

**Information relating to the compensation elements of David LOEW,
Chief Executive Officer with effect from July 1, 2020**

Boulogne-Billancourt, France, May 29, 2020

In accordance with the recommendations of the AFEP-MEDEF Corporate Governance Code, IPSEN is disclosing the compensation elements of David LOEW, appointed as Chief Executive Officer with effect from July 1, 2020 by a decision of the Board of Directors dated May 28, 2020.

Compensation amounts set out below were determined by the Board of Directors at its meeting on May 28, 2020, upon recommendation of the Compensation Committee, and in accordance with the 2020 Compensation Policy applicable to the Company's Chief Executive Officer as approved by the Combined Shareholders' Meeting today.

1. Compensation elements relating to David LOEW duties

- **Determination of the base compensation of David LOEW**

For the 2020 financial year, the base remuneration of David LOEW has been set at an annual gross amount of EUR 950,000. This amount will be calculated on a *pro rata temporis* basis to take into account the start date of the corporate office (July 1, 2020).

- **Determination of the annual gross variable remuneration of David LOEW (Short-Term Incentives or "STI")**

For the 2020 financial year, the gross target annual variable remuneration has been set at EUR 950,000 (corresponding to a 100% achievement of the objectives), which may vary within a range between 0% and 200% (i.e. from EUR 0 to EUR 1,900,000). Two thirds of this amount will be dependent on the levels of consolidated net sales at constant exchange rate, core operating income before amortization of intangible assets and at current exchange rate, free cash flow before capital expenditure (CAPEX) and earnings per share fully diluted. The remaining part will be dependent on qualitative objectives in terms of strategy, management and CSR. Details of these qualitative criteria and the expected level of achievement of the performance criteria are not made public for confidentiality reasons.

The annual gross variable remuneration will be calculated on a *pro rata temporis* basis to take into account the start date of the corporate office (July 1, 2020).

- **Allocation of performance shares**

It is recalled that David LOEW will be eligible to the grant of Long-Term Incentives ("LTIs") as part of plans approved by the Board of Directors. These LTIs will take the form of performance shares as defined by applicable LTI plan(s) and as provided for under Article 225-197-1 to L. 225-197-6 of the French Commercial Code. As Company's Chief Executive Office, David LOEW will be required to retain, until the end of his corporate office, a number of performance shares granted equivalent to 20% of

the capital gain net of acquisition value (*plus-value nette d'acquisition*) that would be obtained upon the sale of the performance shares resulting from these LTIs.

For the 2020 financial year, David LOEW will be eligible to a grant of performance shares for an amount of EUR 2,375,000 at grant and which acquisition will be subject to the vesting period and performance conditions provided for in the Company's LTI plan approved by the Board of Directors. Considering the start date of the corporate office of David LOEW as CEO, this allocation will occur no later than one month following such date (July 1, 2020).

The number of performance shares that will be granted will be calculated based on the average stock price of the IPSEN share over the 20 trading days preceding a period of 10 working days prior to the date of grant.

Acquisition of the performance shares will be subject to a condition of presence within the Company at the end of the vesting period. The number of performance shares that will be acquired will depend upon the level of achievement of the performance conditions set by the Board of Directors and assessed over a period of three years, i.e.:

- 60% based on two internal performance conditions, based on (i) the Group Core Operating Income (Group COI) excluding Business Development for 40% and (ii) CSR criteria for 20%. For each of these conditions, the level of payout (0 – 200%) will be defined as per the payout grid enclosed in the applicable plan rules, and;
- 40% based on an external performance condition measuring the relative performance of IPSEN's stock price compared to that of the other issuers which are part of the STOXX TMI 600 Health Care index. Based on its ranking, the level of payout (0 – 200%) will be defined as per the payout grid enclosed in the applicable plan rules.

Each of these conditions shall be measured by comparing the target threshold and the actual performance of the Company (or the Company's stock price). Each of these conditions may generate a payout varying within a range between 0 and 200%.

- **Pension schemes**

David LOEW should benefit from the existing defined-contribution pension schemes ("*régimes de retraite complémentaire à cotisations définies*") of the Company (Article 83), including the one specific to executives.

- **Other benefits**

David LOEW will be entitled other benefits to enable him to fully carry out his corporate office, including the reimbursement of certain expenses related to his arrival at IPSEN and the performance of his duties in accordance with the 2020 Compensation Policy.

2. Special financial indemnity

In order to compensate for the loss of his existing financial package at his current employer, David LOEW will be granted:

- an indemnity of EUR 1,000,000 in cash, paid half in the month of the first anniversary of the effective date of taking office as Chief Executive Officer and half in the month of the second anniversary of the effective date of taking office as Chief Executive Officer. These payments will be subject to a presence requirement of David LOEW within the Company on the day on which they are made;
- an allocation of performance shares for an amount of EUR 500,000, which will be granted no later than the month following the effective date of taking office as Chief Executive Officer. The acquisition of these shares will be subject to a presence requirement and performance conditions.

3. Post-corporate office compensation elements

- **Severance pay**

In case of forced departure ("*départ contraint*"), David LOEW will benefit from a severance payment:

- corresponding (at maximum) to the remuneration (fixed and variable) paid for his duties as Chief Executive Officer for the last two closed financial years (or, in the event there would not be two financial years closed at the time of the departure, 24 times the average monthly gross - fixed and variable (STI scheme only, excluding any other variable remuneration, exceptional remuneration and LTIs) - remuneration actually received since the start of the corporate office as Chief Executive Officer),
- the granting of which is subject to performance conditions in accordance with the 2020 Compensation Policy, et
- constituting a global lump-sum indemnity including, if applicable, up to 50% of the amount payable in consideration for the non-compete undertaking described below.

In the event of departure within the period of three years immediately following the appointment as Chief Executive Officer, the maximum amount to which David LOEW will be eligible (i.e., 24 months of fixed and variable remuneration) will be adjusted downwards *pro rata temporis* the number of months actually carried out as Chief Executive Officer (based on the ratio: number of months of presence / 36 months). In this case, assuming that the non-compete is not be waived by the Company and as an exception to the lump-sum principle above mentioned, the related non-compete indemnity would come in addition to this prorated severance pay (provided that the total of these combined amounts does not exceed the threshold of 24 months of fixed and variable compensation).

- **Non-compete compensation**

In consideration for its non-compete undertaking, David LOEW will receive an indemnity:

- at the end of each month of his compliance with same (for a period of 12 months);
- amounting to 50% of the average monthly gross remuneration - fixed and variable remuneration (STI scheme only, excluding any other variable remuneration, exceptional remuneration and LTIs) - received during the 12 months prior to the departure from the Company.
- deemed to be included in the severance pay if it is due to the extent indicated above;
- it is specified that the Board of Directors reserves its right to waive the implementation of this non-compete undertaking.

For confidentiality reasons, the content of this non-compete undertaking cannot be made public.

It is specified that the non-compete undertaking will not apply and no non-compete indemnity will be paid, if David LOEW is leaving the Company to retire or have reached the age of 65 at the date of effective departure.

In any case, the cumulative amount paid (if applicable) for the severance package and the non-compete payment cannot exceed the threshold of 24 months of fixed and variable remuneration (STI scheme only, excluding any other variable remuneration, exceptional remuneration and LTIs).