

**INNATE PHARMA -
MARKET ETHICS CHARTER
September 2017**

I. OBJECTIVES

Since the IPO of Innate Pharma (the “**Company**”) in October 2006, the shares of the Company have been listed on the Euronext Paris market. In this context, compliance by the Company’s employees with rules applicable to stock transactions and the holding of inside information is crucial for the Company.

These rules principally stem from Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the “**Market Abuse Regulation**” or “**MAR**”) and Articles L.465-1 et seq. of the French Monetary and Financial Code.

The Company’s objectives are to respect and enforce the applicable legislation in terms of securities legislation and the principles and rules in force and the recommendations issued by the stock exchange in the field of risk management relating to the holding, disclosure or use of inside information.

It should be noted that the employees of the Company, irrespective of their nationality, may be affected by these rules and/or by those applicable in the countries in which they live. In any event, it is the responsibility of each employee to personally ensure compliance with the legislation applicable to his or her situation.

The purpose of this document is to outline:

- the attitude that should be adopted in relation to the information that you hold or may hold whilst carrying out your role or a specific mandate or mission for the Company; and
- the attitude that should be adopted when you or your relatives wish to acquire or sell financial instruments of the Company.

II. DEFINITIONS

Definition of inside information

Inside information is defined as any “information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments” (Article 7(1)(a) MAR).

In practice, inside information becomes public (and therefore loses its “inside” nature) by the publication of a press release by the Company in accordance with the terms and conditions set out by the *Autorité des Marchés Financiers* (the “AMF”), including the distribution thereof to the press and publication of this type of document on the Company’s website .

No inside information may be disclosed to a third party (for example, to a journalist only during an interview, at a professional conference or to financial analysts during a meeting) until a press release which contains that information has been published.

Rumors do not constitute public information and will not result in inside information losing its “inside” nature.

The following information shall *a priori* be considered as inside information (the following is a non-exhaustive list):

1. material steps of development (M0, M1 and M2),
2. clinical results,
3. new major or structuring license contracts, scientific, technological or industrial collaboration contracts or any problems relating to the performance of these contracts,
4. annual, half-year, quarterly results or anticipated results,
5. budgets and long-term projects,
6. development of technologies, products or patents,
7. problems in a manufacturing process, in the quality assurance process or relating to a patent,
8. financial transactions (issuance of securities, acquisitions, mergers, joint-ventures, financing etc.), including those in the development stage and even if the operation does not finally occur,
9. changes to strategy or investments,
10. changes to key employees, including the departure of a senior manager,
11. disputes or regulatory issues (in particular with the AFSSAPS, EMEA or FDA),
12. liquidity issues,
13. any report of a financial analyst which is particularly favorable or unfavorable to the Company, and

14. any other significant event of a favorable or unfavorable influence on the Company's activities, any significant element relating to its risks factors.

It should be emphasized that the information does not necessarily need to be certain in order to be considered as inside information. The fact that an event may only be likely to occur also constitutes inside information, even if it does not finally occur. Similarly, in instances where there are multiple steps to a process, each of these steps may be constitute inside information, even where there is no certainty as to the completion of subsequent steps.

Any person in any doubt as to whether the information they hold constitutes inside information should refer to the Legal Department or the Finance Department.

Definition of insider

An insider is any person (physical or legal) who holds inside information either on a regular basis, because of their position within the Company (a permanent insider), or on an ad hoc basis, because of their involvement in a particular project or because they come to hold such information by some other means (an occasional insider).

The insider's name must be included on an insider list held by the Company. The Company shall notify the insider of his or her inclusion on said list. Any person who comes to hold inside information and who has not been notified by the Company of his or her inclusion on the insider list must inform either the Legal Department or Finance Department so as to be added to the list.

Where the insider is a legal entity, that legal entity is obliged to establish an insider list of its own employees who may hold inside information about the Company.

In addition to this definition, the applicable legislation differentiates between two categories of insiders:

- Persons who hold inside information due to their relationship with the Company;

Any person who holds inside information due to his or her role or position within the Company: members of the Executive Board, Executive Committee, Supervisory Board (including representatives of the Works Council), members of the Scientific Advisory Board, employees, statutory auditors, consultants, communication agencies, lawyers, bankers, others external consultants, suppliers, subcontractors, CROs etc.

- Persons who, although not related to the Company, become insiders following the disclosure of inside information

Any person who holds inside information, and knows or ought to know that the information was inside information: any person external to the Company who receives inside information either intentionally or by chance. This category includes, for instance, family members, relatives of the first category of persons and any other persons to whom the inside information was disclosed.

A distinction can also be made among the abovementioned persons, between:

- Permanent insiders

They are the persons who have permanent access to inside information on the Company. The permanent insiders may be one of the two following categories:

- Persons who work at the Company: members of the Executive Board, Executive Committee, Supervisory Board (including the works council representative), as well as employees, are or can be deemed to have regular access to inside information. Members of the Scientific Advisory Board are also included in this category.
- Third parties who maintain regular contact with the Company which gives them access to inside information: they may be, in particular, statutory auditors, main consultants, the usual financial and legal advisors of the Company, communication agencies and some companies which provide outsourcing services.

- Occasional insiders

Occasional insiders are defined as persons who have intermittent access to inside information on the Company due to their participation in the preparation of a specific project or event or in particular circumstances (for instance a clinical trial, a license agreement, a dispute, an accident or a financial transaction). CROs, lawyers, investment and financing banks, communication agencies or credit rating agencies as well as financial market bodies (Euroclear, Euronext) and administrative bodies (AMF) are included in this category.

Any insider who uses or communicates (either directly or indirectly) inside information for the purposes of trading in the Company's shares or related derivatives will be carrying out insider trading (see paragraph VII. Sanctions).

III. OBLIGATIONS RELATING TO INSIDE INFORMATION

The Company's obligation to disclose inside information

Rule: the Company must make public, as soon as possible, by way of a press release published on its website, any inside information. The published information must be accurate, precise and fair.

Exception: the Company may delay the publication of inside information if (i) immediate disclosure is likely to prejudice the legitimate interests of the Company; (ii) delay of disclosure is not likely to mislead the public; (iii) the Company is able to ensure the confidentiality of that information.. All three of these conditions must be satisfied.

In this regard, only those who are authorized by the Company can disclose directly or indirectly, in any manner whatsoever, inside information to the financial markets.

Abstention requirements and confidentiality of insiders

French law and stock exchange regulations prohibit any person or entity who or which holds inside information from:

- effecting or permitting to be effected, either directly or through an intermediary or entity, one or several transactions in the Company's listed securities before the inside information has been made public;
- providing any inside information for any other purpose or any other activity than this for which it is held;
- recommending to any person to buy or sell the Company's shares on the basis of inside information (even without communicating such information).

This obligation of abstention and confidentiality is absolute and applies without restriction:

- whatever the nature of the inside information held;
- without derogating from the period of abstention until publication of the inside information;
- without distinguishing among the financial instruments linked, directly or indirectly, to the Company.

IV. SPECIFIC ABSTENTION PERIODS FOR BENEFICIAIRES OF FREE SHARES

Pursuant to article L. 225-197-1 I, paragraph 9 of the French Commercial Code, beneficiaries of shares which have been granted free of charge, whether or not they are in possession of inside information, cannot transfer their shares within the following periods:

1. during the previous 10 trading days and the 3 trading days following the publication of the Company's annual and semi-annual consolidated financial statements;
2. within the period from the date on which the Company's management bodies become aware of inside information, and the later date of 10 trading days to the date on which such information is made public.

To the extent that the beneficiaries are not aware that the Company's management bodies are aware of inside information, they must consult the Legal Department or the Finance Department before any conversion of AGAP or disposal of the underlying shares.

V. PREVENTIVE MECHANISMS

Closed periods

Without prejudice to the general abstention obligation described in paragraph III. above, MAR provides for abstention periods ("**closed periods**") during which members of the Executive Board and Supervisory Board and all employees are under the obligation to refrain from buying, selling or carrying out transactions in, directly or indirectly, on their own account or on behalf of a third party, the Company's shares. They shall also refrain from exercising stock subscription warrants (BSA, BSAAR) or from carrying out transactions in securities whose underlying security is a Company security. In addition to the closed periods provided for by MAR, the Company may impose additional closed periods.

Closed periods are primarily short in duration and foreseeable, during which material non-public information concerning Innate Pharma circulates within the Company.

These periods are as follows:

- 15 days preceding the publication of quarterly results; and
- 30 days preceding the publication of annual and half-year results.

Closed periods will also be imposed on an ad hoc basis in respect of certain events.

Transactions will only be permitted as of the trading day following the publication of inside information, provided that no other closed period is effective and the relevant person does not hold other inside information.

An email will be sent to all employees and members of the governing bodies to inform them of these periods. The Company's financial results announcements calendar is also available on the Company's website.

General abstention rule

Furthermore, as a general rule, the period from the date on which a person receives inside information to the trading day following the date on which this inside information is disclosed to the public is an abstention period for the person receiving the inside information. In the case of a major event (e.g. major license agreement or acquisition) to be disclosed to all of the Company's members, the Finance Department will notify relevant employees by email of the beginning of an abstention period. It should be noted that, in the case of any doubt, any employee may contact the Legal Department, the Financial Department or Accounting Department to seek advice on the possibility of carrying out a transaction in Innate Parma shares or any other related securities. However, this advice shall not be considered an authorization as each applicant remains personally responsible for the transactions he carries out.

This prohibition on the use or disclosure of inside information is applicable throughout the year. It should also be noted that the Executive Board alone is in responsibly for the Company's external communications.

Moreover, it is essential to immediately inform the Finance Department if an inside information has been disclosed outside of the normal procedures for financial information disclosure (e.g. internal and external meetings, seminars or conferences).

VI. DISCLOSURE OF TRANSACTIONS CARRIED OUT BY THE MANAGERS AND RELATED PERSONS

Article L.621-18-2 of the French Monetary and Financial Code and Article 19 of MAR requires that "persons discharging managerial responsibilities" ("**PDMRs**") of the Company (as explained below), as well as those "closely associated with them", must disclose all acquisitions, sales, subscriptions, exercises of options, BSA or BSAAR or exchanges of shares in the Company (or related financial instruments) to the AMF, thereby making those transactions public, no later than three working days after the transaction.

- PDMRs: members of the Executive Board, members of the Executive Committee, members of the Supervisory Board and persons closely associated with them. For the purposes of MAR,

persons who are “closely associated” with PDMRs include (i) spouse or partners (civil partnership); (ii) dependents; (iii) relatives who have shared the same household with the PDMR for at least one year at the date of the transaction; and (iv) legal persons, trusts or partnerships, the managerial responsibilities of which are discharged by a PDMR or persons closely associated with such a PDMR (x) which are directly or indirectly controlled by the PDMR; (y) which is set up for the benefit of such a PDMR; or (z) the economic interests of which are substantially equivalent to those of a PDMR.

- Affected transactions: all transactions involving the purchase, sale, subscription or exchange of “financial instruments” of the Company, including shares and other securities giving access to its capital (such as warrants (BSA, BSAAR), stock options, preference shares etc.) as well as any gift or donation made or received or any inheritance received relating to the Company's "equity investment instruments".

- Threshold triggering the obligation to submit a declaration to the AMF: publication shall not be required until the aggregate amount of transactions carried out by a PDMR or person treated as such on his behalf or by a person closely connected to the PDMR exceedS EUR 20,000 in a calendar year.

Each of these persons is required to submit a declaration relating to the relevant transaction to the AMF within three working days of the date of the transaction and to send a copy of this declaration to the Company. Many stock market transactions are carried out in two stages: the date on which the stock exchange order or instruction is given to the bank and the settlement date (two business days later for stock exchange orders). In the absence of a clear position from the AMF on this matter, it is recommended that the first of the two dates be taken as the starting point for the three working day period.

The declaration form is available on the AMF website or at the following address: <https://onde.amf-france.org> and must be sent to the AMF exclusively via an Extranet called "ONDE" (which is available on the same website).

In addition, members of the Executive Board and Supervisory Board (including permanent representatives of legal entities) have to hold the Company's shares owned by their husbands/spouses and unemancipated minors in registered form.

VII. SANCTIONS

Persons who use or disclose inside information will be subject to either administrative sanctions (administered by the AMF) or criminal sanctions (administered by the judicial authorities).

Criminal and administrative sanctions

Carrying out any of the prohibited behaviors outlined above may result in the handing down of the following penalties:

- a fine of EUR 100 million and five years' imprisonment imposed by the criminal court (Articles L. 465-1 to L.465-3 of the French Monetary and Financial Code); or a monetary

penalty imposed by the AMF of up to €100 million, the amount of which may be increased to ten times the amount of any profit made (Article L. 621-15, III of the French Monetary and Financial Code).

Penal sanctions and AMF penalties are not cumulative.

These behaviors may be punishable even if the insider did not gain any or benefit profit from it. The attempt is also susceptible to sanctions.

It should be noted that there are also penalties imposed by the AMF for price manipulation and the dissemination of false or misleading information (L. 465-2, paragraphs 1 and 2, French Monetary and Financial Code and Article 12 of MAR).

Disciplinary sanctions

Any violation of this charter and rules herein or of the laws on insider dealing by a director, an executive, an employee or their relatives, may result in disciplinary action against those persons, which may include dismissal or termination of their employment contracts.

The person committing an insider dealing offence (under criminal law or the General Regulation of the AMF) shall be solely responsible for such offence. The Company would not be held responsible or accountable for any such act committed by such a person. In this respect, the Company will not pay fines or penalties that may be due from its employees.

Any person who would be in breach of the provisions of this charter or who would become aware of such breach by any other person is under the obligation to immediately inform the management of the Company, which would take all appropriate internal measures and vis-à-vis the market authorities.

VIII. ANNEXES

Article 465-1 of the French Monetary and Financial Code (translation for information purposes only)

Amended by [LOI n° 2016-819 du 21 juin 2016 - art. 1](#)

I. – A. – Is punishable by five years' imprisonment and a fine of EUR 100 million, which may be increased up to ten times the amount of the benefit derived from the infringement (but cannot be less than such benefit), the Chief Executive Officer, Chairman, member of the Executive Board, Manager, member of the Board of Directors or member of the Supervisory Board of an issuer which the relevant inside information concerns, or a person who holds a similar office, a person possessing inside information about an issuer in which such person holds an interest, a person possessing inside information due to his/her profession or function or due to his/her involvement in the performance of a crime of offense, or any other person knowingly possessing inside information, to make use of such inside information by performing, for himself/herself or others, directly or indirectly, one or more transactions, or by cancelling or modifying one or more orders placed by the same person before he/she had the inside information, in relation to the financial instruments issued by such issuer or financial instruments concerned by such inside information.

B. – The mere fact that a person possesses inside information does not constitute the infringement provided for in A if such person’s behaviour is legitimate within the meaning of Article 9 of Regulation (EU) No 596/2014 of the European Parliament and of the Council dated 16 April 2014 on market abuse (Market Abuse Regulation or “**MAR**”) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

C. – For the purposes of this Section, "inside information" means inside information within the meaning of Article 7 (1) to (4) of MAR.

II. – The attempt to commit the infringement provided for in Section I of this Article shall be punishable by the same penalties.

Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse

<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0596&from=FR>

AMF guide to permanent information and privileged information

http://www.amf-france.org/technique/multimedia?docId=workspace://SpacesStore/79c5176f-4092-4eda-b87c-eeed641df923_fr_1.1_rendition