

**VALNEVA**

**Société Européenne with a Management Board and a Supervisory Board**

**Share capital: €8,390,317.14**

**Registered office: 70, rue Saint Jean de Dieu, 69007 Lyon**

**Lyon Companies Register (RCS) No.: Identification no.: 422 497 560**

**SPECIAL REPORT OF THE MANAGEMENT BOARD TO THE ANNUAL ORDINARY GENERAL  
MEETING OF JUNE 26, 2014**

**ON TRANSACTIONS UNDERTAKEN IN THE FISCAL YEAR ENDED 31 DECEMBER 2013**

**IN ACCORDANCE WITH THE PROVISIONS OF ARTICLES L.225-177 TO L.225-186**

**OF THE FRENCH COMMERCIAL CODE**

To the Shareholders,

In accordance with the provisions of Article L.225-184 of the French commercial code, we hereby report to you on transactions undertaken by virtue of the provisions of Articles L.225-177 à L.225-186 of said code, relating to the stock-options of fiscal year ended 31 December 2013.

We inform you below of the maturity dates and the price of stock-options that, during the year ended, and by virtue of the appointments and functions exercised in the Company, were granted to each of the corporate officers by the Company or by companies affiliated thereto, in accordance with the provisions of Article L.225-180 of the French commercial code.



Beneficiaries	No. of options granted	Subscription price in euros	Maturity date	Company concerned	Appointments
<b>Thomas LINGELBACH</b>	100,000	€3.21	02.10.2015 02.10.2017 <sup>1</sup>	Valneva SE	(Appointed on 10 May 2013, end of term of office at the AGM called to rule on the accounts for the fiscal year ending 31 December 2015)
<b>Franck GRIMAUD</b>	100,000	€3.21	02.10.2015 02.10.2017 <sup>1</sup>	Valneva SE	(Appointed on 10 May 2013, end of term of office at the AGM called to rule on the accounts for the fiscal year ending 31 December 2015)
<b>Reinhard KANDERA</b>	100,000	€3.21	02.10.2015 02.10.2017 <sup>1</sup>	Valneva SE	(Appointed on 10 May 2013, end of term of office at the AGM called to rule on the accounts for the fiscal year ending 31 December 2015)

<sup>1</sup>50 % of the options can be exercised from 02.10.2015, and the remaining 50 % from 02.10.2017.



**Summary of options exercised by a beneficiary, as corporate officer of the Company in the fiscal year ended 31 December 2013:**

Option exercise and share subscription date	Grantees	Number of options exercised	Subscription price	Number of shares*
29 May 2013	Majid Mehtali	385	€1.80	41,580
29 May 2013	Majid Mehtali	290	€1.80	31,320
29 May 2013	Majid Mehtali	160	€1.80	17,280
<b>TOTAL</b>		<b>835</b>		<b>90,180</b>

We also report to you on options granted to employees who are not corporate officers, and/or exercised in the year, by the Company or companies or economic interest groups affiliated thereto, in accordance with the provisions of Article L.225-184 of the French commercial code.

**“ESOP Plan” n°7**

<b>General Assembly Date</b>	June 28, 2013
<b>Management Board decision</b>	October 2, 2013
<b>Number of options granted</b>	752,950
<b>Subscription price</b>	€3.21
<b>Beneficiaries</b>	The options have been proposed to all employees of the Group that are not corporate officers.
<b>Exercise period</b>	50 % of the options can be exercised from 02.10.2015, and the remaining 50 % from 02.10.2017.



### Summary of options exercised by employees in the fiscal year ended 31 December 2013:

Option exercise and share subscription date	Plan number and date	Number of options exercised*	Subscription price	Number of shares issued*
May 6, 2013	Plan n°3, allotment 5 *** Management Board decision: 01.02.2005	63	€1.80	6,804
July 31, 2013	Plan n°3, allotment 3 *** Management Board decision: 06.10.2003	150	€1.80	16,200
September 16, 2013	Plan n°3, allotment 5 *** Management Board decision: 01.02.2005	179	€1.80	20,406
October 16, 2013	Plan n°4, allotment 3 *** Management Board decision: 05.04.2005	244	€1.80	27,816
October 23, 2013	Plan n°4, allotment 4 *** Management Board decision: 05.10.2005	257	€1.80	29,298
<b>TOTAL</b>		<b>893</b>		<b>100,524</b>

Finally, in accordance with article L.225-184 of the French Commercial code, we report you on stock- options granted to, and exercised by, the top 10 employed beneficiaries of the Company and its affiliates, who are not corporate officers.

STOCK- OPTIONS GRANTED TO AND EXERCISED BY TOP 10 EMPLOYED BENEFICIARIES WHO ARE NOT CORPORATE OFFICERS	Total number of options granted/shares subscribed	Weighted average price	Plan 1	Plan 2	Plan 3	Plan 4	Plan 4bis	Plan 5	Plan 6	Plan 7
Options granted during 2013	130,700 options <sup>1&amp;2</sup>	€3.21	0	0	0	0	0	0	0	130,700
Options exercised during 2013	893 options - 100,524 shares	€1.80	0	0	392	501	0	0	0	0

<sup>1</sup> Two employees who each received 9,900 options during FY 2013 have not been included in this amount.

<sup>2</sup> The minimum number of options per employee to be taken into account for the calculation of this amount is 9,900.

We remain at your disposal to provide any further details and information.

Roissy, March 20, 2014

### THE MANAGEMENT BOARD



\*Each option confers a right to 100 shares since the Company's share was admitted for trading on Eurolist Euronext Paris and the General Meeting's decision of 31 March 2007 to proceed with a 100-for-1 stock split resulting in a decrease in the nominal from €15 to €0.15 and the corresponding multiplication of the number of shares by 100.

\*\* In accordance with article L228-99 of the French commercial code, any company granting capital securities or transferable securities giving access to the capital must take the necessary steps to protect the interests of the holders of the rights created if they decide to proceed, regardless of their form, with the issue of new capital securities with a preferential subscription rights reserved for its shareholders.

On 28 July 2010, the Management Board recorded for the record the completion of the capital increase.

On 27 August 2010 ex-Vivalis' Management Board decided, in accordance with articles L. 228-99, R. 228-91, 1, a) and R. 225-140 of the French commercial code, to adjust the number of shares available to be taken up by exercising options so that the exercise price of the options remains unchanged after the rights issue maintaining the preferential subscription rights of shareholders.

In consequence, a stock option to subscribe for shares, giving a right before this rights issue to subscribe for 100 shares, gave a right to subscribe for 108 shares at €1.80 per share.

Further to a new capital increase on July 5, 2013, the Management Board of Valneva decided on July 24, 2013, in accordance with articles L. 228-99, R. 228-91, 1, a) and R. 225-140 of the French commercial code, to adjust the number of shares available to be taken up by exercising options so that the exercise price of the options remains unchanged after the rights issue maintaining the preferential subscription rights of shareholders.

In consequence, a stock option to subscribe for shares, giving a right before this rights issue to subscribe for 108 shares, gives now a right to subscribe for 114 shares at €1.80 per share.

