

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

**FORM S-8**

**REGISTRATION STATEMENT  
UNDER THE SECURITIES ACT OF 1933**

**EDAP TMS S.A.**

(Exact Name of Registrant as Specified in Its Charter)

**France**  
(State or Other Jurisdiction  
of Incorporation or Organization)

**Not Applicable**  
(I.R.S. Employer Identification No.)

**Parc d'Activites la Poudrette-Lamartine  
4/6, rue du Dauphiné  
69120 Vaulx-en-Velin, France**  
(Address of Principal Executive Offices Including Zip Code)

**EDAP TMS S.A. 2004 Stock Option Plan;  
EDAP TMS S.A. 2007 Stock Option Plan;  
EDAP TMS S.A. 2010 Stock Option Plan; and  
EDAP TMS S.A. 2013 Stock Option Plan**

(Full Title of the Plan)

**Corporation Service Company  
1090 Vermont Avenue, Suite 430  
Washington, D.C. 20005, USA  
Tel: +1 800 927 9800**  
(Name, Address and Telephone Number of Agent For Service)

Copies to:  
**Mrs. Blandine Confort  
EDAP TMS S.A.  
Parc d'Activites la Poudrette-Lamartine,  
4/6, rue du Dauphiné, 69120 Vaulx-en-Velin, France  
Tel. +33 4 72 15 31 50**

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

**CALCULATION OF REGISTRATION FEE**

| Title of Securities to be Registered             | Amount to be Registered <sup>(1)</sup> | Proposed Maximum Offering Price Per Share <sup>(2) (3)</sup> | Proposed Maximum Aggregate Offering Price <sup>(2) (3)</sup> | Amount of Registration Fee |
|--|--|--|--|----------------------------|
| Ordinary shares, €\$0.13 nominal value per share |  |  |  |                            |
| - 2004 Stock Option Plan                         | 124,000                                | \$3.40   | \$422,151  | \$57.58                    |
| - 2007 Stock Option Plan                         | 416,838                                | \$5.22   | \$2,177,773  | \$297.05                   |
| - 2007 Stock Option Plan                         | 95,912                                 | \$2.46   | \$236,104  | \$32.20                    |
| - 2010 Stock Option Plan                         | 174,100                                | \$3.12   | \$542,560  | \$74.01                    |
| - 2013 Stock Option Plan                         | 500,000                                | \$2.50   | \$1,250,477  | \$170.57                   |
| <b>Total</b>                                     | <b>1,310,850</b>                       | -  | <b>\$4,629,065</b>   | <b>\$631.41</b>            |

- (1) Pursuant to Rule 416 of the Securities Act of 1933 (the "Securities Act"), this Registration Statement also covers such additional ordinary shares, €\$0.13 nominal value per share (the "Common Shares"), of EDAP TMS S.A., a French company (the "Registrant"), as may become issuable pursuant to the anti-dilution provisions of the Registrant's Equity Plans (the "Plans").
- (2) Calculated in accordance with Rule 457(h) based on the exercise price of the options, which is €2.60 (2004 Stock Option Plan), €3.99 and €1.88 (2007 Stock Option Plan), €2.38 (2010 Stock Option Plan) and €1.91 (2013 Stock Option Plan).
- (3) In United States dollars as converted from Euros based upon the exchange rate of one Euro expressed in United States Dollars as \$1.3094, as set forth in the H.10 statistical release of the Federal Reserve Board on April 12, 2013.

**PART I**

**INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS**

The information required by Part I is included in documents sent or given to participants in the Plan pursuant to Rule 428(b)(1) under the Securities Act.

**PART II**

**INFORMATION REQUIRED IN THE REGISTRATION STATEMENT**

**Item 3. Incorporation of Documents by Reference.**

The following documents, which are on file with the Securities and Exchange Commission (the "*Commission*"), are incorporated in this Registration Statement by reference:

- (a) The Registrant's Annual Report on Form 20-F for the fiscal year ended December 31, 2012, filed April 2, 2013 and on Form 20-F/A for XBRL files on April 3, 2013 for the fiscal year ended December 31, 2012 ;
- (b) The Registrant's reports on Form 6-K filed: January 22, 2013, February 1, 2013, March 7, 2013, March 28, 2013, April 2, 2013, April 11, 2013 and April 24, 2013; and
- (c) The description of the Registrant's ordinary shares, nominal value €0.13 per share, set forth under "B. Memorandum and Articles of Association" in Item 10 of the Registrant's Annual Report on Form 20-F for the year ended December 31, 2012 (Commission file No. 000-29374), and the description of the Registrant's share capital and American depository shares set forth under the captions "Description of Share Capital" and "American Depository Shares", respectively, in the Registrant's Form 6-K furnished to the SEC on April 24, 2013, including any amendment or report filed for the purpose of updating such description.

To the extent designated therein, certain current reports of the Registrant on Form 6-K and all documents filed by the Registrant with the Commission pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934 (the "*Exchange Act*") subsequent to the date of this Registration Statement and prior to the filing of a post-effective amendment that indicates that all securities offered have been sold or that deregisters all securities then remaining unsold, will be deemed to be incorporated by reference in this Registration Statement and to be part hereof from the date of filing of such documents. Any statement contained in any document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded will not be deemed, except as modified or superseded, to constitute a part of this Registration Statement.

**Item 4. Description of Securities.**

Not applicable.

**Item 5. Interests of Named Experts and Counsel.**

Not applicable.

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**Item 6. Indemnification of Directors and Officers.**

French law generally prohibits a company from indemnifying its directors against liability. However, under French law, a company may purchase directors and officers insurance for all or some of the members of its management. In addition, if a director is sued by a third party and ultimately prevails in the litigation on all counts, but is nevertheless required to bear attorneys' fees and costs that are not otherwise covered by insurance, the company may reimburse those fees and costs pursuant to an indemnification arrangement with the director.

As of the date hereof, we have purchased liability insurance for our directors and officers, including insurance against liabilities under the Securities Act of 1933, as amended, and this coverage is subject to annual renegotiation.

**Item 7. Exemption from Registration Claimed.**

Not applicable.

**Item 8. Exhibits.**

| <u>Exhibit Number</u> | <u>Description</u>  |
|-----------------------|---|
| 4.1                   | Memorandum and Articles of Association of the Registrant (incorporated herein by reference to Exhibit 1.1 to the Registrant's Annual Report on Form 20-F (Commission No. 000-29374) filed with the Commission on April 2, 2013) |
| 4.2                   | EDAP TMS S.A. 2004 Stock Option Plan  |
| 4.3                   | EDAP TMS S.A. 2007 Stock Option Plan  |
| 4.4                   | EDAP TMS S.A. 2010 Stock Option Plan  |
| 4.5                   | EDAP TMS S.A. 2013 Stock Option Plan  |
| 5.1                   | Opinion of Counsel  |
| 23.1                  | Consent of PricewaterhouseCoopers Audit   |
| 23.2                  | Consent of Ernst & Young Audit  |
| 23.3                  | Consent of Counsel (included in Exhibit 5.1)  |
| 24.1                  | Powers of Attorney  |

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## Item 9. Undertakings.

(a) The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of a prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement.

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement;

*Provided, however,* that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in the Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in the Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action,

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suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

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**SIGNATURES**

Pursuant to the requirements of the Securities Act, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Vaulx-en-Velin, France, on this 24th day of April, 2013.

**EDAP TMS S.A.**

By: /S/ MARC OCZACHOWSKI  
Marc Oczachowski  
Chief Executive Officer

By: /S/ ERIC SOYER  
Eric Soyer  
Chief Financial Officer

indicated. Pursuant to the requirements of the Securities Act, this Registration Statement has been signed by the following persons in the capacities and on the date

Date: April 24, 2013 /S/ MARC OCZACHOWSKI  
Marc Oczachowski  
Chief Executive Officer (Principal Executive Officer) and  
Director

Date: April 24, 2013 /S/ ERIC SOYER  
Eric Soyer  
Chief Financial Officer (Principal Financial and Accounting  
Officer)

Date: April 24, 2013 \*  
Philippe Chauveau  
Chairman of the Board of Directors

Date: April 24, 2013 \*  
Pierre Beysson  
Director

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Date: April 24, 2013

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Rob Michiels  
Director

Date: April 24, 2013

\_\_\_\_\_  
\*  
Argil Wheelock  
Director

Date: April 24, 2013

\_\_\_\_\_  
\*  
Jeff Howell  
Authorized Representative in the United States of America

\* This Registration Statement has been signed on behalf of the above officers and directors by Marc Oczachowski, as attorney-in-fact pursuant to a power of attorney filed as Exhibit 24.1 to this Registration Statement.

DATED: April 24, 2013

By:           /S/ MARC OCZACHOWSKI            
Marc Oczachowski, Attorney-in-Fact

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## EXHIBIT INDEX

| <u>Exhibit Number</u> | <u>Description</u>   |
|-----------------------|--|
| 4.1                   | Bylaws ( <i>statuts</i> ) of the Registrant (incorporated herein by reference to Exhibit 1.1 to the Registrant's Annual Report on Form 20-F (Commission No. 000-29374) filed with the Commission on April 2, 2013) |
| 4.2                   | EDAP TMS S.A. 2004 Stock Option Plan   |
| 4.3                   | EDAP TMS S.A. 2007 Stock Option Plan   |
| 4.4                   | EDAP TMS S.A. 2010 Stock Option Plan   |
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| 23.1                  | Consent of PricewaterhouseCoopers Audit  |
| 23.2                  | Consent of Ernst & Young Audit   |
| 23.3                  | Consent of Counsel (included in Exhibit 5.1)   |
| 24.1                  | Powers of Attorney (included in the signature pages herein)  |



*This is a free translation from the French language and is supplied solely for information purposes. Only the original version in French language has legal force.*

**EDAP TMS S.A.**

Société anonyme au capital de 1.087.166,73 €  
Siège Social : Parc d'activité La Poudrette Lamartine  
4, rue du Dauphiné - 69120 Vaulx-en-Velin (France)

316 488 204 RCS LYON

**SHARE PURCHASE OPTION PLAN**  
**Extraordinary and Ordinary Assembly Meeting of June 29, 2004**  
**Board of Directors of February 24, 2004**

**1 – NUMBER OF SHARES ALLOCATED**

The total number of shares that could be purchased upon exercise of options under the current Plan will be limited to 240,000 shares of the Company.

On February 24, 2004, the Board of Directors fixed the number of options that will be allocated under this Plan together with the list of beneficiaries.

**2 – SHARE PURCHASE PRICE OF OPTIONS**

EDAP TMS grants options to beneficiaries and therefore enables them to purchase up to 240,000 shares of the Company, under certain conditions at a fixed price of two euros and sixty cents (2.60 €).

The price of the Shares shall be entirely paid on the exercise of the Options.

In the event that the Company would implement in particular any of the operations set out in article L. 225-161 paragraphes 5 and 6 and article L. 225-161 paragraphes 1 and 2 of French Commercial Code (Code de Commerce), the number (hereinafter the « Number of Shares Under Option », the « Number of SUO ») and the price of the Shares included in the Option (hereinafter the « Price of the Shares Under Option », the « Price of SUO »), shall be adjusted in accordance with the provisions of article 6 hereof.

**3 – DURATION OF THE OPTION**

According to the decisions taken by the General Shareholders Meeting January 29<sup>th</sup> 2004, the Options shall be in force for ten years, that is from its execution until February 24<sup>th</sup> 2014.

The Options shall become null and void, without any particular formality, as soon as, for any reason whatsoever, the employment agreement between the Beneficiary and the Company

and/or the functions of member of the Board of the Company is terminated. By derogation to this rule the Options shall not be null and void when the Beneficiary becomes a salaried employee or a member of the Board of EDAP TMS or any of its subsidiaries of which it owns more than 50% of the capital.

The date for the termination of the employment agreement taken into account shall be, depending upon the case, (a) the date of sending the resignation letter by the Beneficiary or (b) the date of receiving by the Beneficiary of his/her dismissal letter.

#### **4 - CONDITIONS OF EXERCISE OF THE OPTIONS**

The Beneficiary shall be entitled to exercise the Options, in accordance with the schedule set out hereafter, under the condition that he/she shall have had a continuous employment of at least six months within the salaried staff and/or the board of EDAP TMS and / or its subsidiaries.

The right to exercise the Options may be suspended by the Board of Directors, for a maximum period of three (3) months, whenever any financial operation is being prepared or implemented, directly or indirectly dealing with the stock capital of EDAP TMS.

EDAP TMS shall inform the Beneficiary of the period during which the exercise of the options shall be suspended.

If the right to exercise the Options terminates during a suspension period, this right will be extended and will terminate a month after the end of such a suspension period.

In case of purchase merger, merger or split off taking place during the year during which the Options cannot be exercised, it is planned that:

- In the one case, the merging Company can decide that the Options will give right to Shares of the merging Company or to Shares of the Company resulting from the merger. The number and the price of the "new" SUO will be determined by applying the exchange ratio used for the merger or by applying any others terms and conditions defined by the merging Company ;
- in the other case, the Beneficiary can exercise his/her options before the merger. The Shares resulting from the merger exchange cannot be sold before the end of the period defined by the law. In case that this prohibition will not be respected, the French social taxes, if any, will be in charge of the Beneficiary.

In case of purchase merger, merger or split off taking place after the year during which the Options cannot be exercised, the Board of Directors could compel the Beneficiary to call his/her Options. In that case, the Board of Directors will inform the Beneficiary by registered letter with acknowledgement of receipt, at least, six months prior to the implementation of the operation.

##### **Schedule of exercise of the options**

During the period of validity hereof, the Beneficiary shall be entitled to exercise the Options by quarter as follows:

- the first quarter, one year after allocation, i.e. from February 24th, 2005,

- the second quarter, two years after allocation, i.e. from February 24th, 2006,
- the third quarter, three years after allocation, i.e. from February 24th, 2007,
- the fourth quarter, four years after allocation, i.e. from February 24th, 2008,

The period of validity of the Options will terminate on February 24<sup>th</sup> 2014.

#### **Schedule for the sale of the Shares**

The Shares resulting from the exercise of the options would be under the form of ADRs (American Depositary Receipts) directly tradable on the NASDAQ market.

If the Beneficiary of the Options is submitted to French tax laws and/or French social laws from the granting of the Options until the sale of the Shares resulting from the exercise of the options, the Shares cannot be sold before a period of four years beginning at the granting of the options.

Consecutively :

- the shares purchased one year after the granting of the options shall be kept for at least three years before being possibly sold,
- the shares purchased more than one year after the granting of the options shall be kept at least until the day after the fourth anniversary of the date of the granting.

During this four years period, the Shares resulting from the exercise of the Options will be under custody in the USA.

Nevertheless, the Shares will be possibly sold as soon as they will be bought, in the cases of:

- dismissal if the Options have been exercised at least three months before the date of the dismissal ;
- retirement by employer decision if the Options have been exercised at least three months before the date of the retirement ;
- death ;
- invalidity of 2d or 3d category.

#### **5 - EXERCICE OF THE OPTIONS**

The Options shall be exercisable only when all conditions provided for in this agreement are fulfilled as of the day of the exercise of the Options.

In order to exercise the Options, the Beneficiary shall send to the legal representative of EDAP TMS by registered mail with acknowledgement of receipt, a notification indicating the number of Shares which the Beneficiary wishes to purchase, together with a bank check drawn up to the order of EDAP TMS for an amount equal to the price for the Shares.

Upon receiving such notification, EDAP TMS shall give to the Beneficiary a certificate indicating the beneficial ownership date of the Shares so purchased (hereinafter the « Certificate »). Notwithstanding the provisions of the previous paragraph, the beneficial ownership date for the Shares shall, in principle, be fixed as of the date of issuance of the Certificate.

By derogation to such principle, whenever legal or administrative rules applicable to EDAP TMS and / or provisions of the EDAP TMS Articles of Association make it compulsory for EDAP TMS to respect various formalities and / or delays before proceeding to the transfer of the Shares purchased by the Beneficiary by virtue of this agreement, the remittance date for the Certificate and the beneficial ownership for the Shares shall be postponed by the necessary period for the accomplishment of such formalities.

The shares of EDAP TMS are listed on NASDAQ. In order to respect the rules of this Stock Exchange, the Shares of the Beneficiary will be registered after purchasing of ADRS and, if necessary, delivering of a Certificate. The Beneficiary shall not be the owner of the Shares and shall have no beneficial ownership to the rights vested in the Shares before the date mentioned in the Certificate corresponding to the Shares which he/she shall have purchased. Before such date, he/she shall not be entitled to exercise any right vested in the Shares whatsoever.

## **6 – ADJUSTMENT OF PRICE OF OPTIONS**

**6.1** In the event that EDAP TMS would proceed to an increase of capital by cash or in kind contribution and suppress the shareholders preferential right to subscribe to new shares, the Price of the SUO will not be adjusted.

**6.2** In the event that EDAP TMS would proceed to an increase of capital in cash reserved to its shareholders, the Price of the SUO fixed in accordance to article 2 hereof and as modified by virtue of this article shall be decreased by an amount equal to the product of such price, multiplied by the ratio between the subscription right and the value of the Share before the detachment of such right.

The respective values of the subscription right and the value of the Share shall be calculated as follows :

- (a) If the Shares are, as of the date of the increase of capital in cash reserved to the shareholders, listed on the official listing or any other listing of a stock exchange, the subscription right shall be calculated by taking into account the number of newly issued securities to which any Share gives right, the issuance price of such securities and the value of the Share before the detachment of the subscription right. Such value shall be equal to the average of at least twenty (20) consecutive quotations for the Shares chosen among the forty (40) quotations preceding that of the issuance starting day.
- (b) If the Shares are not listed, as of the date of the increase of capital in cash reserved to the shareholders, in any way whatsoever, the respective values of the subscription right and the Share shall be equal to the average negotiated prices during the last three months before the increase of capital, if such negotiations have been held.

In the absence of significant negotiations, the valuations retained for the Share and the subscription right shall be those retained by the Management Board, based upon the special report of the Statutory Auditor.

**6.3** In the event that EDAP TMS would proceed to an increase of capital by way of incorporating reserves, profits or premiums on stock and distribution of free shares, the Price of the SUO, as it is fixed under article 1 hereof and as modified by virtue of this article, shall be adjusted by calculating the product of such price multiplied by the ratio between the

number of old Shares and the total amount of old and new Shares. For the computation of such ratio, account shall be taken, of the existence, if any, of various categories of old and new Shares.

**6.4** In the event that convertible bonds or exchangeable bonds reserved to shareholders are issued, one shall proceed as set out in article 6.1 or 6.2 depending on the situation.

**6.5** In the event that EDAP TMS would distribute its reserves into cash or into securities held in its portfolio, the Price of SUO, as fixed by article 2 hereof and as it may have been modified by virtue of this article, shall be decreased by an amount equal to the product of such price multiplied by the ratio between the value of the cash or securities distributed and the value of the Share before distribution.

If the Shares or the securities distributed by EDAP TMS are listed on a stock exchange, the value of the Share before distribution and the value of the distributed securities shall be determined by the average of the first daily quotations during a period of at least one (1) month and no more than two (2) months prior to the beginning of the distribution.

If the Shares or distributed securities are not listed, the value of the Shares before distribution and that of the distributed securities shall be fixed in accordance with the provisions set out in paragraph 4 of article 6.2 hereof.

**6.6** In all cases mentioned in articles 6.2 to 6.4 hereabove, the Number of SUO shall be adjusted in such a manner that the global Price of SUO shall remain constant. The Number of SUO so adjusted shall be rounded up to immediately superior unit.

**6.7** In case of an increase in capital by way of incorporating reserves and by raising the par value of the Shares, there shall be no adjustment of the Price of SUO.

**6.8** In the event that EDAP TMS would proceed to a decrease of capital motivated by losses, the Price of SUO, as fixed by article 1 hereof and as it may have been modified by virtue of this article, shall be adjusted by calculating the product of such price multiplied by the ratio between the number of old Shares and the number of Shares remaining after decrease of capital.

Additionally, there shall be an adjustment of the Number of SUO so that the global Price of SUO remains constant, it being specified that such number shall be rounded up to the immediately superior unit.

**6.9** In the event that EDAP TMS would proceed to a decrease of capital by way of decreasing the par value of the Shares, there shall be no adjustment.

## **7 – NON TRANSFERABILITY**

The rights herein granted to the Beneficiary are not transferable. However, in case the Beneficiary dies, his/her heirs shall be entitled to exercise the Options within six months as from the date of the decease.

Any sale, transfer of ownership, pledge, collateral warranty or security of any kind, given or accepted by the Beneficiary in connection with the Shares Under Options which the Beneficiary has not already purchased shall be null and void.

## **8 - ENFORCEABILITY**

If any provision of this agreement is held void by a final judgment or decree of any court, commission or other judicial or quasi-judicial body of competent jurisdiction, this agreement shall remain in force and effect in all other respects as if such provision had not been included in this Agreement.

## **9 – APPLICABLE LAW**

This agreement is governed in all respects by French Law.

In addition, the parties hereby consent to the exclusive jurisdiction of the Lyon Commercial Court (Tribunal de Commerce de Lyon).

**EDAP TMS**

A French SA (joint stock company) with a stock capital of 1,251,184.61euros  
Head office: Parc d'Activité de La Poudrette Lamartine  
4, rue du Dauphiné  
69120 VAULX-EN-VELIN (France)  
316488204 RCS LYON

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**RULES – SHARE SUBSCRIPTION OPTIONS PLAN****Ordinary and Extraordinary General Meeting of May 22<sup>nd</sup>, 2007****Board of Directors Meeting of October 29, 2007****1. PREAMBLE**

The General Meeting of the Company, dated May 22<sup>nd</sup>, 2007, has authorised the Board of Directors, in accordance with article L 225-177 of the French Commercial Code, to grant, at one or several times,

- to the Chairman of the Board of Directors, to the Managing Director, and, if any, to the Deputy Managing Directors of the Company, and
- to all the employees of the Company or to some of them, as well as to the employees of the companies mentioned in article L 225-180 of the French Commercial Code,

options giving right to subscribe to a maximum of six hundred thousand (600,000) shares of the Company with a par value of € 0.13, to be issued by share capital increase of the Company.

The authorisation granted by the General Meeting of May 22<sup>nd</sup>, 2007 is valid until July 22<sup>nd</sup>, 2010. The shareholders expressly renounced to their preferential subscription rights to the shares to be issued as the options are exercised to the benefit of the beneficiaries of the share subscription options.

According to this authorisation, the Board of Directors of the Company met on October 29, 2007 and agrees on the terms of the present share subscription options plan as provided hereunder.

**2. BENEFICIARIES AND NUMBER OF SHARE SUBSCRIPTION OPTIONS**

The Board of Directors decided, by decision dated October 29, 2007, to five hundred and four thousand eight hundred and eighty eight (504,888) share subscription options.

The list of the beneficiaries, indicating the number of options granted to each of them, decided by the Board of Directors, is attached as APPENDIX 1.

The allocation of the share subscription options will be definitive provided their beneficiaries sign the share subscription options agreement that will be given to them along with an information notice.

For information purpose only – Only the French version is legally binding

### 3. SHARE SUBSCRIPTION PRICE

Each option gives right, subject to the satisfaction of the conditions provided herein, to the subscription of one share at a price of 3.99 €.

The shares issued from the exercise of the options shall be entirely paid on their subscription.

The subscription price could not be modified for the duration of the plan. However, in the event that the Company would implement any of the operations set out in article L 225-181 paragraph 2 of the French Commercial Code, the number of shares under option as well as the subscription price could be adjusted in accordance with the provisions of article 7 hereof.

### 4. CONDITIONS OF EXERCISE OF THE OPTIONS

#### 4.1 PRESENCE IN THE COMPANY

##### 4.1.1 Principle

The share subscription options shall be null and void and could not be exercised by their beneficiaries, without the Company having to proceed to any formalities, in the case the beneficiary does not work anymore in the Company, or its subsidiaries owned directly or indirectly for more than 50 % of their share capital and voting rights, as an employee or a company officer.

For the purpose of the previous paragraph, the date on which the beneficiaries shall be deemed to have stopped working in the company(ies) concerned shall be, depending upon the case, the date of sending or delivery of the resignation letter of the beneficiary, the date of sending of his dismissal letter or the date of his removal as a company officer.

##### 4.1.2 Exceptions

As an exception to the provisions of article 4.1.1, in case of death of the beneficiary, his heirs could exercise their share subscription options within six (6) month as from the decease.

Similarly, the provisions of article 4.1.1 are not applicable in the following cases :

- the beneficiary of the share subscription options decides to retire or his employer decides to pension him ;
- the holder of the share subscription options is recognised as an industrially disabled person within category 2 and 3 as defined in article L 341-4 of the French Social Security Code.

#### 4.2 SUSPENSION OF THE RIGHT TO EXERCISE THE OPTIONS

The right to exercise the share subscription options could be suspended by the Board of Directors, for a maximum period of three (3) months, in case of issue of new shares or new securities giving access to the share capital of the Company as well as in case of merger or split off.

The beneficiaries of the share subscription options shall be informed of the suspension period.

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In the case the right to exercise the share subscription options terminates during a suspension period, the duration of the share subscription options will be extended and will terminate one (1) month after the end of such a suspension period.

#### 4.3 ABSORPTION OF THE COMPANY

##### 4.3.1 Transfer of the commitments to the beneficiary(ies) of the contributions

In the case the Company is absorbed by another company, merges with one or several other companies to form a new company or split off, the company(ies) that benefit(s) from the contributions could substitute the Company for its duties toward the beneficiaries of the share subscription options. In this case, the number and the price of the shares under option shall be determined either by applying the exchange ratio used for the operation, or by applying other terms and conditions defined by the parties to the operation.

##### 4.3.2 Absence of transfer of the commitments to the beneficiary(ies) of the contributions

In the case the company(ies) that benefit(s) from the contributions decide(s) not to substitute the Company for its duties toward the beneficiaries of the share subscription options, the provisions of article 4.4 hereof will not be applicable.

In this case, the share subscription options could be exercised by their beneficiaries within the period notified to them by the Board of Directors by registered letter with acknowledgement of receipt. Failing that, the share subscription options will be null and void.

In case of exercise of the options within the period mentioned in the previous paragraph, the shares issued from the shares exchange, resulting from the absorption, the merger or the split-off, shall be subject to the same conditions of holding and sale than those mentioned in article 6 hereof. In the case these conditions were not satisfied, any social security contributions that would be charged would be fully in charge of the beneficiary who would not have satisfied these conditions.

#### 4.4 SCHEDULE FOR THE EXERCISE OF THE OPTIONS

##### 4.4.1 Principle

Without prejudice to what is provided in article 4.3.2 below, the share subscription options could only be exercised by their beneficiaries on expiry of each of the following periods :

- the first quarter of options, i.e. one hundred twenty six thousand and twenty two (126,022) share subscription options, could only be exercised on expiry of a period of one (1) year as from the date of allocation of the options by the Board of Directors, i.e. at the earliest on October 29, 2008 ;
- the second quarter of options, i.e. one hundred twenty six thousand and twenty two (126,022) share subscription options, could only be exercised on expiry of a period of two (2) years as from the date of allocation of the options by the Board of Directors, i.e. at the earliest on October 29, 2009 ;
- the third quarter of options, i.e. one hundred twenty six thousand and twenty two (126,022) share subscription options, could only be exercised on expiry of a period of three (3) year as from the date of allocation of the options by the Board of Directors, i.e. at the earliest on October 29, 2010 ;

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- the fourth quarter of options, i.e. one hundred twenty six thousand and twenty two (126,022) share subscription options, could only be exercised on expiry of a period of four (4) year as from the date of allocation of the options by the Board of Directors, i.e. at the earliest on October 29, 2011.

#### 4.4.2. Exceptions

By way of exception, the provisions of article 4.4.1 shall not be applicable in the case any of the following operations is implemented after the end of a period of twelve (12) months as from the date of allocation of the options by the Board of Directors :

- public purchase offer, within the meaning of article L 433-1 of the French Monetary and Financial Code, relating to the shares of the Company or, as long as the shares of the Company are listed on the National Association of Securities Dealers Automated Quotation (NASDAQ), any similar operation carried out according to the NASDAQ regulations ;
- public exchange offer, within the meaning of article L 433-1 of the French Monetary and Financial Code, relating to the shares of the Company or, as long as the shares of the Company are listed on the NASDAQ, any similar operation carried out according to the NASDAQ regulations ;
- mixed public offer relating in part to the purchase of shares of the Company by cash payment and in part to the exchange of shares of the company for shares of the initiator or, as long as the shares of the Company are listed on the NASDAQ, any similar operation carried out according to the NASDAQ regulations.

In the cases mentioned above, the beneficiaries of the share subscription options shall be entitled to exercise their options at one or several times as from the date of delivery of the initial offer (public purchase offer, public exchange offer, mixed public offer and similar operations on the NASDAQ) to the relevant authority, provided this delivery occurs more than twelve (12) months following the date of allocation of the share subscription options.

Moreover, as an exception to the exercise schedule provided in article 4.4.1 above, in case of death of the beneficiary, his heirs could exercise their share subscription options within a period of six (6) months as from the decease.

#### 4.5 TIME LIMIT FOR THE EXERCISE OF THE OPTIONS

The share subscription options shall be exercise by their beneficiaries before the end of a period of ten (10) years as from October 29, 2007, date of their allocation by the Board of Directors, i.e. before October 29, 2017.

### 5. TERMS OF EXERCISE OF THE OPTIONS

The share subscription options could only be exercised if all the conditions provided hereof are satisfied on the day of the exercise of the options.

In order to exercise their share subscription options, the beneficiaries shall send to the legal representative of the Company, by registered letter with acknowledgement of receipt or letter delivered personally against receipt, a notification indicating the number of options that he wishes to exercise, along with a bank cheque payable to the Company of an amount equal to the subscription price of the shares.

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The beneficiaries will have the ownership and the enjoyment of the shares on the date of exercise of the options.

As long as the Company is listed on the NASDAQ, the beneficiaries shall be sole responsible for the conversion of the shares issued from the exercise of the options into American Depositary Receipts (ADRs). In any case, this conversion could not take place before the date on which the shares issued from the exercise of the options will become transferable pursuant to article 6.2 hereafter.

## **6. CONDITIONS OF SALE OF THE SHARES**

### **6.1 HOLDING OF THE SHARES**

Until the end of a period of four (4) years as from the allocation of the share subscription options, the shares issued from the exercise of the options shall be kept as registered shares by their beneficiaries and could not be converted into bearer shares.

Similarly, until the end of a period of four (4) years as from the allocation of the share subscription options, the shares issued from the exercise of the options could not be subject to a lease agreement.

Failing that, any social security contributions that would be charged would be fully in charge of the beneficiary who would not have satisfied these conditions.

### **6.2 SALE OF THE SHARE**

The shares issued from the exercise of the share subscription options could not be sold before the end of a period of four (4) years as from the date of allocation of the share subscription options by the Board of Directors, i.e. at the earliest on October 29, 2011. Failing that, any social security contributions that would be charged would be fully in charge of the beneficiary who would not have satisfied this condition.

During this period of unavailability, the shares issued from the exercise of the share subscription options could not be converted into ADRs.

### **6.3 EXCEPTIONS**

As an exception to the provisions of articles 6.1 and 6.2 above, the shares issued from the exercise of the options will be freely transferable, convertible into ADRs, convertible into bearer shares and could be subject to a lease agreement without any restriction in the following cases :

- case where the beneficiary is not subject to French tax and social regulations during the period between the date of allocation of the share subscription options by the Board of Directors and the date of sale of the shares issued from the exercise of the options and where the sale of the shares could not challenge the tax and social exemption regime that may benefit to French companies allocating share subscription options ;
- case where the beneficiary of the share subscription options is dismissed more than three (3) months after having exercised the options ;
- case where the beneficiary of the share subscription options is pensioned by his employer more than three (3) months after having exercised the options ;

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- case where the holder of the shares issued from the exercise of the share subscription options dies ;
- case where the holder of the shares issued from the exercise of the share subscription options is recognised as an industrially disabled person within category 2 and 3 as defined in article L 341-4 of the French Social Security Code.

#### 6.4 COMPANY OFFICERS

Without prejudice to the provisions above, the shares issued from the exercise of the shares subscription options granted to the Chairman of the Board of Directors, to the Managing Director and, if any, to the Deputy Managing Directors, shall be kept as registered shares by their holders and thus could not be sold, let, converted into bearer shares or converted into ADRs, until the end of their mandate as company officers, in the following proportion :

- 40 % during a period of twelve (12) months as from the end of the unavailability period set forth in article 6.2.1,
- then 20 % as from the end of this period of twelve (12) months until the end of the mandate as company officer.

#### 6.5 INTERCALARY OPERATIONS

Articles 6.1 and 6.2 do not prohibit, during the unavailability period of four (4) years, the exchange, without cash payment, of shares issued from the exercise of options resulting from a public purchase offer, a merger, a split off, a division or a consolidation performed according to applicable law, or from a contribution to a company incorporated under the conditions set forth in article 220 nonies of the French Tax Code.

However, the conditions of holding and sale mentioned in article 6.1 and 6.2 hereof shall continue to apply to the shares received in exchange. In the case where these conditions would not be satisfied, any social contributions that would be charged would be fully in charge of the beneficiary who would not have satisfied these conditions.

### 7. PROTECTION OF THE INTERESTS OF THE BENEFICIARIES OF THE SHARE SUBSCRIPTION OPTIONS

#### 7.1 General provisions

In accordance with article L 225-181 of the French Commercial Code, which makes reference to article L 228-99 of the French Commercial Code, the Board of Directors shall take the necessary steps to protect the interests of the beneficiaries of the share subscription options in case of realisation of one of the following operations :

- capital write-off or reduction of the share capital ;
- change in the allocation of profits ;
- distribution of free shares ;
- increase of capital by way of incorporating reserves, profits or share premiums ;
- reserves distribution ;

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- any issue of shares or securities giving right to the allocation of shares including a subscription right reserved to the shareholders.

In this purpose, the Board of Directors shall :

- either let the beneficiaries exercise their share subscription options if the period set forth in article 4.4 hereof has not started yet, so that they can immediately participate to or benefit from the operations mentioned above ;
- or make arrangements to enable the beneficiaries of the share subscription options, if they later exercise their rights, to irrevocably subscribe to the new securities issued, or receive them free of charge, or receive cash or goods similar to those distributed, in the same quantities or proportions and under the same conditions, except concerning the enjoyment, as if they were, during the aforementioned operations, shareholders ;
- or adjust the number of shares under option and their subscription price according to the conditions defined hereafter so as to take into account the effect of the operations mentioned above.

## 7.2 AJUSTMENT OF THE SUBSCRIPTION PRICE OF THE SHARES

In accordance with article R 228-91 of the French Commercial Code, the adjustment shall consist in equalising, to within about a hundredth of a share, the value of the shares that would have been obtained in case of exercise of the share subscription options after the realisation of the operation and the value of the shares that would have been obtained in case of exercise of the share subscription options before the realisation of the operation.

The Board of Directors shall include in its annual report the method of calculation and the results of the adjustment.

### 7.2.1 Share capital increase in cash and issue of securities giving access to the share capital

In case of share capital increase in cash reserved to the shareholders or issue of securities giving access to the share capital reserved to the shareholders, the subscription price of the shares under option shall be determined, according to article R 228-91, paragraph 2, 1° of the French Commercial Code, by taking into account :

- either the ratio between, on the one hand, the value of the preferential subscription right and, on the other hand, the value of the share after this right has been detached, where such values are equal to the average of the first market prices quoted during all the trading days included in the subscription period ;
- or the number of securities issued for one old share, the issue price of these securities and the value of the shares after the subscription right has been detached which is equal to the weighted average of the market prices of at least the last three trading days before the day on which the issue has started.

However, the Board of Directors of the Company could define other adjustment methods, in particular concerning the method of determination of the value of the share to be taken into account for the application of the previous paragraph, provided that the shares of the Company are not listed on a regulated market.

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#### 7.2.2 Share capital increase by way of incorporating reserves, profits or share premiums and distribution of free shares

In accordance with article R 225-139 of the French Commercial Code, in case of share capital increase by way of incorporation of reserves, profits or share premiums and distribution of free shares, the subscription price of the shares under option shall be adjusted by calculating the product of such price multiplied by the ratio between the number of old shares and the total amount of old and new shares ; for the computation of such ratio, account shall be taken of the existence, if any, of various categories of old and new shares.

By way of exception, when the share capital increase is realised by raising the par value of the shares, there will be no adjustment of the subscription price of the shares under option.

#### 7.2.3 Distribution of reserves, in cash or in kind, or share premiums

In case of distribution of reserves, in cash or in kind, or share premiums, the subscription price of the shares under option shall be determined, in accordance with article R 228-91, paragraph 2, 3° of the French Commercial Code, by taking into account the ratio between the amount distributed per share and the value of the share before this modification. This value is equal to the weighted average of the market prices of at least the three last trading days before the day of the distribution.

However, the Board of Directors of the Company could define other adjustment methods, in particular concerning the method of determination of the value of the share to be taken into account for the application of the previous paragraph, provided that the shares of the Company are not listed on a regulated market.

#### 7.2.4 Change in the allocation of profits

In case of change in the allocation of profits, the subscription price of the shares under option shall be determined, in accordance with article R 228-91, paragraph 2, 4° of the French Commercial Code, by taking into account the ratio between the reduction of the portion of profits per share and the value of the share before this change. This value is equal to the weighted average of the market prices of at least the three last trading days before the day of the change.

However, the Board of Directors of the Company could define other adjustment methods, in particular concerning the method of determination of the value of the share to be taken into account for the application of the previous paragraph, provided that the shares of the Company are not listed on a regulated market.

#### 7.2.5 Capital write-off

In case of capital write-off of the share capital, the subscription price of the shares under option shall be determined, in accordance with article R 228-91, paragraph 2, 5° of the French Commercial Code, by taking into account the ratio between the amount of the capital write-off per share and the value of the share before the capital write-off. This value is equal to the weighted average of the market prices of at least the last three trading days before the day of the capital write-off.

However, the Board of Directors of the Company could define other adjustment methods, in particular concerning the method of determination of the value of the share to be taken into account for the application of the previous paragraph, provided that the shares of the Company are not listed on a regulated market.

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#### 7.2.6 Decrease of share capital motivated by losses

In accordance with article R 225-142 of the French Commercial Code, in case of share capital decrease motivated by losses, the subscription price of the shares under option, decided before this operation, shall be adjusted by calculating the product of such price multiplied by the ratio between the number of old shares and the number of shares remaining after decrease.

For the computation of such ratio, account shall be taken of the existence, if any, of various categories of old and new shares.

In case of share capital decrease without change in the number of shares, there should be no adjustment.

#### 7.3 ADJUSTMENT OF THE NUMBER OF SHARES

In all the cases mentioned in article 7.2 hereof, the Board of Directors of the Company shall adjust the number of shares under option, so that the subscription price remains constant.

However, the adjusted number shall be rounded up to the immediately superior unit.

### 8. REMOVAL FROM QUOTATION

The removal of the shares from quotation on the NASDAQ, as well as the quotation of the shares on another capital market, shall not challenge the rights and obligations of the beneficiaries of the share subscription options as they are provided hereof.

### 9. UNAVAILABILITY

Pursuant to article L 225-183, paragraph 2 of the French Commercial Code, until the share subscription option has been exercised by its beneficiary, the corresponding rights are unavailable.

However, as it is provided in article 4.1 hereof, in case of death of the beneficiary, his heirs could exercise the share subscription option within a period of six (6) months as from the decease.

Any sale, transfer of ownership, pledge, collateral warranty, or security of any kind, given or accepted by the beneficiary in connection with the shares under option which the beneficiary has not already subscribed shall be null and void

### 10. INDEPENDENCE OF THE CLAUSES

If any provision hereof is held prohibited or void, at any time, by a competent authority or judicial body, this shall not challenge the remaining provisions that shall be considered as independent and as having been written or rewritten, depending upon the case, without this prohibited or void provision.

### 11. APPLICABLE LAW AND COMPETENT TRIBUNAL

The present rules are subject to French law.

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The tribunals located within the jurisdiction of the Court of Appeal of LYON shall have exclusive jurisdiction over any matter relating thereto, in particular concerning the formation, the validity and the construction of the present rules.

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**EDAP TMS**

A French SA (joint stock company) with a stock capital of 1.498.107,26 Euros  
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**RULES – SHARE SUBSCRIPTION OPTIONS PLAN**

**Ordinary and Extraordinary General Meeting of May 22<sup>nd</sup>, 2007**

**Board of Directors Meeting of June 25, 2010**

**1. PREAMBLE**

The General Meeting of the Company, dated May 22<sup>nd</sup>, 2007, has authorised the Board of Directors, in accordance with article L 225-177 of the French Commercial Code, to grant, at one or several times,

- to the Chairman of the Board of Directors, to the Managing Director, and, if any, to the Deputy Managing Directors of the Company, and
- to all the employees of the Company or to some of them, as well as to the employees of the companies mentioned in article L 225-180 of the French Commercial Code,

options giving right to subscribe to a maximum of six hundred thousand (600,000) shares of the Company with a par value of € 0.13, to be issued by share capital increase of the Company.

The authorisation granted by the General Meeting of May 22<sup>nd</sup>, 2007 is valid until July 22<sup>nd</sup>, 2010. The shareholders expressly renounced to their preferential subscription rights to the shares to be issued as the options are exercised to the benefit of the beneficiaries of the share subscription options.

According to this authorisation, the Board of Directors of the Company met on June 25, 2010 and agrees on the terms of the present share subscription options plan as provided hereunder.

**2. BENEFICIARIES AND NUMBER OF SHARE SUBSCRIPTION OPTIONS**

The Board of Directors decided, by decision dated June 25, 2010, to ninety five thousand nine hundred and twelve (95,912) share subscription options.

The list of the beneficiaries, indicating the number of options granted to each of them, decided by the Board of Directors, is attached as APPENDIX 1.

The allocation of the share subscription options will be definitive provided their beneficiaries sign the share subscription options agreement that will be given to them along with an information notice.

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### 3. SHARE SUBSCRIPTION PRICE

Each option gives right, subject to the satisfaction of the conditions provided herein, to the subscription of one share at a price of 1.88 €.

The shares issued from the exercise of the options shall be entirely paid on their subscription.

The subscription price could not be modified for the duration of the plan. However, in the event that the Company would implement any of the operations set out in article L 225-181 paragraph 2 of the French Commercial Code, the number of shares under option as well as the subscription price could be adjusted in accordance with the provisions of article 7 hereof.

### 4. CONDITIONS OF EXERCISE OF THE OPTIONS

#### 4.1 PRESENCE IN THE COMPANY

##### 4.1.1 Principle

The share subscription options shall be null and void and could not be exercised by their beneficiaries, without the Company having to proceed to any formalities, in the case the beneficiary does not work anymore in the Company, or its subsidiaries owned directly or indirectly for more than 50 % of their share capital and voting rights, as an employee or a company officer.

For the purpose of the previous paragraph, the date on which the beneficiaries shall be deemed to have stopped working in the company(ies) concerned shall be, depending upon the case, the date of sending or delivery of the resignation letter of the beneficiary, the date of sending of his dismissal letter or the date of his removal as a company officer.

##### 4.1.2 Exceptions

As an exception to the provisions of article 4.1.1, in case of death of the beneficiary, his heirs could exercise their share subscription options within six (6) month as from the decease.

Similarly, the provisions of article 4.1.1 are not applicable in the following cases :

- the beneficiary of the share subscription options decides to retire or his employer decides to pension him ;
- the holder of the share subscription options is recognised as an industrially disabled person within category 2 and 3 as defined in article L 341-4 of the French Social Security Code.

#### 4.2 SUSPENSION OF THE RIGHT TO EXERCISE THE OPTIONS

The right to exercise the share subscription options could be suspended by the Board of Directors, for a maximum period of three (3) months, in case of issue of new shares or new securities giving access to the share capital of the Company as well as in case of merger or split off.

The beneficiaries of the share subscription options shall be informed of the suspension period.

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In the case the right to exercise the share subscription options terminates during a suspension period, the duration of the share subscription options will be extended and will terminate one (1) month after the end of such a suspension period.

#### 4.3 ABSORPTION OF THE COMPANY

##### 4.3.1 Transfer of the commitments to the beneficiary(ies) of the contributions

In the case the Company is absorbed by another company, merges with one or several other companies to form a new company or split off, the company(ies) that benefit(s) from the contributions could substitute the Company for its duties toward the beneficiaries of the share subscription options. In this case, the number and the price of the shares under option shall be determined either by applying the exchange ratio used for the operation, or by applying other terms and conditions defined by the parties to the operation.

##### 4.3.2 Absence of transfer of the commitments to the beneficiary(ies) of the contributions

In the case the company(ies) that benefit(s) from the contributions decide(s) not to substitute the Company for its duties toward the beneficiaries of the share subscription options, the provisions of article 4.4 hereof will not be applicable.

In this case, the share subscription options could be exercised by their beneficiaries within the period notified to them by the Board of Directors by registered letter with acknowledgement of receipt. Failing that, the share subscription options will be null and void.

In case of exercise of the options within the period mentioned in the previous paragraph, the shares issued from the shares exchange, resulting from the absorption, the merger or the split-off, shall be subject to the same conditions of holding and sale than those mentioned in article 6 hereof. In the case these conditions were not satisfied, any social security contributions that would be charged would be fully in charge of the beneficiary who would not have satisfied these conditions.

#### 4.4 SCHEDULE FOR THE EXERCISE OF THE OPTIONS

##### 4.4.1 Principle

Without prejudice to what is provided in article 4.3.2 below, the share subscription options could only be exercised by their beneficiaries on expiry of each of the following periods :

- the first quarter of options, i.e. twenty three thousand nine hundred and seventy eight (23,978) share subscription options, could only be exercised on expiry of a period of one (1) year as from the date of allocation of the options by the Board of Directors, i.e. at the earliest on June 25, 2011;
- the second quarter of options, i.e. twenty three thousand nine hundred and seventy eight (23,978) share subscription options, could only be exercised on expiry of a period of two (2) years as from the date of allocation of the options by the Board of Directors, i.e. at the earliest on June 25, 2012 ;
- the third quarter of options, i.e. twenty three thousand nine hundred and seventy eight (23,978) share subscription options, could only be exercised on expiry of a period of three (3) year as from the date of allocation of the options by the Board of Directors, i.e. at the earliest on June 25, 2013 ;

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- the fourth quarter of options, i.e. twenty three thousand nine hundred and seventy eight (23,978) share subscription options, could only be exercised on expiry of a period of four (4) year as from the date of allocation of the options by the Board of Directors, i.e. at the earliest on June 25, 2014.

#### 4.4.2. Exceptions

By way of exception, the provisions of article 4.4.1 shall not be applicable in the case any of the following operations is implemented after the end of a period of twelve (12) months as from the date of allocation of the options by the Board of Directors :

- public purchase offer, within the meaning of article L 433-1 of the French Monetary and Financial Code, relating to the shares of the Company or, as long as the shares of the Company are listed on the National Association of Securities Dealers Automated Quotation (NASDAQ), any similar operation carried out according to the NASDAQ regulations ;
- public exchange offer, within the meaning of article L 433-1 of the French Monetary and Financial Code, relating to the shares of the Company or, as long as the shares of the Company are listed on the NASDAQ, any similar operation carried out according to the NASDAQ regulations ;
- mixed public offer relating in part to the purchase of shares of the Company by cash payment and in part to the exchange of shares of the company for shares of the initiator or, as long as the shares of the Company are listed on the NASDAQ, any similar operation carried out according to the NASDAQ regulations.

In the cases mentioned above, the beneficiaries of the share subscription options shall be entitled to exercise their options at one or several times as from the date of delivery of the initial offer (public purchase offer, public exchange offer, mixed public offer and similar operations on the NASDAQ) to the relevant authority, provided this delivery occurs more than twelve (12) months following the date of allocation of the share subscription options.

Moreover, as an exception to the exercise schedule provided in article 4.4.1 above, in case of death of the beneficiary, his heirs could exercise their share subscription options within a period of six (6) months as from the decease.

#### 4.5 TIME LIMIT FOR THE EXERCISE OF THE OPTIONS

The share subscription options shall be exercise by their beneficiaries before the end of a period of ten (10) years as from June 25, 2010, date of their allocation by the Board of Directors, i.e. before June 25, 2020.

### 5. TERMS OF EXERCISE OF THE OPTIONS

The share subscription options could only be exercised if all the conditions provided hereof are satisfied on the day of the exercise of the options.

In order to exercise their share subscription options, the beneficiaries shall send to the legal representative of the Company, by registered letter with acknowledgement of receipt or letter delivered personally against receipt, a notification indicating the number of options that he wishes to exercise, along with a bank cheque payable to the Company of an amount equal to the subscription price of the shares.

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The beneficiaries will have the ownership and the enjoyment of the shares on the date of exercise of the options.

As long as the Company is listed on the NASDAQ, the beneficiaries shall be sole responsible for the conversion of the shares issued from the exercise of the options into American Depositary Receipts (ADRs). In any case, this conversion could not take place before the date on which the shares issued from the exercise of the options will become transferable pursuant to article 6.2 hereafter.

## **6. CONDITIONS OF SALE OF THE SHARES**

### **6.1 HOLDING OF THE SHARES**

Until the end of a period of four (4) years as from the allocation of the share subscription options, the shares issued from the exercise of the options shall be kept as registered shares by their beneficiaries and could not be converted into bearer shares.

Similarly, until the end of a period of four (4) years as from the allocation of the share subscription options, the shares issued from the exercise of the options could not be subject to a lease agreement.

Failing that, any social security contributions that would be charged would be fully in charge of the beneficiary who would not have satisfied these conditions.

### **6.2 SALE OF THE SHARE**

The shares issued from the exercise of the share subscription options could not be sold before the end of a period of four (4) years as from the date of allocation of the share subscription options by the Board of Directors, i.e. at the earliest on June 25, 2014. Failing that, any social security contributions that would be charged would be fully in charge of the beneficiary who would not have satisfied this condition.

During this period of unavailability, the shares issued from the exercise of the share subscription options could not be converted into ADRs.

### **6.3 EXCEPTIONS**

As an exception to the provisions of articles 6.1 and 6.2 above, the shares issued from the exercise of the options will be freely transferable, convertible into ADRs, convertible into bearer shares and could be subject to a lease agreement without any restriction in the following cases :

- case where the beneficiary is not subject to French tax and social regulations during the period between the date of allocation of the share subscription options by the Board of Directors and the date of sale of the shares issued from the exercise of the options and where the sale of the shares could not challenge the tax and social exemption regime that may benefit to French companies allocating share subscription options ;
- case where the beneficiary of the share subscription options is dismissed more than three (3) months after having exercised the options ;
- case where the beneficiary of the share subscription options is pensioned by his employer more than three (3) months after having exercised the options ;

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- case where the holder of the shares issued from the exercise of the share subscription options dies ;
- case where the holder of the shares issued from the exercise of the share subscription options is recognised as an industrially disabled person within category 2 and 3 as defined in article L 341-4 of the French Social Security Code.

#### 6.4 COMPANY OFFICERS

Without prejudice to the provisions above, the shares issued from the exercise of the shares subscription options granted to the Chairman of the Board of Directors, to the Managing Director and, if any, to the Deputy Managing Directors, shall be kept as registered shares by their holders and thus could not be sold, let, converted into bearer shares or converted into ADRs, until the end of their mandate as company officers, in the following proportion :

- 40 % during a period of twelve (12) months as from the end of the unavailability period set forth in article 6.2.1,
- then 20 % as from the end of this period of twelve (12) months until the end of the mandate as company officer.

#### 6.5 INTERCALARY OPERATIONS

Articles 6.1 and 6.2 do not prohibit, during the unavailability period of four (4) years, the exchange, without cash payment, of shares issued from the exercise of options resulting from a public purchase offer, a merger, a split off, a division or a consolidation performed according to applicable law, or from a contribution to a company incorporated under the conditions set forth in article 220 nonies of the French Tax Code.

However, the conditions of holding and sale mentioned in article 6.1 and 6.2 hereof shall continue to apply to the shares received in exchange. In the case where these conditions would not be satisfied, any social contributions that would be charged would be fully in charge of the beneficiary who would not have satisfied these conditions.

### 7. PROTECTION OF THE INTERESTS OF THE BENEFICIARIES OF THE SHARE SUBSCRIPTION OPTIONS

#### 7.1 General provisions

In accordance with article L 225-181 of the French Commercial Code, which makes reference to article L 228-99 of the French Commercial Code, the Board of Directors shall take the necessary steps to protect the interests of the beneficiaries of the share subscription options in case of realisation of one of the following operations :

- capital write-off or reduction of the share capital ;
- change in the allocation of profits ;
- distribution of free shares ;
- increase of capital by way of incorporating reserves, profits or share premiums ;
- reserves distribution ;
- any issue of shares or securities giving right to the allocation of shares including a subscription right reserved to the shareholders.

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In this purpose, the Board of Directors shall :

- either let the beneficiaries exercise their share subscription options if the period set forth in article 4.4 hereof has not started yet, so that they can immediately participate to or benefit from the operations mentioned above ;
- or make arrangements to enable the beneficiaries of the share subscription options, if they later exercise their rights, to irrevocably subscribe to the new securities issued, or receive them free of charge, or receive cash or goods similar to those distributed, in the same quantities or proportions and under the same conditions, except concerning the enjoyment, as if they were, during the aforementioned operations, shareholders ;
- or adjust the number of shares under option and their subscription price according to the conditions defined hereafter so as to take into account the effect of the operations mentioned above.

## 7.2 ADJUSTMENT OF THE SUBSCRIPTION PRICE OF THE SHARES

In accordance with article R 228-91 of the French Commercial Code, the adjustment shall consist in equalising, to within about a hundredth of a share, the value of the shares that would have been obtained in case of exercise of the share subscription options after the realisation of the operation and the value of the shares that would have been obtained in case of exercise of the share subscription options before the realisation of the operation.

The Board of Directors shall include in its annual report the method of calculation and the results of the adjustment.

### 7.2.1 Share capital increase in cash and issue of securities giving access to the share capital

In case of share capital increase in cash reserved to the shareholders or issue of securities giving access to the share capital reserved to the shareholders, the subscription price of the shares under option shall be determined, according to article R 228-91, paragraph 2, 1° of the French Commercial Code, by taking into account :

- either the ratio between, on the one hand, the value of the preferential subscription right and, on the other hand, the value of the share after this right has been detached, where such values are equal to the average of the first market prices quoted during all the trading days included in the subscription period ;
- or the number of securities issued for one old share, the issue price of these securities and the value of the shares after the subscription right has been detached which is equal to the weighted average of the market prices of at least the last three trading days before the day on which the issue has started.

However, the Board of Directors of the Company could define other adjustment methods, in particular concerning the method of determination of the value of the share to be taken into account for the application of the previous paragraph, provided that the shares of the Company are not listed on a regulated market.

### 7.2.2 Share capital increase by way of incorporating reserves, profits or share premiums and distribution of free shares

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In accordance with article R 225-139 of the French Commercial Code, in case of share capital increase by way of incorporation of reserves, profits or share premiums and distribution of free shares, the subscription price of the shares under option shall be adjusted by calculating the product of such price multiplied by the ratio between the number of old shares and the total amount of old and new shares ; for the computation of such ratio, account shall be taken of the existence, if any, of various categories of old and new shares.

By way of exception, when the share capital increase is realised by raising the par value of the shares, there will be no adjustment of the subscription price of the shares under option.

#### 7.2.3 Distribution of reserves, in cash or in kind, or share premiums

In case of distribution of reserves, in cash or in kind, or share premiums, the subscription price of the shares under option shall be determined, in accordance with article R 228-91, paragraph 2, 3° of the French Commercial Code, by taking into account the ratio between the amount distributed per share and the value of the share before this modification. This value is equal to the weighted average of the market prices of at least the three last trading days before the day of the distribution.

However, the Board of Directors of the Company could define other adjustment methods, in particular concerning the method of determination of the value of the share to be taken into account for the application of the previous paragraph, provided that the shares of the Company are not listed on a regulated market.

#### 7.2.4 Change in the allocation of profits

In case of change in the allocation of profits, the subscription price of the shares under option shall be determined, in accordance with article R 228-91, paragraph 2, 4° of the French Commercial Code, by taking into account the ratio between the reduction of the portion of profits per share and the value of the share before this change. This value is equal to the weighted average of the market prices of at least the three last trading days before the day of the change.

However, the Board of Directors of the Company could define other adjustment methods, in particular concerning the method of determination of the value of the share to be taken into account for the application of the previous paragraph, provided that the shares of the Company are not listed on a regulated market.

#### 7.2.5 Capital write-off

In case of capital write-off of the share capital, the subscription price of the shares under option shall be determined, in accordance with article R 228-91, paragraph 2, 5° of the French Commercial Code, by taking into account the ratio between the amount of the capital write-off per share and the value of the share before the capital write-off. This value is equal to the weighted average of the market prices of at least the last three trading days before the day of the capital write-off.

However, the Board of Directors of the Company could define other adjustment methods, in particular concerning the method of determination of the value of the share to be taken into account for the application of the previous paragraph, provided that the shares of the Company are not listed on a regulated market.

#### 7.2.6 Decrease of share capital motivated by losses

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In accordance with article R 225-142 of the French Commercial Code, in case of share capital decrease motivated by losses, the subscription price of the shares under option, decided before this operation, shall be adjusted by calculating the product of such price multiplied by the ratio between the number of old shares and the number of shares remaining after decrease.

For the computation of such ratio, account shall be taken of the existence, if any, of various categories of old and new shares.

In case of share capital decrease without change in the number of shares, there should be no adjustment.

### 7.3 ADJUSTMENT OF THE NUMBER OF SHARES

In all the cases mentioned in article 7.2 hereof, the Board of Directors of the Company shall adjust the number of shares under option, so that the subscription price remains constant.

However, the adjusted number shall be rounded up to the immediately superior unit.

## 8. REMOVAL FROM QUOTATION

The removal of the shares from quotation on the NASDAQ, as well as the quotation of the shares on another capital market, shall not challenge the rights and obligations of the beneficiaries of the share subscription options as they are provided hereof.

## 9. UNAVAILABILITY

Pursuant to article L 225-183, paragraph 2 of the French Commercial Code, until the share subscription option has been exercised by its beneficiary, the corresponding rights are unavailable.

However, as it is provided in article 4.1 hereof, in case of death of the beneficiary, his heirs could exercise the share subscription option within a period of six (6) months as from the decease.

Any sale, transfer of ownership, pledge, collateral warranty, or security of any kind, given or accepted by the beneficiary in connection with the shares under option which the beneficiary has not already subscribed shall be null and void

## 10. INDEPENDENCE OF THE CLAUSES

If any provision hereof is held prohibited or void, at any time, by a competent authority or judicial body, this shall not challenge the remaining provisions that shall be considered as independent and as having been written or rewritten, depending upon the case, without this prohibited or void provision.

## 11. APPLICABLE LAW AND COMPETENT TRIBUNAL

The present rules are subject to French law.

The tribunals located within the jurisdiction of the Court of Appeal of LYON shall have exclusive jurisdiction over any matter relating thereto, in particular concerning the formation, the validity and the construction of the present rules.

For information purpose only – Only the French version is legally binding

*This is a free translation from the French language and is supplied solely for information purposes. Only the original version in French language has legal force.*

**EDAP TMS**  
capital of 1.498.107,26 Euros  
Headquarters : Parc d'Activité de La Poudrette Lamartine,  
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**SHARE PURCHASE OPTION PLAN**

**Extraordinary and Ordinary Assembly Meeting June 24, 2010**

**Board of Directors : June 25, 2010**

**1. GENERAL**

The Assembly meeting of Shareholders, on June 24, 2010, **authorizes** the Board of Directors, in accordance with articles L 225-177 et seq. of the French Commercial code, to grant, on one or more several occasions,

- to the Chairman of the Board of Directors, to the Chief Executive Officer and to the Deputy Chief Executive Officers of the Company, if any, and
- to all the employees of the Company or to some of them, as well as those of the companies and *groupements d'intérêt économique* affiliated to the Company under the terms and conditions defined in article L 225-180 of the French Commercial code,

options to purchase a maximum of 229,100 shares of the Company, with a nominal value of €0.13 each.

Authorization granted to the Board of Directors is valid until August 24, 2013.

Based on the above authorization, the Board of Directors held a meeting on June 25, 2010 and decided to grant share purchase options as follows:

**2. BENEFICIARY AND NUMBER OF SHARE PURCHASE OPTIONS**

On June 25, 2010, the Board of Directors decided to grant two hundred and twenty nine thousand on hundred (229,100) share purchase options.

The list of beneficiaries, with the exact number of options allocated to each of them, fixed by the Board of Directors is attached (appendix 1).

The grant will be definitive upon signature of a contract by the beneficiaries.

**3. EXERCISE PRICE**

Each option give right to purchase one share at an exercise price of two euros and thirty eight cts (2.38 Euros), according to certain conditions as described hereunder.

The purchase price could not be modified for the duration of the plan. However, in the event that the Company would implement one of the operations set out in article L 225-181 paragraph 2 of the French Commercial Code, the number of shares under option as well as their purchase price could be adjusted in accordance with the provisions of article 7 hereof.

#### 4. CONDITIONS D'EXERCICE DES OPTIONS

##### 4.1 PRESENCE IN THE COMPANY

###### 4.1.1 Principle

The share purchase options shall be null and void and could not be exercised by the Beneficiary, without the Company having to proceed to any formalities, in the case the Beneficiary does not work anymore in the Company, or its subsidiaries owned directly or indirectly for more than 50 % of their share capital and voting rights, as an employee or a company officer.

For the purpose of the previous paragraph, the date on which the Beneficiary shall be deemed to have stopped working in the company(ies) concerned shall be, depending upon the case, the date of sending or delivery of the resignation letter of the Beneficiary, the date of sending of his dismissal letter or the date of his removal as a company officer.

###### 4.1.2 Exceptions

As an exception to the provisions of article 4.1.1, in case of death of the Beneficiary, his heirs could exercise their share purchase options within six (6) month as from the decease, provided the beneficiary was authorized to exercise his options at the time of the decease and within the limits of shares allocated and exercisable.

If after the death of the Beneficiary, his heirs do not exercise the options within the 6 months period, the then options would be nil and void and underlying shares would then be available for a new option grant.

Similarly, the provisions of article 4.1.1 are not applicable in the following cases:

- the Beneficiary decides to retire or his employer decides to pension him ;
- the Beneficiary is recognised as an industrially disabled person within category 2 and 3 as defined in article L 341-4 of the French Social Security Code.

##### 4.2 ABSORPTION OF THE COMPANY

###### 4.2.1 Transfer of the commitments to the beneficiary(ies) of the contributions

In the case the Company is absorbed by another company, merges with one or several other companies to form a new company or split off, the company(ies) that benefit(s) from the contributions could substitute the Company for its duties toward the Beneficiary. In this case, the number and the price of the shares under option shall be determined either by applying the exchange ratio used for the operation, or by applying other terms and conditions defined by the parties to the operation.

###### 4.2.2 Absence of transfer of the commitments to the beneficiary(ies) of the contributions

In the case the company(ies) that benefit(s) from the contributions decide(s) not to substitute the Company for its duties toward the Beneficiary, the provisions of article 4.3. hereof will not be applicable.

In this case, the share purchase options could be exercised by the Beneficiary within the period notified to him by the Board of Directors by registered letter with acknowledgement of receipt or letter with discharge. Failing that, the share purchase will be null and void.

In case of exercise of the options within the period mentioned in the previous paragraph, the shares issued from the shares exchange, resulting from the absorption, the merger or the split-off, shall be subject to the same conditions of holding and sale than those mentioned in article 6 hereof. In the case these conditions were not satisfied, any social security contributions that would be charged would be fully in charge of the Beneficiary.

### 4.3 SCHEDULE FOR THE EXERCISE OF THE OPTIONS

#### 4.3.1 Principle

Without prejudice to what is provided in article 4.2.2., the share purchase options could only be exercised by the Beneficiary on expiry of each of the following periods:

- the first quarter of options, i.e fifty seven thousand two hundred and seventy five (57,275) share purchase options, could only be exercised on expiry of a period of one (1) year as from the date of allocation of the options by the Board of Directors, i.e. at the earliest on June 25, 2011;
- the first quarter of options, i.e fifty seven thousand two hundred and seventy five (57,275) share purchase options, could only be exercised on expiry of a period of one (1) year as from the date of allocation of the options by the Board of Directors, i.e. at the earliest on June 25, 2012;
- the first quarter of options, i.e fifty seven thousand two hundred and seventy five (57,275) share purchase options, could only be exercised on expiry of a period of one (1) year as from the date of allocation of the options by the Board of Directors, i.e. at the earliest on June 25, 2013;
- the first quarter of options, i.e fifty seven thousand two hundred and seventy five (57,275) share purchase options, could only be exercised on expiry of a period of one (1) year as from the date of allocation of the options by the Board of Directors, i.e. at the earliest on June 25, 2014;

#### 4.3.2. Exceptions

By way of exception, the provisions of article 4.3.1 shall not be applicable in the case any of the following operations is implemented:

- public purchase offer, within the meaning of article L 433-1 of the French Monetary and Financial Code, relating to the shares of the Company or, as long as the shares of the Company are listed on the National Association of Securities Dealers Automated Quotation (NASDAQ), any similar operation carried out according to the NASDAQ regulations ;
- public exchange offer, within the meaning of article L 433-1 of the French Monetary and Financial Code, relating to the shares of the Company or, as long as the shares of the Company are listed on the NASDAQ, any similar operation carried out according to the NASDAQ regulations ;
- mixed public offer relating in part to the purchase of shares of the Company by cash payment and in part to the exchange of shares of the company for shares of the initiator or, as long as the shares of the Company are listed on the NASDAQ, any similar operation carried out according to the NASDAQ regulations.

In the cases mentioned above, the Beneficiary shall be entitled to exercise his options at one or several times as from the date of delivery of the initial offer (public purchase offer, public exchange offer, mixed public offer and similar operations on the NASDAQ) to the relevant authority.

Moreover, as an exception to the exercise schedule provided in article 4.4.1 above, in case of death of the Beneficiary, his heirs could exercise their share subscription options within a period of six (6) months as from the decease, as per article 4.1.2.

#### **4.4. TIME LIMIT FOR THE EXERCISE OF THE OPTIONS**

The share purchase options shall be exercise by the Beneficiary before the end of a period of ten (10) years as from June 25, 2010, date of their allocation by the Board of Directors, i.e. before June 25, 2020.

#### **5. TERMS OF EXERCISE OF THE OPTIONS**

The share purchase options could only be exercised if all the conditions provided hereof are satisfied on the day of the exercise of the options.

In order to exercise their share purchase options, the Beneficiary shall send to the legal representative of the Company, a notification indicating the number of options that he wishes to exercise, along with a bank cheque payable to the Company of an amount equal to the purchase price of the shares.

Furthermore, in the event that the sale of shares under this share purchase option plan is not registered under the U.S. Securities Act but an exemption is available which requires an investment representation or other representation, the Beneficiary shall represent and agree at the time of exercise that the shares being acquired upon exercising this option are being acquired for investment, and not with a view to the sale or distribution thereof, and shall make such other representations as are deemed necessary or appropriate by the Company and its counsel.

The Company being listed on the NASDAQ market, the beneficiary will obtain American Depositary Receipt (ADRs) upon exercise of his purchase option. In case the Company is no longer listed on the NASDAQ market, the Beneficiary will have the ownership and the enjoyment of the shares on the date of exercise of the options.

#### **6. CONDITIONS OF HOLDING AND SALE OF THE SHARES**

##### **6.1 HOLDING OF THE SHARES**

Until the end of a period of four (4) years as from the allocation of the share purchase options, the shares issued from the exercise of the options shall be kept as registered shares by the Beneficiary and could not be converted into bearer shares.

Similarly, until the end of a period of four (4) years as from the allocation of the share purchase options, the shares issued from the exercise of the options could not be subject to a lease agreement.

Failing that, any social security contributions that would be charged would be fully in charge of the Beneficiary.

##### **6.2 SALE OF THE SHARES**

The shares issued from the exercise of the share purchase options could not be sold before the end of a period of four (4) years as from the date of allocation of the share purchase options by the Board of Directors, i.e. at the earliest on June 25 , 2014. Failing that, any social security contributions that would be charged would be fully in charge of the Beneficiary.

During this period of unavailability, the shares issued from the exercise of the share subscription options could not be converted into ADRs.

### **6.3 U.S. SECURITIES LAW RESTRICTIONS**

The shares to be issued from exercised share subscription options have not been registered under the U.S. Securities Act and may not be offered or sold in the United States or to U.S. persons unless the shares are registered under the U.S. Securities Act, or an exemption from the registration requirements of the U.S. Securities Act is available.

Regardless of whether the offering and sale of shares under this share purchase option plan have been registered under the U.S. Securities Act or have been registered or qualified under the securities laws of any U.S. state, the Company at its discretion may impose restrictions upon the sale, pledge or other transfer of such shares (including the placement of appropriate legends on stock certificates or the imposition of stop-transfer instructions) if, in the judgment of the Company, such restrictions are necessary or desirable in order to achieve compliance with the U.S. Securities Act, the securities laws of any state or any other law.

### **6.4 EXCEPTIONS**

As an exception to the provisions of articles 6.1 and 6.2 above, the shares issued from the exercise of the options will be freely transferable, convertible into ADRs, convertible into bearer shares and could be subject to a lease agreement without any restriction in the following cases :

- case where the Beneficiary is not subject to French tax and social regulations during the period between the date of allocation of the share purchase options by the Board of Directors and the date of sale of the shares issued from the exercise of the options and where the sale of the shares could not challenge the tax and social exemption regime that may benefit to French companies allocating share purchase options ;
- case where the Beneficiary of the share purchase options is dismissed more than three (3) months after having exercised the options ;
- case where the Beneficiary of the share s purchase options is pensioned by his employer more than three (3) months after having exercised the options ;
- case where the Beneficiary dies ;
- case where the Beneficiary is recognised as an industrially disabled person within category 2 and 3 as defined in article L 341-4 of the French Social Security Code.

However, the restrictions referred to in article 6.3 shall continue to apply.

### **6.5 OFFICERS OF THE COMPANY**

Without prejudice of the above, shares obtained following a share purchase by the Chairman of the Board, the Chief Executive Officer, and other officers, must be kept in registered name and will be tradable, leased or converted until the mandate is over, as follows :

- 40 % during a 12 months period from restricted period described in article 6.2.,
- Then 20 % , until mandate is over.

### **6.6 INTERCALARY OPERATIONS**

Articles 6.1 and 6.2 do not prohibit, during the unavailability period of four (4) years, the exchange, without cash payment, of shares issued from the exercise of options resulting from a public purchase offer, a merger, a split off, a division or a consolidation performed according to applicable law, or from a contribution to a company incorporated under the conditions set forth in article 220 nonies of the French Tax Code.

However, the conditions of holding and sale mentioned in article 6.1 and 6.2 hereof shall continue to apply to the shares received in exchange. In the case where these conditions would not be satisfied, any social contributions that would be charged would be fully in charge of the Beneficiary.

The terms of this article 6.6 remain subject to article 6.3, as applicable.

## **7. PROTECTION OF THE INTERESTS OF THE BENEFICIARY**

### **7.1 GENERAL PROVISIONS**

In accordance with article L 288-99 of the French Commercial Code, which makes reference to article L 225-181 of the French Commercial Code, the Board of Directors shall take the necessary steps to protect the interests of the Beneficiary in case of realisation of one of the following operations :

- capital write-off or reduction of the share capital ;
- change in the allocation of profits ;
- distribution of free shares ;
- increase of capital by way of incorporating reserves, profits or share premiums ;
- reserves distribution ;
- any issue of shares or securities giving right to the allocation of shares including a subscription right reserved to the shareholders.

In this purpose, the Board of Directors shall :

- either let the Beneficiary exercise his share purchase options if the period set forth in article 4.3 hereof has not started yet, so that he can immediately participate to or benefit from the operations mentioned above ;
- or make arrangements to enable the Beneficiary, if he later exercises his rights, to irrevocably subscribe to the new securities issued, or receive them free of charge, or receive cash or goods similar to those distributed, in the same quantities or proportions and under the same conditions, except concerning the enjoyment, as if he was, during the aforementioned operations, shareholder ;
- or adjust the number of shares under option and their purchase price according to the conditions defined hereafter so as to take into account the effect of the operations mentioned above.

### **7.2 ADJUSTMENT OF THE SUBSCRIPTION PRICE OF THE SHARES**

In accordance with article R 228-91 of the French Commercial Code, the adjustment shall consist in equalising, to within about a hundredth of a share, the value of the shares that would have been obtained in case of exercise of the share purchase options after the realisation of the operation and the value of the shares that would have been obtained in case of exercise of the share purchase options before the realisation of the operation.

The Board of Directors shall include in its annual report the method of calculation and the results of the adjustment.

#### **7.2.1 Share capital increase in cash and issue of securities giving access to the share capital**

In case of share capital increase in cash reserved to the shareholders or issue of securities giving access to the share capital reserved to the shareholders, the subscription price of the shares under option shall be determined, according to article R 228-91, paragraph 2, 1° of the French Commercial Code, by taking into account :

- either the ratio between, on the one hand, the value of the preferential subscription right and, on the other hand, the value of the share after this right has been detached, where such values are equal to the average of the first market prices quoted during all the trading days included in the subscription period ;
- or the number of securities issued for one old share, the issue price of these securities and the value of the shares after the subscription right has been detached which is equal to the weighted average of the market prices of at least the last three trading days before the day on which the issue has started.

However, the Board of Directors of the Company could define other adjustment methods, in particular concerning the method of determination of the value of the share to be taken into account for the application of the previous paragraph, provided that the shares of the Company are not listed on a regulated market.

#### 7.2.2 Share capital increase by way of incorporating reserves, profits or share premiums and distribution of free shares

In accordance with article R 225-139 of the French Commercial Code, in case of share capital increase by way of incorporation of reserves, profits or share premiums and distribution of free shares, the subscription price of the shares under option shall be adjusted by calculating the product of such price multiplied by the ratio between the number of old shares and the total amount of old and new shares ; for the computation of such ratio, account shall be taken of the existence, if any, of various categories of old and new shares.

By way of exception, when the share capital increase is realised by raising the par value of the shares, there will be no adjustment of the purchase price of the shares under option.

#### 7.2.3 Distribution of reserves, in cash or in kind, or share premiums

In case of distribution of reserves, in cash or in kind, or share premiums, the purchase price of the shares under option shall be determined, in accordance with article R 228-91, paragraph 2, 3° of the French Commercial Code, by taking into account the ratio between the amount distributed per share and the value of the share before this modification. This value is equal to the weighted average of the market prices of at least the three last trading days before the day of the distribution.

However, the Board of Directors of the Company could define other adjustment methods, in particular concerning the method of determination of the value of the share to be taken into account for the application of the previous paragraph, provided that the shares of the Company are not listed on a regulated market.

#### 7.2.4 Change in the allocation of profits

In case of change in the allocation of profits, the purchase price of the shares under option shall be determined, in accordance with article R 228-91, paragraph 2, 4° of the French Commercial Code, by taking into account the ratio between the reduction of the portion of profits per share and the value of the share before this change. This value is equal to the weighted average of the market prices of at least the three last trading days before the day of the change.

However, the Board of Directors of the Company could define other adjustment methods, in particular concerning the method of determination of the value of the share to be taken into account for the application of the previous paragraph, provided that the shares of the Company are not listed on a regulated market.



#### 7.2.5 Capital write-off

In case of capital write-off of the share capital, the purchase price of the shares under option shall be determined, in accordance with article R 228-91, paragraph 2, 5° of the French Commercial Code, by taking into account the ratio between the amount of the capital write-off per share and the value of the share before the capital write-off. This value is equal to the weighted average of the market prices of at least the last three trading days before the day of the capital write-off.

However, the Board of Directors of the Company could define other adjustment methods, in particular concerning the method of determination of the value of the share to be taken into account for the application of the previous paragraph, provided that the shares of the Company are not listed on a regulated market.

#### 7.2.6 Decrease of share capital motivated by losses

In accordance with article R 225-142 of the French Commercial Code, in case of share capital decrease motivated by losses, the purchase price of the shares under option, decided before this operation, shall be adjusted by calculating the product of such price multiplied by the ratio between the number of old shares and the number of shares remaining after decrease.

For the computation of such ratio, account shall be taken of the existence, if any, of various categories of old and new shares.

In case of share capital decrease without change in the number of shares, there should be no adjustment.

### 7.3 ADJUSTMENT OF THE NUMBER OF SHARES

In all the cases mentioned in article 7.2 hereof, the Board of Directors of the Company shall adjust the number of shares under option, so that the purchase price remains constant.

However, the adjusted number shall be rounded up to the immediately superior unit.

## 8. REMOVAL FROM QUOTATION

The removal of the shares from quotation on the NASDAQ, as well as the quotation of the shares on another capital market, shall not challenge the rights and obligations of the Beneficiary as they are provided hereof.

## 9. UNAVAILABILITY

Pursuant to article L 225-183, paragraph 2 of the French Commercial Code, until the share purchase option has been exercised by the Beneficiary, the corresponding rights are unavailable.

However, as it is provided in article 4.1 hereof, in case of death of the Beneficiary, his heirs could exercise the share purchase option within a period of six (6) months as from the decease.

Any sale, transfer of ownership, pledge, collateral warranty, or security of any kind, given or accepted by the Beneficiary in connection with the shares under option which the Beneficiary has not already purchased shall be null and void

#### **10. INDEPENDENCE OF THE CLAUSES**

If any provision hereof is held prohibited or void, at any time, by a competent authority or judicial body, this shall not challenge the remaining provisions that shall be considered as independent and as having been written or rewritten, depending upon the case, without this prohibited or void provision.

#### **11. APPLICABLE LAW AND COMPETENT TRIBUNALS**

The present agreement is subject to French law.

The tribunals located within the jurisdiction of the Court of Appeal of LYON shall have exclusive jurisdiction over any matter relating thereto, in particular concerning the formation, the validity and the construction of the present agreement.

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**EDAP TMS**  
(the “**Company**”)  
Capital of 2,437,988.41 Euros  
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**SHARE SUBSCRIPTION OPTION PLAN**

**Extraordinary Assembly Meeting December 19, 2012**

**Board of Directors: January 18, 2013**

**1. GENERAL**

In accordance with the authorization granted by the extraordinary general shareholders’ meeting of December 19, 2012 (the “**Shareholders Authorization**”), the Board of Directors decided on January 18, 2013, in compliance with the provisions of articles L 225-177 et seq. of the French Commercial Code:

- to determine the terms and conditions of the share subscription option plan as set out below, and

- to grant, on one or several occasions, five hundred thousand (500,000) options to subscribe to a maximum of five hundred thousand (500,000) shares of the Company, with a nominal value of €0.13 each, to some employees and/or employee officers of the Company as well as those of the affiliates of the Company within the meaning of Article L 225-180 of the French Commercial Code and as defined in Section 424 (f) and Section 3401(c) of the United States Internal Revenue Code of 1986, as amended (hereafter, the “**Affiliates**”), as follows:

The authorization granted by the shareholders on December 19, 2012 is valid until February 19, 2016.

**2. PURPOSES OF THE PLAN**

The Company has now completed the prostate cancer patient follow-up phase of its ENLIGHT trial and is working on compiling the PMA file to be submitted to the U.S. FDA, in view of Ablatherm-HIFU approval. Bringing this new and innovative technology to the U.S. patients and physicians will allow them to have access to a non invasive therapy to treat effectively localized prostate cancer, preserving patient’s quality of life.

Going through the Ablatherm-HIFU approval process while successfully developing our U.S. lithotripsy sales constitute major milestones in the development of the Company. We therefore wish to motivate and reward EDAP’s teams who are dedicated and committed to successfully achieving our U.S. goals and objectives. To this end, the Board of Directors wishes to implement an incentive stock option program in favor of EDAP’s U.S. and French employees contributing to this project (the “**Plan**”).

The purposes of the Plan are:

- to attract and retain the best available personnel for positions of substantial responsibility;
- to provide additional incentive to Beneficiaries as such term is defined herein; and
- to promote the success of the Company's business.

Options (as such term is defined below) granted under the Plan to U.S. Beneficiaries are intended to be Incentive Stock Options (“ISOs” or “**Incentive Stock Options**”) and shall comply in all respects with the United States Internal Revenue Code of 1986, as amended, for those eligible beneficiaries subject to tax in the U.S., in order that they may benefit from available tax advantages. The Options may also be “**Non-Statutory Stock Options**”, meaning an Option that does not qualify as an ISO, in the discretion of the Board of Directors at the time of grant of an Option or when ISO limits are exceeded.

### **3. SHARES SUBJECT TO THE PLAN AND NUMBER OF OPTIONS TO SUBSCRIBE FOR SHARES**

Subject to the provisions of Article L 225-181 of the French Commercial Code and Sections 409A, 422 and 424 of the U.S. Internal Revenue Code of 1986, as amended, as applicable, and pursuant to the Shareholders Authorization, the maximum aggregate number of shares which may be optioned and issued is equal to 500,000 (the “**Shares**”) and the maximum number of ISOs which may be optioned and issued is 500,000.

On January 18, 2013, the Board of Directors decided to grant five hundred thousand (500,000) share subscription options (the “**Options**”) to beneficiaries intended to qualify as ISOs.

Should the Options expire or become unexercisable for any reason without having been exercised in full, the unsubscribed Shares which were subject thereto shall, unless the Plan shall have been terminated, become available again for any future grant under the Plan.

Notwithstanding any provisions in the Plan to the contrary, the total number of Options granted but not yet exercised may not give right to subscribe a number of shares exceeding one third of the share capital of the Company.

### **4. BENEFICIARIES**

The President of the Board of Directors (*président du conseil d'administration*), the general manager (*directeur général*) and the deputy general managers (*directeurs généraux délégués*) as well as any individual employed by the Company or by any of its Affiliates, under the terms and conditions of an employment contract, are eligible to receive Options to the extent otherwise legally eligible to receive Options under the Plan.

Incentive Stock Options may only be granted to Beneficiaries of the Company or any of its subsidiaries who meet the definition of “employees” under Section 3401(c) of the U.S. Internal Revenue Code of 1986, as amended.

Subject to the provisions of the French Commercial Code, the Shareholders Authorization, the Plan and the United States Internal Revenue Code of 1986, as amended, the Board of Directors shall have the authority, in its discretion, to determine the Beneficiaries to whom Options may be granted hereunder.

The list of Beneficiaries, with the exact number of Options allocated to each of them has been set by the Board of Directors at its meeting on January 18, 2013 (the “**Beneficiaries**”). Beneficiaries who are

U.S. tax residents are referred to herein as the “**U.S. Beneficiaries**” and Beneficiaries who are French tax residents are referred to herein as the “**French Beneficiaries**”.

Notwithstanding any provisions in the Plan to the contrary, Options may not be granted to Beneficiaries owning more than ten percent (10%) of the Company’s share capital except as permitted under article L 225-185 of the French commercial code.

**5. DATE OF GRANT AND TERM OF THE PLAN**

The date of grant of an Option shall be, for all purposes, the date on which the Board of Directors decides to grant such Option (the “**Date of Grant**”).

The Plan shall be effective as of January 18, 2013, and Options may be granted as of this Date of Grant. Options may be granted thereunder until February 19, 2016. The Plan shall continue in effect until the date of termination of the last Options in force, unless terminated earlier pursuant to Article 13 hereof.

The Company and each Beneficiary shall enter into an Option agreement evidencing the terms and conditions of an individual Options grant (the “**Option Agreement**”). Such Option Agreements shall be subject to the terms and conditions of the Plan. A written notice evidencing the main terms and conditions of an individual Options grant is part of the Option Agreement (the “**Notice of Grant**”). The form of such Option Agreement is attached as Appendix 1.

The grant will be definitive upon the Date of Grant provided that the Notice of Grant and the Option Agreement have been duly initialed (all pages except the signature page) and executed (signature page) by the Beneficiary and returned to the Company within one month following receipt of such documents by the Beneficiary.

**6. OPTIONS EXERCISE PRICE**

The per Share subscription price for the Shares to be issued pursuant to exercise of an Option (the “**Subscription Price**”) shall be determined by the Board of Directors on the Date of Grant on the basis of the fair market value.

The fair market value of one share as provided in the Shareholders Authorization, is deemed to be the closing sales price of one EDAP American Depositary Share listed on the NASDAQ stock market on the day prior to the Date of Grant. Under French law, the Subscription Price shall in no case be less than ninety five per cent (95%) of the average closing sales price of the EDAP American Depositary Shares listed on the NASDAQ stock market calculated on the basis of the last twenty (20) market trading sessions preceding the Date of Grant.

(i) In the case of a Non-Statutory Stock Option or Incentive Stock Option granted to any U.S. Beneficiary, the Subscription Price shall not be less than one hundred per cent (100%) of the fair market value per share on the Date of Grant determined as follows (a) if the shares are listed or quoted for trading on an exchange, the value will be deemed to be the closing or last offer price, as applicable, of the shares on the principal exchange upon which such securities are traded or quoted on the date prior to the Date of Grant, provided, if such date is not a trading day, on the last market trading day prior to such date; and (b) if the shares are not listed or quoted for trading on an exchange, the fair market value of the shares as determined by the Board of Directors, consistent with the requirements of Sections 422 with respect to Incentive Stock Options, and 409A of the Code with respect to Options not intended to be Incentive Stock Options.

(ii) In the case of an “Incentive Stock Option” granted to a U.S. Beneficiary who, at the Date of Grant of the Incentive Stock Option, owns stock representing more than ten percent (10%) of the voting rights of all classes of stock of the Company or any parent or subsidiary of the Company and, to the extent such Beneficiary is permitted by French law to receive Option grants, the per Share subscription price shall be no less than 110% of the fair market value per share on the Date of Grant, as determined for Incentive Stock Options above.

In accordance with applicable French and U.S. law, each Option granted to each Beneficiary, whether a U.S. Beneficiary or a French Beneficiary, gives the right to subscribe to one Share at a Subscription Price corresponding to the greater of: (a) 100% of the fair market value per share on the Date of Grant determined in accordance with (i) above and (b) ninety five per cent (95%) of the average closing sales price of the EDAP American Depositary Shares listed on the NASDAQ stock market calculated on the basis of the last twenty (20) market trading sessions preceding the Date of Grant.

For a Date of Grant on January 18 2013, the Subscription Price per Share is equal to 1.91 Euro.

New shares issued upon exercise must be fully paid-up at subscription.

The Subscription Price may not be modified for the duration of the Plan. However, the number of Shares under option as well as their Subscription Price may be adjusted, in the event that the Company implements one of the transactions set out in article L 225-181 paragraph 2 of the French Commercial Code, and, for U.S. Beneficiaries, in accordance with Sections 409A, 422 and 424 of the U.S. Internal Revenue Code of 1986, as amended, as applicable.

## **7. CONDITIONS PRECEDENT FOR EXERCISE OF THE OPTIONS/CONDITIONS UPON ISSUANCE OF SHARES**

### **7.1 PRESENCE IN THE COMPANY**

#### **7.1.1 Principle**

The Options shall be null and void and may not be exercised by the Beneficiary, without the Company having to proceed with any formalities, in the case the Beneficiary is no longer employed with the Company or its Affiliates, as an employee or a company officer, for more than three (3) months following Termination, as defined below.

For the purpose of the Plan, “**Termination**” shall mean, depending upon the case, the date the Beneficiary’s resignation letter is sent or delivered, the date the Beneficiary’s dismissal letter is sent or the date of his removal as a company officer. Termination does not include leaves of absence which receive a prior approval from the Company. Such leaves of absence shall include leaves of more than three (3) months for illnesses or conditions about which the employee has advance knowledge, military leave, or any other personal leave. For purposes of U.S. Beneficiaries and Incentive Stock Options, no such leave may exceed ninety (90) days, unless reemployment upon expiration of such leave is guaranteed by statute contract or Company policies. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, on the 91st day of such leave any Incentive Stock Option held by a U.S. Beneficiary shall cease to be treated as an Incentive Stock Option and shall be treated for U.S. tax purposes as a Non-Statutory Stock Option.

Upon Termination, the Beneficiary may exercise his Options within a three (3) month period, as specified in the Notice of Grant, and only for the part of the Options that the Beneficiary was entitled to exercise at the date of Termination (but in no event later than the expiration of the term of such Options as set forth in the Notice of Grant). For ISO purposes, such a period cannot exceed three months following the Termination. If, at Termination, the Beneficiary is not entitled to exercise his Options, the Shares covered by the unexercisable portion of Options shall revert to the Plan. If, after

Termination, the Beneficiary does not exercise all of his Options within the time specified in the Notice of Grant, the Options shall terminate, and the Shares covered by such Options shall revert to the Plan.

#### 7.1.2 Exceptions

As an exception to the provisions of Article 7.1.1, in case of death of the Beneficiary, his heirs may exercise the Options within six (6) months as from such death (but in no event later than the expiration of the term of the Option), provided the Beneficiary was authorized to exercise his Options at the time of his death and within the limits of shares allocated and exercisable. If after the death of the Beneficiary, his heirs do not exercise the Options within the six (6) month period, then the Options shall be null and void and the Shares covered by such Options shall revert to the Plan.

As an exception to the provisions of Article 7.1.1, in the event that the Beneficiary's office term or employment relationship is terminated owing to Disability, as such term is defined below, the Beneficiary may exercise his Options at any time within six (6) months from the date of such Termination, but only to the extent that these options are exercisable at the time of Termination (but in no event later than the expiration of the term of such Options). If, at the date of Termination, the Beneficiary is not entitled to exercise all of his Options, the Shares covered by the unexercised portion of Options shall revert to the Plan. If after Termination, the Beneficiary does not exercise all of his or her Options within the time specified herein, the Options shall terminate, and the Shares covered by such Options shall revert to the Plan.

Similarly, the provisions of Article 7.1.1 are not applicable in the event that the Beneficiary decides to retire or his employer decides to pension him as defined in Article L 1237-5 of the French Labor Code. However, three months following such retirement any Incentive Stock Option held by a U.S. Beneficiary shall cease to be treated as an Incentive Stock Option and shall be treated for U.S. tax purposes as a Non-Statutory Stock Option.

For the purposes of this Article 7.1.2 and Article 9.3 of the Plan:

“Disability” means disability as determined in categories 2 and 3 under Article L. 341-4 of the French Social Security Code and subject to the fulfillment of related conditions.

“Retirement” means that the employee has reached the age provided in Article L 1237-5 of the French Labor Code and qualifies for a full pension subject to the fulfillment of related conditions, or any similar provision applicable to a foreign Affiliated Company.

## **8. TERMS AND CONDITIONS OF EXERCISE OF THE OPTIONS**

### **8.1 EXERCISE RIGHT SUSPENSION**

The Board of Directors may suspend the right to exercise the Options for a maximum duration of three (3) months in case transactions mentioned in Article L. 225-149-1, al. 1 of the French Commercial Code are carried out.

Beneficiaries will be informed of such suspension period in accordance with Article R. 225-133 of the French Commercial Code.

In the event that the term of the Options expires or terminates the Option occurs during the suspension period, the term of the Options may be postponed until one (1) more month following the suspension period. For US Beneficiaries, the term of the option cannot exceed 10 years, regardless of suspension.

## 8.2 SCHEDULE FOR EXERCISING OF THE OPTIONS

### 8.2.1 Principle

The Options vest as follows:

- The first quarter of the Options, as from the expiration of a period of one (1) year as from the Date of Grant of the Options by the Board of Directors, i.e. at the earliest on January 18, 2014 ;
- the second quarter of the Options at the expiration of a period of two (2) years as from the Date of Grant of the Options by the Board of Directors, i.e. at the earliest on January 18, 2015 ;
- the third quarter of the Options at the expiration of a period of three (3) years as from the Date of Grant of the Options by the Board of Directors, i.e. at the earliest on January 18, 2016 ;
- the fourth quarter of the Options at the expiration of a period of four (4) years as from the Date of Grant of the Options by the Board of Directors, i.e. at the earliest on January 18, 2017 ; and
- at the latest within ten (10) years as from the Date of Grant.

The number of Options that may be exercised pursuant to the above vesting schedule will always be rounded down to the nearest full number.

If the Beneficiary fails to exercise the Options in whole or in part within the said period of ten (10) years, the Options will lapse automatically.

### 8.2.2. Exceptions

By way of exception, the provisions of Article 8.2.1 shall not be applicable in the case any of the following operations is implemented:

- tender offer, within the meaning of article L 433-1 of the French Monetary and Financial Code, relating to the shares of the Company or, as long as the shares of the Company are listed on the National Association of Securities Dealers Automated Quotation (NASDAQ), any similar operation carried out according to the NASDAQ regulations ;
- exchange offer, within the meaning of article L 433-1 of the French Monetary and Financial Code, relating to the shares of the Company or, as long as the shares of the Company are listed on the NASDAQ, any similar operation carried out according to the NASDAQ regulations ;
- cash tender and exchange offer relating in part to a cash tender offer and in part to an exchange offer or, as long as the shares of the Company are listed on the NASDAQ, any similar operation carried out according to the NASDAQ regulations ;
- buyout offer within the meaning of article L 433-4 of the French Monetary and Financial Code, relating to the shares of the Company or, as long as the shares of the Company are listed on the National Association of Securities Dealers Automated Quotation (NASDAQ), any similar operation carried out according to the NASDAQ regulations.

In the cases mentioned above, the Beneficiaries shall be entitled to exercise their Options in one or several times as from the date of delivery of the initial offer (tender offer, exchange offer, cash tender and exchange offer and similar operations on the NASDAQ) to the relevant authority.

Moreover, as an exception to the exercise schedule provided in Article 8.2.1 above, in case of death of the Beneficiary, his heirs may exercise the Options within a period of six (6) months as from the death of the Beneficiary, pursuant to Article 7.1.2.

## 8.3. TIME LIMIT FOR THE EXERCISE OF THE OPTIONS

The Options shall be exercised by the Beneficiary before the end of a period of ten (10) years as from the Date of Grant, i.e. before January 18, 2023 for a Date of Grant on January 18, 2013.



#### **8.4. TERMS OF EXERCISE OF THE OPTIONS**

(i) The Options may only be exercised if all the conditions provided under Articles 7 and 8 of the Plan are satisfied on the date of exercise of the Options.

(ii) In order to exercise its Options, the Beneficiary shall send to the legal representative of the Company, a notification indicating the number of Options that he wishes to exercise. The consideration for the Shares to be issued upon exercise of Options shall be paid either by wire transfer or bank check payable to the Company in an amount equal to the aggregate Subscription Price.

(iii) Furthermore, in the event that the sale of Shares under this Plan is not registered under the U.S. Securities Act but an exemption is available which requires an investment representation or other representation, the Beneficiary shall represent and agree at the time of exercise that the Shares being acquired upon exercising this Option are being acquired for investment, and not with a view to the sale or distribution thereof, and shall make such other representations as are deemed necessary or appropriate by the Company and its counsel.

(iv) Nevertheless, the aggregate fair market value of the Shares covered by Incentive Stock Options granted under the Plan or any other stock option program of the Company (or any parent or subsidiary of the Company) that become exercisable for the first time in any calendar year shall not exceed USD 100,000. To the extent the aggregate fair market value of such shares exceeds USD 100,000, the Options covering those Shares the fair market value of which causes the aggregate fair market value of all such Shares to be in excess of USD 100,000 shall be treated as Non-Statutory Stock Options. Incentive Stock Options shall be taken into account in the order in which they were granted, and the aggregate fair market value of the Shares shall be determined as of the Date of the Grant.

(v) The Beneficiary will have the ownership and the enjoyment of the Shares on the date of exercise of the Options.

(vi) As the Company is listed on the NASDAQ market, the Beneficiary will be responsible for converting the newly issued ordinary shares of the Company into American Depositary Receipt (ADRs) upon exercise of his Options.

#### **9. CONDITIONS OF HOLDING AND SALE OF THE SHARES**

##### **9.1. U.S. SECURITIES LAW RESTRICTIONS**

The Shares to be issued from exercised Options have not been registered under the U.S. Securities Act and may not be offered or sold in the United States or to U.S. persons unless the Shares are registered under the U.S. Securities Act, or an exemption from the registration requirements of the U.S. Securities Act is available.

Notwithstanding any other provision of the Plan or any agreement entered into by the Company pursuant to the Plan, the Company shall not be obligated, and shall have no liability for failure, to register, issue or deliver any Shares under the Plan unless such issuance or delivery would comply with applicable U.S. state and Federal laws, including securities laws, and the U.S. Internal Revenue Code of 1986, as amended, with such compliance determined by the Company in consultation with its legal counsel.

Regardless of whether the offering and sale of shares under this Plan have been registered under the U.S. Securities Act or have been registered or qualified under the securities laws of any U.S. state, the Company at its discretion may impose restrictions upon the sale, pledge or other transfer of such shares (including the placement of appropriate legends on stock certificates or the imposition of stop-transfer instructions) if, in the judgment of the Company, such restrictions are necessary or desirable

in order to achieve compliance with the U.S. Securities Act, the securities laws of any state or any other law.

## **9.2 EXECUTIVE OFFICERS OF THE COMPANY**

Without prejudice to the above, Shares subscribed following the exercise of Options by the Chairman of the Board (*président du conseil d'administration*), the Chief Executive Officer (*directeur général*), and other executive officers (*directeurs généraux délégués*) of the Company or of an Affiliated Company having its registered office in France, must be held in registered form and must not be sold, leased or converted to bearer shares until the mandate as executive officer is over, as follows :

- during a 12 months period from exercise of the Options, 40 % of the Options granted must be held in registered form and must not be sold ;
- then at the end of this 12 months period and until mandate is over, 20 % of the Options granted must be held in registered form and must not be sold.

## **9.3 FRENCH TAX RESTRICTIONS**

The Shares to be issued pursuant to the exercise of Options by a French Beneficiary shall be held in registered form and shall not be sold prior to the earlier of four (4) years from the Date of Grant of the Option without exceeding three (3) years from the date of exercise of the Option. However, the Board of Directors shall decide not to apply such restriction to French Beneficiaries, provided that no applicable French law or regulation provides for a time restriction on the sale of the Shares to be issued pursuant to the exercise of Options.

However, this restriction on the sale of the Shares will not be applicable in case of death or Disability. In addition, this restriction will not be applicable in case of dismissal or Retirement of the French Beneficiary, if the options have been exercised within three months following the date of dismissal or Retirement.

In the event that a Beneficiary infringes one of the above mentioned commitments, such French Beneficiary shall be liable for any consequences resulting from such infringement for the Company and undertakes to indemnify the Company in respect of all amounts payable by the Company in connection with such infringement.

For the purposes of this Article 9.3, the terms “Disability” and “Retirement” shall have the meaning ascribed to them in Article 7.1.2 of the Plan.

The terms of this Article 9.3 remain subject to the terms and conditions of Article 9.1.

## **10. PROTECTION OF THE INTERESTS OF THE BENEFICIARY**

### **10.1 GENERAL PROVISIONS**

In the event of the carrying out by the Company of any of the financial operations pursuant to article L. 225-181 of the French Commercial Code as follows:

- amortization or decrease of the share capital,
- modification to the allocation of profits,
- distribution of free shares,
- capitalization of reserves, profits, issuance premiums,
- the issuance of shares or securities giving right to shares to be subscribed for in cash or by set-off of existing indebtedness offered exclusively to the shareholders,

the Company shall take the required measures to protect the interest of the Beneficiaries in the conditions set forth in article L. 228-99 of the French Commercial Code.

The adjustment will be made in accordance with the provisions of Article R. 228.91 of the French Commercial Code. In addition, all assumptions and substitutions of Incentive Stock Options shall be determined in accordance with Sections 422 and 424 of the U.S. Internal Revenue Code of 1986, as amended.

## **10.2 ABSORPTION OF THE COMPANY**

### **10.2.1 Transfer of the commitments to the Beneficiary(ies) of the contributions**

In the case the Company is absorbed by another company, merges with one or several other companies to form a new company or split off, the company(ies) that benefit(s) from the contributions could substitute the Company for its duties toward the Beneficiary. In this case, the number and the price of the shares under option shall be determined either by applying the exchange ratio used for the operation, or by applying other terms and conditions defined by the parties to the operation. For U.S. Beneficiaries, this will be determined under Sections 422, 424 and 409A of the U.S. Internal Revenue Code of 1986, as amended.

### **10.2.2 Absence of transfer of the commitments to the Beneficiary(ies) of the contributions**

In the case the company(ies) that benefit(s) from the contributions decide(s) not to substitute the Company for its duties toward the Beneficiary, the provisions of Article 8 hereof will not be applicable.

In this case, the Options may be exercised by the Beneficiary within the period notified to him by the Board of Directors by registered letter with acknowledgement of receipt or letter with discharge. Failing that, the share subscription will be null and void.

## **11. REMOVAL FROM LISTING**

The shares of the Company no longer being listed on the NASDAQ market or listed on another exchange shall not challenge the rights and obligations of the Beneficiaries as they are provided herein.

## **12. UNAVAILABILITY AND NON-TRANSFERABILITY OF THE OPTIONS**

Pursuant to Article L 225-183, paragraph 2 of the French Commercial Code, until the Option has been exercised by the Beneficiary, the corresponding rights are unavailable.

An Option may not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner other than by will or by laws of descent or distribution and may be exercised, during the lifetime of the Beneficiary, only by the Beneficiary.

However, as it is provided in Article 7.1.2 hereof, in case of death of the Beneficiary, his heirs may exercise the Options within a period of six (6) months as from the death of the Beneficiary.

**13. AMENDMENT AND TERMINATION OF THE PLAN**

(a) Amendment and Termination

The Board of Directors may at any time amend, alter, suspend or terminate the Plan to the extent necessary and desirable to comply with applicable French or U.S. legal requirements.

(b) Effect of amendment and termination

No amendment, alteration, suspension or termination of the Plan shall impair the rights of any Beneficiary, unless mutually agreed otherwise between the Beneficiary and the Board of Directors, which agreement must be in writing and signed by the Beneficiary and the Company.

**14. LIABILITY OF THE COMPANY**

14.1. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by any counsel to the Company to be necessary to the lawful issuance or sale of any shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such shares as to which such requisite authority shall not have been obtained.

14.2. The Company and its Affiliates may not be held responsible in any way if the Beneficiary for any reason not attributable to the Company or its Affiliates was not able to exercise the Options or subscribe the Shares.

14.3. Each Beneficiary understands that the Beneficiary may suffer adverse tax consequences as a result of the subscription or disposition of the Beneficiary's Shares, for which the Company and its Affiliates shall not be held responsible. In this respect, each Beneficiary undertakes that it is not relying on the Company for any tax advice.

**15. INDEPENDENCE OF THE CLAUSES**

If any provision hereof is held prohibited or void, at any time, by a competent authority or judicial body, this shall not challenge the remaining provisions that shall be considered as independent and as having been written or rewritten, depending upon the case, without this prohibited or void provision.

**16. INTERPRETATION**

It is intended that Options granted under the Plan shall qualify for the favorable tax and social security charges treatment applicable to Options granted under Sections L. 225-177 to L. 225-186-1 of the French Commercial Code, the French Tax Code and the French Social Security Code as amended and, for U.S. Beneficiaries, it is intended that the Options shall qualify as Incentive Stock Options under the U.S. Internal Revenue Code of 1986, as amended.

The terms of the Plan shall be interpreted accordingly and in accordance with the relevant provisions set forth by French tax and social security laws (in particular, Sections 80 quaterdecies of the French Tax Code), as well as the French tax and social security administrations and the relevant guidelines released by the French tax and social insurance authorities and subject to the fulfilment of legal, tax and reporting obligations.

**17. APPLICABLE LAW AND COMPETENT TRIBUNALS**

This Plan shall be governed by and construed in accordance with the laws of France.

The tribunals located within the jurisdiction of the Court of Appeal of LYON shall be exclusively competent to determine any claim or dispute arising in connection herewith.

EDAP TMS SA  
4 rue du Dauphiné  
69120 Vaulx-en-Velin,  
France

Vaulx-en-Velin, April 24, 2013

Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington, D.C. 20549

Re: 2004 Share Purchase Option Plan, 2007 Share Subscription Option Plan, 2010 Share Purchase Option Plan and 2013 Share Subscription Option Plan

Ladies and Gentlemen:

I am the Legal Affairs Officer of EDAP TMS SA (the “Company”), a company incorporated in the Republic of France. In that capacity, I have acted as counsel for the Company in connection with the 2004 Share Purchase Option Plan, the 2007 Share Subscription Option Plan, 2010 Share Purchase Option Plan and the 2013 Share Subscription Option Plan (collectively, the “Plans”). In that regard, the Company is filing a registration statement on Form S-8 to register the following number of ordinary shares of the Company, par value €0.13 per share (the “Shares”) issuable to employees of the Company and direct and indirect subsidiaries of the Company: 124,000 shares under the 2004 Share Purchase Option Plan, 512,750 shares under the 2007 Share Subscription Option Plan, 174,100 shares under the 2010 Share Purchase Option Plan and 500,000 shares under the 2013 Share Subscription Option Plan. This opinion is limited to the laws of France and is provided to you solely for your benefit as a supporting document for the Shares.

In furnishing this opinion, I or lawyers under my supervision have examined such documents, corporate records and other agreements, instruments or opinions as I have deemed necessary for purposes of this opinion. In this examination, I have assumed the genuineness of all signatures, the authenticity of all documents submitted to me as original documents and the conformity to original documents of all documents submitted to me as copies. On the basis of the foregoing, I am of the opinion that the Shares have been duly authorized and, when issued or delivered and sold in accordance with the respective Plans, will be validly issued, fully-paid and non-assessable.

I do not purport to be an expert on the laws of any jurisdiction other than the laws of the Republic of France, and I express no opinion herein as to the effect of any other laws.

I hereby consent to the filing of this opinion as Exhibit 5.1 to the Registration Statement on Form S-8 that the Company is filing with the United States Securities and Exchange Commission with respect to the Shares. By giving my consent, I do not thereby admit that I am within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations promulgated thereunder.

Very truly yours,

/s/ Blandine Confort  
Name: Blandine Confort  
Title: Legal Affairs Officer

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We hereby consent to the incorporation by reference in this Registration Statement on Form S-8 of our report dated April 2, 2013 relating to the financial statements, which appears in EDAP TMS S.A.'s Annual Report on Form 20-F for the year ended December 31, 2012.

Lyon, France, April 24, 2013

PricewaterhouseCoopers Audit

Represented by  
/s/ Nicolas Brunetaud  
Nicolas Brunetaud

**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference into the Registration Statement on Form S-8 of EDAP TMS S.A. of our report dated April 26, 2012, relating to the consolidated financial statements of EDAP TMS S.A. as of December 31, 2011 and for each of the years in the two-year period then ended of EDAP TMS S.A., appearing in the Annual Report on Form 20-F of EDAP TMS S.A. for the year ended December 31, 2012.

ERNST & YOUNG Audit

/S/ Nicolas Sabran

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Represented by  
Nicolas Sabran

April 24th, 2013

**POWER OF ATTORNEY**

Reference is hereby made to the proposed registration by EDAP TMS S.A. under the U.S. Securities Act of 1933, as amended, of ordinary shares, nominal value €0.13 each of EDAP TMS S.A., that may be issued pursuant to the EDAP TMS S.A. 2004 Stock Option Plan, EDAP TMS S.A. 2007 Stock Option Plan, EDAP TMS S.A. 2010 Stock Option Plan and EDAP TMS S.A. 2013 Stock Option Plan (such ordinary shares, the "Option Shares"). Such Option Shares will be registered on a registration statement on Form S-8 (the "Registration Statement") and filed with the U.S. Securities and Exchange Commission (the "SEC").

KNOW ALL PERSONS BY THESE PRESENTS that each person whose signature appears below hereby constitutes and appoints Marc Oczachowski as such person's true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for such person and in such person's name, place and stead, in any and all capacities, to sign the Registration Statement and any and all amendments and post-effective amendments thereto and to file the same, with exhibits thereto and any and all other documents that may be required in connection therewith, with the SEC, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as such person might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or any substitutes therefore, may lawfully do or cause to be done by virtue hereof.

This Power of Attorney may be executed in multiple counterparts, each of which shall be deemed an original, but which taken together, shall constitute one instrument.

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| <b>Date</b>    | <b>Signature</b>                                  | <b>Title</b>  |
|----------------|---|---|
| April 1, 2013  | <u>/s/ MARC OCZACHOWSKI</u><br>Marc Oczachowski   | Chief Executive Officer (principal executive officer) and Director                        |
| April 1, 2013  | <u>/s/ ERIC SOYER</u><br>Eric Soyer               | Chief Financial Officer<br>(principal financial officer and principal accounting officer) |
| April 1, 2013  | <u>/s/ PHILIPPE CHAUVEAU</u><br>Philippe Chauveau | Chairman of the Board of Directors  |
| April 1, 2013  | <u>/s/ PIERRE BEYSSON</u><br>Pierre Beysson       | Director  |
| , 2013         | _____<br>Rob Michiels                             | Director  |
| April 1, 2013  | <u>/s/ ARGIL WHEELLOCK</u><br>Argil Wheelock      | Director  |
| April 22, 2013 | <u>/s/ JEFF HOWELL</u><br>Jeff Howell             | Authorized Representative<br>in the United States   |