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**ERYTECH PHARMA S.A.**

**Share capital: €3 101 855,30**

**60 avenue Rockefeller  
69008 LYON**

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

Shareholders' Meeting held to approve the financial  
statements for the year ended December 31, 2021



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

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

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms, conditions of those agreements, 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. 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 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 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 SUBMITTED TO THE APPROVAL OF THE SHAREHOLDERS' MEETING**

### Agreements authorized and concluded during the year

We have not been advised of any regulated agreement concluded during the year to be submitted to the approval of the Shareholders' meeting in application of Article R.225-38 of the Commercial Code (Code de commerce).

## **REGULATED AGREEMENTS PREVIOUSLY APPROVED BY THE SHAREHOLDERS' MEETING**

### A) Regulated agreements authorized in previous financial years which remained in force during the 2021 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, already approved by Shareholders' Meetings during previous financial years, remained in force for the 2021 financial year.

#### **a - Benefits and expenses**

##### Related person:

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 to Mr. Jérôme Bailly, as shown in the table below.

The Board of Directors, on January 21, 2021, decided to maintain this authorization.

Financial terms:

Expenses recorded in the 2021 financial year (euros)	Jérôme BAILLY
Professional health insurance APGIS (PRC)	1,925
Additional health insurance (VIVENS)	1,398
Additional pension plan (AXA)	8,227

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

Related persons:

Mr. Gil Beyen, Chief Executive Officer,  
Mr. Eric Soyer, Deputy Chief Executive Officer,  
Mr. Jérôme Bailly, Deputy Chief Executive Officer,  
Mr. Philippe Archinard, Director,  
Mrs. Martine George, Director,  
Mr. Luc Dochez, Director,  
Mrs. Hilde Windels, representing BVBA, Director,  
Mr. Sven Andreasson, representing Galenos Sprl, Director,  
Mr. Jean-Paul Kress, Director,  
Mrs. Mélanie Rolli, 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 March 12, 2020 for Mrs. Mélanie Rolli and on September 7, 2017 for the other persons. This contract was renegotiated during the year ended December 31, 2018.

The Board of Directors, on January 21, 2021, decided to maintain this authorization.

Financial terms:

The total expense for the year 2021 is €2,540,027 for Mr. Jerome Bailly, Mr. Eric Soyer and Mr. Gil Beyen, and €2,528,729 for Mr. Philippe Archinard, Mrs. Martine George, Mr. Luc Dochez, Mrs. Hilde Windels, Mr. Sven Andreasson, Mr. Jean-Paul Kress and Mrs. Melanie Rolli. This amount is the total amount of the insurance policy for the year and cannot be individually divided up.

**c – Remuneration**

Related person:

Mr. Jérôme Bailly, Deputy Chief Executive Officer.

Nature and purpose:

Modification of the fixed gross monthly compensation 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.

The Board of Directors, on January 21, 2021, decided to maintain this authorization.

Financial terms:

The gross annual compensation of Mr. Jérôme BAILLY for the year ended December 31, 2021 was €221,292.

**d – Tax advisory services**

Related person:

Mr. Gil Beyen, Chief Executive Officer

Nature and purpose:

Modification of the amount of the tax advisory services 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.

The Board of Directors, on January 21, 2021, decided to maintain this authorization.

Financial terms:

No expense was booked in this respect by the company for the 2021 financial year.

**e - Employment contract with Erytech Pharma Inc:**

Related person:

Mr. Gil Beyen, Chief Executive Officer.

Nature and purpose:

Employment contract with Erytech Pharma Inc, authorized by the Board of Directors on May 3, 2019.

The Board of Directors, on January 21, 2021, decided to maintain this authorization.

Financial terms:

The gross annual compensation of Mr. Gil Beyen relating to this employment contract was €.594,614 for the year ended December 31, 2021.

**f – 401(k) retirement plan:**

Related person:

Mr. Gil Beyen, Chief Executive Officer.

Nature and purpose:

The contribution of your subsidiary Erytech Pharma Inc. to the 401(k) retirement plan is 3% of the gross compensation of Mr. Gil Beyen and was authorized by the Board of Directors on March 8, 2019.

The Board of Directors, on January 21, 2021, decided to maintain this authorization.

Financial terms:

The expense recorded for the year ended December 31, 2021 is €7,612. (USD.8,700)

**g - Benefits and expenses**

Related person:

Mr. Gil Beyen, Chief Executive Officer

Nature and purpose:

The Board of Directors, on March 8, 2019, authorized the company to bear the cost of certain services and expenses benefiting Mr. Gil Beyen, as shown in the table below, expressed in euros.

The Board of Directors, on January 21, 2021, decided to maintain this authorization.

Financial terms:

<b>Expenses recorded in the 2021 financial year (euros)</b>	<b>Gil BEYEN</b>
Professional health insurance APGIS (PRC)	1,437
Additional health insurance (VIVENS)	1,399
Additional pension plan (AXA)	8,227

**h – Other benefits**

Related person:

Mr. Gil Beyen, Chief Executive Officer

Nature and purpose:

The Board of Directors on March 8, 2019, authorized Erytech Pharma Inc. to cover some of the cost of the contributions to the Medical, Dental, and Short-Term Disabilities, Long-Term Disabilities, Life, Accidental Death and Dismemberment, Travel Accident, Travel Assist, and Vision insurance policy.

The Board of Directors, on January 21, 2021, decided to maintain this authorization.

Financial terms:

The expense for the year ended December 31, 2021 is €18,646 (USD 21,309).

**i – Compensation**

Related person:

Mr. Eric Soyer, Deputy Chief Executive Officer.

Nature and purpose:

Fixed gross annual compensation in the context of Eric Soyer's employment contract, starting on January 1, 2019.

Financial terms:

The gross annual compensation of Mr. Eric Soyer for the year ended December 31, 2021 was €362,388.17.

Reasons why the authorization procedure has not been respected :

The authorization procedure was not respected as Mr. Eric Soyer was not appointed as Deputy Chief Executive Officer when the amendment to his employment contract was signed.

B) Regulated agreements authorized in previous financial years with no effects during the 2021 financial year

We were also informed that the following agreements, already approved by the Shareholders' Meeting during previous financial years, remained in force but produced no effects during the 2021 financial year.

**a - Indemnification agreements**

Related persons:

Mr. Gil Beyen, Chief Executive Officer,  
Mr. Eric Soyer, Deputy Chief Executive Officer,  
Mr. Jérôme Bailly, Deputy Chief Executive Officer,  
Mr. Philippe Archinard, Director,  
Mrs. Martine George, Director,  
Mr. Luc Dochez, Director,

Mrs. Hilde Windels, representing BVBA, Director,  
Mr. Sven Andreasson, representing Galenos Sprl, Director,  
Mr. Jean-Paul Kress, Director,  
Mrs. Mélanie Rolli, Director

Nature and purpose:

Indemnification agreement authorized by the Board of Directors on January 6, 2019 for Mr. Soyer, on March 12, 2020 for Mrs. Rolli, and on November 6, 2017 for all the other persons.

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.

The Board of Directors, on January 21, 2021, decided to maintain this authorization.

Financial terms:

No expense was booked in this respect by the company for the 2021 financial year.

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

Related person:

Mr. Jérôme Bailly, Deputy Chief Executive Officer

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.

Mr. 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,
- 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 or a refusal to accept 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 performance conditions, 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.

The Board of Directors, on January 21, 2021, decided to maintain this authorization.

Financial terms:

No expense was booked in this respect by the company for the 2021 financial year.

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

Related person:

Mr. Jérôme Bailly, Deputy Chief Executive Officer

Nature and purpose:

Specific indemnity in the event of a change of control within two years of the grant 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 grant of the free shares, any loss of remuneration in the event of cancellation of the free shares previously awarded or due to the loss of a preferential tax treatment on the sale of these shares.

The Board of Directors, on January 21, 2021, decided to maintain this authorization.

Financial terms:

No expense was booked in this respect by the company for the 2021 financial year.

**d- Severance pay:**

Related person:

Mr. Jérôme Bailly, Deputy Chief Executive Officer

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 6 times his average fixed monthly remuneration, plus 3 months of fixed remuneration per year of seniority, with a maximum of 12 months fixed remuneration, unless the collective agreements are more favorable.

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.



The Board of Directors, on January 21, 2021, decided to maintain this authorization.

Financial terms:

No expense was booked in this respect by the company for the 2021 financial year.

e- **Severance pay:**

Related person:

Mr. Gil Beyen, Chief Executive Officer.

Nature and purpose:

Severance pay, authorized by the Board of Directors on March 8, 2019, following prior authorization 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),
- dismissal (except for dismissal 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, or
- the fixed annual remuneration set up by the Board of Directors, in the event of revocation within the 12 months following the appointment of Mr. Gil Beyen.

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.

This indemnity will still be paid by the company in the event of term expiry or elimination of Mr. Gil Beyen's position.

This indemnity will be also paid by Erytech Pharma Inc., in the event of term expiry or elimination of Mr. Gil Beyen's position within Erytech Pharma Inc. (for the proportion of the remuneration paid by Erytech Pharma Inc.).

The Board of Directors, on January 21, 2021, decided to maintain this authorization.

Financial terms:

No expense was booked in this respect by the company for the 2021 financial year.

**f - Severance pay in the event of a change in control:**

Related person:

Mr. Gil Beyen, Chief Executive Officer.

Nature and purpose:

Severance pay in the event of a change in control authorized by the Board of Directors on March 8, 2019, following prior authorization by the Board of Directors on August 31, 2015.

Mr. 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. Gil Beyen:

- is dismissed, (except for 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);
- resigns, provided that such resignation is the result of a demotion by the Company, its acquirer or by one of its subsidiaries or a refusal to accept a proposal for 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.

This indemnity will still be paid by the company in the event of resignation or elimination of Mr. Gil Beyen's position.

This indemnity will be also paid by Erytech Pharma Inc., in the event of term expiry or elimination of Mr. Gil Beyen's position within Erytech Pharma Inc. (for the proportion of the remuneration paid by Erytech Pharma Inc.).

The Board of Directors, on January 21, 2021, decided to maintain this authorization.

Financial terms:

No expense was booked in this respect by the company for the 2021 financial year.

**g - Specific indemnity paid in the event of a change of control within two years of the grant of free shares:**

Related person:

Mr. Gil Beyen, Chief Executive Officer.

Nature and purpose:

Specific indemnity in the event of a change of control within two years of the grant of free shares to Mr. Gil Beyen, authorized by the Board of Directors on March 8, 2019.

This indemnity was set up in order to compensate, in the event of a merger acquisition occurring within 24 months of the grant of the free shares, any loss of remuneration in the event of cancellation of the free shares previously awarded or due to the loss of a preferential tax treatment on the sale of these shares.

If, within twenty-four months of the award of Company free shares to Mr. Gil BEYEN, an operation is conducted whereby at least fifty per cent of the Company's voting rights fall into the hands of a single person or a group of persons acting in concert ("Change of Control"), and where:

- (i) free shares granted to Mr. Beyen were to be canceled under the Change of Control, Mr. Beyen would, in consideration of the cancellation of said free shares, be awarded a lump-sum compensation, the amount of which would be determined so that the net amount after deduction of contributions on wages and income tax (at a fixed rate of 35%) is equal to the net amount after deduction of social security contributions on wages and income tax (at a fixed rate of 35%) that Mr. Beyen would have received if he had sold said free shares on the date of the Change of Control and benefited from the related social security regime and tax treatment applicable to capital gains on shares;  
and where
- (ii) free shares awarded to Mr. Beyen were to be sold under the Change of Control, the Company shall pay Mr. Beyen a lump-sum compensation, the amount of which shall be equal to the difference between the amount net of income tax that Mr. Beyen would have received had he benefited, on the date of the sale of said shares, from the more favorable social security regime and tax treatment and the amount net of income tax actually received by Mr. Beyen on the sale of said free shares (assuming an effective income tax rate of 35%).

The Board of Directors, on January 21, 2021, decided to maintain this authorization.

Financial terms:

No expense was booked in this respect for the 2021 financial year.

**h - Training agreement:**

Related person:

Mr. Jérôme Bailly, Deputy Chief Executive Officer

Nature and purpose:



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

The Board of Directors, on January 21, 2021, decided to maintain this authorization.

Financial terms:

No expense was booked in this respect by the company for the 2021 financial year.

*French original signed by*

The Statutory Auditors  
Lyon and Paris, April 27, 2022

KPMG Audit  
*Department of KPMG S.A.*

RSM Paris

Stéphane Devin  
Partner

Jean-Charles Boucher  
Partner