

7.8.5 Statutory Auditors' special report on related-party agreements

This is a free translation into English of the Statutory Auditors' special report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

At the bioMérieux Annual General Meeting,

In our capacity as Statutory Auditors of bioMérieux, we hereby present our report on related-party agreements to you.

It is our responsibility to report to you, based on the information provided to us, the principal features, terms and conditions of the agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. Under Article R. 225-31 of the French Commercial Code, it is your responsibility to determine whether the agreements are appropriate and should be approved.

Where applicable, it is our responsibility to provide you with the information required by Article R. 225-31 of the French Commercial Code in relation to the implementation during the past year of agreements already approved by the General Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France. These procedures consisted in verifying that the information provided to us is consistent with the underlying documents.

We hereby inform you that we have received no notice of any agreement authorised or concluded during the previous financial year, to be submitted for approval by the General Meeting pursuant to Article L.225-38 of the French Commercial Code.

Pursuant to Article R. 225-30 of the French Commercial Code, we were informed of the following agreements approved by the Annual General Meeting in prior years, which remained in place during the previous financial year.

People concerned

Alexandre Mérieux (Chairman and Chief Executive Officer).

1) Rider to the sponsorship agreement of March 8, 2011

Nature and purpose

The Fondation Mérieux's sponsorship agreement dated March 8, 2011, approved by the Board of Directors on December 18, 2014, took effect on January 1st, 2015 for an indefinite length of time.

Terms and conditions

Your Company donates cash and assigns some of its employees to initiatives carried out on behalf of the Fondation Mérieux as part of your corporate sponsorship strategy. The total amount represented by these donations and by the employees made available is determined and voted on each year by the Board of Directors.

Amounts in the financial year

In the year ended December 31, 2019, your Company reported total liabilities of €409,210.24 in relation to donations to Fondation Mérieux.

2) Rider to the service agreement dated January 1: 2011

Nature and purpose

The agreement covering services provided to Fondation Mérieux by your Company, approved by the Board of Directors on December 18, 2014, took effect on January 1, 2015 for an indefinite length of time.

Terms and conditions

Your Company provides the Fondation Mérieux with human resources by assigning some of its employees to carry out Fondation work in biology, and by supplying administrative support and IT staff. These services are compensated in accordance with the regulation applicable to intragroup transfer prices, with an 8% margin added for the reimbursement of service costs, excluding biology services (categorised as research and development under the terms of the regulation on transfer prices), and a 10% margin added for the reimbursement of biology service costs.

Amounts in the financial year

In the year ended December 31, 2019, your Company reported profits of €32,459.26.

People concerned

Alexandre Mérieux (Chairman and Chief Executive Officer).

Nature and purpose

On December 15, 2016, the Board of Directors approved an increase in the annual sponsorship budget for the Fondation Christophe and Rodolphe Mérieux, from €1,325,000 to €2,000,000, as from January 1, 2017.

Terms and conditions

Your Company makes donations to the Fondation Christophe and Rodolphe Mérieux as part of its corporate sponsorship strategy. The total amount represented by these donations and voted on each year by the Board of Directors.

Amounts in the financial year

In the year ended December 31, 2019, your Company reported total liabilities of €2,000,000 in relation to donations to the Fondation Christophe and Rodolphe Mérieux.

People concerned

Alexandre Mérieux (Chairman and Chief Executive Officer), Jean-Luc Bélingard (director), Philippe Archinard (director) and Harold Boël (independent director).

Nature and purpose

An agreement on managing the mobility of employees within the Mérieux Group, approved by the Board of Directors on December 18, 2014, took effect on January 1, 2017 for an indefinite length of time.

Terms and conditions

This agreement provides that severance payments for employment contracts and/or the retirement of employees who have worked for Group companies, whose seniority was made retroactive without compensation, be divided equitably between the parties. This division is on a prorata basis, according to compensation paid by each Mérieux Group company having benefited from the employees' services, except for compensation that constituted the basis for a previous severance payment.

Amounts in the financial year

For the year ended December 31, 2019, your company recorded income totalling €54,791.66 for Mérieux NutriSciences and an expense totalling €99,587.38, of which €88,752.38 for Institut Mérieux and €10,835 for Mérieux Université.

People concerned

Alexandre Mérieux (Chairman and Chief Executive Officer) and Harold Boël (independent director).

Nature and purpose

The contract assigning an employee of Silliker Group Corporation France (Mérieux NutriSciences) to your Company was authorised by the Board of Directors' meeting on February 27, 2018, and took effect on June 1, 2018, for a period of one year.

Terms and conditions

This contract provides for an employee of Silliker Group Corporation France (Mérieux NutriSciences) to be made available for 50% of their working time, to be re-billed at actual cost.

Amounts in the financial year

In the financial year ending December 31, 2019, your Company reported total liabilities of €209,656.75.

People concerned

Institut Mérieux and Alexandre Mérieux (Chairman and Chief Executive Officer) and Jean-Luc Bélingard (director).

Nature and purpose

Addendum to the service agreement provided by Institut Mérieux authorised by the Board meeting of December 20, 2018.

Terms and conditions

The purpose of this addendum is to change:

the list of services provided, by adding the Internal Audit (according to the tasks actually carried out on behalf of your company), Risk, and Compliance functions, which will henceforth be performed by the Institut Mérieux and re-billed to bioMérieux as from January 1, 2019;

the rules for re-billing services provided by Institut Mérieux in its capacity as the Group's lead holding company. The margins that apply are amended in accordance with OECD rules, by applying an 8% margin to all of the expenses incurred by Institut Mérieux, except for:

expenses incurred by Institut Mérieux, at the request of another entity, for practical and administrative reasons (pass-through costs), which will continue to be billed at cost price;

and expenses incurred by Institut Mérieux in order to carry out specific services that are purely administrative, benefiting a Group entity, and will be re-billed applying a 5% margin.

For the sake of transparency and in order to allow bioMérieux to define its own re-billing rules for its subsidiaries, Institut Mérieux bills your company for all of the services set out in the contract above, to be paid for by your company and its subsidiaries, according to the applicable allocation criteria, so that your company can re-bill its subsidiaries directly, without a mark-up.

Amounts in the financial year

In the year ended December 31, 2019, your company recorded liabilities of €8,928,000 and earnings of €4,897,518, of which €1,960,817 from BioFire Diagnostics and €2,936,701 from bioMérieux Inc.

Lyon, February 28, 2020

The Statutory Auditors

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