
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 20, 2018

SANGAMO THERAPEUTICS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-30171
(Commission
File Number)

68-0359556
(IRS Employer
ID Number)

501 Canal Blvd., Richmond, California 94804
(Address of principal executive offices) (Zip Code)

(510) 970-6000
(Registrant's telephone number, including area code)

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

On July 20, 2018, Sangamo Therapeutics, Inc., a Delaware corporation (the “Company”), entered into a Share Purchase Agreement (the “SPA”) with certain shareholders of TxCell S.A., a French *société anonyme* (“TxCell”) identified on the signature pages thereto (the “Sellers”), and the Company and TxCell entered into a Tender Offer Agreement (the “TOA”). Pursuant to the SPA and the TOA, the Company, directly or through a subsidiary, expects to acquire 100% of the equity interests of TxCell for approximately €72 million, on a debt-free and cash-free basis.

Pursuant to the SPA, the Company, directly or through a subsidiary, has agreed to purchase all of the ordinary shares of TxCell (the “Ordinary Shares”) held by the Sellers for €2.58 per share in cash (such per share price being the “Offer Price” and such purchase being the “Block Transaction”). The Sellers own (or will prior to the closing of the Block Transaction own) 13,519,036 Ordinary Shares, which represent approximately 53% of the share capital and voting rights of TxCell. The completion of the Block Transaction is subject to certain conditions, including

- issuance of a fairness opinion by the independent expert to be appointed by TxCell in accordance with articles 261-1 *et seq.* of the General Regulations of the French Autorité des Marchés Financiers (AMF) that the Offer Price is fair to TxCell’s shareholders from a financial point of view, and the recommendation of the board of directors of TxCell that all holders of Ordinary Shares tender such Ordinary Shares into the Offer;
- confirmation by the French Ministry of Economy that the Block Transaction and the Offer are not subject to its prior approval pursuant to the French regulations relating to foreign investments control or, failing such confirmation, the prior approval of such transactions by the French Ministry of Economy;
- the absence of any event having a material adverse effect on the business of TxCell since December 31, 2017; and
- the receipt of appropriate clearances from French regulatory agencies relating to the performance by TxCell of activities of preparation and storage of human tissues and cells.

Promptly following the completion of the Block Transaction, the Company will be entitled to designate a number of directors on the board of directors of TxCell representing a majority of the TxCell board.

Pursuant to the TOA, the Company, directly or through a subsidiary, has agreed that, without undue delay following the completion of the Block Transaction, it will commence a cash tender offer (the “Offer”) to acquire all of the Ordinary Shares of TxCell not held by the Company or any subsidiary of the Company for the Offer Price. In addition, the Company has agreed to: (a) grant to certain employees (including certain members of management) of TxCell stock options to purchase approximately 150,000 shares of Company common stock, which will be granted under the Company’s existing 2018 Equity Incentive Plan, with standard vesting conditions; and (b) enter into arrangements with holders of 495,396 “free shares” of TxCell, pursuant to which the Company would purchase such shares from the holders thereof from time to time through mid-2021. The purchase price for each such free share will be based on the performance of the Company’s stock price from the announcement of the transactions contemplated by the SPA and TOA (at which time each free share was valued at €2.58, or approximately \$3.02) through the time of purchase (such that, for example, if the Company’s stock price doubles during that time period, the value of each free share would similarly double).

The Sellers and TxCell have made limited representations and warranties in the SPA and TOA, respectively, as are customary for such agreements governed under French law, and TxCell has agreed to customary covenants regarding the operation of the business of TxCell and its subsidiaries after the date of the TOA and prior to the closing of the Block Transaction. The SPA and TOA also contain customary termination rights.

If, following completion of the Offer, as it may be extended, the Company owns at least 95% of the share capital and voting rights of TxCell, it plans to acquire the remaining Ordinary Shares for the Offer Price through a compulsory squeeze-out procedure under French law.

The foregoing description of the SPA and TOA is not complete and is qualified in its entirety by reference to the SPA and TOA, which are attached as Exhibits 2.1 and 2.2 to this report and incorporated herein by reference.

The SPA and TOA (and the foregoing description of the SPA and TOA) have been included to provide investors and stockholders with information regarding the terms of the SPA and TOA. It is not intended to provide any other factual information about TxCell. The representations, warranties and covenants contained in the SPA and TOA were made only as of specified dates for the purposes of such agreements, were solely for the benefit of the parties to such agreements and may be subject to qualifications and limitations agreed upon by such parties. In particular, in reviewing the representations, warranties and covenants contained in the SPA and TOA and discussed in the foregoing description, it is important to bear in mind that such representations, warranties and covenants were negotiated with the principal purpose of allocating risk between the parties, rather than establishing matters as facts. Such representations, warranties and covenants may also be subject to a contractual standard of materiality different from those generally applicable to stockholders and reports and documents filed with the U.S. Securities and Exchange Commission. Investors and stockholders are not third-party beneficiaries under the SPA or TOA. Accordingly, investors and stockholders should not rely on such representations, warranties and covenants as characterizations of the actual state of facts or circumstances described therein. Information concerning the subject matter of such representations, warranties and covenants may change after the date of the SPA and TOA, which subsequent information may or may not be fully reflected in the parties' public disclosures.

Item 8.01 Other Events.

On July 23, 2018, the Company and TxCell issued a joint press release announcing the execution of the SPA and TOA. A copy of the press release is attached as Exhibit 99.1 to this report and incorporated herein by reference.

Forward-Looking Statements

This report and the press release attached hereto as Exhibit 99.1 contain forward-looking statements regarding the Company's current expectations. These forward looking statements include, without limitation, statements related to the anticipated completion of, and the expected timetable for, the Block Transaction and the Offer and the Company's other beliefs and expectations about the Block Transaction, the Offer and the Company's proposed acquisition of TxCell, including the potential effects of the Block Transaction and the Offer on the Company and TxCell and the Company's plans with respect to TxCell; the Company's beliefs as the potential of CAR-Treg therapies; the Company's plans to submit a clinical trial authorization application (CTA) in Europe for TxCell's first CAR-Treg investigational product candidate in 2019, and to initiate a Phase 1/2 clinical trial later in the year; the Company's intent to evaluate the potential of CAR-Treg therapies to prevent graft rejection in solid organ transplant and for the treatment of autoimmune diseases; the intent to genetically modify Tregs to create a new class of antigen and tissue specific immunosuppressive medicines for autoimmune diseases; the expectation that TxCell will become a subsidiary of the Company operating under the name of Sangamo Therapeutics SA; the intent to delist TxCell and the intended treatment of TxCell warrants; and other statements that are not historical facts. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict. Factors that could cause actual results to differ include, but are not limited to, the Company's ability to complete the Block Transaction and the Offer on the proposed terms and schedule, including risks and uncertainties related to the satisfaction of closing conditions and the receipt of requisite approvals; the possibility that competing offers will be made; risks associated with business combination transactions, such as the risk that the acquired TxCell business will not be integrated successfully or that such integration may be more difficult, time-consuming or costly than expected; risks related to future opportunities and plans for the combined company, including uncertainty of the expected future regulatory filings, financial performance and results of the combined company following completion of the proposed transaction; the possibility that if the Company does not achieve the perceived benefits of the proposed acquisition as rapidly or to the extent anticipated by financial analysts or investors, the market price of the Company's common stock could decline; uncertainties related to the planned CTA submission and initiation and completion of clinical trials; whether clinical trial results will validate and support the safety and efficacy of the planned CAR-Treg product candidate; and the reliance on partners and other third-parties to meet their clinical and manufacturing obligations. Actual results may differ from those projected in forward-looking statements due to risks and uncertainties that exist in the Company's operations and business environments. Certain of these risks and uncertainties are described more fully in the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018 as filed with the Securities and Exchange Commission on May 10, 2018. Forward-looking statements contained in this report and in the press release attached hereto as Exhibit 99.1 are made as of this date, and the Company undertakes no duty to update such information except as required under applicable law.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
2.1*	Share Purchase Agreement dated July 20, 2018, among the Company and the Sellers.
2.2*	Tender Offer Agreement dated July 20, 2018, between the Company and TxCell.
99.1	Joint Press Release dated July 23, 2018.

* Exhibits and schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company hereby undertakes to furnish supplemental copies of any of the omitted exhibits and schedules upon request by the SEC; provided, however, that the Company may request confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934 for any exhibits or schedule so furnished. A list identifying the contents of all omitted exhibits and schedules can be found in Exhibits 2.1 and 2.2.

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SANGAMO THERAPEUTICS, INC.

By: /s/ Heather Turner

Name: Heather Turner

Title: Senior Vice President and General Counsel

Dated: July 23, 2018

SHARE PURCHASE AGREEMENT

This share purchase agreement (this "Agreement"), dated as of July 20, 2018, is entered into by and among (i) Sangamo Therapeutics, Inc., a company incorporated in the State of Delaware, whose head office is located at 501 Canal Blvd, Richmond, CA 94804, U.S.A. (the "Purchaser") and (ii) the persons listed in Exhibit A (hereafter collectively referred to as the "Sellers" and individually as a "Seller").

The Purchaser and the Sellers are hereinafter referred to collectively as the "Parties" and individually as a "Party".

Capitalized terms used in this Agreement and not defined elsewhere in this Agreement are defined in Article 1.1 below.

WHEREAS:

(A) TxCell is a French *société anonyme* registered with the registry of commerce and companies of Grasse under number 435 361 209 (the "Company"), the shares of which are listed on the regulated market of Euronext in Paris.

(B) The Purchaser contemplates to acquire a controlling stake in the Company from the Sellers and to launch a tender offer (*offre publique d'achat*) (the "Tender Offer") on the rest of the Company's share capital in accordance with the terms and conditions of the tender offer agreement entered into on the date hereof by the Purchaser and the Company (the "TOA").

(C) The Sellers collectively own as at the date hereof 11,563,730 ordinary shares of the Company (the "Sellers' Issued Shares"), each of a nominal value of EUR 0.20. Subject to the terms and conditions of this Agreement: (i) Mr. Stephane Boissel hereby undertakes to sign with the Purchaser a Free Shares Liquidity Agreement covering the 185,400 vested free shares of the Company (the "SB Vested Free Shares") as well as the 52,700 unvested free shares of the Company held by him, (ii) YA II PN, Ltd. will convert 28 convertible notes into 1,866,666 shares of the Company (the "Yorkville Converted Shares"), (iii) Mr. Francois Meyer will exercise the 274,040 warrants against 274,040 shares of the Company (the "FM Converted Shares"), and (iv) the Sellers will sell to the Purchaser 13,519,036 ordinary shares of the Company in the aggregate (together with, the "Shares"), corresponding to the Sellers' Issued Shares *minus* the SB Vested Shares *plus* the Yorkville Converted Shares *plus* the FM Converted Shares.

(D) The Purchaser has agreed to purchase the Shares from the Sellers, and the Sellers have agreed to sell their Shares to the Purchaser, on the terms and subject to the conditions of this Agreement (the "Acquisition").

(E) The purpose of this Agreement is to set forth the terms and conditions of such purchase and sale of the Shares.

NOW, THEREFORE, the Parties hereto hereby agree as follows:

ARTICLE I
DEFINITIONS

1.1 Certain Definitions. In addition to such terms as are defined elsewhere in this Agreement, in this Agreement:

"Affiliate" shall mean, in relation to any Person, any other Person which, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such first Person, within the meaning of "control" under article L. 233-3 of the French Commercial Code (*Code de commerce*), provided that, as far as FCPR BIOAM, FCPR BIOAM 1B, FCPR Innobio, Bpifrance Investissement and Bpifrance Participations are concerned, the French *Caisse des Dépôts* shall not be considered as an Affiliate under this Agreement;

“Agreement” shall have the meaning specified in the Preamble;

“Business Day” shall mean any day other than a Saturday, Sunday or legal holiday in Paris, France, or San Francisco, California, U.S.A. or any other day on which commercial banking institutions in Paris, France or San Francisco, California, U.S.A. are authorized or required to close;

“Closing” shall have the meaning specified in Article 2.4;

“Closing Date” shall have the meaning specified in Article 2.4;

“Company” shall have the meaning specified in the Preamble;

“Company Shares” shall mean the ordinary shares, nominal value EUR 0.20, of the Company outstanding from time to time, including such shares that are held by the Company itself;

“Encumbrance” shall mean any pledge (*nantissement* or *gage*), mortgage (*hypothèque*), lien (*privilège*), ownership right (*démembrement*), as well as any option (or other commitment to sell), right of first refusal, pre-emption right, preferential subscription right (*droit préférentiel de souscription*), restriction on voting or receipt of income, or other security (*sûreté*) or other claim or right of any third party;

“Governmental Authorization” shall mean any approval, consent, permit, ruling, waiver, exemption or other authorization (including the lapse, without objection, of a prescribed time under a statute or regulation that states that a transaction may be implemented if a prescribed time lapses following the giving of notice without an objection being made) issued, granted, given or otherwise made available by or under the authority of any governmental authority or pursuant to any Law;

“Law” shall mean any law, statute, regulation, rule, ordinance, order or decree of any governmental authority (including any judicial or administrative interpretation thereof) in force, fully implemented and enforceable as of the date hereof;

“Material Adverse Change” or “Material Adverse Effect” shall mean any event, fact, matter, change or occurrence, which, individually or in the aggregate with any other such event, fact, matter, change or occurrence, is or may reasonably be expected to be materially adverse to the business, results, profits, financial condition, assets, properties, liabilities, operations or prospects of the Company. Notwithstanding the foregoing, no result, occurrence, fact, change, event or effect shall be taken into account in determining whether a Material Adverse Change or Effect has occurred to the extent resulting from changes affecting generally the industries or markets in which the Company operates (except to the extent adversely affecting the Company or its business in a disproportionate manner relative to other Persons operating in the industries or markets in which the Company operates);

“Notice” shall have the meaning specified in Article 5.3;

“Person” shall mean any individual, corporation (including any not-for-profit corporation), general or limited partnership, limited liability company, joint venture, association, organisation, labour union or other entity or Governmental Authority;

“Purchase Price” shall have the meaning specified in Article 2.2;

“Purchaser” shall have the meaning specified in the Preamble;

“Sellers” shall have the meaning specified in the Preamble;

“Shares” shall have the meaning specified in the Preamble; and

“Tender Offer” shall have the meaning specified in the Preamble.

1.2 Principles of Interpretation. In this Agreement:

(a) All references herein to Articles and Exhibits shall be deemed references to Articles of, and Exhibits to this Agreement unless the context shall otherwise require. The descriptive headings to Articles and Exhibits are inserted for convenience only, and shall have no legal effect.

(b) The following rules of interpretation shall apply unless the context shall require otherwise:

(i) Definitions used in this Agreement shall apply equally to both the singular and plural forms of the terms defined.

(ii) Whenever used in this Agreement:

(A) the words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”; and

(B) the words “hereof”, “herein” and similar words shall be construed as references to this Agreement as a whole and not just to the particular Article in which the reference appears.

(iii) A reference to a specific time of day shall be to local time in Paris, France.

(iv) Except when used with the word “either”, the word “or” shall have a disjunctive and not alternative meaning (i.e., where two items or qualities are separated by the word “or”, the existence of one item or quality shall not be deemed to be exclusive of the existence of the other and the word “or” shall be deemed to include the word “and”).

1.3 Nature of the Parties’ Obligations. The representations, warranties, covenants, agreements and other undertakings of the Purchaser and the Sellers set forth in this Agreement are all given or made by the Purchaser or the Sellers severally but not jointly (*non solidairement*) for all purposes of this Agreement.

ARTICLE II PURCHASE AND SALE OF THE SHARES

2.1 Agreement to Purchase and to Sell. Upon the terms and subject to the conditions set forth in this Agreement, at Closing, the Purchaser shall purchase from each Seller, and each Seller shall sell to the Purchaser, the number of Shares as set forth opposite such Seller’s name in the table appearing on Exhibit B free and clear of all Encumbrances, together with all rights and benefits now and hereafter attaching thereto, including the right to receive any dividends that could be declared in the future.

2.2 Purchase Price. The consideration to be paid by the Purchaser to the Sellers for the Shares shall be EUR 2.58 per Share (the “Purchase Price”), the aggregate price for all the Shares sold by each Seller being as set forth in Exhibit B.

Sellers will be paid a price supplement (the “Price Supplement”) if Purchaser were to offer a purchase price per share higher than the Purchase Price to the Company’s other shareholders in the Tender Offer or the indemnification of any squeeze out completed within a 12-month period following the Tender Offer, the Price Supplement being equal to the difference between such purchase price and the Purchase Price.

2.3 Pre-closing and Closing actions.

At the latest on the penultimate Business Day (the “Pre-Closing Date”) before the Closing Date:

(a) the Sellers shall deliver to the Purchaser:

(i) a certificate duly signed by the Company’s *Directeur Général* providing for the up-to-date number of outstanding Company Shares and voting rights as at the Closing Date, and a certificate duly signed by Société Générale Securities Services confirming the number of Shares respectively registered in pure registered form (*nominatif pur*), in administered form (*nominatif administré*) and in bearer form (*au porteur*);

(ii) a copy of the extract of the minutes of the competent corporate bodies of each Seller authorizing, to the extent required by and in compliance with applicable Laws, the completion of the transaction contemplated herein;

(iii) satisfactory evidence that, subject to the occurrence of the Closing, (i) all agreements entered into between (x) any Seller or its affiliates and (y) the Company shall terminate immediately upon Closing with effective date as of the Closing Date, without any right or claim against the Company or its shareholders of any nature whatsoever remaining outstanding, and (ii) no amount is owed by, or other liability whatsoever is outstanding of, the Company to the Seller or its advisors, agents, affiliates or representatives;

(iv) the resignation letters from Bpifrance Investissement, Bpifrance Participations and Auriga Partners as directors of the Company and Mr. Laurent Arthaud and Mr. Laurent Higuere as board observers, with effect on the Closing Date, confirming that they have no claim of any kind against the Company and that no remuneration remains to be paid to him or her;

(b) The Company shall deliver to the Purchaser:

(i) waivers satisfactory to the Purchaser executed by Bpifrance Financement with respect to early repayment, change of control, default or other provisions triggered by the transactions contemplated herein of the loan agreements and subsidies entered into with the Company.

(ii) appropriate waivers executed by each holder of outstanding warrants or stock options issued by the Company which are out of the money, in accordance with Schedule 3.2 of the TOA;

(iii) appropriate undertakings, executed by each holder of warrants issued by the Company which are in the money, to exercise such warrants and tender the Company shares issued upon exercise of such warrants to the Tender Offer (subject to limitations strictly required in accordance with applicable law), in accordance with Schedule 3.2 of the TOA;

(iv) put and call options executed by the holders of “free shares” (*actions gratuites*) or rights to free shares, in accordance with Schedule 3.2 of the TOA (the “Free Shares Liquidity Agreement”);

(v) valid authorizations for import/export of human products and cells covering the new TX200 research program; and

(vi) valid declarations with respect to the activities of preparation and storage of human tissues and cells.

2.4 Closing.

(a) Provided that (x) the conditions to the obligations of the Purchaser set forth in Article VI have been satisfied or waived by the Purchaser, and (y) this Agreement has not been previously terminated pursuant to Article VIII, the consummation of the sale and purchase of the Shares (the “Closing”) shall take place at the offices of Jones Day in Paris on the date which is five Business Days after the date on which all the Conditions Precedent set forth in Article VI are satisfied or waived by the Purchaser, or at such other time of day or date as the Purchaser and the Sellers may agree in writing. The date on which the Closing shall take place is referred to herein as the “Closing Date”.

(b) At Closing, each Seller shall (i) deliver to the Purchaser a transfer form (*ordre de mouvement*) duly signed by such Seller in favor of the Purchaser in respect of the Shares owned by such Seller or give its custodian all appropriate transfer instructions for the transfer of the Shares owned by such Seller to the Purchaser in the proportions set forth in Exhibit B in accordance with the relevant Euroclear procedure for delivery against payment (*livraison contre règlement*); and (ii) deliver to the Purchaser related Cerfa 2759 tax forms duly signed by such Seller.

(c) The Shares shall be transferred off-market in accordance with the French financial and monetary code and the regulation of the AMF.

(d) As a consequence, on the Closing Date, the full ownership (*propriété and jouissance*) of the Shares shall be transferred to the Purchaser on the Closing Date against simultaneous settlement and due payment of the Purchase Price owed to the Sellers in accordance with the provisions of this Section 2.3.

(e) At Closing, YA II PN, Ltd. shall transfer to the Company for an aggregate consideration of 1 euro, and the Company shall immediately thereafter cancel, 84 warrants giving access to notes convertible into shares with share subscription warrants attached and 1,236,350 share subscription warrants.

(f) At Closing:

(i) the Purchaser shall initiate an irrevocable electronic wire transfer of immediately available funds in an amount equal to the portion of the Purchase Price set forth in Exhibit B, to the bank account of the relevant Seller which details are set out in Exhibit B, against delivery of the Shares through a “delivery against payment” off-market transaction;

(ii) the Purchaser shall request the valid registration in pure registered form (*nominatif pur*) of the Shares in the name of the Purchaser in the books of the Company managed by Société Générale Securities Services.

(g) All matters at the Closing will be deemed to take place simultaneously, and no action or delivery of any document required to be completed at or in connection with the Closing will be deemed complete until all transactions and deliveries of documents required by this Agreement to be completed at or in connection with the Closing are completed. No Party shall be under any obligation to complete the transaction contemplated herein as long as all the closing deliveries, closing actions and obligations provided in this Section 2.4 are fully complied with. All matters at the Pre-Closing will be considered to take place simultaneously with the Closing.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF THE SELLERS

Each Seller hereby individually represents and warrants to the Purchaser that, as to itself, the following information is true and correct as at the date hereof and will be true and correct as at the Closing Date:

(a) Such Seller is the lawful and sole owner of the Shares set forth opposite such Seller’s name in the table appearing on Exhibit B, fully paid up, validly issued, free and clear of all Encumbrances. Such Sellers’ Shares may be freely transferred with good title thereto to the Purchaser.

(b) To the extent such Seller is a legal entity, such Seller is duly organized and validly existing under the Laws of its jurisdiction of incorporation or formation. The entering into of this Agreement and the performance of such Seller’s obligations hereunder have been duly authorized by all necessary corporate, partnership or similar action and proceedings on the part of such Seller. No step has been taken or legal proceeding started against such Seller for its winding-up, liquidation, bankruptcy or dissolution under applicable Laws, nor is such Seller insolvent (*cessation des paiements*). No step has been taken to initiate any legal proceeding as a result of which (i) the ability of the creditors of such Seller to take any action to enforce their debts is suspended, restricted or prevented, or (ii) a third party is appointed to manage the affairs, business and assets of such Seller on behalf of its creditors.

(c) Such Seller has the capacity and right to enter into this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby.

(d) This Agreement has been duly signed by such Seller and constitutes the valid and binding obligation of such Seller, enforceable against such Seller in accordance with its terms.

(e) No Governmental Authorization is required to be made or obtained by such Seller prior to the Closing in connection with: (a) the entering into of this Agreement by such Seller, (b) the performance by such Seller of its obligations hereunder, or (c) the consummation of any of the transactions contemplated by this Agreement, except for the avoidance of doubt, the condition precedent referred to under Section 6.1 of this Agreement. Compliance with the terms of this Agreement will not breach or constitute a default under any agreement or instrument to which such Seller is a party or by which it is bound or any Law applicable to such Seller.

(f) Such Seller's Shares as set forth opposite such Seller's name in Exhibit B represent all the financial instruments issued by the Company and owned by such Seller or its Affiliates, it being specified that (y) as far as YA II PN, Ltd. is concerned (i) 280,000 Shares are held as at the date hereof and 1,866,666 additional Shares will be held as at the Closing Date upon conversion of 28 notes convertible into shares currently held by YA II PN, Ltd. and (ii) 84 warrants giving access to notes convertible into shares with share subscription warrants attached and 1,236,350 share subscription warrants will be transferred on the Closing Date for an aggregate consideration of 1 euro by YA II PN, Ltd. to the Company in order to be immediately thereafter cancelled by the Company, such Shares, warrants and share subscription warrants representing all of the financial instruments issued by the Company and owned by such YA II PN, Ltd. or its Affiliates, (y) as far as Mr. Francois Meyer is concerned 115,251 Shares are held as at the date hereof and 274,040 additional Shares will be held as at the Closing Date upon exercise of the 274,040 share subscription warrants he holds as at the Date hereof, and (z) as far as Mr. Stephane Boissel is concerned 218,400 shares of the Company and 52,700 unvested free shares of the Company are held as at the Date hereof, it being agreed that Mr. Stephane Boissel hereby commits to execute on Closing Date at the latest a Free Shares Liquidity Agreement in respect of (i) the SB Vested Free Shares and (ii) the 52,700 unvested free shares of the Company held by him as at the date hereof.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES
OF THE PURCHASER

The Purchaser hereby represents and warrants to the Sellers that the following information is true and correct as at the date hereof and will be true and correct as at the Closing Date:

4.1 Purchaser's Organization and Due Authorization.

(a) The Purchaser is a company duly organized and validly existing under the Laws of its jurisdiction of incorporation or formation. The Purchaser has the corporate capacity and right to enter into this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby.

(b) The entering into of this Agreement and the performance of the Purchaser's obligations hereunder have been duly authorized by all necessary corporate action and proceedings on the part of the Purchaser.

(c) This Agreement has been duly signed by the Purchaser and constitutes a valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms.

4.2 Governmental Authorizations. No Governmental Authorization is required to be made or obtained by the Purchaser prior to the Closing in connection with: (a) the entering into of this Agreement by the Purchaser, (b) the performance by the Purchaser of its obligations hereunder, or (c) the consummation of any of the transactions contemplated by this Agreement.

4.3 Financing of the Transactions Contemplated under this Agreement. The financing of the acquisition by the Purchaser of the Shares does not come from drug trafficking nor organized criminal activities and the Purchaser is in compliance with all applicable Laws relating to anti-money laundering.

ARTICLE V
PRE-CLOSING COVENANTS

During the period from the date of this Agreement through the Closing (or the earlier termination of this Agreement pursuant to Article VIII), each Seller (i) shall, and shall procure that none of its officers, directors or Affiliates, nor anyone acting on behalf of such Seller or any of its Affiliates shall, directly or indirectly, encourage, solicit, engage in discussions or negotiations with any Person (other than the Purchaser and its representatives and professional advisors), or provide any information to any potential purchaser (other than the Purchaser and its representatives and professional advisors), concerning any purchase or sale of shares, merger, sale of substantially all of the assets or similar transaction involving the Companies, and (ii) undertakes not to interfere with the management of the Company in the ordinary course, to the extent such interference would reasonably be expected to adversely affect the Company or the completion of the transactions contemplated hereby.

ARTICLE VI
CONDITIONS PRECEDENT

The obligation of the Purchaser to take the actions required to be taken by it at the Closing is subject to:

6.1 (x) the confirmation by the French Ministry of Economy, following a *Demande de rescrit au titre des articles L.151-3 et R.153-7 du code monétaire et financier*, that the transaction contemplated herein and in the Tender Offer are not subject to any authorization pursuant to and do not fall within the scope of article L.151-3 of the *code monétaire et financier*, or, alternatively (y) if the condition referred to in (x) is not satisfied, the authorization by the French Ministry of Economy of the transactions contemplated herein and in the Tender Offer pursuant to article L.151-3 of the *code monétaire et financier*, and more generally pursuant to Laws applicable to foreign investments in France, provided that the Purchaser shall use its commercially reasonable efforts to satisfy any commitments that may be requested by the Ministry of Economy to promptly obtain the foreign investment control clearance and shall promptly keep the Company informed of any material development in respect of the foregoing;

6.2 the absence of any Material Adverse Change since December 31, 2017, or any change, effect, event or occurrence existing or having occurred since December 31, 2017 that will, or that could reasonably be expected to, result in a Material Adverse Change;

6.3 the delivery to the Purchaser of the Favorable Report and the Final Board Recommendation (as such terms are defined in the TOA);

6.4 the granting of appropriate waivers to change of control and/or repayment provisions of the agreements entered into by the Company listed in Exhibit C, which would be triggered by the announcement or completion of the transactions contemplated hereby; and

6.5 the express or tacit unconditional clearance by the competent governmental authorities with respect to performance by the Company of activities of preparation and storage of human tissues and cells

(each a "Condition Precedent" and collectively, "the "Conditions Precedent").

The Parties undertake to cooperate and use their commercially reasonable efforts to take (or cause to be taken) and to carry out (or cause to be carried out) all actions necessary or reasonably useful to satisfy the Condition Precedents as promptly as feasible. Such conditions may be waived by the Purchaser at its sole discretion. The Parties shall keep each other informed (and share documents accordingly) of the evolution of the process of obtaining the satisfaction of the Conditions Precedent. The Parties shall however in no case be responsible for obtaining the approval referred to in (a) above and the Purchaser shall in no case bear any consequences of the default of satisfaction of any of the Conditions Precedents on the stock market or on the affairs of the Company or its shareholders.

ARTICLE VII
INDEMNIFICATION

7.1 Repayment obligations of the Sellers. Subject to and in accordance with the provisions of this Article VII, each Seller shall pay to the Purchaser as a repayment of a portion of, and adjustment to, the purchase price, on a euro for euro basis (without the application of any valuation multiple), the amount of any Losses suffered or incurred by the Purchaser or the Company resulting from the failure of any representation or warranty made by such Seller pursuant to Article III, to be true and accurate at the date on which such representations and warranties are made in accordance with the terms hereof.

7.2 Indemnification Obligations of the Purchaser. Subject to and in accordance with the provisions of this Article VII, the Purchaser shall indemnify the Seller from and against, and pay or reimburse the Seller for, all Losses suffered or incurred by the Seller or Group Companies arising or resulting from the failure of any representation or warranty made by the Purchaser pursuant to Article IV, to be true and accurate at the date on which such representations and warranties are made in accordance with the terms hereof.

ARTICLE VIII
TERMINATION

8.1 Termination. This Agreement may be terminated, and the transactions contemplated hereby may be abandoned, at any time prior to the Closing:

(a) by the written agreement of the Purchaser and the Sellers;

(b) by either the Purchaser or the Sellers if a court of competent jurisdiction or any Governmental Authority shall have issued an order or other judgment or taken any other action (which order or other judgment the Parties hereto shall use their commercially reasonable endeavors to lift), which permanently restrains, enjoins or otherwise prohibits the transactions contemplated by this Agreement;

(c) by either the Purchaser or the Sellers if the TOA is terminated in accordance with its terms; or

(d) by either the Purchaser or the Sellers if the Closing shall not have occurred on or prior to November 30, 2018, unless such eventuality shall be due to the breach by the Party seeking to terminate this Agreement of any of the covenants, agreements or other undertakings set forth in this Agreement to be performed or observed by such Party prior thereto.

8.2 Effect of Termination. Upon any termination of this Agreement pursuant to Section 8.1, all further obligations of the Parties hereunder, other than pursuant to Sections 9.3 (Confidentiality), 9.4 (Costs and Expenses), 9.5 (Brokers and Finders) and 9.12 (Governing Law and Submission to Jurisdiction; Arbitration Proceedings), and as provided in the Confidentiality Agreement, shall terminate, except that nothing herein shall relieve any Party from liability for any antecedent breach of this Agreement.

ARTICLE IX
MISCELLANEOUS

9.1 Further Actions. Subject to the terms and conditions herein provided, each Party shall use its commercially reasonable endeavors to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under all applicable Laws to consummate and make effective the transactions contemplated by this Agreement.

9.2 Attorney. For the purpose of article 1161 of the French civil code, each Party represented for the purpose of this Agreement has expressly authorized, as the case may be, its attorney to act as representative of any other Party.

9.3 Confidentiality. The Parties expressly acknowledge that this Agreement is confidential and consequently agree not to disclose any part of it to any third party, other than (i) as required pursuant to applicable laws and regulations or (ii) to the competent judicial and tax authorities, subject to the express condition that any such disclosure be made necessary by the regulations in force or by an alleged violation of this Agreement by one of the Parties.

9.4 Costs and Expenses. Whether or not the transactions contemplated by this Agreement are consummated, except as may otherwise be expressly provided herein, each of the Sellers, on the one hand, and the Purchaser, on the other hand, shall bear its own expenses incurred in connection with the negotiation, preparation and signing of this Agreement and the consummation of the transactions contemplated herein.

9.5 Brokers and Finders.

(a) Each Seller (on a pro rata basis) shall defend and hold the Purchaser and the Company harmless against and in respect of all claims, losses, liabilities and expenses which may be asserted against the Purchaser (or any Affiliate of the Purchaser, including the Company) by any broker or other Person who claims to be entitled to an investment banker's, financial advisor's, broker's, finder's or similar fee or commission in respect of the entering into of this Agreement, or the consummation of the transactions contemplated hereby, by reason of its acting at the request of a Seller.

(b) The Purchaser shall defend and hold the Sellers harmless against and in respect of all claims, losses, liabilities, fees, costs and expenses which may be asserted against the Sellers by any broker or other Person who claims to be entitled to an investment banker's, financial advisor's, broker's, finder's or similar fee or commission in respect of the entering into of this Agreement or the consummation of the transactions contemplated hereby, by reason of his acting at the request of the Purchaser or any of its Affiliates (excluding the Company).

9.6 Notices. All notices and other communications required or authorized hereunder shall be in writing in the French or English language and validly made if either delivered by hand upon written receipt, via courier or sent by registered letter (return receipt requested) or e-mail (provided that, in case of an e-mail, either (i) it is confirmed by same day registered letter, return receipt requested or courier on expedited basis for notices sent across international boundaries or (ii) its receipt is acknowledged by the receiving Party (an automatic reply will not be deemed such an acknowledgment)), at the addresses set forth below:

- if to the Purchaser, to:

Sangamo Therapeutics, Inc.
501 Canal Blvd, Richmond, CA 94804, United States of America

Attention:

Kathy Yi
SVP and CFO
kyi@sangamo.com

Heather Turner
SVP and General Counsel
hturner@sangamo.com

and

Melita Sun Jung
VP and Head of Business Development
mjung@sangamo.com

With a copy (which will not constitute notice) to:
Hogan Lovells
17 avenue Matignon, 75008 Paris, France
Attention: Keith Flaum and Xavier Doumen
Email: keith.flaum@hoganlovells.com and xavier.doumen@hoganlovells.com

- if to the Sellers, to: the relevant Seller's address set forth in Exhibit A.

Any change in address or representative for purposes hereof shall be notified by the Party concerned to the other Parties as provided above. Notices and other communications sent by e-mail shall be deemed effective as of the date thereof, provided that either (i) it is confirmed by same day registered letter, return receipt requested or courier on expedited basis for notices sent across international boundaries or (ii) the e-mail's receipt is acknowledged by the receiving Party (an automatic reply will not be deemed such an acknowledgment). Notices and other communications delivered via courier shall be effective as of their date of delivery, as evidenced by the delivery receipt. Notices and other communications sent by registered mail, return receipt requested, shall be effective as of their date of first presentation to the addressee.

9.7 Entire Agreement. This Agreement represents the entire agreement and understanding of the Parties with reference to the transactions set forth herein and no representations or warranties have been made in connection with this Agreement other than those expressly set forth herein. This Agreement supersedes all prior negotiations, discussions, correspondence, communications, understandings and agreements between the Parties relating to the subject matter of this Agreement and all prior drafts of this Agreement, all of which are merged into this Agreement. No prior drafts of this Agreement may be used to show the intent of the Parties in connection with this Agreement or shall otherwise be admissible into evidence in any proceeding or other legal action involving this Agreement.

9.8 No Assignment. None of the Parties shall assign any of its rights or delegate any of its obligations created under this Agreement without the prior written consent of the other Parties. Notwithstanding the foregoing, the Purchaser shall have the unrestricted right to assign any of its rights and to delegate all or any part of its obligations hereunder to any Affiliate, provide that in such event (i) the Purchaser shall remain fully liable for the performance of all of such obligations in the manner prescribed in this Agreement and (ii) such Affiliate shall comply with the KYC and anti-money laundering requirements requested by the Sellers.

9.9 Severability. This Agreement shall be deemed severable, and the invalidity or unenforceability of any term or provision hereof shall not affect the validity or enforceability of this Agreement or of any other term or provision hereof. Furthermore, in lieu of any such invalid or unenforceable term or provision, the Parties hereto intend that there shall be added as a part of this Agreement a provision as similar in terms to such invalid or unenforceable provision as may be possible and be valid and enforceable.

9.10 Amendments and Waivers. No modification of or amendment to this Agreement shall be valid unless in a writing signed by the Parties hereto referring specifically to this Agreement and stating the Parties' intention to modify or amend the same. Any waiver of any term or condition of this Agreement must be in a writing signed by the Party sought to be charged with such waiver referring specifically to the term or condition to be waived, and no such waiver shall be deemed to constitute the waiver of any other breach of the same or of any other term or condition of this Agreement.

9.11 Transfer Taxes. Any transfer or stamp taxes (including any *droits d'enregistrement*) or similar levies that may become payable as a result of the signing of this Agreement or the transfer of the Shares pursuant hereto shall be borne by the Purchaser and shall be paid on a timely basis in compliance with all statutory requirements. The Purchaser shall provide the Sellers with evidence of the payment of any such taxes or levies promptly upon the written request of the Sellers.

9.12 Governing Law and Submission to Jurisdiction. This Agreement shall be governed as to its validity, interpretation and performance by the laws of France, and any dispute arising in connection with the Agreement and its exhibits or as a result or consequence thereof not otherwise settled shall be subject to the exclusive jurisdiction of the Paris courts (*tribunaux compétents du ressort de la cour d'appel de Paris*).

The Parties acknowledge that, pursuant to the terms of this Agreement, they are bound by certain undertakings. As a consequence, and in accordance with article 1124 of the French civil code, each Party acknowledges that in case of any withdrawal or non-performance of an undertaking, it will not prevent the underlying agreement to be valid.

Each Party acknowledges accordingly that (i) the beneficiary of any right shall, in any case, be entitled to seek specific performance (*exécution forcée*) without prejudice to any additional compensation (*dommages et intérêts complémentaires*) and (ii) by exception to article 1221 of the French civil code, (x) there exists no physical, legal nor moral obstacle that would prevent such specific performance (*exécution forcée*) to take place and (y) each Party may in any case be entitled to pursue specific performance (*exécution forcée*) even if an obvious disproportion between the cost of the performance of its obligation for the debtor and the interest of the beneficiary (for the purpose of article 1221 of the French civil code) would result from such specific performance (*exécution forcée*).

Made on July 20, 2018, in eleven (11) original copies.

[signature pages to follow]

FCPR Auriga Ventures II

/s/ Sébastien Descarpentries

By: Auriga Partners

Itself represented by: Mr. Sébastien Descarpentries

FCPR BIOAM

/s/ Philippe Boucheron
By: Bpifrance Investissement
Itself represented by: Mr. Philippe Boucheron
Title:

FCPR BIOAM 1B

/s/ Philippe Boucheron
By: Bpifrance Investissement
Itself represented by: Mr. Philippe Boucheron
Title:

FCPR INNOBIO

/s/ Laurent Arthaud

By: Bpifrance Investissement

Itself represented by: Mr. Laurent Arthaud

Title: Managing Director

Bpifrance Participations

/s/ Maïlys Ferrère

By: Mrs Maïlys Ferrère

Title: Head of Large Venture

Belsize Asset Management GmbH

/s/ Gilbert Gerber

By: Mr. Gilbert Gerber

Title: CEO

François Meyer

/s/ François Meyer

Stéphane Boissel

/s/ Stéphane Boissel

YA II PN, Ltd

/s/ Ed Schinik

By: Yorkville Advisors Global, LP

Itself represented by: Yorkville Advisors Global II, LLC

Itself represented by: Ed Schinik

Title: Chief Financial Officer

TxCell

/s/ Stéphane Boissel

By: Stéphane Boissel

Title: *directeur général*

Sangamo Therapeutics, Inc.

/s/ Sandy Macrae

By: Sandy Macrae

Title: CEO

Exhibit A
Sellers

Exhibit B
Purchase Price

Exhibit C
Consents

TENDER OFFER AGREEMENT

BETWEEN

TXCELL S.A.

AND

SANGAMO THERAPEUTICS, INC.

Dated as of July 20, 2018

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THIS TENDER OFFER AGREEMENT (the “**Agreement**”) is made on July 20, 2018,

AMONG:

1. **TxCCell**, a French *société anonyme*, which registered office is located at Allée de la Nertière, Sophia Antipolis, Les Cardoulines, 06560 Valbonne, France, registered with the registry of commerce and companies under number 435 361 209 R.C.S. Grasse, represented by Mr. Stéphane Boissel, duly authorized for the purpose hereof,

hereinafter, the “**Company**”

AND:

2. **Sangamo Therapeutics**, Inc. a company incorporated in the State of Delaware, whose head office is located at 501 Canal Blvd, Richmond, CA 94804, represented by Mr. Sandy Macrae, duly authorized for the purpose hereof,

hereinafter, together with any of its Affiliates to whom this Agreement may be assigned, the “**Purchaser**”

The Company and the Purchaser are individually referred to as a “**Party**” and collectively referred to as the “**Parties**”.

PREAMBLE

- A. On the date hereof, the Purchaser has entered into a share purchase agreement with Mr. Stéphane Boissel, FCPR Auriga Ventures II, FCPR BIOAM, FCPR BIOAM 1B, Large Venture, FCPR Innobio, François Meyer, Belsize and YA II PN, Ltd (the “**Sellers**”) providing for the acquisition by the Purchaser, subject to certain conditions precedent, of 13,519,036 Company Shares (the “**Block Shares**”), which represent approximately 53% of the share capital and approximately 53% of voting rights of the Company (the “**SPA**” and the purchase and sale of Block Shares pursuant thereto, the “**Block Transaction**”).
- B. In furtherance of the foregoing and subject to completion of the Block Transaction, the Purchaser is willing to acquire for cash, by way of a tender offer, all the Company Shares (other than Treasury Shares and the Company Shares already owned by the Purchaser or its Affiliates and in particular the Block Shares) on the terms and subject to the conditions set forth in this Agreement.
- C. On the date hereof, the Company’s board of directors (the “**Board**”) decided, in compliance with Article 261-1 I 2° and Article 261-1 II of the *règlement général de l’Autorité des marchés financiers* (the “**AMF Regulation**”), to appoint HAF Audit & Conseil, represented by Mr. Olivier Grivillers, as independent expert (the “**Independent Expert**”) to produce a report (the “**Expert’s Report**”) regarding the terms of the Offer, including an opinion on the fairness of the Offer to the Company’s shareholders from a financial point of view, including in the event of a squeeze out of Company’s minority shareholders (the “**Fairness Opinion**”).
- D. On the date hereof, the Board has approved the execution of this Agreement and determined that it will support and intends to recommend the Offer, which it considers in the best interests of the Company, its employees and its shareholders, subject to receipt of the Expert’s Report (the “**Initial Board Recommendation**”).

E. The Purchaser and the Company wish to make certain agreements in connection with the Purchaser's Offer for the Company, and to set forth certain conditions to such Offer.

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, warranties, covenants and agreements set forth herein, the Parties agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Unless otherwise expressly provided in this Agreement, capitalized terms used in this Agreement will have the following meanings when used herein with initial capital letters:

“ Affiliate ”	means, with respect to any specified Person, any other Person that directly or indirectly controls, is controlled by or is under common control with such specified Person. For this purpose, “control” (including, with correlative meanings, the terms “controlling,” “controlled by” and “under common control with”), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.
“ Agreement ”	has the meaning set forth in the Preamble.
“ AMF ”	means the <i>Autorité des marchés financiers</i> .
“ AMF Regulation ”	has the meaning set forth in the Preamble.
“ Block Transaction ”	has the meaning set forth in the Preamble.
“ Board ”	has the meaning set forth in the Preamble.
“ Business Day ”	means a day other than (i) a Saturday or Sunday, (ii) a day that is not a trading day (<i>jour de négociation</i>) on the Euronext Paris stock exchange, or (iii) a day in which banks in Paris or San Francisco, California, U.S.A. are authorized or required by law to remain closed.
“ Communications Plan ”	has the meaning set forth in Article 7 .
“ Company Offer Documents ”	has the meaning set forth in Article 2.4(b) .
“ Company Shares ”	means the outstanding ordinary shares, with a nominal value of 0.20 euro, issued by the Company, other than the Treasury Shares, but including for the avoidance of doubt any additional Company ordinary shares issued as a result of the final acquisition of any Free Shares, the exercise of the Warrants or the conversion of the convertible bonds held by YA II PN, Ltd before the close of the Offer (as reopened as the case may be).
“ Company ”	has the meaning set forth in the Preamble.

“Confidentiality Agreement”	means the confidentiality agreement dated March 14, 2018 between the Company and Purchaser.
“Dispute”	has the meaning set forth in Article 9.8(a) .
“Document de Référence”	means the registration document filed with the AMF under number D.18-0386 on April 25, 2018.
“Expert’s Report”	has the meaning set forth in the Recitals.
“Free Shares”	means as at the date hereof, the 495,396 free shares, definitively acquired or to be acquired by their relevant holders subject to tax and legal lock-up, as described and allocated among their holders in Schedule 3.2 .
“Final Board Recommendation”	has the meaning set forth in Article 2.2(b) .
“GAAP”	means French generally accepted accounting principles.
“Governmental Entity”	means any (a) nation, principality, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature, (b) governmental or quasi-governmental agency, taxing authority and any court or other tribunal (foreign, federal, state or local), or (c) Person or body exercising, or entitled to exercise, any executive, legislative, judicial, administrative, regulatory, police, military or taxing authority or power of any nature.
“Independent Expert”	has the meaning set forth in the Preamble.
“Initial Board Recommendation”	has the meaning set forth in the Preamble.
“Intellectual Property Right”	means any intellectual property rights or industrial rights, including any of the following: (i) trademarks and service marks (registered or unregistered), trade dress, and all applications and registrations in any jurisdiction pertaining to the foregoing and all goodwill associated therewith; (ii) patentable inventions, discoveries, improvements, ideas, know-how, formula methodology, processes, technology, computer programs and software, and all applications and patents in any jurisdiction pertaining to the foregoing; (iii) trade secrets, including confidential and other non-public information; (iv) copyrights in writings, designs, mask works or other works, and all applications and registrations in any jurisdiction for the foregoing and all moral rights related thereto; (v) internet web sites, domain names, and all applications and registrations pertaining thereto; (vi) licenses, covenants not to sue and similar terms relating to the foregoing; and (vii) claims or causes of action arising out of or related to infringement or misappropriation of the foregoing.
“Law”	means any statute, rule or other legal requirement, including the common law or any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Entity.

“Offer”	has the meaning set forth in Article 2.3(b) .
“Offer Closing”	has the meaning set forth in Article 2.3(d) .
“Offer Closing Date”	has the meaning set forth in Article 2.3(d) .
“Offer Date”	has the meaning set forth in the Preamble.
“Order”	means any judgment, injunction, order, award, ruling, writ, decree or other restriction of any court or arbitrator or governmental authority having competent jurisdiction.
“Party”	has the meaning set forth in the Preamble.
“Person”	means an individual, corporation, partnership, limited liability company, joint stock company, joint venture, association, trust or other entity or organization, including a Governmental Entity.
“Purchaser Offer Documents”	has the meaning set forth in Article 2.3(a) .
“Purchaser”	has the meaning set forth in the Preamble.
“Representatives”	of a Party means such Party’s Affiliates and the agents, directors, officers, advisors acting on behalf of such Party (including financial, legal and accounting advisors) and representatives of such Party and its Affiliates.
“Restricted Payment”	means any of the following actions taken by the Company: <ul style="list-style-type: none"> (i) payment of dividend or distribution (whether in cash or in kind) or any return of capital (whether by reduction of capital or redemption or purchase of shares) to any Seller or its Affiliates; (ii) payment of directors’ fees or monitoring, transactional, supervisory or similar fees to any Seller or its Affiliates; (iii) payment of additional remuneration (including, without limitation, benefits, bonuses or fees, whether in cash or in kind) triggered in relation to the transactions contemplated herein made to any employees, directors or officers of the Company as an incentive to complete the transactions contemplated herein; (iv) payment of professional or services fees to any Seller or its Affiliates; (v) payment of any amount in respect of any shareholder loan or other debts (including principal, interest, commissions or penalties) to any Seller or its Affiliates, to the exception of any payment due to Bpifrance Financement in accordance with the terms of the “PTZI CATS” and “PTZI CREATION” loans as at the date hereof; (vi) payment (whether in cash or in kind), assumption of liability, incurrence of indemnification or granting of guarantees in favor of, or to the benefit of, any Seller or its Affiliates;

(vii) granting of any waiver, deferral or release with respect to any amount or obligation owed or due to the Company in favor of any Seller or its Affiliates);

(viii) payment or incurrence of any Transaction Costs;

(ix) entering into any agreement, commitment or arrangement of any kind the performance of which would breach any of the matters from (i) to (viii) above.

“Sellers”	has the meaning set forth in the Preamble.
“SPA”	has the meaning set forth in the Preamble.
“Subsidiaries”	means, with respect to any Person, any corporation, partnership, trust, limited liability company, or other entity the results of operations of which are required to be consolidated into the financial statements of such Person under GAAP, as the case may be.
“Takeover Proposal”	means any offer or proposal or indication of interest in making an offer or proposal from any Person (other than the Purchaser) that relates to, or that would reasonably be expected to lead to, any direct or indirect acquisition, in one or a series of related transactions, including by way of any merger, consolidation, amalgamation, tender offer, exchange offer, stock purchase, asset purchase, share exchange, business combination, recapitalization, liquidation, dissolution, joint venture or any other type of transaction, of (a) assets or businesses that constitute or represent 10% or more of the assets of the Company, for the fiscal year ended on December 31, 2017 or (b) 5% or more of the outstanding shares of the capital stock of, or other equity or voting interests in, the Company, in each case other than the Offer.
“Transaction Costs”	means all costs, fees and expenses (including for the avoidance of doubt, due diligence and Q&A costs, legal and financial advisors costs) owed or paid in connection with the transactions contemplated hereby.
“Treasury Shares”	means outstanding ordinary shares issued by the Company held, from time to time, by the Company or any of its Subsidiary.
“Warrants”	means as at the date hereof, the 324,040 warrants representing a maximum of 324,040 new Company Shares to be subscribed by their holders and sold in the Block Transaction or tendered in the Offer, as described and allocated among their holders in Schedule 3.2 .

Unless otherwise defined herein, capitalized terms used in this Agreement will have the meaning given to them in the SPA, as applicable.

1.2 Interpretive Matters

Any reference in this Agreement to a “Section”, “Article” or “Schedule” refers to the corresponding Section, Article or Schedule of or to this Agreement, unless the context indicates otherwise. The headings of Articles herein are provided for convenience of reference only and

are not intended to affect the construction or interpretation of this Agreement. The words “including,” “includes” or “include” are to be read as listing non-exclusive examples of the matters referred to, whether or not words such as “without limitation” or “but not limited to” are used in each instance. Where this Agreement states that a Party “shall,” “will” or “must” perform in some manner or otherwise act or omit to act, it means that the Party is legally obligated to do so in accordance with the terms of this Agreement. Any reference to a statute, rule or regulation is deemed also to refer to any amendments or successor legislation, rule or regulation as in effect at the relevant time. Any reference to a contract or other document as of a given date means the contract or other document as amended, supplemented and modified from time to time through such date. Any words (including initial capitalized terms defined herein) in the singular will be held to include the plural and vice versa. The terms “hereof,” “herein” and “herewith” and words of similar import will, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement. All accounting terms not otherwise defined herein have the meanings given to them in accordance with GAAP. This Agreement has been freely and fairly negotiated by the Parties. If an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties, no presumption or burden of proof will arise favoring or disfavoring any Party because of the authorship of any provision of this Agreement and prior drafts of this Agreement will be disregarded in interpreting this Agreement. If the date upon or by which any Party hereto is required to perform any covenant or obligation hereunder falls on a day that is not a Business Day, then such date of performance will be automatically extended to the next Business Day thereafter. Unless the context otherwise requires, (a) “or” is disjunctive but not necessarily exclusive and (b) the use in this Agreement of a pronoun in reference to a Party hereto includes the masculine, feminine or neuter, as the context may require.

2. THE OFFER

2.1 Announcements

Promptly following execution of this Agreement, the Company and Purchaser will publish a joint press release announcing that binding agreements have been entered into with respect to the Block Transaction and that the Offer will be filed after completion of the Block Transaction, subject to satisfaction of the terms and conditions of the SPA entered into between the Purchaser and the Sellers, in substantially the form previously agreed upon by the parties to the Block Transaction and the Company.

Promptly following the completion of the Block Transaction, the Company and Purchaser will publish a joint press release announcing the completion of the Block Transaction in substantially the form previously agreed upon by the parties to the Block Transaction and the Company announcing, *inter alia*, the completion of the Block Transaction and the fact that the Purchaser will file the Offer.

It is an essential condition for the Purchaser that, subject to receipt of a Favorable Report, the joint public announcement expressly states that the Board supports and intends to recommend the Offer.

2.2 Independent Expert – Board Recommendation

- (a) On the date hereof, the Company shall appoint the Independent Expert to prepare the Expert’s Report pursuant to Articles 261-1 *et seq.* of the *règlement général de l’Autorité des marchés financiers* which shall include the Fairness Opinion.

- (b) Upon receipt of the Expert's Report that includes a Fairness Opinion (a "**Favorable Report**"), the Board shall confirm as soon as possible, and in any event within three Business Days from the date of receipt of the Favorable Report, that the Offer is in the interest of the Company, the holders of Company Shares and its employees and recommend that all holders of Company Shares tender such Company Shares into the Offer, it being specified that any conflicted director shall not participate nor vote on any decision of the Board in connection with the Offer (the "**Final Board Recommendation**").
- (c) In the event that the Company is informed by the Independent Expert that it will issue an Expert's Report which is not a Favorable Report, the Company shall immediately inform the Purchaser thereof (the "**Unfavorable Report Notice**"), and the Parties shall negotiate in good faith towards making such commercially reasonable amendments to the terms of the Offer as would permit a Favorable Report to be issued, subject to approval of the board of directors of the Purchaser and the Board and provided that the Purchaser shall in no case be obligated to increase the Offer Price. If such negotiations are unsuccessful and the Final Board Recommendation is not issued within fifteen Business Days as from the Unfavorable Report Notice (excluded), then the Purchaser shall have the right to terminate this Agreement and the SPA.

2.3 Filing of the Offer

- (a) In connection with the Offer, the Purchaser shall prepare, with and subject to the cooperation and assistance of the Company in accordance with Section 4(c), the Offer documentation required by the *règlement général de l'Autorité des marchés financiers*, including a draft offer document ("*note d'information*"), a regulatory press release pursuant to Art. 231-16 of the *règlement général de l'Autorité des marchés financiers* submitted to the AMF, informing of the filing of the draft Offer as well as of the means of obtaining (free of charge) the draft *note d'information* and specifying that the Offer and the draft *note d'information* remain subject to the review by the AMF (*communiqué de dépôt*), and, a document presenting the Purchaser's legal, financial and accounting characteristics ("*autres informations*") (the "**Other Information Document**"), and a press release notifying the availability of the final *note d'information* once approved by the AMF and the Other Information Document pursuant to Article 231-27 2° and 231-28 of the *règlement général de l'Autorité des marchés financiers* (such documents, together with any supplements or amendments thereto, being the "**Purchaser Offer Documents**").

The Purchaser will prepare the Purchaser Offer Documents in compliance with applicable Laws and, prior to any filing with the AMF, with a reasonable prior notice in light of the relevant deadlines, will provide the Company with drafts thereof. The Purchaser will consider in good faith any reasonable comments thereon. The Purchaser will have the right to amend the terms of the Purchaser Offer Documents after they are filed with the AMF to the extent required to reflect comments from the AMF or as it determines to be appropriate based on the advice of counsel; provided that (i) the Purchaser will consult with the Company with respect to any such amendments and will consider in good faith any reasonable comments of the Company thereon and (ii) in the event such amendments relate to sections of the draft *note d'information* relating to the rationale, background of the offer and the strategic plans and intentions of the Purchaser, such amendments will not result in the Offer being materially less favorable to the Company, its employees and its shareholders.

- (b) Following completion of the Block Transaction and in due time to be agreed with the AMF, the Purchaser shall instruct Alantra, in its capacity as presenting bank (*établissement présentateur*) of the Offer, to file with the AMF a mandatory simplified tender offer (*Offre Publique d'Achat Simplifiée, OPA-S*) for all of the Company Shares (other than the Company Shares already owned by the Purchaser or its Affiliates) (together with any subsequent offer of the Purchaser or any Affiliate thereof filed with the AMF, the "**Offer**") under which holders of Company Shares may elect to tender their Company Shares for purchase by the Purchaser pursuant to the Offer and subject to any requirement of the AMF, for EUR 2.58 per Company Share, in cash, without interest (the "**Offer Price**").
- (c) Subject to the terms of this Agreement, the Purchaser will file with the AMF the Purchaser Offer Documents in due time to be agreed with the AMF.
- (d) The completion of the Offer at which the Purchaser purchases and pays for Company Shares pursuant to the terms set forth in the Purchaser Offer Documents will be referred to as the "**Offer Closing**," and the date on which the Offer Closing occurs will be referred to as the "**Offer Closing Date**".

2.4 Company Response to the Offer

- (a) No later than five Business Days following the filing of the Offer with the AMF, the Company will (i) file with the AMF, in accordance with the applicable provisions of the *règlement général de l'Autorité des marchés financiers*, a draft response offer document relating to the Offer (*note d'information en réponse*), (ii) publish a draft regulatory press release (which will be disseminated in accordance with the AMF General Regulation), and (iii) no later than the Business Day preceding the opening of the Offer, file a document presenting the Company's legal, financial and accounting characteristics (*autres informations*) (such documents, together with any supplements or amendments thereto, and any communications with the Independent Expert, being the "**Company Offer Documents**"). The Company Offer Documents will include the Favorable Report and the Final Board Recommendation.
- (b) The Company will prepare the Company Offer Documents in compliance with applicable Laws and regulations and, prior to filing with the AMF any Company Offer Document or any amendment thereto or responding to any material comments of the AMF to a Company Offer Document, the Company will provide the Purchaser with a reasonable opportunity to comment on such Company Offer Document or any amendment thereto or such response to the comments of the AMF and the Company will consider in good faith any reasonable comments made by the Purchaser.

2.5 Treasury Shares

The Company shall not and shall cause its subsidiaries not to (i) tender any Treasury Shares in the Offer or (ii) transfer any Treasury Shares to third parties, whether voluntarily or involuntarily or by operation of law, whether resulting in a transfer of the ownership, "*nue-propriété*", "*usufruit*" or any rights of such securities (including any voting or dividend rights), by any means whatsoever (including, without limitation, gifts, death, inheritance, partial contributions of assets ("*apports partiels d'actifs*"), mergers, splits ("*scissions*"), sales, assignments, pledges or any other form of transfer, conveyance or disposition of any legal or beneficial interest in such securities, as well as any combination of such methods of transfer of ownership).

2.6 No-Shop Undertaking

- (a) The Company will work in good faith expeditiously towards the Offer Closing. Between the date hereof and the Offer Closing Date, the Company will, and will cause its officers, directors, Affiliates, agents and Representatives to:
- (i) not, directly or indirectly, (y) solicit, initiate or knowingly encourage, or take any action to knowingly facilitate, any Takeover Proposal or any inquiries reasonably likely to result in the making of any Takeover Proposal or (z) enter into, continue or otherwise participate in any discussions or negotiations with a third party regarding, or furnish to any third party any information in connection with, or take any other action to knowingly facilitate any inquiries with respect to, or otherwise cooperate in any way with, any Takeover Proposal;
 - (ii) immediately cease and cause to be terminated all discussions or negotiations with any Person conducted heretofore with respect to any proposal that constitutes or would reasonably be expected to lead to a Takeover Proposal, and use its reasonable best efforts to cause all materials and written information communicated by the Company or its Representatives to such Person to be returned to the Company or destroyed;
 - (iii) notify Purchaser of the receipt of any Takeover Proposal or of any contact reasonably likely to lead to a Takeover Proposal, including the details thereof in all material respects (and any subsequent amendment thereof) and the identity of the Persons involved, promptly and in any event within 48 hours of such receipt or contact and will notify the Person making the Takeover Proposal; and
 - (iv) keep the Purchaser reasonably and regularly informed of the status of any such Takeover Proposal or contact, including the material details thereof,
- (b) Neither the Company nor the Board shall, subject to their fiduciary duties (i) following the Final Board Recommendation, withdraw or modify the approval or recommendation made by the Board or the Offer subject to applicable Law or (ii) approve, cause or permit the Company to enter into any letter of intent, acquisition agreement or similar agreement relating to any Takeover Proposal.
- The Company shall not take any actions whether contractually or otherwise to limit its ability to comply with its obligations hereunder and shall, as may be necessary, take any reasonable action necessary to ensure compliance with such obligations.
- (c) Nothing contained in this **Article 2.6** or elsewhere in this Agreement will prohibit the Company or the Board from complying with applicable Laws (including in respect of their fiduciary duties).

3. ADDITIONAL COVENANTS

3.1 Refinancing

With respect to any loan or financial indebtedness of the Company which should become due and payable as a result of the completion of the Block Transaction, including as a result of any default, event or acceleration, or otherwise, the Company will use reasonable best efforts to

assist the Purchaser in seeking to amend any debt due to be repaid, to waive the default, acceleration, change of control or similar provisions contained therein in connection with the Transaction and the Offer.

3.2 Incentive Plans, Warrants and Free Shares

The Purchaser and the Company agree that the Purchaser will take, or cause its Subsidiaries to take, the actions described on **Schedule 3.2**, subject to the terms and conditions set forth thereon, in order to offer the benefit of (i) a liquidity mechanism to the holders of Free Shares and (ii) a new incentive plan to the relevant employees, managers, directors and consultants of the Company. The Warrants will be converted into Company Shares to be sold in the Block Transaction or tendered in the Offer, as described and allocated among their holders in **Schedule 3.2**.

4. COMPANY COVENANTS

(a) Conduct of Business

From the date hereof until the completion of the Block Transaction, the Company will operate its business in the ordinary course consistent with past practice.

In addition, and without limiting the generality of the foregoing, during such period, except as may be reasonably necessary to comply with the terms of this Agreement or the SPA, including the satisfaction of any conditions to the consummation of the Block Transaction, the Company will not, without the written prior consent of the Purchaser (which will not be unreasonably withheld, conditioned or delayed):

- (i) declare or issue any dividends or distribution in respect of any of its share capital or other equity or voting interests, or split, combine or reclassify any of its share capital or other equity or voting interests, or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for, shares of its share capital;
- (ii) amend the Company by-laws dated June 29, 2018;
- (iii) adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, business combination, restructuring, recapitalization or other reorganization;
- (iv) enter into a material joint venture or material partnership or similar material third-party business enterprise;
- (v) issue, sell, pledge, dispose of, grant, transfer, encumber, or authorize the issuance, sale, pledge, disposition, grant, transfer or encumbrance of, any share capital or other equity or voting interests of the Company, securities convertible or exchangeable into or exercisable for any share capital or other equity or voting interests of the Company or any options, warrants or other rights of any kind to acquire any share capital or other equity or voting interests of the Company or such convertible, exchangeable or exercisable securities, save for the Company Shares to be subscribed by YA II PN, Ltd upon conversion of their convertible bonds, the Company Shares resulting from the exercise of the Warrants and the relevant Free Shares to be definitely acquired by their holders of as described in **Schedule 3.2**, provided, however, that the Block Shares shall at all times represent the majority of the share capital and voting rights of the Company;

- (vi) acquire, transfer or dispose of assets from or to any other Person, other than (a) acquisitions with a purchase price not in excess of EUR 150,000 in the aggregate and EUR 50,000 for dispositions in the aggregate, and (b) acquisitions of raw materials, supply or inventory and dispositions of products and inventory in the ordinary course of business or any other acquisition or disposition pursuant to a binding agreement in place as of the date of this Agreement that had been previously disclosed to Purchaser;
- (vii) incur, assume, endorse, guarantee or otherwise become liable for or modify the terms of any indebtedness for borrowed money in an amount exceeding EUR 150,000 in the aggregate, other than in respect of previously budgeted borrowings to support asset financing and capital expenditures that had been previously disclosed to Purchaser;¹
- (viii) make, commit to make or authorize any capital expenditure, other than capital expenditures and research and development expenditures in the amounts set forth in the Company's existing capital budget that has been previously disclosed to Purchaser or otherwise in the ordinary course of business consistent with past practice;
- (ix) sell, lease, license, lease back or otherwise subject to any lien or otherwise dispose of or abandon any of its permits, licenses or Intellectual Property Rights;
- (x) enter into any agreement with any regulated agreement or with any agreement with any main shareholders, Sellers or any of their Affiliates;
- (xi) make any material changes with respect to accounting policies or procedures, except as required by changes in GAAP or by the AMF;
- (xii) release, assign, compromise, pay, discharge, waive, settle, agree to settle, or satisfy any litigation requiring payment by the Company in excess of EUR 50,000;
- (xiii) make, change or revoke any tax election, change any tax accounting method, settle or compromise any tax liability or proceeding or amend any tax return, except (A) as required by applicable Law or by a change in accounting standards, (B) as do not result in an increase in tax or a decrease of after tax income and (C) if conducted in the ordinary course of business;
- (xiv) except as (i) required by applicable Law, or (ii) contemplated by this Agreement, with respect to any officer of the Company:
 - (A) grant or provide any bonus, severance, termination or other payments or benefits exceeding existing employee agreements;
 - (B) increase the compensation (including bonuses);

- (xv) adopt any measure with unconditional effect that modifies the Company's substance (*modifiant sa consistance*) ;
- (xvi) adopt or amend any benefit plan or enter into, adopt, extend, renew or amend any collective bargaining agreement or other contract with any labor organization, works council, union or association, except as required by applicable law;
- (xvii) make any Restricted Payment;
- (xviii) take any action that would require the approval of, notification to, or an opinion from the Board of the Company in accordance with applicable Law or the internal rules thereof (*règlement intérieur*); or
- (xix) agree, authorize or commit to do any of the foregoing, or authorize, recommend, propose or announce an intention to do any of the foregoing.

(b) Cooperation with the Independent Expert

The Company and the Purchaser will, and will cause their respective Affiliates to, fully cooperate with the Independent Expert. In the event the Company is informed by the Independent Expert that its report will not support the Offer and possible squeeze-out, the Company will immediately inform the Purchaser thereof and comply with Article 2.2(c).

In addition, the Company shall furnish as soon as reasonably practicable to the Purchaser all reasonable information concerning the Company, its affiliates and their businesses requested by the Purchaser or the Independent Expert that is required by applicable French laws and regulations to be included in the Purchaser Offer Documents and in any correspondence between the Purchaser and the AMF in respect of the Offer.

In connection with the Offer, the Purchaser and the Company shall cooperate with each other to fulfil all applicable requirements of the AMF or any other competent Governmental Entity and to respond to comments from the AMF or any other competent Governmental Entity.

Compliance by the Company with this Section 4(b) is a key term of this Agreement without which the Purchaser would not have entered into this Agreement. Any material failure by the Company to comply with this Section 4(b) may materially jeopardize the success of the Offer and the Purchaser shall incur no liability of any kind in the event it considers that it is not in a position to complete the transactions contemplated herein as a result of such failure by the Company.

(c) Change of Control

The Company undertakes to use its commercially reasonable efforts (which will not include having to incur any payment obligation or other liability) to obtain, prior to the completion of the Block Transaction, consents from third parties under change of control clauses contained in the contracts entered into by the Company to avoid disruption or prejudice to the business of the Company as a result of the change of control of the Company in connection with the Block Transaction or the Offer. The Company will take the steps provided above with respect to its bank financings containing changes of control, only after discussion with Purchaser on the opportunity to request such waivers.

(d) **Board of Directors**

Upon or if not practically possible, promptly, and in any case, by no later than three Business Days following completion of the Block Transaction, the Purchaser shall be entitled to, and the Company shall do whatever is necessary to, designate a number of directors on the Board representing the majority at the Board.

5. **REPRESENTATIONS AND WARRANTIES**

(a) Each of (i) the Company and (ii) the Purchaser represents and warrants to the other that it has the legal right and full power and authority to enter into and perform this Agreement. This Agreement constitutes legal, valid and binding obligations on each of the Company, and of the Purchaser, enforceable in accordance with its terms.

(b) The Company represents and warrants to the Purchaser as follows:

(i) **Corporate, Etc. Status**

The Company is validly organized and existing under the laws of France.

No step has been taken or legal proceedings started against the Company for its winding-up, liquidation, bankruptcy, or dissolution under applicable Laws in any relevant jurisdiction, nor is the Company insolvent.

(ii) **Authority**

The Company has taken all necessary action and has full power to execute and perform this Agreement in accordance with its terms. The terms of this Agreement constitute valid, legal and binding obligations of the Company, enforceable in accordance with its terms.

Performance by the Company of its obligations under this Agreement does not constitute a breach of or default under any agreement or instrument to which the Company is a party or by which it is bound or under any order, judgment, decree or other restriction (including statutory and regulatory provisions) applicable to the Company, except as set forth in this Agreement and except as would not reasonably be expected to be material to the Company.

(iii) **The Company Shares**

As at the date hereof, the share capital of the Company is comprised of 23,195,394 Company Shares fully paid and validly issued.

Schedule 5(b)(iii) hereto sets forth all the securities (including shares, options, warrants and free shares, convertible notes) and rights to equity of the Company (including rights to free shares) issued, allocated or otherwise granted by the Company, indicating, with respect to each class or type of such security and right, the number of Company Shares that may be issued upon conversion, exercise or exchange of such securities and rights or passing of time. Such securities and rights are the only issued interests in the share capital of the Company, and there are no outstanding

subscriptions, options, conversion rights, warrants, preemptive rights or other agreements providing for the issuance, sale or purchase of any interests in the share capital of the Company (other than as set forth in Schedule 5(b)(iii) hereto).

(iv) Compliance with Certain Laws

Without limiting the generality or effect of the foregoing, neither the Company, nor any officer, director, agent, consultant, employee or other Person acting on behalf of the Company, has, directly or indirectly, given, promised, offered or authorized the same, or paid anything of value to any recipient that was, is or would be prohibited under any anti-corruption and/or anti-bribery Laws of any Governmental Entity of any jurisdiction applicable to the Company (whether by virtue of jurisdiction or organization or conduct of business) except as would not reasonably be expected to have a material adverse effect on the Company.

Since January 1, 2018, the Company has at all times conducted its export, foreign contract and business in all material respects in accordance with all applicable import, export control and boycott Laws in any countries in which the Company conducts business except as would not reasonably be expected to have a material adverse effect on the Company.

The Company has made public through the channels prescribed by applicable Laws all information that has to be made available to the market under applicable Laws and such information complies in all material respects with applicable Laws.

(v) Consents

Except as set forth in Schedule 5(b)(v), no consent, approval or authorization of any Governmental Entity or other Person is required to be obtained or made by the Company in connection with the consummation of the transactions contemplated by this Agreement and other than any such consent, approval or authorization the failure of which to obtain would not reasonably be expected to be material to the Company.

(vi) Related-Party Transactions

Except as specifically disclosed in the Document de Référence included in the Company's most recent filing with the AMF, there are no agreements, arrangements or transactions to which the Company, on the one hand, and officer or director of the Company or any of the Sellers, on the other hand, is a party.

Since January 1, 2018, there has not been any Restricted Payment, except as set forth in Schedule 5(b)(vi).

(vii) No Litigation

There is no suit, action or proceeding pending or, to the Company's knowledge, threatened against the Company that, individually or in the aggregate, would reasonably be expected to have a material effect on the Company, and, to the knowledge of the Company, no basis exists thereof.

(viii) **Fees**

The investment banking, legal, accounting and other professional and out-of-pocket fees and expenses payable by the Company in respect of this Agreement and negotiating and consummating the transactions contemplated hereby will not exceed in total the amount set forth in Schedule 5(b)(viii).

(ix) **Net Debt**

The Net Debt of the Company as at the date hereof is as set forth in Schedule 5(b)(ix).

(c) **Additional representations and warranties to be granted**

The Parties hereby acknowledge that Purchaser is willing to subscribe to a warranty and indemnity insurance policy as soon as practically possible and in any case on or prior to completion of the Block Transaction.

In this respect, the Parties hereby undertake to negotiate in good faith and to enter into an amendment to this Agreement pursuant to which the Company will grant additional representations and warranties to Purchaser, it being agreed that such amendment shall only be entered into by the Company if the agreed liability cap of the Company for breach of such additional representations and warranties is limited to EUR 100,000.

6. TERMINATION

(a) This Agreement may only be terminated as follows:

- (i) by mutual written consent of Purchaser and the Company;
- (ii) by either Party, in the event that the Offer is held not compliant (*non-conforme*) by the AMF or if a Governmental Entity of competent jurisdiction enacts, issues, promulgates, enforces or enters any applicable Law which has the effect of making the Block Transaction or the Offer illegal or otherwise prohibiting, restraining or preventing consummation of the sale and purchase of the shares of the Company pursuant to the Block Transaction or the Offer; or
- (iii) by the Purchaser in accordance with Article 2.2(c), or if the Company is in material breach of its obligations herein, or if the representations and warranties of the Company are inaccurate in any material respect, or if the SPA is terminated in accordance with its terms.

(b) In the event of termination of this Agreement in accordance with **Article 6(a)**, this Agreement will thereafter become void and have no effect, and no Party will have any liability or obligations to the other Parties or their respective Affiliates, except for the obligations contained in **Articles 9.8** (governing law and dispute resolution), **9.2** (expenses), **8** (notice) and **7** (communication – public statements, which confidentiality obligation will remain in force for a period of five years after the termination of this Agreement). Notwithstanding the foregoing, nothing in this **Article 6(b)** will be deemed to release any Party from any liability for any breach by such Party of the terms and provisions of this Agreement.

7. COMMUNICATION

The Parties have agreed to issue a joint press release substantially in the form agreed to between the Parties, announcing this Agreement, the SPA and the transactions contemplated hereby and thereby and a communications plan with regards thereto (the “**Communications Plan**”). Except for such press release, statements consistent with the Communications Plan or as the Company may determine in good faith to be required by applicable Law, which is subject to the following sentence, each of the Parties agrees that it will not publish any press release, make any public statement or otherwise communicate publicly (including off-the-record or private interviews with journalists) with respect to this Agreement, the SPA and the transactions contemplated hereby and thereby that is inconsistent with the Communications Plan without the written consent of Purchaser (in the case of the Company) or the Company (in the case of the Purchaser), which will have the right to review and comment upon any such release, statement or communication. In the event any Party is required (in the reasonable opinion of counsel) by applicable Law to make any public announcement related to the SPA and the transactions contemplated hereby and thereby other than is consistent with the press release and Communications Plan, such Party will give the Purchaser (in the case of the Company) or the Company (in the case of the Purchaser) a reasonable opportunity to review and comment upon such communication before it is disseminated.

8. NOTICES

All notices and other communications required or authorized hereunder shall be in writing in the French or English language and validly made if either delivered by hand upon written receipt, via courier or sent by registered letter (return receipt requested) or e-mail (provided that, in case of an e-mail, either (i) it is confirmed by same day registered letter, return receipt requested or courier on expedited basis for notices sent across international boundaries or (ii) its receipt is acknowledged by the receiving Party (an automatic reply will not be deemed such an acknowledgment)), at the addresses set forth below:

(a) If to the Purchaser, to:

Sangamo Therapeutics, Inc.
501 Canal Blvd, Richmond, CA 94804, United States of America

Attention:

Kathy Yi
SVP and CFO
kyi@sangamo.com

Heather Turner
SVP and General Counsel
hturner@sangamo.com

And

Melita Sun Jung
VP and Head of Business Development
mjung@sangamo.com

With a copy (which will not constitute notice) to:

Hogan Lovells
17 avenue Matignon, 75008 Paris, France

Attention: Keith Flaum and Xavier Doumen
Email: keith.flaum@hoganlovells.com and xavier.doumen@hoganlovells.com

(b) If to the Company:

TxCell S.A.
Allée de la Nertière, Sophia Antipolis, Les Cardoulines, 06560 Valbonne, France
Attention: Mr. Stéphane Boissel
Chief Executive Officer of the Company
Email: stephane.boissel@txcell.com

With a copy (which will not constitute notice) to:

Jones Day
2, rue Saint Florentin, 75001 Paris, France
Attention: Jean-Gabriel Griboul and Renaud Bonnet
Email: jggriboul@jonesday.com and rbonnet@jonesday.com

9. MISCELLANEOUS

9.1 Amendments and Waiver

No modification of or amendment to this Agreement shall be valid unless in a writing signed by the Parties hereto referring specifically to this Agreement and stating the Parties' intention to modify or amend the same. Any waiver of any term or condition of this Agreement must be in a writing signed by the Party sought to be charged with such waiver referring specifically to the term or condition to be waived, and no such waiver shall be deemed to constitute the waiver of any other breach of the same or of any other term or condition of this Agreement.

9.2 Expenses

Except as otherwise expressly provided herein or in the SPA, all expenses incurred in connection with this Agreement and the transactions contemplated hereby will be paid by the Party incurring such expenses.

9.3 No Third-Party Beneficiaries

This Agreement is for the sole benefit of the Parties, their permitted assigns and nothing herein expressed or implied will give or be construed to give any Person, other than the Parties and such permitted assigns, any legal or equitable rights hereunder.

9.4 Entire Agreement

This Agreement, the SPA and the Confidentiality Agreement represent the entire agreement and understanding of the Parties with reference to the transactions set forth herein and no representations or warranties have been made in connection with this Agreement other than those expressly set forth herein. This Agreement supersedes all prior negotiations, discussions, correspondence, communications, understandings and agreements between the Parties relating to the subject matter of this Agreement and all prior drafts of this Agreement, all of which are merged into this Agreement. No prior drafts of this Agreement may be used to show the intent of the Parties in connection with this Agreement or shall otherwise be admissible into evidence in any proceeding or other legal action involving this Agreement.

9.5 Severability

This Agreement shall be deemed severable, and the invalidity or unenforceability of any term or provision hereof shall not affect the validity or enforceability of this Agreement or of any other term or provision hereof. Furthermore, in lieu of any such invalid or unenforceable term or provision, the Parties hereto intend that there shall be added as a part of this Agreement a provision as similar in terms to such invalid or unenforceable provision as may be possible and be valid and enforceable.

9.6 Specific Performance

Each Party acknowledges accordingly that (i) the beneficiary of any right shall, in any case, be entitled to seek specific performance (*exécution forcée*) without prejudice to any additional compensation (*dommages et intérêts complémentaires*) and (ii) by exception to article 1221 of the French civil code, (x) there exists no physical, legal nor moral obstacle that would prevent such specific performance (*exécution forcée*) to take place and (y) each Party may in any case be entitled to pursue specific performance (*exécution forcée*) even if an obvious disproportion between the cost of the performance of its obligation for the debtor and the interest of the beneficiary (for the purpose of article 1221 of the French civil code) would result from such specific performance (*exécution forcée*).

9.7 Successors and Assigns; Assignment

Except as otherwise expressly provided herein, the provisions hereof will inure to the benefit of, and be binding upon, the successors, permitted assigns, heirs, executors and administrators of the Parties hereto. This Agreement may not be assigned or delegated by (a) the Purchaser except to an Affiliate or a Subsidiary, without the prior written consent of the Company or (b) the Company without the prior written consent of the Purchaser, provided that no such assignment or delegation will relieve the Purchaser or the Company of its obligations hereunder.

As an exception to the foregoing, the Purchaser's rights and obligations under this Agreement may be assigned by the Purchaser prior to completion of the Block Transaction to any of its Affiliates without any prior approval of the other parties provided that Purchaser shall remain fully liable for the performance of all of such obligations in the manner prescribed in this Agreement.

9.8 Governing law and Jurisdiction

- (a) This Agreement, any claims, controversies, disputes or causes of action, whether in contract or tort (each, a "**Dispute**") based upon, arising out of or relating to this Agreement or the negotiation, execution, performance or termination of this Agreement will be governed by and construed in accordance the laws of France. and any dispute arising in connection with the Agreement and its exhibits or as a result or consequence thereof not otherwise settled shall be subject to the exclusive jurisdiction of the Paris courts (*tribunaux compétents du ressort de la cour d'appel de Paris*).
- (b) The Parties agree that any action seeking to enforce any provision of, or based on any Dispute or any matter arising out of or in connection with, this Agreement may only

be brought to the exclusive jurisdiction of the Paris courts (*tribunaux compétents du ressort de la cour d'appel de Paris*).

[Signature pages to follow]

/s/ Stéphane Boissel

for and on behalf of TxCell

Represented by: represented by Mr. Stéphane Boissel

/s/ Sandy Macrae

for and on behalf of Sangamo Therapeutics, Inc.

Represented by: Mr. Sandy Macrae

SCHEDULE 3.2
Incentive Plans, Warrants and Free Shares

SCHEDULE 5(b)(iii)

Company's Securities

SCHEDULE 5(b)(v)

Consents

SCHEDULE 5(b)(vi)

Restricted Payments

SCHEDULE 5(b)(viii)

Fees

-2-

SCHEDULE 5(b)(ix)

Net Debt

-3-



Press release

Sangamo Therapeutics to Acquire TxCell

The Proposed Acquisition Would Combine Sangamo's Ex Vivo Gene Editing Capabilities and TxCell's Treg Expertise and Would Position Sangamo as a Leader in CAR-Treg Development

Initiation of First CAR-Treg Clinical Trial Expected in 2019

RICHMOND, California & VALBONNE, France – July 23, 2018 – Sangamo Therapeutics, Inc. (Nasdaq: SGMO) and TxCell S.A. (ENXTPA: TXCL) announced today that they have entered into a definitive agreement on July 20, 2018 pursuant to which Sangamo will, following the completion of the contemplated acquisition of a majority stake of TxCell, file a simplified cash tender offer for the purchase of all then outstanding ordinary shares of TxCell, at a price of €2.58 per share in cash, or approximately €72 million, on a debt-free and cash-free basis. Subject to satisfaction of closing conditions (including in particular those relating to regulations governing foreign investments in France), Sangamo expects to complete the transaction in the fourth quarter of 2018.

With its highly skilled and experienced team, TxCell is a leader in the emerging field of regulatory T cell (Treg) development for immunological diseases, one of Sangamo's stated therapeutic areas of focus for its proprietary product candidate pipeline. Tregs are a naturally occurring subset of T cells and are critical for maintaining immune homeostasis within the body by induction and maintenance of tolerance to self-antigens.

Sangamo intends to evaluate the potential of CAR-Treg (Tregs genetically modified with a chimeric antigen receptor, or CAR) therapies to prevent graft rejection in solid organ transplant and for the treatment of autoimmune diseases such as Crohn's disease and multiple sclerosis. Preclinical research provides proof of concept that antigen specific CAR-Tregs can deliver potent immunosuppression locally to targeted tissues. By contrast, currently available anti-TNF alpha small molecule and monoclonal antibody drugs are associated with global, non-specific immune suppression.

Sangamo expects that the proposed acquisition of TxCell would accelerate the Company's entry into the clinic with a CAR-Treg therapy. In 2019, Sangamo expects to submit a clinical trial authorization application in Europe for TxCell's first CAR-Treg investigational product candidate for solid organ transplant, and to initiate a Phase 1/2 clinical trial later in the year. In addition, Sangamo intends to use its zinc finger nuclease (ZFN) gene editing technology to develop next-generation autologous and allogeneic CAR-Treg cell therapies for use in treating autoimmune diseases.

“We are thrilled to announce this proposed acquisition which would combine TxCell’s Treg expertise with our ex vivo gene editing capabilities, positioning Sangamo as a leader in the emerging field of CAR-Treg cell therapy,” said Sandy Macrae, CEO of Sangamo. “We believe CAR-Treg therapies will prove to be as exciting for immunology as CAR-T has been for oncology.”

“We are excited to combine with Sangamo for their experience and technical expertise in gene-edited cell therapy, and we believe Sangamo’s ZFN editing technology will facilitate the precise genetic modifications needed to create a new class of Treg-based antigen and tissue specific immunosuppressive medicines,” said Stephane Boissel, CEO of TxCell. “Progressing such CAR-Treg products in clinical development and towards commercialization would require expertise and financial resources that were impossible for us to get as a stand-alone business at a reasonable cost.”

About the Transaction

The filing of the cash simplified tender offer is subject to the completion of the purchase by Sangamo of TxCell ordinary shares (at a price of €2.58 per share in cash) representing approximately 53% of share capital and voting rights of TxCell in accordance with the stock purchase agreement Sangamo entered into on July 20, 2018 with certain shareholders of TxCell (i.e., Mr. Stéphane Boissel who has committed to sell his shares representing less than 1% of the share capital and voting rights, FCPR Auriga Ventures II who has committed to sell its shares representing 16% of the share capital and voting rights, FCPR BIOAM who has committed to sell its shares representing 1% of the share capital and voting rights, FCPR BIOAM 1B who has committed to sell its shares representing less than 1% of the share capital and voting rights, Large Venture who has committed to sell its shares representing 10% of the share capital and voting rights, FCPR Innobio who has committed to sell its shares representing 15% of the share capital and voting rights, François Meyer who has committed to sell his shares representing less than 2% of the share capital and voting rights, Belsize who has committed to sell its shares representing less than 1% of the share capital and voting rights and YA II PN, Ltd who has committed to sell its shares representing 8% of the share capital and voting rights), it being specified that the completion of the sale of this majority stake is subject to conditions precedent, including in particular, those relating to regulations governing foreign investments in France and the delivery of a favorable report from HAF Audit & Conseil (represented by Mr. Olivier Grivillers), appointed as independent appraiser by TxCell’s board of directors on July 20, 2018, in compliance with sections 261-1-I and II of the General Regulation of the AMF (the French Financial Markets Authority). It is specified that the terms and conditions of the offer and the price of €2.58 per share proposed in the simplified tender offer will be subject to the independent expert’s conclusion on the terms and conditions of the offer and in particular the fairness of the proposed share price and the AMF’s compliance decision on the proposed offer.

The warrants issued by TxCell (which are not admitted for trading) will not be targeted by the cash tender offer because they will either be waived in the case of out of the money warrants, or, in the case of in the money warrants, exercised prior to the closing of the offer and the resulting shares will be either sold to Sangamo under the stock purchase agreement or tendered to the offer.

Subject to obtaining at least 95% of the share capital and voting rights of TxCell upon completion of the simplified tender offer, Sangamo would launch a squeeze-out procedure.

TxCell will be a subsidiary of Sangamo operating under the name Sangamo Therapeutics SA. Following the completion of the squeeze-out procedure, Sangamo intends to delist TxCell. TxCell's operations will remain based in Valbonne, France.

Conference Call Information

Sangamo will host a conference call on Monday, July 23, 2018, at 8:00 a.m. ET, which will be open to the public. The call will also be webcast live and can be accessed via a link on the Sangamo Therapeutics website in the Investors and Media section under [Events and Presentations](#).

The conference call dial-in numbers are (877) 377-7553 for domestic callers and (678) 894-3968 for international callers. The conference ID number for the call is 9184627. For those unable to listen in at the designated time, a conference call replay will be available for one week following the conference call, from approximately 11:00 a.m. ET on July 23, 2018 to 11:00 a.m. ET on July 30, 2018. The conference call replay numbers for domestic and international callers are (855) 859-2056 and (404) 537-3406, respectively. The conference ID number for the replay is 9184627.

About Sangamo Therapeutics, Inc.

Sangamo Therapeutics, Inc. is focused on translating ground-breaking science into genomic therapies that transform patients' lives using Sangamo's platform technologies in genome editing, gene therapy, gene regulation and cell therapy.

For more information about Sangamo, visit Sangamo's website at www.sangamo.com.

About TxCell S.A.

TxCell S.A. is a biotechnology company that develops platforms for innovative, personalized T cell immunotherapies for the treatment of severe inflammatory and autoimmune diseases with high unmet medical need. TxCell is targeting transplantation as well as a range of autoimmune diseases (both T-cell and B-cell-mediated), such as multiple sclerosis, rheumatoid arthritis, inflammatory bowel diseases or inflammatory skin diseases.

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TxCell—Disclaimer

This press release contains certain forward-looking statements relating to the business of TxCell, which shall not be considered *per se* as historical facts, including TxCell’s ability to develop, market, commercialize and achieve market acceptance for specific products, estimates for future performance and estimates regarding anticipated operating losses, future revenues, capital requirements, needs for additional financing. In addition, even if the actual results or development of TxCell are consistent with the forward-looking statements contained in this press release, those results or developments of TxCell may not be indicative of their in the future.

In some cases, you can identify forward-looking statements by words such as “could,” “should,” “may,” “expects,” “anticipates,” “believes,” “intends,” “estimates,” “aims,” “targets,” or similar words. Although the management of TxCell believes that these forward-looking statements are reasonably made, they are based largely on the current expectations of TxCell as of the date of this press release and are subject to a number of known and unknown risks and uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievement expressed or implied by these forward-looking statements. In particular, the expectations of TxCell could be affected by, among other things, uncertainties involved in the development of the Company’s products, which may not succeed, or in the delivery of TxCell’s products marketing authorizations by the relevant regulatory authorities and, in general, any factor that could affect TxCell capacity to commercialize the products it develops, as well as, any other risk and uncertainties developed or identified in any public documents filed by TxCell with the AMF, included those listed in chapter 4 “Risk factors” of the 2017 *document de référence* (registration document) submitted to the AMF on April 25, 2018. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements made in this press release will in fact be realized. Notwithstanding the compliance with article 223-1 of the General Regulation of the AMF (the information disclosed must be “accurate, precise and fairly presented”), TxCell is providing the information in these materials as of this press release, and disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

This press release is for information purposes only and does not, and shall not, in any circumstances, constitute a public offering by TxCell nor a solicitation of an offer to subscribe for securities in any jurisdiction, including France. The persons in possession of this announcement shall then get knowledge of any local restrictions and shall comply with these restrictions.

Sangamo Forward-Looking Statements

This press release contains forward-looking statements regarding Sangamo’s current expectations. These forward looking statements include, without limitation, statements related to the anticipated completion of the purchase by Sangamo of the TxCell ordinary shares pursuant to the definitive stock purchase agreement, or the block purchase, the filing and completion of the cash tender offer for TxCell ordinary shares, and the anticipated timing and benefits thereof; Sangamo’s beliefs as the potential of CAR-Treg therapies; Sangamo’s plans to submit a clinical trial authorization application (CTA) in Europe for TxCell’s first CAR-Treg investigational product candidate in 2019, and to initiate a Phase 1/2 clinical trial later in the year; Sangamo’s intent to evaluate the potential of CAR-Treg therapies to prevent graft rejection in solid organ transplant and for the treatment of autoimmune diseases; the intent to genetically modify Tregs to create a new class of antigen and tissue specific immunosuppressive medicines for autoimmune diseases; the expectation that TxCell will become a subsidiary of Sangamo operating under the name of Sangamo Therapeutics SA; the intent to delist TxCell and the intended treatment of TxCell warrants; and other statements that are not historical facts. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict. Factors that could cause actual results to differ include, but are not limited to, Sangamo’s ability to complete the block purchase and the cash tender offer on the proposed terms and schedule, including risks and uncertainties related to the satisfaction of closing conditions and the receipt of requisite AMF and other regulatory approvals; the

possibility that competing offers will be made; risks associated with business combination transactions, such as the risk that the acquired TxCell business will not be integrated successfully or that such integration may be more difficult, time-consuming or costly than expected; risks related to future opportunities and plans for the combined company, including uncertainty of the expected future regulatory filings, financial performance and results of the combined company following completion of the proposed transaction; the possibility that if Sangamo does not achieve the perceived benefits of the proposed acquisition as rapidly or to the extent anticipated by financial analysts or investors, the market price of Sangamo's common stock could decline; uncertainties related to the planned CTA submission and initiation and completion of clinical trials; whether clinical trial results will validate and support the safety and efficacy of the planned CAR-Treg product candidate; and the reliance on partners and other third-parties to meet their clinical and manufacturing obligations. Actual results may differ from those projected in forward-looking statements due to risks and uncertainties that exist in Sangamo's operations and business environments. Certain of these risks and uncertainties are described more fully in Sangamo's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018 as filed with the Securities and Exchange Commission on May 10, 2018. Forward-looking statements contained in this announcement are made as of this date, and Sangamo undertakes no duty to update such information except as required under applicable law.