

Explanatory memorandum of the resolutions proposed by the Board of Directors to the General Meeting of May 26, 2020 of Dassault Systèmes SE, as adopted by the Board of Directors on April 22, 2020

Presentation of the Resolutions Proposed by the Board of Directors to the General Meeting of May 26, 2020

Annual Financial Statements and Allocation of the Results

We invite you to approve the annual financial statements of Dassault Systèmes SE (or the “Company” for the purposes of the present Chapter 7 “General Meeting”) for the year ended December 31, 2019, prepared on the basis of French accounting principles, as they have been presented in paragraph 4.2 “Parent Company Financial Statements”.

Dassault Systèmes SE has paid dividends every year since 1986. The decision to distribute dividends and their amount depends on the profits and the financial position of Dassault Systèmes SE as well as other factors. Dividends, which have been distributed but are not collected by a shareholder, revert to the French State at the end of the five-year period following the date of their payment.

Based on the financial statements and the management report of the Board of Directors included in this Annual report, a profit of €279,583,248.01⁽¹⁾ was realized for the year ended December 31, 2019, which we propose that you allocate as follows:

○ to the legal reserve	€65,253.00
○ to a Special Reserve Account ⁽²⁾	€34,000.00
○ for distribution to the 264,254,319 shares forming the share capital as of 02/29/2020 of a dividend of (€0.70 x 264,254,319 shares) ⁽³⁾	€184,978,023.30
○ to retained earnings	€94,505,971.71
which, increased by the retained earnings from previous years of €2,369,985,767.92, brings the amount of retained earnings to	€2,464,491,739.63

(1) After allocation to the legal reserve and the Special Reserve Account, this profit increased by the retained earnings from previous years of €2,369,985,767.92 results in a distributable profit of €2,649,469,762.93.

(2) In compliance with Article 238 bis AB, paragraph 5, of the French General Tax Code.

(3) The aggregate amount of the dividend will be increased, based on the number of new shares created between March 1, 2020 and the date of the General Meeting of May 26, 2020, consecutively to the exercise of share subscription options, it being specified that the maximum number of shares which could be issued upon the exercise of subscription options is 3,749,118, i.e. a maximum supplementary dividend of €2,624,382.60.

Further new shares created by exercise of options until the date of the Annual General Meeting deciding on the allocation of profit related to the preceding year will receive the dividend distributed with respect to that year (see paragraphs 5.1.5 “Interests of Executive Management and Employees in the Share Capital of Dassault Systèmes SE” and 6.4 “Stock Market Information”).

Therefore, we propose that the General Meeting of May 26, 2020 approves for the year 2019 the distribution of (i) a dividend of €0.70 per share comprising the share capital as of the date of this General Meeting, resulting – on the basis of the number of shares representing the share capital as of February 29, 2020 – in an aggregate amount of €184,978,023.30 and (ii) where applicable, an additional aggregate maximum amount of €2,624,382.60, which corresponds to the maximum number of new shares which could be issued between March 1, 2020 and the date of the General Meeting (i.e. 3,749,118 shares).

Shares will be traded ex-dividend as of May 28, 2020 and dividends made payable on June 2, 2020.

On the date of payment, the amount of the dividend corresponding to (i) the treasury shares of Dassault Systèmes SE and (ii) the Dassault Systèmes shares held by SW Securities LLC, a company which is

controlled by Dassault Systèmes, will be allocated to “retained earnings”, in accordance with the provisions of Article L. 225-210 of the French Commercial Code and the contractual provisions in force between SW Securities LLC and Dassault Systèmes SE.

In addition, prior to distribution of the dividend, the Board of Directors, or if so delegated, the Chief Executive Officer, will determine the number of additional shares issued as a result of the exercise of share subscription options between March 1 and the date of the General Meeting on May 26, 2020. The amount required for payment of dividends for shares issued during this period will be taken from “retained earnings”.

The amount thus distributed to individual shareholders domiciled for tax purposes in France will, when appropriate, either be subject to the flat tax of 12.8% or, upon exercise of an individual option of the shareholders per year expressly, irrevocably and globally at their level, be taken into account for determining shareholders’ total income subject to the progressive rate of income tax for the year during which it was received (Article 200A of the French Tax Code) after application of an uncapped deduction of 40% (as provided by Article 158-3-2 of the French Tax Code). The dividend may be subject to a non-discharging income tax withholding at a rate of 12.8% (as provided by Article 117 quater of the French Tax Code). The dividend will also be subject to social security contributions at the rate of 17.2%.

Pursuant to Article 243 bis of the French Tax Code, it is noted that dividends per share paid over the last three years have been as follows:

	2018	2017	2016
Dividend ⁽¹⁾ (in euros)	0.65	0.58	0.53
Number of shares eligible for dividends	259,679,976	259,243,696	258,532,488

(1)Dividends 100% eligible for the 40% deduction provided for in Article 158-3-2 of the French Tax Code.

Consolidated financial statements

In addition to the 2019 parent company annual financial statements, it is also proposed to approve the Dassault Systèmes consolidated financial statements for the year ended December 31, 2019, prepared in accordance with IFRS as described in paragraph 4.1.1 “Consolidated Financial Statements” of this Annual report.

Related-party agreements

The following agreements, which were approved in accordance with Articles L. 225-38 et seq. of the French Commercial Code, were in effect during the year ended December 31, 2019: These are undertakings made by the Company in connection with its “Directors and Corporate Officers Liability Insurance Policy:

- to reimburse the cost of legal defense of directors in the event of their personal liability being sought and indemnify the directors for the financial implications of such liability and payment of the costs in relation with legal defense related thereto, to the extent they would not be covered by that insurance policy (approved by the Board of Directors’ meeting held on July 24, 1996);
- to assume, under certain conditions, the cost of legal defense of Directors of Dassault Systèmes SE should they have to prepare their personal defense before a civil, criminal or administrative court in the United States in connection with an inquiry or investigation conducted against Dassault Systèmes (approved by the Board of Directors’ meeting held on September 23, 2003).

These agreements were reviewed by the Board of Directors at its meeting on March 11, 2020, in accordance with the provisions of Article L. 225-40-1 of the French Commercial Code.

It should be noted that the agreement relating to the undertakings made by Dassault Systèmes SE for the benefit of Bernard Charlès, corresponding to the indemnities due upon the termination of his office as Chief Executive Officer – the renewal of which was, upon his re-election as Chief Executive Officer, authorized by the Board of Directors on March 15, 2018 and approved by the General Meeting of May 22, 2018 – is no longer subject to the rules on related-party agreements following the repeal by Ordinance no. 2019-1234 of November 27, 2019 of Article L. 225-42-1 of the French Commercial Code. As a result, this agreement ceased to be a related-party agreement maintained during the year ended December 31, 2019 (see paragraph 5.1.3.2 “Compensation of the Chief Executive Officer” and Table 11 of paragraph 5.1.4 “Summary of the Compensation and Benefits due to Corporate Officers (*mandataires sociaux*)” for details of this undertaking).

The Statutory Auditors have prepared a special report pursuant to Articles L. 225-40 and L. 225-40-1 of the French Commercial Code, as set forth in paragraph 4.2.4 “Statutory Auditors’ Report on Related Party Agreements and Commitments”. The General Meeting has been requested to acknowledge this report which refers to no new agreements.

Compensation Elements Paid in 2019 or Granted with respect to 2019 to Mr. Charles Edelstenne, Chairman of the Board, and to Mr. Bernard Charlès, Vice-Chairman of the Board and Chief Executive Officer

Pursuant to the provisions of Article L. 225-100, III of the French Commercial Code, it is proposed that the General Meeting approves the compensation paid in 2019 or granted with respect to 2019 to Mr. Charles Edelstenne, Chairman of the Board of Directors, and Mr. Bernard Charlès, Vice-Chairman of the Board of Directors and Chief Executive Officer, whose compensation elements are summarized in the tables below (see also paragraph 5.1 “The Board’s corporate governance report”). The payment of the Chief Executive Officer’s variable compensation with respect to 2019 is subject to the General Meeting’s approval of the compensation elements for 2019. Since the Chairman of the Board does not receive any variable or extraordinary compensation, this condition does not apply to him.

Compensation Elements Due or Granted with respect to 2019 to Mr. Charles Edelstenne, Chairman of the Board⁽¹⁾

Compensation granted with respect to 2019

Compensation elements	Amount (in euros)	Observations
Fixed compensation⁽²⁾	982,000	Gross fixed compensation for 2019 set by the Board of Directors on March 20, 2019, upon the proposal of the Compensation and Nomination Committee. This compensation was paid in 2019.
Annual variable compensation	N/A	Mr. Charles Edelstenne receives no annual variable compensation.
Deferred annual variable compensation	N/A	Mr. Charles Edelstenne receives no deferred annual variable compensation.
Multi-year variable compensation	N/A	Mr. Charles Edelstenne receives no multi-year variable compensation.
Compensation allocated to directors in respect of the directorship⁽³⁾	49,500	Gross compensation amount allocated to directors for 2019. This compensation was paid at the beginning of 2020.
Extraordinary compensation	N/A	Mr. Charles Edelstenne receives no extraordinary variable compensation.
Granting of share subscription options and/or performance share awards	N/A	Mr. Charles Edelstenne does not hold any share subscription options and was not granted any performance shares.
Indemnity upon start or termination of function	N/A	Mr. Charles Edelstenne receives no indemnity upon start or termination of function.
Non-compete indemnity	N/A	Mr. Charles Edelstenne receives no non-compete indemnity.
Additional retirement plan	N/A	No additional retirement plan was implemented by Dassault Systèmes SE.
Benefits in kind⁽⁴⁾	143	This benefit in kind is linked to a mandatory supplemental medical coverage.

(1) All compensation paid by Dassault Systèmes to Mr. Charles Edelstenne is paid by Dassault Systèmes SE, a company incorporated under the laws of France.

(2) See also paragraph 5.1.3.1 “Compensation of the Chairman of the Board”. In 2019, GIMD paid Mr. Charles Edelstenne gross compensation of €900,000 as Chairman of GIMD.

(3) In 2019, GIMD paid Mr. Charles Edelstenne €13,364 as member of the Supervisory Board of GIMD. See also paragraph 5.1.3.3 "Directors Compensation" on the conditions for distributing the annual budget allocated to Directors of Dassault Systèmes SE.

(4) In 2019, GIMD granted benefits in kind to Mr. Charles Edelstenne related to the use of a car in an amount of €10,351.

As a reminder:

Compensation granted with respect to 2018 and paid in 2019

Compensation elements	Amount (in euros)	Observations
Compensation allocated to directors in respect of the directorship	45,100	Gross compensation amount allocated to directors for 2018. This compensation was paid at the beginning of 2019.

Compensation Elements Due or Granted with respect to 2019 to Mr. Bernard Charlès, Vice-Chairman of the Board of Directors and Chief Executive Officer⁽¹⁾

Compensation granted with respect to 2019

Compensation elements	Amount (in euros)	Observations
Fixed compensation	1,390,000	Fixed gross compensation with respect to 2019 set by the Board of Directors on March 20, 2019 ⁽²⁾ . This compensation was paid in 2019.
Annual variable compensation	1,556,800	Variable gross compensation with respect to 2019 actually earned and decided by the Board of Directors of March 11, 2020 ⁽²⁾ . This compensation will be paid in 2020 subject to approval by the General Meeting of the compensation elements of Mr. Bernard Charlès, Vice-Chairman of the Board of Directors and Chief Executive Officer, for 2019.
Deferred annual variable compensation	N/A	Mr. Bernard Charlès receives no deferred annual variable compensation.
Multi-year variable compensation	N/A	Mr. Bernard Charlès receives no multi-year annual variable compensation.
Compensation allocated to directors in respect of the directorship⁽³⁾	33,000	Gross compensation amount allocated to directors for 2019. This compensation was paid at the beginning of 2020.
Extraordinary compensation	N/A	Mr. Bernard Charlès receives no extraordinary compensation.
Granting of 2019 share subscription options and/or performance shares	N/A	In 2019, Mr. Bernard Charlès was not granted any share subscription options or performance shares.
Granting by anticipation of 2019 share subscription options and/or performance shares	21,734,506 ⁽⁴⁾	Mr. Bernard Charlès was granted by anticipation 300,000 2019-B shares by the Board of Directors of September 25, 2018 ⁽⁵⁾⁽⁶⁾⁽⁷⁾ .
Indemnity upon start or termination of function	N/A	Mr. Bernard Charlès receives under certain conditions an indemnity upon the termination of his functions, the amount of which would not exceed two years of the Chief Executive Officer's compensation and would depend on the satisfaction of the performance conditions for the payment of his variable compensation. In accordance with Article L. 225-42-1 of the French Commercial Code then in force, this commitment on the part of Dassault Systèmes SE was authorized by the Board of Directors on March 15, 2018 and approved by the General Meeting on May 22, 2018 (6th resolution) ⁽⁸⁾ .
Non-compete indemnity	N/A	Mr. Bernard Charlès receives no non-compete indemnity.
Additional retirement plan	N/A	No additional retirement plan was implemented.
Benefits in kind	17,573	These benefits in kind are linked to a mandatory supplemental medical coverage and use of a vehicle made available to Mr. Bernard Charlès by Dassault Systèmes SE.

(1) All compensation paid by Dassault Systèmes to Mr. Bernard Charlès is paid by Dassault Systèmes SE, a company incorporated under the laws of France.

(2) See also paragraphs 5.1.3.2 "Compensation of the Chief Executive Officer" and 5.1.4 Table 2 "Summary of the compensation of each Executive Officer".

(3) See also paragraph 5.1.3.3 "Directors Compensation" on the conditions for distributing the annual budget allocated to directors of Dassault Systèmes SE.

(4) Value based on the method chosen for the consolidated financial statements before the spreading of the expense and taking into account the performance criteria.

(5) Such shares are granted to Mr. Bernard Charlès as part of the gradual process of associating him with the Company's capital that began several years ago, with the aim of ultimately recognizing his entrepreneurial role since 35 years with Dassault Systèmes and providing him with an equity interest comparable to that of founders of companies in the same sector, or more generally, of his peers in technology companies around the world.

(6) See also paragraph 5.1.3.2 "Compensation of the Chief Executive Officer".

(7) As mentioned in paragraph 5.1.3.2 of the 2017 Annual Report, the Board of Directors decided to allocate, on September 25, 2018, performance shares (2019 plan) to several managers and employees of Dassault Systèmes (including Mr. Bernard Charlès) in order to benefit from the legal regime of the authorization of the General Meeting of September 4, 2015 which was to expire on November 4, 2018. The Board thus proceeded by anticipation to the allocation considered for 2019 (performance shares are generally granted in May at the end of the General Meeting of Shareholders).

(8) See also paragraph 5.1.3.2 "Compensation of the Chief Executive Officer".

As a reminder :

Compensation granted with respect to 2018 and paid in 2019

Compensation elements	Amount (in euros)	Observations
Annual variable compensation	1,506,760	Variable gross compensation with respect to 2018 actually earned and decided by the Board of Directors of March 20, 2019. This compensation was paid in 2019 following approval by the General Meeting of the compensation elements of Mr. Bernard Charlès, Vice-Chairman of the Board of Directors and Chief Executive Officer, for 2018.
Compensation allocated to directors in respect of the directorship	28,600	Gross compensation amount allocated to directors for 2018. This compensation was paid at the beginning of 2019.

Information contained in the corporate governance report relating to the compensation of the Corporate Officers (*mandataires sociaux*) (Article L. 225-37-3 of the French Commercial Code)

In accordance with the provisions of Article L. 225-100, II of the French Commercial Code, the following information is submitted for your approval:

Information contained in Article L. 225-37-3, I of the French Commercial Code

Total compensation and benefits of any kind paid in 2019 or granted with respect to 2019 and, if applicable, the relative proportion of fixed and variable compensation	See paragraphs 5.1.4 and 5.1.5
Use of the option of requesting the repayment of variable compensation	N/A
Undertakings made by the Company in connection with the termination or change of office or subsequent to the performance of such office and the estimated amount liable to be paid on that basis	See paragraph 5.1.3.2, page 197
Any compensation paid or granted by a company within the scope of consolidation	N/A
"Equity" ratios	See paragraph 5.1.4, pages 198 and 199
Annual change in compensation, the Company's performance, average compensation on a full-time equivalent basis of the Company's employees (other than management) and "equity" ratios over the last five or more financial years	See paragraph 5.1.4, page 199
Explanation of how the total compensation reflects the compensation policy adopted, including how it contributes to the long-term performance of the Company, and how the performance criteria have been applied.	See paragraph 5.1.4, page 200
Taking into account the vote of the last Ordinary General Meeting provided for in Article L. 225-100, II of the French Commercial Code	N/A
Any deviation from the procedure for implementing the compensation policy and any derogation applied	N/A
Application of the provisions of the second paragraph of Article L. 225-45 of the French Commercial Code (irregular composition of the Board of Directors)	N/A

Compensation Policy for Corporate Officers

In accordance with the provisions of Articles L. 225-37-2, I and R. 225-29-1 of the French Commercial Code, the corporate governance report (see paragraph 5.1.3 “Compensation Policy for Corporate Officers” of the 2019 Annual report filed with the Financial Markets Authority on March 19, 2020), as amended by the supplementary report to the 2019 corporate governance report established by the Board of directors on April 22, 2020 and made available to you on the Company’s website, describes the compensation policy for corporate officers set by the Board of Directors. This policy is submitted for your approval in accordance with Article L. 225-37-2, II of the French Commercial Code.

Re-appointment of two directors

The terms of office as director of Ms. Marie-Hélène Habert-Dassault and Ms. Laurence Lescourret are due to expire at the General Meeting on May 26, 2020.

We propose that you re-elect them for a four-year term, i.e. until the General Meeting called to approve the financial statements for the year ended December 31, 2023.

The targets applicable to the Board’s composition, in particular in terms of diversity, and the full biographies of Ms. Marie-Hélène Habert-Dassault and Ms. Laurence Lescourret can be found in paragraph 5.1.1.1 “Composition of the Board of Directors”.

Mrs. Marie-Hélène Habert-Dassault is one of the members of Dassault family which owns 100% of the share capital of Groupe Industriel Marcel Dassault itself shareholder of Dassault Systèmes owning a 54.76% stake as of December 31, 2019.

Mrs. Laurence Lescourret, an independant director, has a strong expertise in finance.

If these proposals meet your approval, the Board of Directors would have 10 members, excluding directors representing employees, including 5 women and 5 independent directors. These proportions go beyond the legal requirements and recommendations of the AFEP-MEDEF Code¹.

As a reminder, since the term of office of Mr. Tanneguy de Fromont de Bouaille is due to expire on May 26, 2020, his re-election or the appointment of a new director representing employees will be decided by the trade union organization that obtained the highest number of votes in the first round of elections of office holders on the Economic and Social Committee in the Company and its direct or indirect subsidiaries whose registered office is located on French territory, in accordance with the Company’s by-laws.

It is further proposed that the General Meeting of May 26, 2020 amends the by-laws of the Company to allow, as required by law, the appointment of a second director representing employees whose term of office would begin within six months following this General Meeting.

Therefore, following the General Meeting of May 26, 2020, the Board of Directors would have 12 members, taking into account the 2 directors representing employees.

Setting the Amount of Directors’ Compensation

It is proposed that the General Meeting increase the annual amount of compensation allocated to directors from the current level of €500,000 to €800,000 for the current fiscal year and subsequent fiscal years.

This increase follows the observation that the directors’ compensation was below the average compensation offered in companies in the SBF 120 and the entry, in September 2018, of Dassault Systèmes SE into the CAC 40. It also takes into account the consequences of the acquisition of Medidata Solutions, Inc. in terms of complexity and increased exposure on the market. In addition, the utilization rate of the annual amount to be allocated to directors, close to 100%, left no flexibility to organize additional meetings of the Board and its Committees nor did it allow the compensation of a second director representing the employees. With regard to the allocation criteria, Dassault Systèmes desires to attract, motivate and retain highly qualified profiles and the Compensation and Selection Committee has proposed to modify them for 2020.

¹ As a reminder, the proportion of female representation and independent directors does not include the director(s) representing employees, in accordance with Articles 9.3 of the AFEP-MEDEF Code and L. 225-27-1 of the French Commercial Code, respectively.

Subject to the approval by the General Meeting of May 26, 2020, of the new maximum amount and of the compensation policy for corporate officers for 2020, the Board of Directors thus decided that its allocation between the directors would be according to the following principles: €20,000 per director, an additional €20,000 for the Chairman of the Board of Directors, additional €20,000 for the director who is the Chairman of the Audit Committee, additional €10,000 for the director who is the Chairman of the Compensation and Nomination Committee and for the one who is the Chairman of the Scientific Committee (with these sums being paid in proportion to the actual duration of the functions occupied during the fiscal year); €4,500 per director for his or her physical presence at a meeting of the Board or one of the Committees; €2,250 per member for each participation by conference call or videoconference in a meeting of the Board of Directors or one of the Committees.

Authorization to Repurchase Shares of Dassault Systèmes

The authorization to repurchase shares of the Company granted to the Board of Directors at the General Meeting on May 23, 2019 will expire at the General Meeting of May 26, 2020. Within the framework of this authorization, share buybacks were carried out in 2019 and in early 2020 (these transactions are described in paragraph 6.2.4 “Share Buyback Programs”). These buybacks were carried out for the purposes of covering the Company’s obligations resulting from share grants, and maintaining an active market and providing liquidity for Dassault Systèmes shares. An active market is maintained by an investment services provider operating under a liquidity agreement between Dassault Systèmes SE and Oddo BHF SCA. This agreement was amended in 2019 to comply with the new requirements of Decision no. 2018-01 of July 2, 2018 of the Financial Markets Authority and was tacitly renewed for the 2020 fiscal year.

Additional share buybacks may be made until the date of the General Meeting and will be described in the Annual report for the year ending on December 31, 2020.

You are invited to reauthorize the Board of Directors to repurchase Dassault Systèmes shares, in accordance with Articles L. 225-209 et seq. of the French Commercial Code, within a limit of 5 million shares, i.e. approximately 1.89% of the share capital as of February 29, 2020, within the limits set by the applicable regulations. The maximum amount of funds dedicated to the repurchase of Dassault Systèmes shares may not exceed €800 million.

Should you approve this proposal, the authorization will be valid until the Annual General Meeting approving the financial statements for the year ending December 31, 2020.

This authorization to buy back shares may be used for the following purposes:

- 1) cancel shares for the purpose of increasing the profitability of shareholders’ equity and earnings per share, subject to adoption by the Extraordinary General Meeting of the resolution permitting shares to be canceled;
- 2) meet obligations related to stock option grants or other allocations of shares to employees or corporate officers of Dassault Systèmes SE or of an affiliated company;
- 3) provide shares upon exercise of rights attached to securities giving right to shares of Dassault Systèmes SE;
- 4) animate the market or provide liquidity for Dassault Systèmes shares through the intermediary of an investment services provider by means of a liquidity contract complying with the Financial Markets Authority (AMF)’s accepted market practice;
- 5) implement any stock-exchange market practice which may be accepted by law or by the Financial Markets Authority (AMF);
- 6) deliver shares in the context of external growth transactions, in particular through mergers, demerger, partial demerger or contributions in kind of securities.

The acquisition, sale, transfer or exchange of such shares may be completed at any time in accordance with the applicable legal provisions and regulations except during a tender offer period.

The share buyback program is described in paragraph 6.2.4 “Share Buyback Programs” of this Annual report, where all relevant information is presented.

In light of the possible cancellation of the repurchased shares, we propose that you also authorize the Board of Directors to cancel, as the case may be, for the same period, all or a portion of the shares which it has repurchased and to reduce in a corresponding amount the share capital, within a limit of 5% of its amount per 24-month period.

Change to the By-Laws

It is proposed that the General Meeting makes three sets of amendments to the by-laws of the Company. First, Article L. 225-27-1 of the French Commercial Code was amended by Law no. 2019-486 of May 22, 2019 – known as the PACTE law – to lower the threshold triggering the requirement to appoint a second director representing employees to 9 members of the Board of Directors, compared with 12 previously. Since the number of directors of the Company is above this threshold, the General Meeting must authorize an amendment to the Company's by-laws defining the procedure for appointing the second director representing employees.

The appointment must take place within six months of the General Meeting, i.e. by the end of November 2020.

The draft amendment of the by-laws adopted by the Board of Directors and submitted to the vote of the General Meeting provides for the appointment of the directors representing employees by each of the two trade union organizations that have obtained the highest number of votes in the first round of elections referred to in Articles L. 2122-1 and L. 2122-4 of the French Labor Code in the Company and its direct or indirect subsidiaries whose registered office is located on French territory.

This appointment procedure would ensure that employees have a fair representation on the Board.

Consulted in accordance with the law, the Dassault Systèmes SE Social and Economic Committee will issue an opinion on the proposed appointment procedure.

If the number of directors composing the Board of Directors, excluding the directors representing employees, falls below the legal threshold for triggering the obligation to appoint a second director representing employees, the number of directors representing the employees would be reduced to one at the end of the term of office of the second director representing the employees. In this case, the director representing the employees would be appointed by the trade union organization that obtained the highest number of votes in the first round of elections referred in Articles L. 2122-1 and L. 2122-4 of the French Labor Code in the Company and its direct or indirect subsidiaries whose registered office is located on French territory.

Second, Article L. 225-37 of the French Commercial Code was amended by Law no. 2019-744 of July 19, 2019 to allow the Board of Directors to take certain decisions by consulting the directors in writing, without a meeting of the Board being necessary, subject to an amendment of the by-laws to that effect. These include decisions relating to the co-opting of directors, the calling of the General Meeting and the relocation of the registered office within the same region (*département*).

The draft amendment of the by-laws adopted by the Board of Directors and submitted to the vote of the General Meeting thus provides for the possibility of the Board of Directors taking the decisions referred to in the French Commercial Code by consulting the directors in writing.

Third, the draft amendment of the by-laws adopted by the Board of Directors and submitted to the vote of the General Meeting provides for the modification of the maximum age of the Chief Executive Officer and Deputy Chief Executive Officers to 75 years.

Further information on the resolutions put forward can be found in the text of the draft resolutions submitted below.

Financial authorizations for issuances reserved to employees and corporate officers

(mandataires sociaux)

The compensation policy implemented by Dassault Systèmes must serve the ability to attract and motivate key employees and executives with the diversity of talents and the high level of skills required for its various activities, the competition in the labor market for such employees being intense.

The members of the Executive team are granted and more generally, key employees of Dassault Systèmes may be granted long-term incentives notably through grants of Dassault Systèmes performance shares or share subscription options (see paragraph 5.1.5. "Interests of Executive Management and Employees in the Share Capital of Dassault Systèmes SE").

On May 23, 2019 The General Meeting authorized the Board of Directors to grant share subscription and purchase options until 2022, it being specified that the maximum number of options that may be granted and not yet exercised cannot entitle a subscription right or the right to acquire a number of shares which exceeds 3% of the share capital.

It is proposed that the General Meeting reauthorizes the Board of Directors to grant share subscription and purchase options for up to a higher maximum, due to the evolution of the size of Dassault Systèmes.

This authorization would cancel, for the unused portion, the previous authorization granted to the Board of Directors.

This authorization will be granted for a period of 38 months and the maximum number of options that may be granted by the Board of Directors and not yet exercised cannot entitle a subscription right or the right to acquire a number of shares which exceeds 4% of the share capital. Moreover, in accordance with AFEP-MEDEF's Corporate Governance Code for listed companies, and the recommendation from the Compensation and Nomination Committee, it is proposed that the number of options that may be granted to executive officers within the meaning of this Code is limited to 35% of the so authorized overall amount.

The options' allocations would be subject to one or several performance condition(s).

The subscription price for the new shares or the purchase price of existing shares by exercising the Options would be determined by the Board of Directors on the day on which the Options are granted. No discount would be applied compared to the share's closing price on the Euronext Paris market on the trading day preceding the day of the allocation.

Furthermore, in accordance with law, it is proposed that the Board of Directors be authorized to increase the share capital reserved for employees of Dassault Systèmes SE and/or its affiliated companies who are members of a corporate savings plan. The maximum nominal amount of the capital increases that may be carried out through the issue of new shares or securities giving access to capital would be €1 million. This new authorization would cancel and replace the authorization granted by the General Meeting on May 23, 2019.

Delegations of authority for mergers, demergers and partial demergers

The law of 22 May 2019 - known as the "PACTE" law - opened up the possibility of delegation of authority or powers with regard to mergers, demergers and partial demergers.

It is proposed that the General Meeting delegates to the Board of Directors the authority (i) to decide (a) mergers by absorption of one or more other companies, (b) demergers and (c) partial demergers, and (ii) to increase the share capital accordingly, in order to enable the Board of Directors, at any time, to seize opportunities in the context of external growth transactions, consolidation or internal reorganization and to optimize the structuring and timing of these transactions taking into account the constraints specific to each of them.

Should you approve these proposals, the Board of Directors will have the opportunity, for a period of 26 months, to:

- decide to carry out, on one or more occasions, mergers by absorption, demergers and partial demergers in the context of transactions in which the Company is the absorbing company or the Company receiving the contributions, as the case may be;
- decide to carry out capital increases in consideration for such mergers, demergers and contributions up to a maximum nominal amount of €12 million. This overall cap of €12 million will count towards the overall nominal amount for capital increases that may be carried out and provided for in the thirteenth resolution of the Combined shareholders' Meeting of May 23, 2019 or in any other resolution having the same purpose that may succeed it.