**EXECUTIVE BOARD’S REPORT**

**OUTLINING THE DRAFT RESOLUTIONS**

**SUBMITTED TO THE COMBINED GENERAL MEETING ON AUGUST 19, 2021**

**ORDINARY RESOLUTIONS**

1. **Approval of the Company annual and consolidated financial statements for the financial year ended 28 February 2021 - Approval of expenses and charges not deductible for tax purposes** *(first and second resolutions)*

We ask you to approve the Company financial statements for the financial year ended 28 February 2021, which show a profit of 35,202,664.28 euros, as well as the consolidated financial statements for the financial year ended 28 February 2021 as presented, which show a Group share of 140,684,805 euros.

We also ask you to approve the total amount of expenses and charges referred to in Article 39, paragraph 4 of the French General Tax Code, i.e. the sum of 37,657 euros.

**2. Appropriation of net income for the year and setting of the dividend** *(third resolution)*

We propose that the profit for the financial year, which amounts to 35,202,664.28 euros, be appropriated as follows:

Origin:

* Profit for the year € 35,202,664.28
* Carry forward € 70,917.60

Allocation:

* Other reserves € 4,272,559.88
* Dividend € 31,001,022.00

Thus, the gross dividend per share would be € 1.80.

When paid to individuals domiciled for tax purposes in France, the dividend is subject either to a single flat-rate withholding tax on the gross dividend at a flat rate of 12.8% (Article 200 A of the French General Tax Code), or, at the taxpayer's express, irrevocable and global option, to income tax according to the progressive scale after a 40% allowance (Article 200 A, 13, and 158 of the French General Tax Code). The dividend is also subject to social security contributions at a rate of 17.2%.

This dividend would be payable on 26 August 2021 and the ex-dividend date would be 24 August 2021.

It is specified that if, on the ex-dividend date, the Company holds any of its own shares, the amounts corresponding to the unpaid dividends in respect of these shares will be allocated to “Other reserves”.

In case of change in the number of share giving right to dividends compared to the 17,222,790 shares comprising the share capital on June 23, 2021 the total amount of dividends would be adjusted accordingly and the amount allocated to the “Other reserves” account would be determined on the basis of dividends actually paid out.

In accordance with the provisions of Article 243 bis of the French General Tax Code, we would like to inform you that the following dividends and income have been distributed in respect of the last three financial years:

|  |  |  |
| --- | --- | --- |
| **Fiscal Year** | **Distribution with allowance** | **WITHOUT ALLOWANCE** |
| **DIVIDENDS** | **OTHER DISTRIBUTIONS** |
| 2017/2018 | 25.443.958,50 €\*€ 1,50 per share | \_ | \_ |
| 2018/2019 | 27.415.153,60 €\*€ 1,60 per share | \_ | \_ |
| 2019/2020 | 20.561.365,20 €€ 1,20 per share | \_ | \_ |

*\* Including the amount of the dividend corresponding to treasury shares not paid out and allocated to the retained earnings account*

1. **Approval of regulated agreements** *(fourth resolution)*

We hereby inform you that no new regulated agreements of the nature referred to in Articles L. 225-86 et seq. of the French Commercial Code were authorised and concluded during the last financial year and ask you to duly record it.

We ask you to approve the new agreement, entered into force after the end of the fiscal year and authorized by the Supervisory Board at its meeting of May 20, 2021, mentioned in the Statutory Auditors' special report.

1. **Appointments of Supervisory Board members** *(fifth to seventh resolutions)*

We propose that you vote on the appointment of MANCELLE HUTTEPAIN as a member of the Supervisory Board to replace Mrs Caroline HUTTEPAIN, who has resigned, for the remainder of her term of office, i.e. three years, which will expire at the end of the General Meeting held in 2024 to approve the financial statements for the previous financial year.

We remind you that the terms of office as members of the Supervisory Board of Mrs Monique MENEUVRIER and SOFIPROTEOL expire at the end of the next General Meeting.

On the recommendation of the Appointments and Remuneration Committee, we would like to propose that you:

- renew for a period of 4 years, i.e. until the end of the General Meeting held in 2025 to approve the financial statements for the previous financial year, the term of office of:

* + Mrs Monique MENEUVRIER
	+ SOFIPROTEOL

**Independence**

We inform you that the Supervisory Board, on the advice of the Appointments and Remuneration Committee, considers that:

- Mrs Monique MENEUVRIER and S.C MANCELLE HUTTEPAIN cannot be qualified as independent members;

- SOFIPROTEOL company is qualified as an independent member

with regard to the independence criterias of the Middlenext Code, adopted by the Company as the reference code for corporate governance.

**Expertise, experience, competence**

Information on the expertise and experience of the applicants is detailed in the corporate governance 2020/2021 (paragraph II.2.1).

If you approve all of these renewal proposals:

- The Board will be composed of 13 members, including 5 independent members (this capacity being defined in accordance with all the criteria of the Middlenext Code and adopted by the Company) and 2 employees' representatives. The Company will thus continue to comply with the recommendations of this Code with regard to the proportion of independent Board members.

- The percentage of women on the Board will be maintained at 45.45% in accordance with the law (members representing employees are not included in this calculation).

1. **Say on Pay** *(eighth to thirteenth resolutions)*

Please refer to the report on corporate governance prepared by the Company's Supervisory Board (paragraphs IV and V).

1. **Proposal to renew the authorisation to implement the share buyback programme** *(fourteenth resolution)*

Under the terms of the fourteenth resolution, we propose that you grant the Executive Board, for a period of eighteen months, the necessary powers to purchase, on one or more occasions at the times it shall determine, shares of the Company up to a maximum of 5% of the number of shares comprising the share capital at the date of the meeting, adjusted if necessary to take into account any capital increases or reductions that may occur during the term of the programme.

This authorisation would terminate the authorisation granted to the Executive Board by the Shareholders' Meeting of 20 August 2020 in its 18th ordinary resolution.

Acquisitions may be made with a view to:

- stimulate the secondary market or ensure the liquidity of LDC shares through an investment services provider under a liquidity agreement in accordance with accepted regulatory practice, it being specified that in this context, the number of shares taken into account for the calculation of the aforementioned limit corresponds to the number of shares purchased less the number of shares sold,

- to retain the shares purchased and subsequently use them in exchange or as payment in the context of possible merger, spin-off, contribution or external growth operations,

- to cover stock option plans and/or free share plans (or similar plans) for the benefit of the Group's employees and/or corporate officers, as well as any allocation of shares under a company or group savings plan (or similar plan), profit-sharing plans and/or any other form of allocation of shares to employees and/or corporate officers of the Group,

- to ensure the coverage of securities giving entitlement to the allocation of shares in the Company within the framework of the regulations in force,

- to cancel any shares acquired, in accordance with the authorisation granted or to grant by the Extraordinary General Meeting.

These share purchases may be carried out by any means, including through the acquisition of blocks of shares, and at such times as the Executive Board may decide.

The Company does not intend to use optional mechanisms or derivative instruments.

We proposed to set the maximum purchase price at € 200 per share and consequently the maximum purchase price of the transaction is proposed to be set at 171,344,600.

The Executive Board would therefore have the necessary powers to take the necessary action in such matters.

**EXTRAORDINARY RESOLUTIONS**

1. **Authorization granted to the Executive Board to cancel shares bought back by the Company pursuant to the terms of Article L. 22-10-62 of the French Commercial Code** *(fifteenth resolution)*

As a result of the objective of cancelling shares bought back by the company under the terms of article L. 22-10-62 of the French Commercial Code, we request that you authorize the Executive Board, for a period of twenty-four months, to cancel, at its sole discretion, on one or more occasions, up to a limit of 10% of the capital, calculated as of the date of the cancellation decision, less any shares cancelled during the 24 months preceding the decision, the shares that the company holds or may hold as a result of the share buybacks carried out under its repurchase programme, and to reduce the share capital accordingly, in compliance with the legal and regulatory provisions in force.

1. **Delegation of authority to be granted to the Executive Board to issue ordinary shares with cancellation of preferential subscription rights in favour of a company made up of executives of the LDC Group, SOCCAD INVESTISSEMENTS** *(sixteenth resolution)*

You are requested to grant a new delegation to a named person in order to have the flexibility to take advantage of any funding opportunity. A table of the delegations and authorisations granted by the General Meeting to the Executive Board and the status of their use is provided in the Corporate Governance Report, Chapter VII.

In accordance with Article L.225-138 of the French Commercial Code, the General Meeting is asked to approve an eighteen-month delegation of authority to be granted to the Executive Board to issue ordinary shares without pre-emptive subscription rights in favour of the person named below. Pursuant to this delegation, the issues would be carried out with cancellation of shareholders' preferential subscription rights in favour of the existing company made up of executives of the LDC Group, SOCCAD INVESTISSEMENTS, or a company made up of executives to be created (hereinafter the "LDC management company").

This delegation is proposed to the General Meeting to enable the Executive Board to decide on a capital increase in favour of the LDC management company. The proposed cancellation of the preferential subscription right in favour of the LDC management company is motivated by the need to set up an attractive instrument of access to the share capital for the aforementioned executives grouped together in a company in order to encourage their personal and financial investment.

The maximum aggregate nominal amount of the shares that may be issued may not exceed EUR 200,000.

To this ceiling shall be added, as the case may be, the nominal amount of the capital increase necessary to preserve, in accordance with the law and, where applicable, with contractual stipulations providing for other methods of preservation, the rights of holders of rights or securities giving access to the Company's capital.

This ceiling would be independent of all the ceilings provided for in the other resolutions of this Meeting.

The issue price of the ordinary shares that may be issued under this delegation of authority shall be at least equal to the weighted average price of the last 30 trading days prior to setting the issue price, less a maximum discount of 20%.

If subscriptions do not absorb the entire issue, the Executive Board may limit the amount of the issue to the amount of subscriptions, within the limits provided for by regulations.

The Executive Board would thus have full authority to implement this delegation and would report to the next Ordinary General Meeting, in accordance with the law and regulations, on the use of the delegation granted under this resolution.

This delegation terminates the delegation given to the Executive Board by the General Meeting of August 20, 2020 in its 19th extraordinary resolution.

1. **Delegation of authority to increase the share capital for the benefit of members of a company savings plan** *(seventeenth resolution)*

We submit this resolution to your vote in order to comply with the provisions of Article L. 225-129-6 of the French Commercial Code, under the terms of which the Extraordinary General Meeting must also vote on a resolution to carry out a capital increase under the conditions provided for in Articles L. 3332-18 et seq. of the French Labour Code, when it delegates its authority to carry out a capital increase in cash. As the Meeting is being called to vote on delegations that may result in capital increases in cash, it must also decide on a delegation in favour of members of a company savings plan.

We therefore ask you to renew in advance the delegation granted in this respect by the General Meeting of 20 August 2020.

In the context of this delegation, you are asked to authorise the Executive Board to increase the share capital on one or more occasions by issuing ordinary shares or securities giving access to the Company's share capital to the benefit of members of one or more company or group savings plans established by the Company and/or French or foreign companies that are linked to it under the terms of Article L.225-180 of the French Commercial Code and Article L.3344-1 of the French Labour Code.

Pursuant to the provisions of Article L.3332-21 of the French Labour Code, the Executive Board may provide for the allocation to beneficiaries, free of charge, of shares to be issued or already issued or other securities giving access to the Company's share capital to be issued or already issued, in respect of (i) the employer's contribution that may be paid pursuant to the regulations of company or group savings plans, and/or (ii) if applicable, the discount and may decide, in the event of the issue of new shares at a discount and/or by way of a contribution, to incorporate into the capital the reserves, profits or premiums necessary to pay for such shares.

In accordance with the law, the General Meeting would cancel shareholders' pre-emptive subscription rights.

The maximum nominal amount of the capital increases that may be carried out using the delegation would be 1% of the amount of share capital attained at the time of the Executive Board's decision to carry out the increase, this amount being independent of any other ceiling provided for in the delegation of authority to carry out capital increases. To this amount would be added, as the case may be, the nominal amount of the capital increase necessary to preserve, in accordance with the law and any applicable contractual stipulations providing for other methods of preservation, the rights of holders of rights or securities giving entitlement to equity securities of the Company.

This delegation would have a term of 26 months.

It is specified that, in accordance with the provisions of Article L. 3332-19 of the French Labour Code, the price of the shares to be issued could not be more than 30% or 40% lower when the lock-up period provided for by the plan pursuant to Articles L. 3332-25 and L. 3332-26 of the French Labour Code is greater than or equal to ten years, nor greater than the average of the share's listed prices during the 20 trading sessions preceding the decision setting the opening date of the subscription period.

Within the limits set above, the Executive Board would have the necessary powers, in particular to set the terms and conditions of the issue(s), record the completion of the resulting capital increase(s), amend the Articles of Association accordingly, charge, at its sole initiative, the costs of the capital increases against the amount of the related premiums and deduct from this amount the sums necessary to increase the legal reserve to one-tenth of the new capital after each increase, and more generally take the necessary steps in this regard.

This delegation would render ineffective, to the extent, if any, of the unused portion, any previous delegation having the same purpose.

1. **Amendments to the Articles of Association and harmonization of the Articles of Association** *(eighteenth resolution)*

We propose to bring the articles of association into line with the provisions of Ordinance no. 2020-1142 of September 16, 2020 creating, within the French Commercial Code, a chapter relating to companies whose securities are admitted to trading on a regulated market or a multilateral trading facility, which has modified the codification of articles of the French Commercial Code by completing the textual references mentioned in articles 22 and 29 of Articles of Association.

1. **Powers for formalities** *(nineteenth resolution)*

You are requested to grant all powers to the bearer of an original, a copy or an extract of the minutes of the resolutions that you will adopt for the purpose of carrying out all filing, publication and other formalities that may be necessary.

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The Executive Board invites you to vote to approve the text of the resolutions that it proposes to you