the last annual bonus paid to them by the Company during the 12 months prior to their departure.

Notwithstanding the above, the board of directors, upon recommandation of the compensation committee, decides that the severance package to be paid to André Choulika, chief executive officer of Cellectis SA, shall amount to two years of compensation and two years of maximal target bonus to take into account the fact that André Choulika is not entitled to any legal or conventional severance payments in the absence of an employment agreement having been entered into between himself and the Company.

This amount would be in addition to any legal and conventional severance payments owed by the Company to the employees or executives concerned.

The Chairman suggests:

- to extend the definition of a « change of control » triggering the payment of such a severance package from the crossing of the threshold of 50% of the share capital or voting rights only to all circumstances qualifying as a change of control within the meaning of article L. 233-3 of the French Commercial code; and
- with respect to managers having entered into an employment agreement with the Company, to clarify that their departure as a result of a significant reduction of their responsabilities would trigger the payment of the abovementioned severance package only to the extent that such departure occurs within the 12-month period following a change of control; and
- to extend from 12 to 36 months following a change of control the period during which the concerned managers would benefit from this severance package.

This amount would thus be paid by the Company should any of the following events occur, it being provided that such triggering events replace and supersede the triggering events approved by the board of directors during its meeting held on September 4, 2014:

- <u>with respect to all managers, whether they are executives of the Company or have entered into an employment agreement with the Company:</u> should the employees or executives concerned not be renewed or be dismissed other than for gross misconduct (*faute lourde*) within the meaning of French labor law within the 36-month period following a change of control of the Company within the meaning of article L. 233-3 of the French Commercial code.
- <u>with respect to executives only:</u> should they resign within the abovementioned 36-month period as a result of a significant reduction of their duties or compensation.

The president indicates that the granting to David Sourdives, deputy chief executive officer, and to himself of the severance package qualifies as a related party agreement which is therefore subject to the prior approval of the board of directors.

The board of directors, after discussions, unanimously:

- **approves** to put into place the abovementioned amendments relating to the circumstances in which a severance package shall be paid to managers of the Company upon a change of control, it being specified that André Choulika et David Sourdives, did not participate to the vote,

* * *
* *
*

Exhibit 10.11

Summary of BSA Plan

Non-employee warrants, or BSA, entitle a holder to exercise the warrant for the underlying vested shares at an exercise price per share determined by our board of directors and at least equal to the fair market value of an ordinary share on the date of grant.

In addition to any exercise price payable by a holder upon the exercise of any non-employee warrant, non-employee warrants need to be subscribed for at a price at least equal to ten percent (10%) of the price of the underlying ordinary shares, which subscription price is meant to reflect at least the fair market value of the applicable warrants on the date of grant.

There is no legal limitation to the size of the non-employee warrant pool.

Administration. Pursuant to delegations granted at our annual shareholders' meeting, our board of directors determines the recipients, dates of grant and exercise price of non-employee warrants, the number of non-employee warrants to be granted and the terms and conditions of the non-employee warrants, including the period of their exercisability and their vesting schedule. The board of directors has the authority to extend the post-termination exercise period of non-employee warrants after the end of the term of office.

Non-Employee Warrants. Our non-employee warrants are generally granted subject to a two-year vesting, subject to continued service.

The term of non-employee warrants is determined by our Board of Directors at the time of the grant. With respect to our outstanding non-employee warrants, the term is ten years from the date of grant or, in the case of death or disability of the beneficiary during such ten-year period, nine months from the death or disability of the beneficiary. In addition, the exercise period following a holder's termination of continuous status with the Company is determined by our Board of Directors at the time of the grant. Our non-employee warrants currently outstanding shall remain exercisable for three months following a holder's termination of continuous status with the Company.

Non-employee warrants may be transferred to any person and may be exercised by their holder at any time subject to vesting.

As of December 31, 2014, 40,000 non-employee warrants exercisable for an aggregate of 41,549 ordinary shares at a weighted average exercise price of €10.40 per share, were outstanding, all of which are held by one of our directors and exercisable at the date hereof.

Exhibit 10.12

Summary of BSPCE Plan

Employee warrants, or BSPCE, entitle a holder to exercise the warrant for the underlying vested shares at an exercise price per share determined by our board of directors equal to the higher of (1) the fair market value of an ordinary share on the date of grant and (2) if the company has carried out a capital increase within six months prior to the attribution of employee warrants, the issue price of such capital increase.

Employee warrants may only be issued by growth companies meeting certain criteria. Most significantly, the issuer must have been registered for less than 15 years and 25% of the issuer's share capital must have been continuously held since the company's formation by natural persons or by holding companies, of which 75% of such holding company's share capital is held by natural persons. The calculation of such threshold does not include venture capital mutual investment fund (*fonds commun de placement à risques*), specialized professional funds (*fonds professionnels spécialisés*), private equity funds (*fonds professionnels de capital investissement*), local investment funds (*fonds d'investissement de proximité*) and innovation-focused mutual funds (*fonds commun de placement dans l'innovation*).

Administration. We are no longer eligible to issue employee warrants since we no longer satisfy the legal conditions necessary to issue such employee warrants. Pursuant to delegations granted at our annual shareholders' meetings, outstanding employee warrants were granted by our board of directors, which determined the recipients, dates of grant and exercise price, number of employee warrants to be granted and the terms and conditions of the employee warrants. The board of directors still has the authority to extend the post-termination exercise period of employee warrants after the termination of the employment agreement.

***Employee Warrants*.** Our outstanding employee warrants were generally granted (1) either subject to a three-year vesting schedule under which one-third (1/3) of the employee warrants vest upon the first anniversary of grant and one-third (1/3) at the expiration of each year thereafter, subject to continued service, or (2) subject to a five-year vesting schedule under which 40% of the employee warrants vest upon the second anniversary of grant and 20% at the expiration of each year thereafter, subject to continued service. In each case, any warrant which is not exercised before the tenth anniversary of the date of grant will automatically lapse. Our employee warrants granted in 2010 also provide that in the event of a change in control, as defined in the relevant grant documents, unvested warrants will automatically vest in full.

The term of each employee warrant is ten years from the date of grant or, in the case of death or disability of the beneficiary during such ten-year period, nine months from the death or disability of the beneficiary in accordance with French law. An employee warrant shall remain exercisable for three months following a beneficiary's termination of continuous status with the Company. In the case of our employee warrants granted in 2010, the warrants could also remain exercisable for a longer period if so resolved by the board of directors before the expiry of such three-month period.

Employee warrants are not transferable and may not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner other than by will or by laws of descent or distribution and may be exercised, during the lifetime of the beneficiary, only by the beneficiary.

As of December 31, 2014, 212,670 employee warrants exercisable for an aggregate of 220,886 ordinary shares at a weighted average exercise price of €13.15 per share, were outstanding, of which 16,000 employee warrants are held by our directors and executive officers.

Exhibit 10.13

CELLECTIS

FREE SHARE 2012 PLAN

Approved by the Board of Directors on September 18, 2012

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1. IMPLEMENTATION OF THE FREE SHARE PLAN

Pursuant to decisions dated June 22, 2012, the shareholders' general meeting of Cellectis, a French *société anonyme* whose registered office is located at 8 rue de la Croix Jarry, 75013 Paris and whose identification number is 428 859 052 R.C.S. Paris (hereafter referred to as the "***Company***") authorized the Board of Directors to allocate free shares of the Company to the benefit of employees of the Company or to certain categories of such employees, and/or to the benefit of its corporate officers who meet the conditions set forth by Article L. 225-197-1 II of the French commercial code, as well as to the benefit of employees of companies or economic interest groups whose share capital or voting rights are held, directly or indirectly, for more than ten per cent (10%) by the Company at the date of allocation of said shares.

The Board of Directors decided on September 18, 2012, pursuant to the authorization of the shareholders' general meeting dated June 22, 2012 and after approval of the Compensation Committee, to allocate a total of 109 099 free shares of the Company to the benefit of eligible employees and approved the present free share plan stating the conditions and criteria for the allocation of such shares (hereafter referred to as the "***2012 Plan***").

2. DEFINITIONS

Under the present 2012 Plan, the following terms and expressions starting with a capital letter shall have the following meaning and may be used indifferently in the singular or in the plural form:

"Acquisition Date" refers to the date when the free Shares have been definitely acquired by the relevant Beneficiary;

"Acquisition Period" refers to the two (2) year period starting on the Allocation Date and ending on the Acquisition Date, being specified that the Board of Directors may decide to extend this period so that its duration be equal to four (4) years for certain Beneficiaries who are not French tax resident, as stated in the corresponding Allocation Letter;

"Allocation" refers to the decision of the Board of Directors dated September 18, 2012 to allocate free Shares to a given Beneficiary. This Allocation constitutes a right to be granted Shares at the end of the Acquisition Period subject to the compliance with the conditions and criteria set forth by the present 2012 Plan;

"Allocation Date" refers to the date when the Board of Directors decided to allocate free Shares under the 2012 Plan, i.e. September 18, 2012;

“Allocation Letter”	refers to the letter which inform a given Beneficiary of the allocation of free Shares, as stated in Article 5 of the 2012 Plan;
“Beneficiaries”	refers to the person(s) for whose benefit the Board of Directors decided an Allocation of Shares as well as, as the case may be, his or her heirs;
“Bylaws”	refers to the bylaws of the Company in force at the date referred to;
“Disability”	refers to the disability of a Beneficiary corresponding to the second or third of the categories provided by Article L. 341-4 of the French social security code;
“Group”	refers to the Company and to all the companies and groups related to the Company in the meaning of Article L. 225-197-2 of the French commercial code;
“Holding Period”	refers to the two (2) year period starting on the Acquisition Date, being specified no Holding Period will be applicable to the Beneficiaries for whom the duration of the Acquisition Period is equal to four (4) years as from the Allocation Date, as stated in the corresponding Allocation Letter;
“Presence”	refers to the presence of the Beneficiary in his or her capacity of employee and/or corporate officer of the Company or of any of the companies of the Group;
“Shares”	refers to the shares issued or which will be issued by the Company in representation of its share capital;
“Trading Day”	refers to the working days when NYSE Euronext proceeds to the listing of shares on the Alternext market NYSE Euronext in Paris other than days when the listings end prior to the usual closing hour.

3. PURPOSE

The purpose of the 2012 Plan is to set forth the conditions and criteria for the allocation of free Shares under the 2012 Plan, pursuant to Articles L. 225-197-1 *et seq.* of the French commercial code and to the authorization granted by the shareholders’ general meeting of the Company dated June 22, 2012.

4. BENEFICIARIES

Pursuant to the authorization of the shareholders’ general meeting dated June 22, 2012, the Board of Directors of the Company approved the list of Beneficiaries among its employees and the employees of companies in which it holds, directly or indirectly, at least ten per cent (10%) of the share capital and voting rights, together with the indication of the number of free Shares allocated to each of them.

5. NOTICE OF THE ALLOCATION OF THE SHARES

The notice of the Allocation of Shares to the Beneficiaries shall be made pursuant to an Allocation Letter sent by the Board of Directors or by any other person selected by the Board of Directors, by registered mail with acknowledgement of receipt or delivered in person with acknowledgement of receipt, together with a copy of the present 2012 Plan, indicating the number of Shares allocated to the Beneficiary, the Acquisition Period and the Holding Period.

The Beneficiary shall acknowledge receipt of the Allocation Letter and of the 2012 Plan by sending signed copies of these documents within two (2) months from the date of receipt, the documents being deemed to be received on the first date of presentation, in the absence of which the Allocation shall be null and void for this Beneficiary.

The fact that a person may benefit from the 2012 Plan does not imply that he or she shall benefit from any other plan that may be implemented thereafter.

6. ACQUISITION PERIOD

6.1 Principle

The free Shares allocated under the 2012 Plan shall be definitively acquired by the Beneficiaries at the end of the Acquisition Period, provided that the following condition precedent is met:

- continued Presence of the Beneficiary during the Acquisition Period, in the absence of which he or she will not be entitled to acquire Shares on the date when this condition is no longer met;

being specified that the Board of Directors shall be entitled to release a given Beneficiary from the condition set forth above for all or part of the Shares granted.

Further, should the Beneficiary be at the same time an employee and a corporate officer of the same company or of two companies of the Group, the loss of one of these capacities shall not result in the loss of the right to acquire the free Shares allocated under the 2012 Plan at the end of the Acquisition Period.

Pursuant to Article L. 225-197-3 of the French commercial code, the Beneficiaries hold a claim against the Company which is personal and may not be transferred until the end of the Acquisition Period.

During the Acquisition Period, the Beneficiaries will not own the free Shares and will not be shareholders of the Company. As a consequence, they will not hold any rights attached to the Shares.

6.2 Internal mobility

In the event of transfer or temporary assignment of the Beneficiary within a company of the Group, implying (i) the termination of the initial employment agreement and the entering into of a new employment agreement or of a position as corporate officer, and/or (ii) a resignation of the Beneficiary from his or her position as corporate officer and the acceptance of a new position of corporate officer or the entering into of a new employment agreement in one of such companies, the Beneficiary shall retain his or her right to be allocated free Shares at the end of the Acquisition Period.

6.3 Disability

In the event of Disability before the end of the Acquisition Period, the free Shares shall be definitively acquired by the Beneficiary on the date of Disability.

For participants subject to tax in the US, the date of such disability shall be the date such disability is incurred and in all cases such shares shall be delivered by March 15th of the year following the year in which such disability is incurred.

6.4 Decease

In the event of decease of the Beneficiary during the Acquisition Period, the free Shares shall be definitively acquired at the date of the request of allocation made by his or her beneficiaries in the framework of the inheritance.

The request for allocation of the Shares shall be made within six (6) months from the date of the decease in compliance with Article L. 225-197-3 of the French commercial code.

6.5 Retirement

In the event of the retirement of a given Beneficiary during the Acquisition Period, the Board of Directors of the Company may decide that the condition set forth in article 6.1 above shall be deemed to be met for all or part of the Shares granted upon the date of such retirement.

7. HOLDING PERIOD

7.1 Principle

During the Holding Period, if any, the Beneficiaries concerned will be the owner of the free Shares allocated under the 2012 Plan and will be shareholders of the Company. As a consequence, they will benefit from all the rights attached to the capacity of shareholder of the Company.

However, the free Shares shall not be available during the Holding Period and the Beneficiaries may not transfer or pledge the Shares, by any means, or convert them into the bearer form.

At the end of the Holding Period, the Shares will be fully available, subject to the provisions of the following paragraph.

At the end of the Holding Period, if the Company's shares are listed on a regulated market, the free Shares allocated under the 2012 Plan may not be transferred during the "black-out" periods set forth in Article L. 225-197-1 of the French commercial code, i.e., as currently provided:

- within ten (10) Trading Days before and three (3) Trading Days after the date on which the consolidated accounts, or failing that, the annual accounts, are published;
- during the period between the date on which the Company's management bodies have knowledge of information which, were it to be published, could have a significant impact on the price of the Shares, and the date falling ten (10) Trading Days after the date on which the said information is published.

7.2 Specific situations

Notwithstanding the provisions of the second paragraph of Article 7.1 above, the free Shares allocated to the Beneficiaries referred to at Article 6.3 above or to the beneficiaries of the deceased Beneficiary referred to at Article 6.4 above may be freely transferred as from the date of their final allocation.

8. CHARACTERISTICS OF THE SHARES

The Shares definitively allocated shall be, at the Company's choice, new ordinary shares to be issued by the Company or existing Shares acquired by the Company.

As from the Acquisition Date, they shall be subject to all the provisions of the Bylaws.

They shall be assimilated to existing ordinary shares of the Company and shall benefit from the same rights as from the Acquisition Date.

9. DELIVERY AND HOLDING OF THE SHARES

At the end of the Acquisition Period, the Company shall deliver to the Beneficiary the free Shares allocated under the 2012 Plan provided that the conditions and criteria for such allocation provided by Articles 5 and 6 above are met.

If the Acquisition Date is not a working day, the delivery of the Shares shall be completed the first working day following the end of the Acquisition Period.

The Shares that may be acquired under the 2012 Plan will be held, during the Holding Period (if any), under the nominative form (*nominatif pur*) in an individual account opened in the name of the relevant Beneficiary at Société Générale Securities Services with a mention that they cannot be transferred. At the end of the Holding Period (or the end of the Acquisition Period if there is no Holding Period), the Shares will have to

remain under the nominative form (*nominatif pur*) at Société Générale Securities Services until the time they are transferred to make sure that the restrictions set forth in the last paragraph of Article 7.1 above are complied with. The conversion of the shares in another form (bearer form or *nominatif administré*) is not allowed under the rules of the 2012 Plan.

In the event that, as a consequence of the allocation of free Shares under the 2012 Plan, the Company or any of the companies of the Group shall be compelled to pay taxes, social costs or any other social security taxes or contributions on behalf of the Beneficiary, the Company retains the right to postpone or to forbid the delivery of the Shares on the Acquisition Date until the relevant Beneficiary has paid to the Company or to the relevant company of the Group the amount corresponding to these taxes, social costs, or social security taxes or contributions.

10. INTERMEDIARY OPERATIONS

In the event of exchange without equalization payment (*soulte*) resulting from an operation of merger or spin-off completed in compliance with the applicable regulations during the Acquisition Period or the Holding Period, the companies taking part in the operation shall substitute to the Company and the provisions of the present 2012 Plan, and notably the durations of the Acquisition Period and of the Holding Period shall apply to the allocation rights and to the shares received in compliance with Article L. 225-197-1 III of the French commercial code.

The same shall apply in the event of a public offering operation, of a division or a grouping of shares completed in compliance with the application regulations during the Holding Period.

11. ADJUSTMENT

Should the Company proceed, during the Acquisition Period, to an amortization, to a share capital reduction, to a change in the allocation of its profits, to an allocation of free shares to all the shareholders, to a capitalization of reserves, profits or issuance premiums, to an allocation of reserves or to an issuance of equity securities or giving right to the allocation of equity securities including a preferential subscription right reserved to the shareholders, the maximum number of Shares allocated under the 2012 Plan may be adjusted in order to take into account said operation by application, *mutatis mutandis*, of the terms of adjustment provided by the law for the beneficiaries of stock options.

Each Beneficiary shall be informed of the practical terms of the adjustment and of its consequences on the Allocation of Shares he or she benefited from, being specified that the free Shares allocated pursuant to this adjustment shall be governed by the present 2012 Plan.

12. AMENDMENT TO THE 2012 PLAN

12.1 Principle

The present 2012 Plan may be amended by the Board of Directors upon authorization of the Supervisory Board of the Company, being specified that the amendments shall be subject to the written consent of the Beneficiaries if it results in a decrease in the rights of said Beneficiaries.

The new provisions shall apply to the Beneficiaries of the Shares during the Acquisition Period on the date of the decision to amend the 2012 Plan taken by the Board of Directors, or the written consent of the Beneficiary, if required.

12.2 Notice of the amendments

The amendments to the 2012 Plan shall be notified to the relevant Beneficiaries, by all means, including by internal mail, by simple letter or with acknowledgement of receipt, by fax or by e-mail.

13. TAX AND SOCIAL RULES

The Beneficiary shall bear all taxes and mandatory costs which he or she must bear pursuant to the applicable law in relation to the allocation of free Shares, on the due date of said taxes or costs.

Each Beneficiary shall verify and carry out, as the case may be, the declaratory obligations he or she must comply with in relation to the allocation of the free Shares.

14. MISCELLANEOUS

14.1 Rights in relation to the capacity of employee

No provisions of the present 2012 Plan shall be construed as granting to the Beneficiary a right to have his or her employment agreement with the Company or any of the companies of the Group maintained, or limiting the right of the Company or any of the companies of the Group to terminate or amend the terms and conditions of the employment agreement of the Beneficiary.

14.2 Applicable law - Jurisdiction

The present 2012 Plan is subject to French law. Any dispute relating to its validity, its construction or its performance shall be decided by the competent courts of the French Republic.

14.3 Provisions Applicable to Beneficiaries Located outside of France

The attached Appendix applies to Beneficiaries located outside of France.

Reserved to the Beneficiary:

Mr/Ms declares having read all the provisions of the 2012 Plan and Appendix, as applicable, and expressly acknowledges that these provisions apply to him/her.

Made in ______________________________

On ______________________________

Signature: ______________________________ and initial on each page

APPENDIX

TERMS AND CONDITIONS

This Appendix contains additional terms and conditions that will apply to the Beneficiary if he or she resides outside of France. Capitalized terms used but not defined herein shall have the same meanings assigned to them in the 2012 Plan.

NOTIFICATIONS

This Appendix also includes information regarding exchange control and certain other issues of which the Beneficiary should be aware with respect to his or her participation in the 2012 Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of March 2012. Such laws are often complex and change frequently. The Company therefore strongly recommends that the Beneficiary not rely on the information in this Appendix as the only source of information relating to the consequences of his or her participation in the 2012 Plan because such information may be outdated when the Beneficiary vests in the Shares and/or sells any Shares issued pursuant to the award.

GENERAL PROVISIONS

Taxes. Regardless of any action the Company or Beneficiaries' Employer (the "Employer") takes with respect to any or all income tax, social insurance, payroll tax, or other Tax-Related withholding ("Tax-Related Items"), Beneficiary acknowledges that the ultimate liability for all Tax-Related Items legally due by the Beneficiary is and remains Beneficiary's responsibility and that the Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Share grant, including the grant, vesting of the Shares, the subsequent sale of Shares acquired pursuant to such vesting and the receipt of any dividends; and (2) do not commit to structure the terms of the grant or any aspect of the Shares to reduce or eliminate Beneficiary's liability for Tax-Related Items.

Prior to vesting of the Shares, Beneficiary will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all withholding obligations of the Company and/or the Employer, if any. In this regard, Beneficiary authorizes the Company and/or the Employer to withhold all applicable Tax-Related Items legally payable by Beneficiary from Beneficiary's compensation paid to Beneficiary by the Company and/or Employer or from proceeds of the sale of Shares. Alternatively, or in addition, if permissible under local law, the Company may (1) sell or arrange for the sale of Shares that Beneficiary acquires to meet the withholding obligation for Tax-Related Items and/or (2) withhold in Shares, provided that the Company only withholds the amount of Shares necessary to satisfy the minimum withholding amount. Finally, Beneficiary will pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold as a result of Beneficiary's participation in the 2012 Plan or Beneficiary's acquisition of Shares that cannot be satisfied by the means previously described. The Company may refuse to honor the vesting and refuse to deliver the Shares if Beneficiary fails to comply with Beneficiary's obligations in connection with the Tax-Related Items as described in this section.

Nature of Grant. In accepting the grant, Beneficiary acknowledges that:

(a) the 2012 Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the 2012 Plan;

(b) the grant of the Shares is voluntary and occasional and does not create any contractual or other right to receive future grants of Shares, or benefits in lieu of Shares, even if Shares have been granted repeatedly in the past;

(c) all decisions with respect to future grants, if any, will be at the sole discretion of the Company;

(d) Beneficiary's participation in the 2012 Plan shall not create a right to further employment with the Employer and shall not interfere with the ability of the Employer to terminate Beneficiary's employment relationship at any time with or without cause unless otherwise required under local law;

(e) Beneficiary is voluntarily participating in the 2012 Plan;

(f) the Shares are an extraordinary item that do not constitute compensation of any kind for services of any kind rendered to the Company or the Employer, and which is outside the scope of Beneficiary's employment contract, if any;

(g) the Shares are not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long service awards, pension or retirement benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or the Employer;

(h) in the event that Beneficiary is not an employee of the Company, the grant will not be interpreted to form an employment contract or relationship with the Company; and furthermore, the grant will not be interpreted to form an employment contract with the Employer or any subsidiary or affiliate of the Company;

(i) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(j) if Beneficiary obtains Shares, the value of those Shares may increase or decrease;

(k) in consideration of the grant, no claim or entitlement to compensation or damages shall arise from termination of the award of Shares or diminution in value of the award resulting from termination of Beneficiary's employment with the Company or the Employer (for any reason whatsoever) and Beneficiary irrevocably releases the Company and the Employer from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing the 2012 Plan, Beneficiary shall be deemed irrevocably to have waived Beneficiary's entitlement to pursue such claim; and

(l) unless otherwise decided by the Board of Directors, in the event of termination of Beneficiary's employment during the acquisition period, Beneficiary's right to vest in the Shares under the 2012 Plan, if any, will terminate effective as of the date that Beneficiary is no longer actively employed and will not be extended by any notice period mandated under the local law (e.g., active employment would not include a period of "garden leave" or similar period pursuant to local law).

Data Privacy. Beneficiary hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Beneficiary's personal data as described in this document by and among, as applicable, the Employer, the Company and its subsidiaries and affiliates for the exclusive purpose of implementing, administering and managing Beneficiary's participation in the 2012 Plan.

Beneficiary understands that the Company and the Employer may hold certain personal information about Beneficiary, including, but not limited to, Beneficiary's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all awards or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Beneficiary's favor, for the exclusive purpose of implementing, administering and managing the 2012 Plan ("Data").

Beneficiary understands that the recipients of the Data may be located in France or elsewhere, and that the recipients' country may have different data privacy laws and protections than Beneficiary's country. Beneficiary understands that Beneficiary may request a list with the names and addresses of any potential recipients of the Data by contacting Beneficiary's local human resources representative. Beneficiary authorizes the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the 2012 Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing Beneficiary's participation in the 2012 Plan. Beneficiary understands that Data will be held only as long as is necessary to implement, administer and manage Beneficiary's participation in the 2012 Plan. Beneficiary understands that Beneficiary may, at any time, view the Data, request additional information about the storage processing of the Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing Beneficiary's local human resources representative. Beneficiary understands, however, that refusing or withdrawing Beneficiary's consent may affect Beneficiary's ability to participate in the 2012 Plan. For more information on the consequences of Beneficiary's refusal to consent or withdrawal of consent, Beneficiary understands that Beneficiary may contact Beneficiary's local human resources representative.

Language. If Beneficiary has received this document or any other document related to the 2012 Plan translated into a language other than French and if the translated version is different than the French version, the French version will control.

Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to the 2012 Plan or future awards that may be granted under the 2012 Plan by electronic

means or to request Beneficiary's consent to participate in the 2012 Plan by electronic means. Beneficiary hereby consents to receive such documents by electronic delivery and, if requested, to agree to participate in the 2012 Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

Severability. The provisions of this 2012 Plan are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

Country-Specific Provisions

United States

Beneficiary acknowledges that both this award and any Shares are securities, the issuance by the Company of which requires compliance with federal and state securities laws.

Beneficiary acknowledges that these securities are made available to Beneficiary only on the condition that Beneficiary makes the representations contained in this section to the Company.

Beneficiary has made a reasonable investigation of the affairs of the Company sufficient to be well informed as to the rights and the value of these securities.

Beneficiary understands that the securities have not been registered under the Securities Act of 1933, as amended, (the "Act"), or any applicable state law in reliance upon one or more specific exemptions contained in the Act and any applicable state law, which may include reliance on Rule 701 promulgated under the Act, if available, or which may depend upon (i) Beneficiary's bona fide investment intention in acquiring these securities; (ii) Beneficiary's intention to hold these securities in compliance with federal and state securities laws; and (iii) Beneficiary having no present intention of selling or transferring any part thereof in violation of applicable federal and state securities laws.

The 2012 Plan has been drafted with the intent that each payment thereunder is exempt from Internal Revenue Code Section 409A and should be interpreted accordingly.

The Company makes no representation as to the tax status of the 2012 Plan to the Beneficiary's who should seek their own tax advice.

Term Changes/Addendum to the 2012 Plan

The last paragraph of Section 6.2 (Public Offering) and Section 6.6 (Retirement) of the 2012 Plan do not apply to beneficiaries subject to tax in the United States.

Exhibit 10.14

CELLECTIS

FREE SHARE 2013 PLAN

Approved by the Board of Directors on March 19, 2013

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1. IMPLEMENTATION OF THE FREE SHARE PLAN

Pursuant to decisions dated June 22, 2012, the shareholders' general meeting of Cellectis, a French *société anonyme* whose registered office is located at 8 rue de la Croix Jarry, 75013 Paris and whose identification number is 428 859 052 R.C.S. Paris (hereafter referred to as the "***Company***") authorized the Board of Directors to allocate free shares of the Company to the benefit of employees of the Company or to certain categories of such employees, and/or to the benefit of its corporate officers who meet the conditions set forth by Article L. 225-197-1 II of the French commercial code, as well as to the benefit of employees of companies or economic interest groups whose share capital or voting rights are held, directly or indirectly, for more than ten per cent (10%) by the Company at the date of allocation of said shares.

The Board of Directors decided on March 19, 2013, pursuant to the authorization of the shareholders' general meeting dated June 22, 2012 and after approval of the Compensation Committee, to allocate a total of 102 000 free shares of the Company to the benefit of eligible employees and approved the present free share plan stating the conditions and criteria for the allocation of such shares (hereafter referred to as the "***2013 Plan***").

2. DEFINITIONS

Under the present 2013 Plan, the following terms and expressions starting with a capital letter shall have the following meaning and may be used indifferently in the singular or in the plural form:

"Acquisition Date" refers to the date when the free Shares have been definitely acquired by the relevant Beneficiary;

"Acquisition Period" refers to the two (2) year period starting on the Allocation Date and ending on the Acquisition Date, being specified that the Board of Directors may decide to extend this period so that its duration be equal to four (4) years for certain Beneficiaries who are not French tax resident, as stated in the corresponding Allocation Letter;

"Allocation" refers to the decision of the Board of Directors dated March 19, 2013 to allocate free Shares to a given Beneficiary. This Allocation constitutes a right to be granted Shares at the end of the Acquisition Period subject to the compliance with the conditions and criteria set forth by the present 2013 Plan;

"Allocation Date" refers to the date when the Board of Directors decided to allocate free Shares under the 2013 Plan, i.e. March 19, 2013;

"Allocation Letter" refers to the letter which inform a given Beneficiary of the allocation of free Shares, as stated in Article 5 of the 2013 Plan;

“Beneficiaries”	refers to the person(s) for whose benefit the Board of Directors decided an Allocation of Shares as well as, as the case may be, his or her heirs;
“Bylaws”	refers to the bylaws of the Company in force at the date referred to;
“Disability”	refers to the disability of a Beneficiary corresponding to the second or third of the categories provided by Article L. 341-4 of the French social security code;
“Group”	refers to the Company and to all the companies and groups related to the Company in the meaning of Article L. 225-197-2 of the French commercial code;
“Holding Period”	refers to the two (2) year period starting on the Acquisition Date, being specified no Holding Period will be applicable to the Beneficiaries for whom the duration of the Acquisition Period is equal to four (4) years as from the Allocation Date, as stated in the corresponding Allocation Letter;
“Presence”	refers to the presence of the Beneficiary in his or her capacity of employee and/or corporate officer of the Company or of any of the companies of the Group;
“Shares”	refers to the shares issued or which will be issued by the Company in representation of its share capital;
“Trading Day”	refers to the working days when NYSE Euronext proceeds to the listing of shares on the Alternext market NYSE Euronext in Paris other than days when the listings end prior to the usual closing hour.

3. PURPOSE

The purpose of the 2013 Plan is to set forth the conditions and criteria for the allocation of free Shares under the 2013 Plan, pursuant to Articles L. 225-197-1 *et seq.* of the French commercial code and to the authorization granted by the shareholders’ general meeting of the Company dated June 22, 2012.

4. BENEFICIARIES

Pursuant to the authorization of the shareholders’ general meeting dated June 22, 2012, the Board of Directors of the Company approved the list of Beneficiaries among its employees and the employees of companies in which it holds, directly or indirectly, at least ten per cent (10%) of the share capital and voting rights, together with the indication of the number of free Shares allocated to each of them.

5. NOTICE OF THE ALLOCATION OF THE SHARES

The notice of the Allocation of Shares to the Beneficiaries shall be made pursuant to an Allocation Letter sent by the Board of Directors or by any other person selected by the Board of Directors, by registered mail with acknowledgement of receipt or delivered in person with acknowledgement of receipt, together with a copy of the present 2013 Plan, indicating the number of Shares allocated to the Beneficiary, the Acquisition Period and the Holding Period.

The Beneficiary shall acknowledge receipt of the Allocation Letter and of the 2013 Plan by sending signed copies of these documents within two (2) months from the date of receipt, the documents being deemed to be received on the first date of presentation, in the absence of which the Allocation shall be null and void for this Beneficiary.

The fact that a person may benefit from the 2013 Plan does not imply that he or she shall benefit from any other plan that may be implemented thereafter.

6. ACQUISITION PERIOD

6.1 Principle

The free Shares allocated under the 2013 Plan shall be definitively acquired by the Beneficiaries at the end of the Acquisition Period, provided that the following condition precedent is met:

- continued Presence of the Beneficiary during the Acquisition Period, in the absence of which he or she will not be entitled to acquire Shares on the date when this condition is no longer met;

being specified that the Board of Directors shall be entitled to release a given Beneficiary from the condition set forth above for all or part of the Shares granted.

Further, should the Beneficiary be at the same time an employee and a corporate officer of the same company or of two companies of the Group, the loss of one of these capacities shall not result in the loss of the right to acquire the free Shares allocated under the 2013 Plan at the end of the Acquisition Period.

Pursuant to Article L. 225-197-3 of the French commercial code, the Beneficiaries hold a claim against the Company which is personal and may not be transferred until the end of the Acquisition Period.

During the Acquisition Period, the Beneficiaries will not own the free Shares and will not be shareholders of the Company. As a consequence, they will not hold any rights attached to the Shares.

6.2 Internal mobility

In the event of transfer or temporary assignment of the Beneficiary within a company of the Group, implying (i) the termination of the initial employment agreement and the entering into of a new employment agreement or of a position as corporate officer, and/or (ii) a resignation of the Beneficiary from his or her position as corporate officer and the acceptance of a new position of corporate officer or the entering into of a new employment agreement in one of such companies, the Beneficiary shall retain his or her right to be allocated free Shares at the end of the Acquisition Period.

6.3 Disability

In the event of Disability before the end of the Acquisition Period, the free Shares shall be definitively acquired by the Beneficiary on the date of Disability.

For participants subject to tax in the US, the date of such disability shall be the date such disability is incurred and in all cases such shares shall be delivered by March 15th of the year following the year in which such disability is incurred.

6.4 Decease

In the event of decease of the Beneficiary during the Acquisition Period, the free Shares shall be definitively acquired at the date of the request of allocation made by his or her beneficiaries in the framework of the inheritance.

The request for allocation of the Shares shall be made within six (6) months from the date of the decease in compliance with Article L. 225-197-3 of the French commercial code.

6.5 Retirement

In the event of the retirement of a given Beneficiary during the Acquisition Period, the Board of Directors of the Company may decide that the condition set forth in article 6.1 above shall be deemed to be met for all or part of the Shares granted upon the date of such retirement.

7. HOLDING PERIOD

7.1 Principle

During the Holding Period, if any, the Beneficiaries concerned will be the owner of the free Shares allocated under the 2013 Plan and will be shareholders of the Company. As a consequence, they will benefit from all the rights attached to the capacity of shareholder of the Company.

However, the free Shares shall not be available during the Holding Period and the Beneficiaries may not transfer or pledge the Shares, by any means, or convert them into the bearer form.

At the end of the Holding Period, the Shares will be fully available, subject to the provisions of the following paragraph.

At the end of the Holding Period, if the Company's shares are listed on a regulated market, the free Shares allocated under the 2013 Plan may not be transferred during the "black-out" periods set forth in Article L. 225-197-1 of the French commercial code, i.e., as currently provided:

- within ten (10) Trading Days before and three (3) Trading Days after the date on which the consolidated accounts, or failing that, the annual accounts, are published;
- during the period between the date on which the Company's management bodies have knowledge of information which, were it to be published, could have a significant impact on the price of the Shares, and the date falling ten (10) Trading Days after the date on which the said information is published.

7.2 Specific situations

Notwithstanding the provisions of the second paragraph of Article 7.1 above, the free Shares allocated to the Beneficiaries referred to at Article 6.3 above or to the beneficiaries of the deceased Beneficiary referred to at Article 6.4 above may be freely transferred as from the date of their final allocation.

8. CHARACTERISTICS OF THE SHARES

The Shares definitively allocated shall be, at the Company's choice, new ordinary shares to be issued by the Company or existing Shares acquired by the Company.

As from the Acquisition Date, they shall be subject to all the provisions of the Bylaws.

They shall be assimilated to existing ordinary shares of the Company and shall benefit from the same rights as from the Acquisition Date.

9. DELIVERY AND HOLDING OF THE SHARES

At the end of the Acquisition Period, the Company shall deliver to the Beneficiary the free Shares allocated under the 2013 Plan provided that the conditions and criteria for such allocation provided by Articles 5 and 6 above are met.

If the Acquisition Date is not a working day, the delivery of the Shares shall be completed the first working day following the end of the Acquisition Period.

The Shares that may be acquired under the 2013 Plan will be held, during the Holding Period (if any), under the nominative form (*nominatif pur*) in an individual account opened in the name of the relevant Beneficiary at Société Générale Securities Services with a mention that they cannot be transferred. At the end of the Holding Period (or the end of the Acquisition Period if there is no Holding Period), the Shares will have to

remain under the nominative form (*nominatif pur*) at Société Générale Securities Services until the time they are transferred to make sure that the restrictions set forth in the last paragraph of Article 7.1 above are complied with. The conversion of the shares in another form (bearer form or *nominatif administré*) is not allowed under the rules of the 2013 Plan.

In the event that, as a consequence of the allocation of free Shares under the 2013 Plan, the Company or any of the companies of the Group shall be compelled to pay taxes, social costs or any other social security taxes or contributions on behalf of the Beneficiary, the Company retains the right to postpone or to forbid the delivery of the Shares on the Acquisition Date until the relevant Beneficiary has paid to the Company or to the relevant company of the Group the amount corresponding to these taxes, social costs, or social security taxes or contributions.

10. INTERMEDIARY OPERATIONS

In the event of exchange without equalization payment (*soulte*) resulting from an operation of merger or spin-off completed in compliance with the applicable regulations during the Acquisition Period or the Holding Period, the companies taking part in the operation shall substitute to the Company and the provisions of the present 2013 Plan, and notably the durations of the Acquisition Period and of the Holding Period shall apply to the allocation rights and to the shares received in compliance with Article L. 225-197-1 III of the French commercial code.

The same shall apply in the event of a public offering operation, of a division or a grouping of shares completed in compliance with the application regulations during the Holding Period.

11. ADJUSTMENT

Should the Company proceed, during the Acquisition Period, to an amortization, to a share capital reduction, to a change in the allocation of its profits, to an allocation of free shares to all the shareholders, to a capitalization of reserves, profits or issuance premiums, to an allocation of reserves or to an issuance of equity securities or giving right to the allocation of equity securities including a preferential subscription right reserved to the shareholders, the maximum number of Shares allocated under the 2013 Plan may be adjusted in order to take into account said operation by application, *mutatis mutandis*, of the terms of adjustment provided by the law for the beneficiaries of stock options.

Each Beneficiary shall be informed of the practical terms of the adjustment and of its consequences on the Allocation of Shares he or she benefited from, being specified that the free Shares allocated pursuant to this adjustment shall be governed by the present 2013 Plan.

12. AMENDMENT TO THE 2013 PLAN

12.1 Principle

The present 2013 Plan may be amended by the Board of Directors upon authorization of the Supervisory Board of the Company, being specified that the amendments shall be subject to the written consent of the Beneficiaries if it results in a decrease in the rights of said Beneficiaries.

The new provisions shall apply to the Beneficiaries of the Shares during the Acquisition Period on the date of the decision to amend the 2013 Plan taken by the Board of Directors, or the written consent of the Beneficiary, if required.

12.2 Notice of the amendments

The amendments to the 2013 Plan shall be notified to the relevant Beneficiaries, by all means, including by internal mail, by simple letter or with acknowledgement of receipt, by fax or by e-mail.

13. TAX AND SOCIAL RULES

The Beneficiary shall bear all taxes and mandatory costs which he or she must bear pursuant to the applicable law in relation to the allocation of free Shares, on the due date of said taxes or costs.

Each Beneficiary shall verify and carry out, as the case may be, the declaratory obligations he or she must comply with in relation to the allocation of the free Shares.

14. MISCELLANEOUS

14.1 Rights in relation to the capacity of employee

No provisions of the present 2013 Plan shall be construed as granting to the Beneficiary a right to have his or her employment agreement with the Company or any of the companies of the Group maintained, or limiting the right of the Company or any of the companies of the Group to terminate or amend the terms and conditions of the employment agreement of the Beneficiary.

14.2 Applicable law - Jurisdiction

The present 2013 Plan is subject to French law. Any dispute relating to its validity, its construction or its performance shall be decided by the competent courts of the French Republic.

14.3 Provisions Applicable to Beneficiaries Located outside of France

The attached Appendix applies to Beneficiaries located outside of France.

Reserved to the Beneficiary:

Mr/Ms declares having read all the provisions of the 2013 Plan and Appendix, as applicable, and expressly acknowledges that these provisions apply to him/her.

Made in ______________________________

On ______________________________

Signature: ______________________________ and initial on each page

APPENDIX

TERMS AND CONDITIONS

This Appendix contains additional terms and conditions that will apply to the Beneficiary if he or she resides outside of France. Capitalized terms used but not defined herein shall have the same meanings assigned to them in the 2013 Plan.

NOTIFICATIONS

This Appendix also includes information regarding exchange control and certain other issues of which the Beneficiary should be aware with respect to his or her participation in the 2013 Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of March 2012. Such laws are often complex and change frequently. The Company therefore strongly recommends that the Beneficiary not rely on the information in this Appendix as the only source of information relating to the consequences of his or her participation in the 2013 Plan because such information may be outdated when the Beneficiary vests in the Shares and/or sells any Shares issued pursuant to the award.

GENERAL PROVISIONS

Taxes. Regardless of any action the Company or Beneficiaries' Employer (the "Employer") takes with respect to any or all income tax, social insurance, payroll tax, or other Tax-Related withholding ("Tax-Related Items"), Beneficiary acknowledges that the ultimate liability for all Tax-Related Items legally due by the Beneficiary is and remains Beneficiary's responsibility and that the Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Share grant, including the grant, vesting of the Shares, the subsequent sale of Shares acquired pursuant to such vesting and the receipt of any dividends; and (2) do not commit to structure the terms of the grant or any aspect of the Shares to reduce or eliminate Beneficiary's liability for Tax-Related Items.

Prior to vesting of the Shares, Beneficiary will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all withholding obligations of the Company and/or the Employer, if any. In this regard, Beneficiary authorizes the Company and/or the Employer to withhold all applicable Tax-Related Items legally payable by Beneficiary from Beneficiary's compensation paid to Beneficiary by the Company and/or Employer or from proceeds of the sale of Shares. Alternatively, or in addition, if permissible under local law, the Company may (1) sell or arrange for the sale of Shares that Beneficiary acquires to meet the withholding obligation for Tax-Related Items and/or (2) withhold in Shares, provided that the Company only withholds the amount of Shares necessary to satisfy the minimum withholding amount. Finally, Beneficiary will pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold as a result of Beneficiary's participation in the 2013 Plan or Beneficiary's acquisition of Shares that cannot be satisfied by the means previously described. The Company may refuse to honor the vesting and refuse to deliver the Shares if Beneficiary fails to comply with Beneficiary's obligations in connection with the Tax-Related Items as described in this section.

Nature of Grant. In accepting the grant, Beneficiary acknowledges that:

(a) the 2013 Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the 2013 Plan;

(b) the grant of the Shares is voluntary and occasional and does not create any contractual or other right to receive future grants of Shares, or benefits in lieu of Shares, even if Shares have been granted repeatedly in the past;

(c) all decisions with respect to future grants, if any, will be at the sole discretion of the Company;

(d) Beneficiary's participation in the 2013 Plan shall not create a right to further employment with the Employer and shall not interfere with the ability of the Employer to terminate Beneficiary's employment relationship at any time with or without cause unless otherwise required under local law;

(e) Beneficiary is voluntarily participating in the 2013 Plan;

(f) the Shares are an extraordinary item that do not constitute compensation of any kind for services of any kind rendered to the Company or the Employer, and which is outside the scope of Beneficiary's employment contract, if any;

(g) the Shares are not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long service awards, pension or retirement benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or the Employer;

(h) in the event that Beneficiary is not an employee of the Company, the grant will not be interpreted to form an employment contract or relationship with the Company; and furthermore, the grant will not be interpreted to form an employment contract with the Employer or any subsidiary or affiliate of the Company;

(i) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(j) if Beneficiary obtains Shares, the value of those Shares may increase or decrease;

(k) in consideration of the grant, no claim or entitlement to compensation or damages shall arise from termination of the award of Shares or diminution in value of the award resulting from termination of Beneficiary's employment with the Company or the Employer (for any reason whatsoever) and Beneficiary irrevocably releases the Company and the Employer from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing the 2013 Plan, Beneficiary shall be deemed irrevocably to have waived Beneficiary's entitlement to pursue such claim; and

(l) unless otherwise decided by the Board of Directors, in the event of termination of Beneficiary's employment during the acquisition period, Beneficiary's right to vest in the Shares under the 2013 Plan, if any, will terminate effective as of the date that Beneficiary is no longer actively employed and will not be extended by any notice period mandated under the local law (*e.g.*, active employment would not include a period of "garden leave" or similar period pursuant to local law).

Data Privacy. Beneficiary hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Beneficiary's personal data as described in this document by and among, as applicable, the Employer, the Company and its subsidiaries and affiliates for the exclusive purpose of implementing, administering and managing Beneficiary's participation in the 2013 Plan.

Beneficiary understands that the Company and the Employer may hold certain personal information about Beneficiary, including, but not limited to, Beneficiary's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all awards or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Beneficiary's favor, for the exclusive purpose of implementing, administering and managing the 2013 Plan ("Data").

Beneficiary understands that the recipients of the Data may be located in France or elsewhere, and that the recipients' country may have different data privacy laws and protections than Beneficiary's country. Beneficiary understands that Beneficiary may request a list with the names and addresses of any potential recipients of the Data by contacting Beneficiary's local human resources representative. Beneficiary authorizes the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the 2013 Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing Beneficiary's participation in the 2013 Plan. Beneficiary understands that Data will be held only as long as is necessary to implement, administer and manage Beneficiary's participation in the 2013 Plan. Beneficiary understands that Beneficiary may, at any time, view the Data, request additional information about the storage processing of the Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing Beneficiary's local human resources representative. Beneficiary understands, however, that refusing or withdrawing Beneficiary's consent may affect Beneficiary's ability to participate in the 2013 Plan. For more information on the consequences of Beneficiary's refusal to consent or withdrawal of consent, Beneficiary understands that Beneficiary may contact Beneficiary's local human resources representative.

Language. If Beneficiary has received this document or any other document related to the 2013 Plan translated into a language other than French and if the translated version is different than the French version, the French version will control.

Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to the 2013 Plan or future awards that may be granted under the 2013 Plan by electronic

means or to request Beneficiary's consent to participate in the 2013 Plan by electronic means. Beneficiary hereby consents to receive such documents by electronic delivery and, if requested, to agree to participate in the 2013 Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

Severability. The provisions of this 2013 Plan are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

Country-Specific Provisions

Germany

Exchange Control Information. Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank. If the Beneficiary uses a German bank to transfer a cross-border payment in excess of €12,500 in connection with the sale of Shares acquired under the 2013 Plan, the bank will make the report for the Beneficiary.

United States

Beneficiary acknowledges that both this award and any Shares are securities, the issuance by the Company of which requires compliance with federal and state securities laws.

Beneficiary acknowledges that these securities are made available to Beneficiary only on the condition that Beneficiary makes the representations contained in this section to the Company.

Beneficiary has made a reasonable investigation of the affairs of the Company sufficient to be well informed as to the rights and the value of these securities.

Beneficiary understands that the securities have not been registered under the Securities Act of 1933, as amended, (the "***Act***"), or any applicable state law in reliance upon one or more specific exemptions contained in the Act and any applicable state law, which may include reliance on Rule 701 promulgated under the Act, if available, or which may depend upon (i) Beneficiary's bona fide investment intention in acquiring these securities; (ii) Beneficiary's intention to hold these securities in compliance with federal and state securities laws; and (iii) Beneficiary having no present intention of selling or transferring any part thereof in violation of applicable federal and state securities laws.

The 2013 Plan has been drafted with the intent that each payment thereunder is exempt from Internal Revenue Code Section 409A and should be interpreted accordingly.

The Company makes no representation as to the tax status of the 2013 Plan to the Beneficiary's who should seek their own tax advice.

Term Changes/Addendum to the 2013 Plan

The last paragraph of Section 6.2 (Public Offering) and Section 6.6 (Retirement) of the 2013 Plan do not apply to beneficiaries subject to tax in the United States.

CELLECTIS

FREE SHARE 2014 PLAN

Approved by the Board of Directors on April 10, 2014

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1. IMPLEMENTATION OF THE FREE SHARE PLAN

Pursuant to decisions dated June 22, 2012, the shareholders' general meeting of Cellectis, a French *société anonyme* whose registered office is located at 8 rue de la Croix Jarry, 75013 Paris and whose identification number is 428 859 052 R.C.S. Paris (hereafter referred to as the "***Company***") authorized the Board of Directors to allocate free shares of the Company to the benefit of employees of the Company or to certain categories of such employees, and/or to the benefit of its corporate officers who meet the conditions set forth by Article L. 225-197-1 II of the French commercial code, as well as to the benefit of employees of companies or economic interest groups whose share capital or voting rights are held, directly or indirectly, for more than ten per cent (10%) by the Company at the date of allocation of said shares.

The Board of Directors decided on April 10, 2014, pursuant to the authorization of the shareholders' general meeting dated June 22, 2012 and after approval of the Compensation Committee, to allocate a total of [100,000] free shares of the Company to the benefit of eligible employees and approved the present free share plan stating the conditions and criteria for the allocation of such shares (hereafter referred to as the "***2014 Plan***").

2. DEFINITIONS

Under the present 2014 Plan, the following terms and expressions starting with a capital letter shall have the following meaning and may be used indifferently in the singular or in the plural form:

"Acquisition Date"	refers to the date when the free Shares have been definitely acquired by the relevant Beneficiary;
"Acquisition Period"	refers to the two (2) year period starting on the Allocation Date and ending on the Acquisition Date, being specified that the Board of Directors may decide to extend this period so that its duration be equal to four (4) years for certain Beneficiaries who are not French tax resident, as stated in the corresponding Allocation Letter;
"Allocation"	refers to the decision of the Board of Directors dated March 19, 2014 to allocate free Shares to a given Beneficiary. This Allocation constitutes a right to be granted Shares at the end of the Acquisition Period subject to the compliance with the conditions and criteria set forth by the present 2014 Plan;
"Allocation Date"	refers to the date when the Board of Directors decided to allocate free Shares under the 2014 Plan, i.e. April 10, 2014;
"Allocation Letter"	refers to the letter which inform a given Beneficiary of the allocation of free Shares, as stated in Article 5 of the 2014 Plan;

“Beneficiaries”	refers to the person(s) for whose benefit the Board of Directors decided an Allocation of Shares as well as, as the case may be, his or her heirs;
“Bylaws”	refers to the bylaws of the Company in force at the date referred to;
“Disability”	refers to the disability of a Beneficiary corresponding to the second or third of the categories provided by Article L. 341-4 of the French social security code;
“Group”	refers to the Company and to all the companies and groups related to the Company in the meaning of Article L. 225-197-2 of the French commercial code;
“Holding Period”	refers to the two (2) year period starting on the Acquisition Date, being specified no Holding Period will be applicable to the Beneficiaries for whom the duration of the Acquisition Period is equal to four (4) years as from the Allocation Date, as stated in the corresponding Allocation Letter;
“Presence”	refers to the presence of the Beneficiary in his or her capacity of employee and/or corporate officer of the Company or of any of the companies of the Group;
“Shares”	refers to the shares issued or which will be issued by the Company in representation of its share capital;
“Trading Day”	refers to the working days when Euronext proceeds to the listing of shares on the Alternext market Euronext in Paris other than days when the listings end prior to the usual closing hour.

3. PURPOSE

The purpose of the 2014 Plan is to set forth the conditions and criteria for the allocation of free Shares under the 2014 Plan, pursuant to Articles L. 225-197-1 *et seq*. of the French commercial code and to the authorization granted by the shareholders’ general meeting of the Company dated June 22, 2012.

4. BENEFICIARIES

Pursuant to the authorization of the shareholders’ general meeting dated June 22, 2012, the Board of Directors of the Company approved the list of Beneficiaries among its employees and the employees of companies in which it holds, directly or indirectly, at least ten per cent (10%) of the share capital and voting rights, together with the indication of the number of free Shares allocated to each of them.

5. NOTICE OF THE ALLOCATION OF THE SHARES

The notice of the Allocation of Shares to the Beneficiaries shall be made pursuant to an Allocation Letter sent by the Board of Directors or by any other person selected by the Board of Directors, by registered mail with acknowledgement of receipt or delivered in person with acknowledgement of receipt, together with a copy of the present 2014 Plan, indicating the number of Shares allocated to the Beneficiary, the Acquisition Period and the Holding Period.

The Beneficiary shall acknowledge receipt of the Allocation Letter and of the 2014 Plan by sending signed copies of these documents within two (2) months from the date of receipt, the documents being deemed to be received on the first date of presentation, in the absence of which the Allocation shall be null and void for this Beneficiary.

The fact that a person may benefit from the 2014 Plan does not imply that he or she shall benefit from any other plan that may be implemented thereafter.

6. ACQUISITION PERIOD

6.1 Principle

The free Shares allocated under the 2014 Plan shall be definitively acquired by the Beneficiaries at the end of the Acquisition Period, provided that the following condition precedent is met:

- continued Presence of the Beneficiary during the Acquisition Period, in the absence of which he or she will not be entitled to acquire Shares on the date when this condition is no longer met;

being specified that the Board of Directors shall be entitled to release a given Beneficiary from the condition set forth above for all or part of the Shares granted.

Further, should the Beneficiary be at the same time an employee and a corporate officer of the same company or of two companies of the Group, the loss of one of these capacities shall not result in the loss of the right to acquire the free Shares allocated under the 2014 Plan at the end of the Acquisition Period.

Pursuant to Article L. 225-197-3 of the French commercial code, the Beneficiaries hold a claim against the Company which is personal and may not be transferred until the end of the Acquisition Period.

During the Acquisition Period, the Beneficiaries will not own the free Shares and will not be shareholders of the Company. As a consequence, they will not hold any rights attached to the Shares.

6.2 Internal mobility

In the event of transfer or temporary assignment of the Beneficiary within a company of the Group, implying (i) the termination of the initial employment agreement and the entering into of a new employment agreement or of a position as corporate officer, and/or (ii) a resignation of the Beneficiary from his or her position as corporate officer and the acceptance of a new position of corporate officer or the entering into of a new employment agreement in one of such companies, the Beneficiary shall retain his or her right to be allocated free Shares at the end of the Acquisition Period.

6.3 Disability

In the event of Disability before the end of the Acquisition Period, the free Shares shall be definitively acquired by the Beneficiary on the date of Disability.

For participants subject to tax in the US, the date of such disability shall be the date such disability is incurred and in all cases such shares shall be delivered by March 15th of the year following the year in which such disability is incurred.

6.4 Decease

In the event of decease of the Beneficiary during the Acquisition Period, the free Shares shall be definitively acquired at the date of the request of allocation made by his or her beneficiaries in the framework of the inheritance.

The request for allocation of the Shares shall be made within six (6) months from the date of the decease in compliance with Article L. 225-197-3 of the French commercial code.

6.5 Retirement

In the event of the retirement of a given Beneficiary during the Acquisition Period, the Board of Directors of the Company may decide that the condition set forth in article 6.1 above shall be deemed to be met for all or part of the Shares granted upon the date of such retirement.

7. HOLDING PERIOD

7.1 Principle

During the Holding Period, if any, the Beneficiaries concerned will be the owner of the free Shares allocated under the 2014 Plan and will be shareholders of the Company. As a consequence, they will benefit from all the rights attached to the capacity of shareholder of the Company.

However, the free Shares shall not be available during the Holding Period and the Beneficiaries may not transfer or pledge the Shares, by any means, or convert them into the bearer form.

At the end of the Holding Period, the Shares will be fully available, subject to the provisions of the following paragraph.

At the end of the Holding Period, if the Company's shares are listed on a regulated market, the free Shares allocated under the 2014 Plan may not be transferred during the "black-out" periods set forth in Article L. 225-197-1 of the French commercial code, i.e., as currently provided:

- within ten (10) Trading Days before and three (3) Trading Days after the date on which the consolidated accounts, or failing that, the annual accounts, are published;
- during the period between the date on which the Company's management bodies have knowledge of information which, were it to be published, could have a significant impact on the price of the Shares, and the date falling ten (10) Trading Days after the date on which the said information is published.

7.2 Specific situations

Notwithstanding the provisions of the second paragraph of Article 7.1 above, the free Shares allocated to the Beneficiaries referred to at Article 6.3 above or to the beneficiaries of the deceased Beneficiary referred to at Article 6.4 above may be freely transferred as from the date of their final allocation.

8. CHARACTERISTICS OF THE SHARES

The Shares definitively allocated shall be, at the Company's choice, new ordinary shares to be issued by the Company or existing Shares acquired by the Company.

As from the Acquisition Date, they shall be subject to all the provisions of the Bylaws.

They shall be assimilated to existing ordinary shares of the Company and shall benefit from the same rights as from the Acquisition Date.

9. DELIVERY AND HOLDING OF THE SHARES

At the end of the Acquisition Period, the Company shall deliver to the Beneficiary the free Shares allocated under the 2014 Plan provided that the conditions and criteria for such allocation provided by Articles 5 and 6 above are met.

If the Acquisition Date is not a working day, the delivery of the Shares shall be completed the first working day following the end of the Acquisition Period.

The Shares that may be acquired under the 2014 Plan will be held, during the Holding Period (if any), under the nominative form (*nominatif pur*) in an individual account opened in the name of the relevant Beneficiary at Société Générale Securities Services with a mention that they cannot be transferred. At the end of the Holding Period (or the end of the Acquisition Period if there is no Holding Period), the Shares will have to

remain under the nominative form (*nominatif pur*) at Société Générale Securities Services until the time they are transferred to make sure that the restrictions set forth in the last paragraph of Article 7.1 above are complied with. The conversion of the shares in another form (bearer form or *nominatif administré*) is not allowed under the rules of the 2014 Plan.

In the event that, as a consequence of the allocation of free Shares under the 2014 Plan, the Company or any of the companies of the Group shall be compelled to pay taxes, social costs or any other social security taxes or contributions on behalf of the Beneficiary, the Company retains the right to postpone or to forbid the delivery of the Shares on the Acquisition Date until the relevant Beneficiary has paid to the Company or to the relevant company of the Group the amount corresponding to these taxes, social costs, or social security taxes or contributions.

10. INTERMEDIARY OPERATIONS

In the event of exchange without equalization payment (*soulte*) resulting from an operation of merger or spin-off completed in compliance with the applicable regulations during the Acquisition Period or the Holding Period, the companies taking part in the operation shall substitute to the Company and the provisions of the present 2014 Plan, and notably the durations of the Acquisition Period and of the Holding Period shall apply to the allocation rights and to the shares received in compliance with Article L. 225-197-1 III of the French commercial code.

The same shall apply in the event of a public offering operation, of a division or a grouping of shares completed in compliance with the application regulations during the Holding Period.

11. ADJUSTMENT

Should the Company proceed, during the Acquisition Period, to an amortization, to a share capital reduction, to a change in the allocation of its profits, to an allocation of free shares to all the shareholders, to a capitalization of reserves, profits or issuance premiums, to an allocation of reserves or to an issuance of equity securities or giving right to the allocation of equity securities including a preferential subscription right reserved to the shareholders, the maximum number of Shares allocated under the 2014 Plan may be adjusted in order to take into account said operation by application, *mutatis mutandis*, of the terms of adjustment provided by the law for the beneficiaries of stock options.

Each Beneficiary shall be informed of the practical terms of the adjustment and of its consequences on the Allocation of Shares he or she benefited from, being specified that the free Shares allocated pursuant to this adjustment shall be governed by the present 2014 Plan.

12. AMENDMENT TO THE 2014 PLAN

12.1 Principle

The present 2014 Plan may be amended by the Board of Directors upon authorization of the Supervisory Board of the Company, being specified that the amendments shall be subject to the written consent of the Beneficiaries if it results in a decrease in the rights of said Beneficiaries.

The new provisions shall apply to the Beneficiaries of the Shares during the Acquisition Period on the date of the decision to amend the 2014 Plan taken by the Board of Directors, or the written consent of the Beneficiary, if required.

12.2 Notice of the amendments

The amendments to the 2014 Plan shall be notified to the relevant Beneficiaries, by all means, including by internal mail, by simple letter or with acknowledgement of receipt, by fax or by e-mail.

13. TAX AND SOCIAL RULES

The Beneficiary shall bear all taxes and mandatory costs which he or she must bear pursuant to the applicable law in relation to the allocation of free Shares, on the due date of said taxes or costs.

Each Beneficiary shall verify and carry out, as the case may be, the declaratory obligations he or she must comply with in relation to the allocation of the free Shares.

14. MISCELLANEOUS

14.1 Rights in relation to the capacity of employee

No provisions of the present 2014 Plan shall be construed as granting to the Beneficiary a right to have his or her employment agreement with the Company or any of the companies of the Group maintained, or limiting the right of the Company or any of the companies of the Group to terminate or amend the terms and conditions of the employment agreement of the Beneficiary.

14.2 Applicable law - Jurisdiction

The present 2014 Plan is subject to French law. Any dispute relating to its validity, its construction or its performance shall be decided by the competent courts of the French Republic.

14.3 Provisions Applicable to Beneficiaries Located outside of France

The attached Appendix applies to Beneficiaries located outside of France.

Reserved to the Beneficiary:

Mr/Ms declares having read all the provisions of the 2014 Plan and Appendix, as applicable, and expressly acknowledges that these provisions apply to him/her.

Made in ______________________________

On ______________________________

Signature: ____ and initial on each page

APPENDIX

TERMS AND CONDITIONS

This Appendix contains additional terms and conditions that will apply to the Beneficiary if he or she resides outside of France. Capitalized terms used but not defined herein shall have the same meanings assigned to them in the 2014 Plan.

NOTIFICATIONS

This Appendix also includes information regarding exchange control and certain other issues of which the Beneficiary should be aware with respect to his or her participation in the 2014 Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of March 2012. Such laws are often complex and change frequently. The Company therefore strongly recommends that the Beneficiary not rely on the information in this Appendix as the only source of information relating to the consequences of his or her participation in the 2014 Plan because such information may be outdated when the Beneficiary vests in the Shares and/or sells any Shares issued pursuant to the award.

GENERAL PROVISIONS

Taxes. Regardless of any action the Company or Beneficiaries' Employer (the "Employer") takes with respect to any or all income tax, social insurance, payroll tax, or other Tax-Related withholding ("Tax-Related Items"), Beneficiary acknowledges that the ultimate liability for all Tax-Related Items legally due by the Beneficiary is and remains Beneficiary's responsibility and that the Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Share grant, including the grant, vesting of the Shares, the subsequent sale of Shares acquired pursuant to such vesting and the receipt of any dividends; and (2) do not commit to structure the terms of the grant or any aspect of the Shares to reduce or eliminate Beneficiary's liability for Tax-Related Items.

Prior to vesting of the Shares, Beneficiary will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all withholding obligations of the Company and/or the Employer, if any. In this regard, Beneficiary authorizes the Company and/or the Employer to withhold all applicable Tax-Related Items legally payable by Beneficiary from Beneficiary's compensation paid to Beneficiary by the Company and/or Employer or from proceeds of the sale of Shares. Alternatively, or in addition, if permissible under local law, the Company may (1) sell or arrange for the sale of Shares that Beneficiary acquires to meet the withholding obligation for Tax-Related Items and/or (2) withhold in Shares, provided that the Company only withholds the amount of Shares necessary to satisfy the minimum withholding amount. Finally, Beneficiary will pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold as a result of Beneficiary's participation in the 2014 Plan or Beneficiary's acquisition of Shares that cannot be satisfied by the means previously described. The Company may refuse to honor the vesting and refuse to deliver the Shares if Beneficiary fails to comply with Beneficiary's obligations in connection with the Tax-Related Items as described in this section.

Nature of Grant. In accepting the grant, Beneficiary acknowledges that:

(a) the 2014 Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the 2014 Plan;

(b) the grant of the Shares is voluntary and occasional and does not create any contractual or other right to receive future grants of Shares, or benefits in lieu of Shares, even if Shares have been granted repeatedly in the past;

(c) all decisions with respect to future grants, if any, will be at the sole discretion of the Company;

(d) Beneficiary's participation in the 2014 Plan shall not create a right to further employment with the Employer and shall not interfere with the ability of the Employer to terminate Beneficiary's employment relationship at any time with or without cause unless otherwise required under local law;

(e) Beneficiary is voluntarily participating in the 2014 Plan;

(f) the Shares are an extraordinary item that do not constitute compensation of any kind for services of any kind rendered to the Company or the Employer, and which is outside the scope of Beneficiary's employment contract, if any;

(g) the Shares are not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long service awards, pension or retirement benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or the Employer;

(h) in the event that Beneficiary is not an employee of the Company, the grant will not be interpreted to form an employment contract or relationship with the Company; and furthermore, the grant will not be interpreted to form an employment contract with the Employer or any subsidiary or affiliate of the Company;

(i) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(j) if Beneficiary obtains Shares, the value of those Shares may increase or decrease;

(k) in consideration of the grant, no claim or entitlement to compensation or damages shall arise from termination of the award of Shares or diminution in value of the award resulting from termination of Beneficiary's employment with the Company or the Employer (for any reason whatsoever) and Beneficiary irrevocably releases the Company and the Employer from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing the 2014 Plan, Beneficiary shall be deemed irrevocably to have waived Beneficiary's entitlement to pursue such claim; and

(l) unless otherwise decided by the Board of Directors, in the event of termination of Beneficiary's employment during the acquisition period, Beneficiary's right to vest in the Shares under the 2014 Plan, if any, will terminate effective as of the date that Beneficiary is no longer actively employed and will not be extended by any notice period mandated under the local law (*e.g.*, active employment would not include a period of "garden leave" or similar period pursuant to local law).

Data Privacy. **Beneficiary hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Beneficiary's personal data as described in this document by and among, as applicable, the Employer, the Company and its subsidiaries and affiliates for the exclusive purpose of implementing, administering and managing Beneficiary's participation in the 2014 Plan.**

Beneficiary understands that the Company and the Employer may hold certain personal information about Beneficiary, including, but not limited to, Beneficiary's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all awards or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Beneficiary's favor, for the exclusive purpose of implementing, administering and managing the 2014 Plan ("Data").

Beneficiary understands that the recipients of the Data may be located in France or elsewhere, and that the recipients' country may have different data privacy laws and protections than Beneficiary's country. Beneficiary understands that Beneficiary may request a list with the names and addresses of any potential recipients of the Data by contacting Beneficiary's local human resources representative. Beneficiary authorizes the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the 2014 Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing Beneficiary's participation in the 2014 Plan. Beneficiary understands that Data will be held only as long as is necessary to implement, administer and manage Beneficiary's participation in the 2014 Plan. Beneficiary understands that Beneficiary may, at any time, view the Data, request additional information about the storage processing of the Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing Beneficiary's local human resources representative. Beneficiary understands, however, that refusing or withdrawing Beneficiary's consent may affect Beneficiary's ability to participate in the 2014 Plan. For more information on the consequences of Beneficiary's refusal to consent or withdrawal of consent, Beneficiary understands that Beneficiary may contact Beneficiary's local human resources representative.

Language. If Beneficiary has received this document or any other document related to the 2014 Plan translated into a language other than French and if the translated version is different than the French version, the French version will control.

Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to the 2014 Plan or future awards that may be granted under the 2014 Plan by electronic

means or to request Beneficiary's consent to participate in the 2014 Plan by electronic means. Beneficiary hereby consents to receive such documents by electronic delivery and, if requested, to agree to participate in the 2014 Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

Severability. The provisions of this 2014 Plan are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

Country-Specific Provisions

Germany

Exchange Control Information. Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank. If the Beneficiary uses a German bank to transfer a cross-border payment in excess of €12,500 in connection with the sale of Shares acquired under the 2014 Plan, the bank will make the report for the Beneficiary.

United States

Beneficiary acknowledges that both this award and any Shares are securities, the issuance by the Company of which requires compliance with federal and state securities laws.

Beneficiary acknowledges that these securities are made available to Beneficiary only on the condition that Beneficiary makes the representations contained in this section to the Company.

Beneficiary has made a reasonable investigation of the affairs of the Company sufficient to be well informed as to the rights and the value of these securities.

Beneficiary understands that the securities have not been registered under the Securities Act of 1933, as amended, (the "Act"), or any applicable state law in reliance upon one or more specific exemptions contained in the Act and any applicable state law, which may include reliance on Rule 701 promulgated under the Act, if available, or which may depend upon (i) Beneficiary's bona fide investment intention in acquiring these securities; (ii) Beneficiary's intention to hold these securities in compliance with federal and state securities laws; and (iii) Beneficiary having no present intention of selling or transferring any part thereof in violation of applicable federal and state securities laws.

The 2014 Plan has been drafted with the intent that each payment thereunder is exempt from Internal Revenue Code Section 409A and should be interpreted accordingly.

The Company makes no representation as to the tax status of the 2014 Plan to the Beneficiary's who should seek their own tax advice.

Term Changes/Addendum to the 2014 Plan

The last paragraph of Section 6.2 (Public Offering) and Section 6.6 (Retirement) of the 2014 Plan do not apply to beneficiaries subject to tax in the United States.

Exhibit 21.1

Subsidiaries of Cellectis S.A.

Name of Subsidiary	State or Other Jurisdiction of Incorporation
Cellectis, Inc.	Delaware
Cellectis Plant Sciences, Inc.	Delaware
Cellectis Bioresearch S.A.S.	France
Cellectis Bioresearch, Inc.	Delaware
Ectycell, S.A.S.	France

Consent of Independent Registered Public Accounting Firm

We consent to the reference to our firm under the caption “Experts” and to the use of our report dated March 10, 2015, in the Registration Statement (Form F-1) and related Prospectus of Cellectis S.A. dated March 10, 2015.

Ernst & Young et Autres
/s/ Franck Sebag

Paris La Defense, France

March 10, 2015