REPORT OF THE BOARD OF DIRECTORS ON THE PROPOSED RESOLUTIONS SUBMITTED TO THE COMBINED SHAREHOLDERS' MEETING OF 30 MAY 2018

The Board of Directors convenes the Shareholders of the Company to the Combined Shareholders' Meeting to be held on 30 May 2018, in order to report on the Company's operations during the financial year closed 31 December 2017 and submit the following proposed resolutions to their approval:

Approval of the 2017 annual financial statements and allocation of results (1st to 3rd ordinary resolutions)

The first items on the agenda relate to the approval of the annual financial statements (**first resolution**) and the consolidated financial statements (**second resolution**).

Ipsen SA's annual financial statements for the year closed 31 December 2017 show a loss of €17,369,249.12.

The consolidated financial statements for the year closed 31 December 2017, show a profit (Group share) of 272,280 thousands of euros.

Detailed comments on the annual and consolidated financial statements are given in the 2017 Registration Document.

The **third resolution** aims at deciding the allocation of the results and the setting of the dividend for the 2017 financial year.

The Board of Directors proposes to the Shareholders' Meeting to distribute a gross dividend of €1.00 for each share and subsequently to allocate 2017 results as follows:

Origin:

- Loss for the financial year €17,369,249.12
- Previous retained earnings €158,866,831.82
- Distributable profit €141,497,582.70

Allocation:

- No allocation to the legal reserve –
  (the amount being beyond 10% of the share capital)
- Dividends €83,782,308.00
- Retained earnings €57,715,274.70

The ex-dividend date for the total gross dividend of €1.00 due for each share would be 4 June 2018 and its payment date 6 June 2018.

In the event of a change in the number of shares carrying a right to a dividend in comparison with the 83,782,308 shares comprising the share capital on 14 February 2018, the overall amount of dividends would be accordingly adjusted and the amount allocated to the retained earnings would be determined on the basis of the dividends effectively paid.

As a consequence, it is proposed to the Shareholders' Meeting to authorize the Chief Executive Officer, with the option to sub-delegate this authorization, to debit or credit the retained earnings with the necessary amounts within the conditions mentioned above.

When it is paid to natural persons fiscally domiciled in France, the dividend is subject, either to a single flat-rate withholding tax of 12.8% (Article 200 A of the French General Tax Code), or, as an express, irrevocable and overall option by the taxpayer, to income tax in accordance with a progressive scale particularly after a 40% allowance (Article 200 A, 13, and 158 of the French General Tax Code). The dividend is moreover subject to social contributions at the rate of 17.2%.

In accordance with the provisions of Article 243 bis of the French General Tax Code, the Shareholders' Meeting acknowledged that dividends distributed and incomes for the three previous financial years were as follows:

For financial year	Incomes eligible for tax allowance		Incomes not eligible for tax allowance
	Dividends	Other incomes paid out	
2014	€70,450,514.30 (*) *i.e.* €0.85 per share	–	–
2015	€70,759,526.70 (*) *i.e.* €0.85 per share	–	–
2016	€71,043,419.90 (*) *i.e.* €0.85 per share	–	–

(*) Including the amount of the unpaid dividend corresponding to treasury shares and allocated to the retained earnings.

Regulated agreements and commitments (4th ordinary resolutions)

From the outset, it is reminded that only the new agreements entered into during the last financial year ended shall be submitted to this Shareholders' Meeting.

The Board of Directors hereby informs the Shareholders' Meeting that no new agreement of the kind specified in articles L.225-38 *et seq.* of the French Commercial Code has been authorized and entered into during the last period and asks to purely and simply note this fact (**fourth resolution**).

Directors (5th to 9th ordinary resolutions)

As the terms of office of Ms. Anne BEAUFOUR and Hélène AURIOL-POTIER and Mr. Pierre MARTINET and Hervé COUFFIN expire at the end of the present Meeting and MAYROY SA resigned as a Director, which took effect today at the opening of this Shareholders' Meeting, the Board of Directors, upon proposal of the Nomination and Governance Committee, proposes to the Shareholders' Meeting to:

- renew the term of office of Ms. Anne BEAUFOUR, as a Director, for a duration of four years, expiring at the end of the Shareholders' Meeting to be held in 2022, called to approve the financial statements for the previous financial year (**fifth resolution**).

  Ms. Anne BEAUFOUR, Director of Ipsen SA since 2005, is currently the Chairperson of the Nomination and Governance Committee and guest of the Innovation and Development Committee.

  The Board of Directors, upon the advice of the Nomination and Governance Committee, considers that Ms. Anne BEAUFOUR may not be qualified as an independent member according to the independence criteria set out in the AFEP-MEDEF Code.

  Additional information concerning this Director, whose renewal is proposed, is set out in Appendix 1 of the present convening notice.

- appoint Mr. Philippe BONHOMME in replacement of MAYROY SA, as a Director, for the remaining term of office of his predecessor, *i.e.* until the conclusion of the Shareholders' Meeting held in 2020 called to approve the financial statements for the previous financial year (**sixth resolution**).

  In accordance with Articles 14 and 15 of the company's articles of association, the Director's term of office lasts four (4) years; in the event of a vacancy due to death or resignation, the Director appointed as a replacement only stays in office during the remaining term of office of his or her predecessor.

  MAYROY SA was re-appointed Director during the Shareholders' Meeting held on 31 May 2016, for a period of four years, expiring at the conclusion of the Shareholders' Meeting held in 2020 called to approve the financial statements of the previous financial year. In accordance with the company's articles of association, the recommendations of the AFEP-MEDEF Code and to comply with the staggering of the terms of office decided in 2011, it is proposed that Mr. Philippe BONHOMME be appointed in replacement of MAYROY SA, as a Director, for the remaining term of office of his predecessor, *i.e.* for a period of two years expiring at the conclusion of the Shareholders' Meeting in 2020 called to approve the financial statements for the previous financial year.

  Mr. Philippe BONHOMME is the permanent representative of the Company MAYROY SA, a Director of Ipsen SA since 2012. MAYROY SA is currently a member of the Ethics Committee.

  The Board of Directors, upon the advice of the Nomination and Governance Committee, considers that Mr. Philippe BONHOMME may not be qualified as an independent member according to the independence criteria set out in the AFEP-MEDEF Code.

  Additional information concerning Mr. Philippe BONHOMME, whose appointment as a Director is set out in Appendix 1 of the present convening notice.

- appoint Mr. Paul SEKHRI to replace Mr. Hervé COUFFIN, as the latter has not wished to renew his office, as a Director, for a duration of four years, expiring at the end of the Shareholders' Meeting to be held in 2022 called to approve the financial statements for the previous financial year (**seventh resolution**).

  Mr. Paul SEKHRI, of US citizenship, is a seasoned Life Sciences executive with more than 30 years of international experience in general management, drug development, technology identification and commercial strategy, in large pharma companies, biotech and private equity firms.

  The Board of Directors, upon the advice of the Nomination and Governance Committee, considers that Mr. Paul SEKHRI may be qualified as an independent member in respect of the independence criteria set out in the AFEP-MEDEF Code.

  Complementary information concerning Mr. Paul SEKHRI, whose nomination as a Director is proposed, is set out in Appendix 1 of the present convening notice.

- appoint Mr. Piet WIGERINCK to replace Ms. Hélène AURIOL-POTIER, as the latter has not wished to renew her office, as a Director, for a duration of four years, expiring at the end of the Shareholders' Meeting to be held in 2022, called to approve the financial statements for the previous financial year (**eighth resolution**).

  Mr. Piet WIGERINCK, of Belgian citizenship, is a senior and renowned scientist with a strong experience and understanding of the drug discovery pipeline, from target identification and validation through to clinical Proof Of Concept, in large international pharmaceutical and biotechnology companies.

  The Board of Directors, upon the advice of the Nomination and Governance Committee, considers that Mr. Piet WIGERINCK may be qualified as an independent member with respect to the independence criteria set out in the AFEP-MEDEF Code.

  Complementary information concerning Mr. Piet WIGERINCK, whose nomination as a Director is proposed, is set out in Appendix 1 of the present convening notice.

- duly note the non-renewal and non-replacement of Mr. Pierre MARTINET, as the latter has not wished to renew his office, as a Director, at the end of this Shareholders' Meeting (**nineth resolution**).

The Board would like to thank Ms. Hélène AURIOL-POTIER, Mr. Hervé COUFFIN and Pierre MARTINET, for their major contribution to the work of the Board of Directors.

Compensation of the corporate officers (10th to 13th ordinary resolutions)

Approval of the fixed, variable and exceptional elements making up the total compensation and the benefits of any kind paid or granted for the past financial year to Mr. Marc de GARIDEL, Chairman of the Board of Directors and Mr. David MEEK, Chief Executive Officer

The Board of Directors proposes to the Shareholders' Meeting, to rule on the fixed, variable and exceptional elements making up the total compensation and the benefits of any kind paid or granted in respect of the past financial year and in respect of their term of office, to Mr. Marc de GARIDEL, Chairman of the Board of Directors (**tenth resolution**) and to Mr. David MEEK, Chief Executive Officer (**eleventh resolution**), determined in application of the compensation principles and criteria approved by the Shareholders' Meeting of 7 June 2017 in its 15th and 17th ordinary resolutions.

The individual compensation elements are detailed in tables attached to this report (Appendix 2).

Approval of the principles and criteria for determining, allocating and granting fixed, variable and exceptional elements making up the total compensation and the benefits of any kind attributable to the Chairman of the Board of Directors and the Chief Executive Officer and/or any other corporate officers

The Board of Directors proposes to the Shareholders' Meeting to approve the principles and criteria for determining, allocating and granting fixed, variable and exceptional elements making up the total compensation and the benefits of any kind attributable to the Chairman of the Board of Directors (**twelfth resolution**) and the Chief Executive Officer and/or any other corporate officers (**thirteenth resolution**).

The report of the Board of Directors on these compensation elements is set out in the 2017 Registration Document and is attached to the present report (Appendix 3).

Repurchasing by the Company of its own shares (14th ordinary resolution)

Authorization to be given to the Board of Directors to allow the Company to repurchase its own shares pursuant to the provisions of article L.225-209 of the French Commercial Code

Pursuant to the terms and conditions of the **fourteenth resolution**, it is proposed to the Shareholders' Meeting to authorize the Board of Directors, with the ability to subdelegate, for a period of eighteen months, the powers required to purchase, on one or several occasions as it shall see fit, Company shares within the limit of 10%, of the number of shares comprising the share capital, adjusted, if applicable, to take into account any share capital increases or reductions that may occur during the period covered by the program.

This authorization would terminate the authorization given to the Board of Directors by the Shareholders' Meeting held on 7 June 2017 in its eighteenth ordinary resolution.

The acquisitions may be carried out in order to:

- stimulate the secondary market or ensure the liquidity of the IPSEN shares through the activities of an investment service provider *via* a liquidity agreement compliant with the AMAFI Code of ethics admitted by the regulations, it being specified that in this framework, the number of shares used to calculate the above-mentioned limit corresponds to the number of shares purchased, decreased by the number of shares sold;
- retain the purchased shares and subsequently deliver them within the context of an exchange or a payment related to possible external growth transactions;
- ensure the hedging of stock option plans and/or free share plans (or similar plans) in favor of Group employees and/or corporate officers as well as all allocations of shares under a Company or Group savings plan (or a similar plan), as part of the sharing of the Company's profits and/or all other forms of allocation of shares to Group employees and/or corporate officers;
- ensure the coverage of negotiable securities giving rights to the allocation of Company shares in accordance with the regulations in force;
- possibly cancel acquired shares, subject to the authorization granted or to be granted by the Extraordinary Shareholders' Meeting.

These share purchases, sales, transfers or exchanges may be carried out by all means, including on the market or off-market or by multilateral negotiations systems or through systematic internalizers, or over the counter, including through the acquisition or sale of blocks of securities, and at any times as the Board shall see fit.

The Company reserves the right to use options or derivative instruments in accordance with applicable regulations.

The Board of Directors may not, without prior authorization by the Shareholders' Meeting, make use of this authorization from the filing by a third party of a public offer for the Company's shares and until the end of the offer period.

It is proposed to fix the maximum purchase price at €250 per share and, in consequence, the maximum amount of the transaction at €2,094,557,500.

The Board of Directors shall dispose of all the powers required to undertake the necessary actions in such matters.

Detailed information on share purchase operations carried out in 2017 is set out in the 2017 Registration Document.

Free grants of shares (15th extraordinary resolution)

Authorization to be given to the Board of Directors to carry out free grants of existing shares and/or to be issued to salaried staff members and/or certain corporate officers of the Company or related companies, waiver by shareholders of their preferential subscription rights, duration of the authorization, ceiling, duration of acquisition, in particular in the case of disability, and, if applicable, holding periods

In order to enable an attractive policy concerning employee share ownership of a nature to ensure the development of the Company, we propose to renew the authorization to carry out free grants of existing shares and/or to be issued to salaried staff members of the Company and related companies and/or certain corporate officers.

We hereby request to authorize the Board of Directors, for a period of 26 months to grant, pursuant to Article L.225-197-1 of the French Commercial Code, new free shares resulting from a capital increase by capitalization of reserves, premiums or profit, and/or with existing shares (**fifteenth resolution**).

The persons benefiting from these free shares may be:

- salaried staff members of the Company or of companies that are directly or indirectly affiliated to it under the meaning of Article L.225-197-2 of the French Commercial Code;
- and/or company officers who meet the conditions defined by Article L.225-197-1 of the French Commercial Code.

The total number of free shares thus allocated shall not exceed 3% of the share capital at the date of the present Shareholders' Meeting, taking into account that the total number of shares which the options that could be granted by the Board of Directors, pursuant to twenty-seventh extraordinary resolution approved by the Combined Shareholders' Meeting held on 7 June 2017, will count towards this upper limit.

The total number of free shares that may be granted to the corporate officers shall not exceed 20% of this envelope and the final acquisition of these free shares will be subject to performance conditions set by the Board of Directors.

The allocation of shares to beneficiaries would be final at the end of an acquisition period that will last as long as determined by the Board of Directors, which shall not be less than two years.

The Shareholders' Meeting would authorize the Board of Directors to provide or not a holding period at the end of the acquisition period.

Exceptionally, the final acquisition shall occur before the end of the acquisition period in the event of disability of the beneficiary corresponding to a classification in the second and the third categories defined by Article L.341-4 of the French Social Security Code.

This authorization would entail the waiver by shareholders of their preferential subscription rights to the new shares issued by the means of the capitalization of reserves, premiums and profits.

In consequence, the Board would dispose, within the limits fixed above, of all powers to set the conditions and, if applicable, the criteria for granting and performance conditions of the shares; determine the identity of beneficiaries as well as the number of shares allocated to every one of them; if applicable, check whether there are sufficient reserves and transfer to an unavailable reserve account at every allocation the sums required to pay up the new shares to be allocated; decide, in due course, the capital increase or increases by capitalization of reserves, premiums or profits related to the issuance of the new free shares; acquire the necessary shares under the share repurchase program and transfer them to the plan; determine the impacts on the rights of beneficiaries, of transactions affecting the share capital or likely to affect the value of the allocated and acquired shares during the acquisition period and, accordingly, change or adjust, if necessary, the number of shares allocated in order to safeguard the rights of beneficiaries; decide whether or not to establish a holding period at the end of the acquisition period and, where appropriate, to determine its duration and take all appropriate measures to ensure compliance of the beneficiaries; and, more generally, do everything implementing this authorization will require in accordance with the legislation in force.

This authorization would cancel and supersede, where appropriate, up to the unused portion, any previous authorization having the same purpose.

■ Directors representing the employees at the Board of Directors (16th extraordinary resolution)

Modification concerning the Articles of Association specifying the procedure to designate the Directors representing the employees at the Board of Directors

Pursuant to **sixteenth resolution**, it is proposed to the Shareholders' Meeting, in accordance with Article L.225-27-1 of the French Commercial Code to insert in Article 12 of the Articles of Association, after the second paragraph, paragraphs to determine the procedure for designating one or more directors representing the employees at the Board of Directors.

It is proposed that the Company's Articles of Association provide for the designation of the employee representative(s) on the Board of Directors (i) by the Central Works Council of the existing Economic and Social Unit within Ipsen Group, for the first Board member representing the employees having to be designated and (ii) by the European Works Council if a second Board member representing the employees must be designated.

In accordance with the legal provisions, the proposed amendment to the Company's Articles of Association provides in effect that:

- when the number of members of the Board of Directors, calculated in accordance with Article L.225-27-1-II of the French Commercial Code, is lower than or equal to twelve, a Director representing the employees will be appointed by the Works Council of the existing economic and social unit within the IPSEN Group;
- when the number of members of the Board of Directors, calculated in accordance with Article L.225-27-1-II of the French Commercial Code, is greater than twelve, and subject to this condition still being satisfied on the day of appointment, a second Director representing the employees will be appointed by the European Works Council.

The Director representing the employees would be appointed for four years, *i.e.* for the same duration as the term of office of the other Directors.

The term of the Director representing the employees would prematurely come to an end in the conditions provided for by law, and in particular in case of termination of his employment contract.

Subject to the specific legal provisions applicable to the Director representing the employees, the latter would have the same rights and obligations as other Board members.

■ Modification of Article 16.3 of the Articles of Association – removal of the casting vote of the Chairman (17th extraordinary resolution)

It is recalled that the Board of Directors has proposed to the Shareholders' Meeting an evolution of the governance consisting in particular in the non-renewal and non-replacement of a Director and in the modification of the

Articles of Association about the designation of the Directors representing the employees at the Board of Directors.

To take into account these changes in governance, the Board of Directors proposes to the Shareholders' Meeting to amend the Articles of Association (**seventeenth resolution**) to remove the casting vote of the Chairman in the event of a split vote in the Board's deliberations.

Subject to the approval of this resolution, a Board of Directors will meet after the Shareholders' Meeting to amend accordingly the Internal Rules of the Board of Directors.

Powers to carry out formalities (18th resolution)

The Board of Directors proposes to the Shareholders' Meeting to grant, pursuant to the **eighteenth resolution**, powers necessary for the performance of legal formalities in connection with the present Meeting.

The Board of Directors

APPENDIX 1 – INFORMATION CONCERNING DIRECTORS WHOSE RENEWAL OR NOMINATION IS PROPOSED

Information concerning the Director whose renewal is proposed

Ms. Anne Beaufour

Anne Beaufour Director		Nationality: French	Shares owned: 1 Voting rights: 2
Committees: Nomination and Governance Committee (Chairperson) Innovation and Development Committee (Guest) **Date of birth:** 8 August 1963 **Date of 1st appointment:** 30 August 2005 **Last renewal date:** 4 June 2014 **Term of office:** 2018 Shareholders' Meeting	**Biography and experience** Anne Beaufour holds a Bachelor's degree in geology (University of Paris Orsay). Anne Beaufour is the shareholder of several companies, as described in the 2017 Registration document of the Company (section 5.2.3.1), which directly and/or indirectly hold shares of the Company. **Positions and functions currently held** **Main function:** • Mayroy SA (Luxembourg), Vice Chairperson of the Board of Directors and Managing Director **Other positions:** • Beech Tree SA (Luxembourg), Director and Chairperson of the Board of Directors • Highrock S.à.r.l. (Luxembourg), Legal Manager* • Bluehill Participations S.à.r.l. (Luxembourg), Legal Manager* • South End Consulting Limited (SEC Ltd) (United Kingdom), Director* **Positions previously held that expired during the last five years** • FinHestia S.à.r.l. (Luxembourg), Legal Manager		

* Outside Ipsen Group.

Information concerning Directors whose nomination is proposed

Mr. Philippe Bonhomme

Philippe Bonhomme Director		Nationality: French	Shares owned: 500 Voting rights: 1,000
Date of birth: 5 November 1969	**Biography and experience** Since 2005, Phillippe Bonhomme has been Partner, Director and a member of the management committee of Hottinguer Corporate Finance, which is the investment banking arm of Hottinguer bank. He has been advising in France and abroad on numerous transactions in the pharma and healthcare sectors as well as on private equity-backed transactions. From 1993 to 2005, Philippe Bonhomme was first an auditor and then, a Corporate Finance consultant with Coopers & Lybrand renamed into PricewaterhouseCoopers. From 2012 to 2018, Philippe Bonhomme was the pemanent representative of the Company Mayroy SA, a Director of Ipsen SA. Philippe Bonhomme is a graduate of École des Hautes Études Commerciales (HEC, Paris) and a French Certified Public Accountant (CPA). **Positions and functions currently held** **Main function:** • Hottinguer Corporate Finance SA (France), Partner, Director and Member of the Management Committee* **Other positions:** • Mayroy SA (Luxembourg), Director • Ipsen SA, permanent representative of the Company Mayroy SA** **Positions previously held that expired during the last five years** None		

* Outside Ipsen Group.
** Until 30 May 2018.

Mr. Paul Sekhri

Paul Sekhri Independent Director	Citizenship: USA	Shares owned: none Voting rights: none

Date of birth:
28 April 1958

Biography and experience

Paul Sekhri has been President and Chief Executive Officer of Lycera Corp., a US biopharma company focused on treatments for cancer and autoimmune diseases since 3 February 2015.

Prior to this, he served as Senior Vice President, Integrated Care for Sanofi from April 2014 through January 2015. Previously, he served as Group Executive Vice President, Global Business Development and Chief Strategy Officer for Teva Pharmaceutical Industries, Ltd. Before joining Teva he spent five years as Operating Partner and Head of the Biotechnology Operating Group at TPG Biotech, the life sciences venture capital arm of TPG Capital. From 2004 to 2009, Paul Sekhri was Founder, President, and Chief Executive Officer of Cerimon Pharmaceuticals, Inc. Prior to founding Cerimon, he was President and Chief Business Officer of ARIAD Pharmaceuticals, Inc.

Between 1999 and 2003, Paul Sekhri spent four years as Senior Vice President, and Head of Global Search and Evaluation, Business Development and Licensing for Novartis Pharma AG and also developed the Disease Area Strategy. His first role was as Global Head, Early Commercial Development – a department he established to ensure the differential competitive advantage of Novartis' pipeline.

Paul Sekhri has been a Director on twenty-four private and public company Boards, and is currently a member of the Board of Directors of Compugen Ltd., Petra Pharma Corp., Topas Therapeutics GmbH, Alpine Immune Sciences, Inc., Pharming Group NV and Veeva Systems, Inc.

Additionally, he is on the Board of Directors of the TB Alliance, the Bioexec Institute, and The Metropolitan Opera.

Paul Sekhri received his BS in Zoology from the University of Maryland, College Park and completed graduate work in Neuroscience at the University of Maryland School of Medicine.

Positions and functions currently held

Main function:
- Lycera Corp. (USA), President and Chief Executive Officer*

Other positions:
- Compugen, Ltd. (Israel)**, Chairman of the Board*
- Petra Pharma Corp. (USA), Chairman of the Board*
- Topas Therapeutics GmbH (Germany), Chairman of the Board of Supervisory Directors*
- Alpine Immune Sciences, Inc. (USA)**, Independent Director*
- Pharming Group NV (The Netherlands)**, Chairman of the Board of Supervisory Directors*
- Veeva Systems, Inc. (USA)**, Independent Director*
- TB Alliance, Board of Trustees*
- The Metropolitan Opera, Board of Trustees*

Positions previously held that expired during the last five years

- Enumeral Biomedical, Inc. (USA), Director*
- Nivalis Therapeutics, Inc. (USA) Director*

* Outside Ipsen Group.
** Listed Company.

Mr. Piet Wigerinck

<table>
<tr><th colspan="2">Piet Wigerinck
Independent Director</th><th>Citizenship:
Belgian</th><th>Shares owned: none
Voting rights: none</th></tr>
<tr><td rowspan="7">Date of birth:
22 December 1964</td><td colspan="3">Biography and experience</td></tr>
<tr><td colspan="3">Piet Wigerinck, Ph.D., joined Galapagos NV in April 2008 as SVP Development and was appointed Chief Scientific Officer in 2010. Under his leadership, Galapagos has developed a large pipeline of novel mechanism of action drugs. He has supervised multiple successful proofs-of-concept patient studies, including filgotinib, GLPG1690, and MOR106.
Prior to his tenure at Galapagos, Piet Wigerinck was Vice President, Drug Discovery, Early Development and CM&C at Tibotec-Virco Comm. VA (a subsidiary of Johnson & Johnson Services, Inc.). Under his leadership at Tibotec, TMC114 (Prezista™) and TMC435 (Olysio™) were selected and moved forward into clinical trials. Piet Wigerinck played a key role in Tibotec's expansion into novel diseases such as Hepatitis C and advanced several compounds into Phase 1 and Phase 2 clinical trials.
Piet Wigerinck has over 30 years of R&D experience in the pharmaceutical industry and biotechnology. He holds a Ph.D. from the K.U. Leuven and is inventor on more than 25 patent applications.</td></tr>
<tr><td colspan="3">Positions and functions currently held</td></tr>
<tr><td>Main function:
• Galapagos NV (Belgium)**, Chief Scientific Officer*</td><td colspan="2">Other positions:
None</td></tr>
<tr><td colspan="3">Positions previously held that expired during the last five years</td></tr>
<tr><td colspan="3">None</td></tr>
</table>

* Outside Ipsen Group.
** Listed Company.

APPENDIX 2 – APPROVAL OF THE FIXED, VARIABLE AND EXCEPTIONAL ELEMENTS MAKING UP THE TOTAL COMPENSATION AND THE BENEFITS OF ANY KIND PAID OR GRANTED FOR THE PAST FINANCIAL YEAR TO MR. MARC DE GARIDEL, CHAIRMAN OF THE BOARD OF DIRECTORS AND MR. DAVID MEEK, CHIEF EXECUTIVE OFFICER

Regarding Mr. Marc de Garidel

Compensation elements paid or granted for the 2017 financial year to Mr. Marc de Garidel in application of the principles and criteria approved by the Shareholders' Meeting held on 7 June 2017	Amounts or accounting valuation submitted to the vote	Presentation
Fixed compensation	€800,000 (amount paid)	Fixed compensation is subject to be reviewed by the Board of Directors according to the Company's market position and taking account changing responsibilities. For the 2017 financial year, the Board of Directors, upon recommendation of the Compensation Committee, fixed, at its meeting held on 22 February 2017, the compensation elements and benefits in kind of the Chairman of the Board. The amount of the gross fixed compensation for 2017 remained unchanged, *i.e.* €800,000. This compensation takes into account the particular missions performed by the Chairman of the Board as part of the separation of the functions.
Exceptional compensation	No amount due in respect of the financial year	Mr. Marc de Garidel did not benefit from any exceptional compensation during the 2017 financial year.
Compensation elements due to the termination or change of functions, retirement undertakings and non-compete agreements	No amount due in respect of the financial year	The Board of Directors meeting held on 8 July 2016 decided: • to grant Mr. Marc de Garidel the right to a severance payment; • to enable Mr. Marc de Garidel to benefit from the defined benefit additional pension scheme existing within the Company; • to put in place a non-compete agreement. *These undertakings were approved by the Company Shareholders' Meeting of 7 June 2017 in its 4th and 5th ordinary resolutions.* The details of these undertakings are provided in the 2017 Registration Document, section 5.1.2.
Benefits of any kind	€6,075 (accounting valuation)	Mr. Marc de Garidel receives benefits resulting from the conditions linked to the performance of his duties at Ipsen, representing in particular: assistance with filing his personal income tax returns, reimbursement of reasonable attorney fees and expenses incurred in connection with the finalization of the terms and conditions of his corporate mandate, a company car and driver, business travel and accommodation expenses incurred whilst exercising his duties, healthcare under a global healthcare policy, and death and disability coverage under the Group's policy or a specific policy, D&O liability insurance.

Regarding Mr. David Meek

Compensation elements paid or granted for the 2017 financial year to Mr. David MEEK in application of the principles and criteria approved by the Shareholders' Meeting held on 7 June 2017	Amounts or accounting valuation submitted to the vote	Presentation
Fixed compensation	€900,000 (amount paid)	Fixed compensation takes into account our reference markets. It is subject to be reviewed by the Board of Directors, typically at relatively long intervals, according to the Company's market position and taking account changing responsibilities. The Board of Directors, at its meeting held on 22 February 2017 and upon recommendation of the Compensation Committee, has set Mr. David Meek's fixed compensation at a gross annual amount of €900,000.
Annual variable compensation	€1,314,000 (amount to be paid after approval by the Shareholders' Meeting)	For the 2017 financial year, the Board of Directors, during its meeting held on 22 February 2017, has decided to grant to Mr. David Meek a gross target bonus of €900,000, which may vary within a range between 0% and 200% (*i.e.* from 0 to €1,800,000) based on the following quantifiable and qualitative performance criteria: the two-thirds of this target bonus depend on quantifiable criteria of equal weighting based on the achievement of level of consolidated net sales, core operating income, diluted earnings per share and cash-flow from operations ; the balance is based on qualitative criteria concerning managerial and strategic objectives. The detail of qualitative criteria was precisely pre-established by the Board but is not made public for confidentiality reasons. The level of achievement of this quantifiable and qualitative criteria is provided in the 2017 Registration Document, section 5.1.2.3.1, p. 214.
Multi-annual variable compensation in cash	No amount due in respect of the financial year	Mr. David Meek did not benefit from any multi-annual variable compensation during the 2017 financial year.
Grant of stock options	Not applicable	No option was granted to the Chief Executive Officer, Mr. David Meek, during the 2017 financial year.
Performance shares	€1,248,291 (accounting valuation on the grant day)	At its meeting held on 29 March 2017, upon recommendation of the Compensation Committee, the Board of Directors decided to award Mr. David Meek, Chief Executive Officer, 13,365 shares in the form of performance shares under article L.225-197-1 of the French Commercial Code, representing 0.02% of the share capital. The definitive acquisition of the performance shares is subject to a presence condition in the Company. The definitive number of performance shares acquired will depend on the level of achievement of the performance conditions applicable, that will be assessed annually by comparing the target level of performance achieved by the Company during the first and the second financial years set by the plan. Each of the conditions is assessed on a scale of 0 to 250%. The performance conditions are based, for the one third of the granted shares, on an internal criterion based on the Core Operating Income, for the second third on an internal criterion based on specific incomes and, for the last third, on an external criterion based on the relative performance of Ipsen's stock price compared to that of the other companies which are part of the STOXX TMI 600 Health Care index. The details of these internal and external performance conditions as well as the degree of achievement (expected and achieved), that have been precisely determined by the Board but are not disclosed for confidentiality reasons. In case of over achievement of the expected performance (*i.e.* 100%), the number of performance shares granted will be adjusted accordingly. These performance shares are subject to a 2-year acquisition period from the date of grant and 50% of the shares thus acquired will be subject to a 2-year holding period. *Authorization of the Shareholders' Meeting of 31 May 2016 – 13th resolution*
Exceptional compensation	No amount due in respect of the financial year	Mr. David Meek did not benefit from any exceptional compensation during the 2017 financial year.

Compensation elements paid or granted for the 2017 financial year to Mr. David MEEK in application of the principles and criteria approved by the Shareholders' Meeting held on 7 June 2017	Amounts or accounting valuation submitted to the vote	Presentation
Compensation elements due to the termination or change of functions, retirement undertakings and non-compete agreements	No amount due in respect of the financial year	The Board of Directors meeting held on 8 July 2016 decided: • to grant Mr. David Meek the right to a severance payment; • to enable Mr. David Meek to benefit from the defined benefit additional pension scheme existing within the Company; • to put in place a non-compete agreement. *These undertakings were approved by the Shareholders' Meeting of 7 June 2017 in its 4th and 6th ordinary resolutions.* The details of these undertakings are provided in the 2017 Registration Document, section 5.1.2.
Benefits of any kind	€2,155 (accounting valuation)	Mr. David Meek receives benefits resulting from the conditions linked to the performance of his duties at Ipsen, in particular: a relocation package in France, assistance with filing his personal income tax returns, reimbursement of reasonable attorney fees and expenses incurred in connection with the finalization of the terms and conditions of his corporate mandate, company car and driver, business travel and accommodation expenses incurred whilst exercising his duties, healthcare under a global healthcare policy, and death and disability coverage under the Group's policy or a specific policy, D&O liability insurance.

APPENDIX 3 – APPROVAL OF THE PRINCIPLES AND CRITERIA FOR DETERMINING, ALLOCATING AND GRANTING FIXED, VARIABLE AND EXCEPTIONAL ELEMENTS MAKING UP THE TOTAL COMPENSATION AND THE BENEFITS OF ANY KIND ATTRIBUTABLE TO THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER AND/OR ANY OTHER EXECUTIVE OFFICERS

The principles and criteria for determining, allocating and granting fixed, variable and exceptional elements making up the total compensation and the benefits of any kind attributable to the Company officers in respect of their duties, constituting the compensation policy concerning them, are decided by the Board of Directors upon recommendation of the Compensation Committee. They are presented below, and submitted to the approval of the Shareholders' Meeting to be held in 2018.

Principles and criteria governing the compensation of Company officers

The compensation policy with regard to Company officers and their individual compensation is decided by the Board of Directors upon recommendation of the Compensation Committee, outside the presence of the Company officers concerned. The Board of Directors also refers to the AFEP-MEDEF recommendations on compensation paid to executive officers of listed companies.

This policy covers all aspects of the fixed, variable and exceptional compensation and of the benefits of any kind, paid by the Company.

It is decided not only on the basis of the work carried out, the results obtained and the responsibility assumed, but also on the basis of practices for comparable companies and the compensation of the Company's other senior executives.

The compensation paid to Company officers is structured as follows:

- fixed compensation;
- annual variable compensation (only for executive officers);
- if applicable, multi-annual variable compensation (only for executive officers);
- if applicable, benefits for taking up a position (only for executive officers);

- if applicable, eligibility for directors' fees paid to Directors;
- allocation of stock options and performance shares under plans approved by the Board of Directors (only for executive officers);
- if applicable, other benefits;
- if applicable, payments, benefits and compensation granted to Company officers upon termination of their functions.

In the event that the Board of Directors decides to appoint one or more Deputy Chief Executive Officers, the principles and compensation criteria applicable to the Chief Executive Officer would be applicable to the Deputy Chief Executive Officers.

In the event that the Board of Directors decides to combine the functions of Chairman and Chief Executive Officer, the principles and compensation criteria applicable to the Chief Executive Officer would apply to the Chairman and Chief Executive Officer.

Fixed compensation

Fixed compensation takes into account our reference markets. It is subject to be reviewed by the Board of Directors, typically at relatively long intervals, according to the Company's market position and taking account changing responsibilities.

Annual variable compensation

Annual variable compensation is linked to the Group's overall performance and to the achievement of Executive Company officers' personal targets. Every year, the Board of Directors defines and precisely predetermines qualitative and quantifiable criteria for determining the variable compensation and the target objectives. Quantifiable criteria are preponderant to the determination of annual variable compensation and a limit is set on the qualitative part.

Annual variable compensation is set on the basis of a target bonus equal to 100% of the fixed compensation, within a range between zero to a certain percentage, predetermined by the Board of Directors, in case of under or overperformance. The detail of qualitative criteria is not made public for confidentiality reasons.

As part of the separation of the offices of Chairman of the Board and Chief Executive Officer, the Board of Directors has decided that no annual variable compensation shall be paid to the non-executive Chairman of the Board.

The criteria for determining annual variable compensation for the 2018 financial year are presented at paragraph 5.1.2.3.1 B of the 2017 registration document.

Multi-annual variable compensation

The Board of Directors may decide, depending on opportunities and in light of legislatives changes concerning free shares, to grant to Executive Company officers, as well as some senior executives of the group, a Mid-Term Bonus in the scope of the plans approved by the Board of Directors upon recommendation of the Compensation Committee; it is determined on the basis of a percentage of fixed compensation.

These plans are subject to attendance and, if applicable, precisely predetermined performance conditions, which must be fulfilled during an acquisition period set by the Board of Directors. Nevertheless, in the event of death, disability, retirement or exception granted by the Board of Directors before the end of the acquisition period, the beneficiary may retain his rights. The details of the external and internal criteria and the completion levels (expected and realized) of the external and internal criteria are not disclosed for confidentiality reasons.

The Board of Directors has decided that no multi-annual compensation shall be paid to the non-executive Chairman of the Board.

Exceptional compensation and/or financial indemnity

The Board of Directors may decide, in case of specific circumstances or events, to grant exceptional compensation.

It can decide to grant exceptional compensation and/or an exceptional financial indemnity to the Company officers while taking into account the specific circumstances in which they carry out their duties.

Special financial indemnity

The Board of Directors may grant a special financial indemnity to a new executive company officer coming from a company outside the Group on taking up duty in order to offset the loss of previously-held benefits.

Directors' fees

The Company officers who are members of the Board of Directors may receive directors' fees due on the basis of their positions as Directors according to the rules applicable to all of the Directors.

The Board of Directors has decided that no directors' fees shall be paid to the non-executive Chairman of the Board and to the Chief Executive Officer.

Stock options and performance shares

Executive Company officers as well as certain senior executives of the Group may benefit from stock options and/or performance shares under plans approved and set each year by the Board of Directors upon recommendation of the Compensation Committee. In accordance with the recommendations of the AFEP-MEDEF Code (§24.2), non-executive officers shall not benefit from stock option and/or performance shares plans.

The definitive number of performance shares that will be vested will depend upon the level of achievement of the performance conditions set by the Board of Directors, which are based on one or several internal criteria (e.g., quantifiable financial ratio) and on one or several external criteria (e.g., share price compared to a benchmark of comparable companies). Each of these conditions shall be assessed by comparing the target threshold and the actual performance of the Company over the period used as reference for the applicable plan. Each of these conditions may generate a payout varying within a range between zero to a certain percentage pre-established and determined by the Board of Directors at the implementation of the plan.

The Board of Directors decided that the Company officers must retain, until the end of their term of office, a number of shares equivalent to 20% of the net capital gain that would be realized upon the sale of the shares resulting from the exercise of stock options and/or from the performance shares.

These plans are subject to attendance (subject to exceptions) and, if applicable, performance conditions, which must be fulfilled during a minimum acquisition period of two years depending on the beneficiaries' country of residence and, if applicable, a holding period. Nevertheless, in the event of death, disability, retirement or exception granted by the Board of Directors before the end of the acquisition period, the beneficiary or, if applicable, its assignees, can keep their rights.

The Company officers who are beneficiaries of these stock options and/or performance shares undertook a formal commitment not to engage in hedging transactions either on their options or on shares issued following the exercise of options or on performance shares granted until the end of the holding period that has been decided by the Board of Directors.

The Board of Directors has established periods preceding the publication of half-yearly and annual financial statements and sales figures during which it is not permitted to carry out any transaction on Company shares and has established the following procedure:

- the dates of the blackout periods for each financial year are communicated at the beginning of each year and before each blackout period;
- outside blackout periods, an identified person must be consulted to ensure that no insider information is held.

Other benefits

Company officers may also be awarded benefits in respect of their duties carried out within Ipsen, including: benefits in kind (company car and temporary accommodation), assistance for the preparation and filing of personal income tax returns, global healthcare coverage (mutual and life/disability schemes) under the Group's policy, reimbursement of travel expenses and expenses incurred with the exercise of their corporate duties, D&O liability insurance.

Payments, benefits and compensation granted to Company officers upon termination of their functions

Severance payment

Company officers may benefit from a severance payment clause, due in the event of termination of their duties, of which the terms have been decided by the Board of Directors in accordance with the recommendations of the AFEP-MEDEF Code:

- payment due only in the event of a forced departure (*départ contraint)* within the meaning of the AFEP-MEDEF Code,
- in an amount corresponding to 24 months' fixed and annual variable remuneration in respect of their term of office,
- which includes, for a portion equal to 50% of the amount hereof, the amount due in respect of any non-compete undertaking, if applicable,
- payment of which is subject to a predetermined performance condition, assessed at least on two financial years.

Non-compete payment

The Board of Directors may conclude a non-compete agreement with the Company officers in case of their departure from the Group for a reason other than a change of control. This agreement shall be valid for a certain period following the date of departure.

The non-compete payment may not exceed a ceiling of 24 months of compensation (fixed and annual variable), including, if applicable, the amount of a severance payment, up to 50 %.

Additional pension scheme

The Company officers may benefit from defined contribution pension plan or defined benefit additional pension commitment which more broadly benefits the company's executives, in accordance with the recommendations of the AFEP-MEDEF Code and article L.225-42-1 of the French Commercial Code.