



KPMG Audit
51 rue de Saint-Cyr
CS 60409
69338 Lyon Cedex 9
France
KPMG Audit



RSM Rhône-Alpes
2 bis rue Tête d'Or
69006 Lyon

ERYTECH PHARMA S.A.

Share capital: €1.794.003,50

**Bâtiment Adénine - 60 avenue Rockefeller
69008 LYON**

**Statutory Auditors' special report on
regulated agreements and commitments**

Shareholders' Meeting held to approve the financial
statements for the year ended December 31, 2018

To the Annual Shareholders' Meeting of Erytech Pharma S.A.,

As your Company's Statutory Auditors, we hereby report on the regulated agreements and commitments.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms, conditions of those agreements and commitments, as well as the reasons justifying their interest for the company, brought to our attention or which we may have discovered during the course of our audit, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements and commitments. It is your responsibility, pursuant to Article R.225-31 of the French Commercial Code (Code de commerce), to assess the interest involved in respect of the conclusion of these agreements and commitments for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R.225-31 of the French Commercial Code (Code de commerce) relating to the implementation during the past year of agreements and commitments previously approved by the Shareholders' Meeting.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement. These procedures consisted in verifying the concordance of the information provided to us with the relevant source documents.

REGULATED AGREEMENTS AND COMMITMENTS SUBMITTED TO THE APPROVAL OF THE SHAREHOLDERS' MEETING

Agreements and commitments authorized and concluded during the year

We hereby inform you that we have not been advised of any agreements or commitments authorized and concluded during the financial year to be submitted to the approval of the shareholder's meeting pursuant to article L.225-38 of the French Commercial Code.

Agreements and commitments authorized and concluded subsequent to the close of the financial year

We have been advised of the following regulated agreement and commitments authorized and concluded after the closing date which had received prior authorization from your Board of Directors.

A - With Mr. Jérôme Bailly

Related person:

Mr. Jérôme Bailly, Deputy Chief Executive Officer

Nature and purpose:

Modification of the fixed gross annual remuneration in the context of Jérôme Bailly's employment contract, starting on January 1, 2019. This agreement was authorized by your Board of Directors on January 6, 2019.

Financial terms:

The fixed gross annual remuneration of Mr. Jérôme BAILLY is set at € 170,000.

Interest of this agreement:

Building the loyalty and motivation of your company's management team.

B – With Mr. Gil Beyen

Related person:

Mr. Gil Beyen, Chairman and Chief Executive Officer.

Nature and purpose:

Modification of the amount of the tax advisory contract authorized by the Board of Directors on January 6, 2019. This contract was subscribed with the law firm DELSOL for the benefit of Mr. Gil Beyen. The Board of Directors authorized this contract on June 24, 2016.

Financial terms:

The cost of this contract is now € 5,000 for each financial year.

Interest of this agreement:

Building the loyalty and motivation of your company's management team, and promoting awareness regarding compliance with tax rules.

REGULATED AGREEMENTS AND COMMITMENTS PREVIOUSLY APPROVED BY THE SHAREHOLDERS' MEETING

Regulated agreements and commitments authorized in previous financial years which remained in force during the 2018 financial year

In application of Article R.225-30 of the Commercial Code (Code de commerce), we were informed that the execution of the following agreements and commitments, already approved by the Shareholders' Meeting during previous financial years, remained in force for the 2018 financial year.

A - Indemnification agreement

Related persons:

Mr. Gil Beyen, Chairman and Chief Executive Officer,
Mr. Jérôme Bailly, Deputy Chief Executive Officer,
Mr. Philippe Archinard, Director,
Mrs. Martine Ortin George, Director,
Mr. Luc Dochez, Director,
Mrs. Hilde Windels, representing BVBA, Director,
Mr. Sven Andreasson, representing Galenos Sprl, Director,
Mrs. Allene Diaz, Director.

Nature and purpose:

Indemnification agreement authorized by the Board of Directors on November 6, 2017.

The contract provides Directors and Officers with indemnification against liabilities and advancement of expenses in connection with any matters that arise out of their service to the company.

Financial terms:

No expense was booked in this respect by the company for the 2018 financial year.

B - Directors and Officers liability insurance policy (D&O)

Related persons:

Mr. Gil Beyen, Chairman and Chief Executive Officer,
Mr. Jérôme Bailly, Deputy Chief Executive Officer,
Mr. Philippe Archinard, Director,
Mrs. Martine Ortin George, Director,
Mr. Luc Dochez, Director,
Mrs. Hilde Windels, representing BVBA, Director,
Mr. Sven Andreasson, representing Galenos Sprl, Director,
Mrs. Allene Diaz, Director.

Nature and purpose:

The company subscribed a Directors & Officers (D&O) liability insurance policy starting October 23, 2017 with the insurance company AON (lead company), as authorized by the Board of Directors on September 7, 2017. This contract was renegotiated during the year 2018.

Financial terms:

The total expense for the year 2018 is €.479,428. This amount is the total amount of the insurance policy for the year and can not be divided between Directors and Officers.

C – With Mr. Gil Beyen – Chairman and Chief Executive Officer

a - Severance pay:

Nature and purpose:

Severance pay, authorized by the Board of Directors on May 24, 2013, in the event of:

- expiration of a term of office (except where renewal has been refused by the interested party),
- removal (except for removal due to serious misconduct or gross negligence as this term is understood with respect to the case law of the Labor Division of the Court of Cassation).

Mr. Gil Beyen may claim an indemnity equal to twelve times his average monthly remuneration (bonuses included) effectively received during the twelve months prior to the revocation decision or expiration of his term of office.

Payment of this indemnity is subject to the following performance conditions being met:

- compliance with the Company's expenditure budget, and
- at least one of the two following conditions:
 - ✓ one collaboration or licensing agreement underway;
 - ✓ one product in active clinical development phase by the Company.

Financial terms:

No expense was booked in this respect by the company for the 2018 financial year.

b - Severance pay in the event of a change in control:

Nature and purpose:

Severance pay in the event of a change in control authorized by the Board of Directors on August 31, 2015.

This severance pay is not cumulative with the severance compensation agreement authorized by the Board of Directors on May 24, 2013.

Gil Beyen will receive a lump-sum severance equal to 12 times the average monthly compensation (variable compensation included) effectively received over the course of the 12 months preceding his departure, if in the 12 months following the change in control of your company by the acquisition of more than 50% of the voting rights, Mr. Beyen:

- is dismissed, except for serious misconduct or gross negligence or obtains a contractual dismissal, whether at the initiative of the company or the employee;
- resigns, provided that such resignation is the result of a demotion by the Company, its acquirer or by one of its subsidiaries to a position with less responsibility and/or lower remuneration compared to the position held before the change in control.

Payment of this indemnity would be subject to the recognition of the same performance conditions as those requiring the payment of severance pay authorized by the Board of Directors on 24 May 2013, namely:

- compliance with the Company's expenditure budget and
- at least one of the two following conditions:
 - ✓ at least one collaboration or licensing agreement underway;
 - ✓ at least one product in active clinical development phase by the Company.

Financial terms:

No expense was booked in this respect by the company for the 2018 financial year.

c – Tax advisory (Delsol Lawyers)

Nature and purpose:

Tax advisory contract subscribed with the law firm DELSOL for the benefit of Mr. Gil Beyen. The Board of Directors authorized this contract on June 24, 2016.

Financial terms:

The cost during the 2018 financial year is €1,950.

D - With Mr. Jérôme Bailly – Deputy Chief Executive Officer

a – Remuneration

Nature and purpose:

Modification of the fixed gross monthly remuneration in the context of Jérôme Bailly's employment contract, starting on January 1, 2018. This agreement was authorized by your Board of Directors on January 7, 2018.

Financial terms:

The gross annual remuneration, including variable part, of Mr. Jérôme BAILLY for the year 2018 was €210,258.

b - Specific allowance paid in the event of a change of control within two years of the grant of free shares:

Nature and purpose:

Specific indemnity in the event of a change of control within two years of the granting of free shares to Jérôme Bailly, authorized by the Board of Directors on November 2, 2016.

This indemnity was set up in order to compensate, in the event of a merger acquisition occurring within 24 months of the allocation of the free shares, any loss of remuneration in the

event of cancellation of the allocated free shares or due to the loss of a preferential tax treatment on the sale of these shares.

Financial terms:

No cost for the 2018 financial year.

c- Severance in the event of a change in control:

Nature and purpose:

Severance in the event of a change in control authorized by the Board of Directors on August 31, 2015.

This severance is not cumulative with the other severance compensation agreement authorized by the Board of Directors on August 31, 2015.

Jérôme Bailly will receive a lump-sum severance equal to 12 times the average monthly compensation (variable compensation included) effectively received over the course of the 12 months preceding his departure, if in the 12 months following the change in control of your company by the acquisition of more than 50% of the voting rights, Mr. Bailly:

- is dismissed, except for serious misconduct or gross negligence or obtains a contractual dismissal, whether at the initiative of the company or the employee;
- resigns, provided that such resignation is the result of a demotion by the Company, its acquirer or by one of its subsidiaries to a position with less responsibility and/or lower remuneration compared to the position held before the change in control.

Payment of this indemnity would be subject to the recognition of the same performance conditions as those requiring the payment of severance pay authorized by the Board of Directors on 24 May 2013, namely:

- compliance with the Company's expenditure budget and
- at least one of the two following conditions:
 - ✓ at least one collaboration or licensing agreement underway;
 - ✓ at least one product in active clinical development phase by the Company.

Financial terms:

No expense was booked in this respect by the company for the 2018 financial year.

d- Severance pay:

Nature and purpose:

Severance pay, authorized by the Board of Directors on August 31, 2015 in the event of dismissal for any reason whatsoever, except for gross negligence or gross negligence.

Mr. Jérôme Bailly may claim an indemnity equal to twelve times his average monthly remuneration (bonuses included) effectively received during the twelve months prior to the revocation decision or expiration of his term of office.

Payment of this indemnity is subject to the following performance conditions being met:

- compliance with the Company's expenditure budget, and
- at least one of the two following conditions:
 - ✓ one collaboration or licensing agreement underway;
 - ✓ one product in active clinical development phase by the Company.

Financial terms:

No expense was booked in this respect by the company for the 2018 financial year.

e - Training agreement:

Nature and purpose:

Training agreement for the benefit of Mr. Jérôme Bailly authorized by the annual general meeting on June 27, 2017.

Financial terms:

No expense was booked in this respect by the company for the 2018 financial year.

E - Benefits and expenses for the General Managers

Related persons:

Mr. Gil Beyen, Chairman and Chief Executive Officer, and Mr. Jérôme Bailly, Deputy Chief Executive Officer.

Nature and purpose:

The Supervisory Board, on January 24, 2013, and the Board of Directors, on May 24, 2013, authorized the company to bear the cost of certain services and expenses benefiting the Senior Management, as shown in the table attached, expressed in euros.

Financial terms:

Expenses recorded in the 2018 financial year	Gil BEYEN	Jérôme BAILLY
Traditional professional health insurance APGIS (PRC)	2 789	1 853



Additional health insurance (VIVENS)	1 240	1 240
Additional pension plan (AXA)	7 946	7 946

French original signed by

The Statutory Auditors
Lyon, March 28, 2019

KPMG Audit
Department of KPMG S.A.

RSM Rhône Alpes

Sara RIGHENZI DE VILLERS
Partner

Gaël DHALLUIN
Partner