

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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'Activités la Poudrette-Lamartine

4/6, rue du Dauphiné

69120 Vaulx-en-Velin, France

(Address of Principal Executive Offices) (Zip Code)

EDAP TMS S.A.

2019 Stock-Option Subscription Plan

2019 Stock-Option Purchase Plan

(Full title of the plan)

EDAP Technomed Inc.

5321 Industrial Oaks Blvd, Suite 110

Austin, TX 78735, USA

Tel: +1 (512) 832 7956

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Blandine Confort

EDAP TMS S.A.

4/6, rue du Dauphiné

69120 Vaulx-en-Velin, France

+33 (0) 4 72 15 31 50

Linda Hesse

JONES DAY

2 rue Saint-Florentin

75001 Paris, France

+33 (0) 1 56 59 38 72

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

Large accelerated filer
Non-accelerated filer

Accelerated filer
Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

CALCULATION OF REGISTRATION FEE

Title of securities to be registered	Amount to be registered (2)	Proposed maximum offering price per share	Proposed maximum aggregate offering price	Amount of registration fee
Ordinary Shares, €0.13 nominal value per share ⁽¹⁾ reserved for issuance upon exercise of outstanding share options granted under the Stock Option Plans identified on the cover of this Registration Statement:				
- 2019 Stock-Option Subscription Plan	1,000,000	\$6.81 ⁽³⁾	\$6,810,000.00	\$742.97
- 2019 Stock-Option Purchase Plan	292,428	\$6.81 ⁽³⁾	\$1,991,434.68	\$217.27
Total	1,292,428	-	\$8,801,434.68	\$960.24

- (1) The Ordinary Shares being registered under this registration statement may be represented by the Registrant's American Depositary Shares. Each American Depositary Share represents one Ordinary Share. American Depositary Shares issuable upon deposit of the Ordinary Shares registered hereby were registered pursuant to a separate Registration Statement on Form F-6EF (File No. 333-176843).
- (2) 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, of the Registrant, as may become issuable pursuant to the anti-dilution provisions of the Registrant's equity plan described herein.
- (3) Calculated in accordance with Rule 457(h) based on the exercise price of the options, i.e., €5.59 the exercise price was converted from Euros into U.S. dollars based upon the exchange rate of one Euro expressed in U.S. dollars as \$1.2174, as set forth in the release of the European Central Bank on June 10, 2021.

PART I
INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

The documents containing the employee benefit plan information and other information required by Part I of Form S-8 will be included in documents sent or given to participants in the Plan as specified by Rule 428 under the Securities Act. In accordance with Rule 428 under the Securities Act and the requirements of Part I of Form S-8, such documents are not being filed with the Securities and Exchange Commission (the “*Commission*”) either as a part of this registration statement on Form S-8 (this “*Registration Statement*”) or as a prospectus or prospectus supplement pursuant to Rule 424 under the Securities Act. The Registrant will maintain a file of such documents in accordance with the provisions of Rule 428 under the Securities Act. Upon request, the Registrant will furnish to the Commission or its staff a copy or copies of all of the documents included in such file.

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, 2020, filed April 7, 2021 (Commission File No. 000-29374), (the “*2020 Form 20-F*”);
- (b) The Registrant’s Report on [Form 6-K](#) furnished to the Commission on May 11, 2021; and
- (c) The description of the Registrant’s ordinary shares, nominal value €0.13 per share, set forth under “Memorandum and Articles of Association” in [Item 10](#), the description of the Registrant’s American Depositary Shares set forth under “American Depositary Shares” in [Item 12](#) of the Registrant’s 2020 Form 20-F and the description of securities registered under Section 12 of the Exchange Act in [Exhibit 2.3](#) of the 2020 Form 20-F.

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 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.

Item 6. Indemnification of Directors and Officers.

Under French law, provisions in the By-laws that limit the liability of directors and officers are ineffective. However, French law allows *sociétés anonymes* to contract for and maintain liability insurance against civil liabilities incurred by any of their directors and officers involved in a third-party action, provided that they acted in good faith and within their capacities as directors or officers of the company. Criminal liability cannot be indemnified under French law, whether directly by the company or through liability insurance. Such rules apply to executive and supervisory board members.

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. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to the Registrant's directors, officers and controlling persons, the Registrant has been advised that, in the opinion of the Commission, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

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 7, 2021)
4.2	EDAP TMS S.A. 2019 Form of Stock-Option Subscription Plan
4.3	EDAP TMS S.A. 2019 Form of Stock-Option Purchase Plan
5.1	Opinion of Blandine Confort, Legal Affairs Officer of the Registrant
23.1	Consent of KPMG S.A.
23.2	Consent of Blandine Confort (included in Exhibit 5.1)
24.1	Power of Attorney (included in the signature pages herein)

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 Securities 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, 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 Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, 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 June 16, 2021.

EDAP TMS S.A.

By: /s/ MARC OCZACHOWSKI

Marc Oczachowski
Chief Executive Officer

By: /s/ FRANCOIS DIETSCH

François Dietsch
Chief Financial Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS that each person whose signature appears below severally constitutes and appoints Marc Oczachowski and François Dietsch, and each of them singly, as his/her true and lawful attorneys, with full power to any of them, and to each of them singly, to sign for him/her and in his/her names in the capacities indicated below any and all pre-effective and post-effective amendments to this Registration Statement on Form S-8, under the Securities Act of 1933, as amended, in connection with the registration under the Securities Act of 1933, as amended, of equity securities of EDAP TMS S.A., and to file or cause to be filed the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as each of them might or could do in person, and hereby ratifying and confirming all that said attorneys, and each of them, or their substitute or substitutes, shall do or cause to be done by virtue of this Power of Attorney.

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 indicated.

Date: June 16, 2021	<u>/s/ MARC OCZACHOWSKI</u> Marc Oczachowski Chief Executive Officer (Principal Executive Officer) and Chairman of the Board of Directors
Date: June 16, 2021	<u>/s/ FRANCOIS DIETSCH</u> François Dietsch Chief Financial Officer (Principal Financial and Accounting Officer)
Date: June 16, 2021	<u>/s/ PIERRE BEYSSON</u> Pierre Beysson Director
Date: June 16, 2021	<u>/s/ MARIE MEYNAUDIER</u> Marie Meynadier Director
Date: June 16, 2021	<u>/s/ ROB MICHIELS</u> Rob Michiels Director
Date: June 16, 2021	<u>/s/ ARGIL WHEELLOCK</u> Argil Wheelock Director

AUTHORIZED REPRESENTATIVE IN THE UNITED STATES

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement on Form S-8 has been signed by the undersigned as the duly authorized representative in the United States of EDAP TMS S.A. in Austin, Texas, on June 16, 2021.

/s/
TIMOTHY
HEYER

Timothy Heyer
Vice President – Services & Application
EDAP Technomed Inc.

EXHIBIT INDEX

<u>4.2</u>	<u>EDAP TMS S.A. 2019 Stock-Option Subscription Plan</u>
<u>4.3</u>	<u>EDAP TMS S.A. 2019 Stock-Option Purchase Plan</u>
<u>5.1</u>	<u>Opinion of Blandine Confort, Legal Affairs Officer of the Registrant</u>
<u>23.1</u>	<u>Consent of KPMG SA</u>
<u>23.2</u>	<u>Consent of Blandine Confort (included in Exhibit 5.1)</u>
<u>24.1</u>	<u>Power of Attorney (included in the signature pages herein).</u>

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
 (the “**Company**”)
 Capital of 4,373,013.32 Euros
 Headquarters : Parc d’Activité de La Poudrette Lamartine,
 4, rue du Dauphiné, 69120 VAULX-EN-VELIN
 316488204 RCS LYON

SHARE SUBSCRIPTION OPTION PLAN

Ordinary and Extraordinary Assembly Meeting June 28, 2019

Board of Directors: June 11, 2021

1. GENERAL

In accordance with the authorization granted by the ordinary and extraordinary general shareholders’ meeting of June 28, 2019 (the “**Shareholders Authorization**”), the Board of Directors decided on **June 11, 2021**, 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, one million (1,000,000) options to subscribe to a maximum of one million (1,000,000) 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**”):

The authorization granted by the shareholders on June 28, 2019 is valid until August 28, 2022 unless terminated earlier.

2. PURPOSES OF THE PLAN

We wish to motivate and reward EDAP’s teams who will be entirely dedicated to successfully perform our U.S. as well as our worldwide business goals. 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 (as such term is defined below) 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 (the “**U.S. Code**”), 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. Code, as applicable, and pursuant to the Shareholders Authorization, the maximum aggregate number of shares which may be optioned and issued is equal to **1,000,000** (the “**Shares**”) and the maximum number of ISOs which may be optioned and issued is 1,000,000.

On June 11, 2021, the Board of Directors decided to grant one million (1,000,000) 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 prior to August 28, 2022, become available again for any future grant under the Plan to be made in accordance with the Shareholders Authorization.

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 Chairman of the Board of Directors (*Président du Conseil d’administration*), the Chief Executive Officer (*Directeur Général*) and other deputy executive officers (*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 and in the Shareholders Authorization.

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. Code.

Subject to the provisions of the French Commercial Code, the Shareholders Authorization, the Plan and the U.S. Code, 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 June 11, 2021 (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**”).

No Option may be granted less than twenty (20) trading sessions after the detachment of a coupon entitling the holder to a dividend or a capital increase.

The Plan shall be effective as of June 11, 2021, and Options may be granted as of such date (which is the Date of Grant for the Options that the Board of Directors decided to grant to Beneficiaries on June 11, 2021) until August 28, 2022, unless terminated earlier. 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 U.S. 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 one hundred and ten percent (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, excluding options covered by paragraph (ii) above, 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 June 11, 2021, the Subscription Price per Share is equal to 5.59 Euros.

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. Code, 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 Non-Statutory Stock Options, no such leave may exceed ninety (90) days and for Incentive Stock Options, no such leave may exceed three (3) months, unless, in each case, 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 first day after such period, 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 become available again for any future grant in accordance with Article 3. 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 become available again for any future grant in accordance with Article 3.

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 or the Options expiration date, then the Options shall be null and void and the Shares covered by such Options shall become available again for any future grant in accordance with Article 3.

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 become available again for any future grant in accordance with Article 3. 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 become available again for any future grant in accordance with Article 3.

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 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, and for ISOs, as defined under Section 22(e)(3) of the U.S. Code.

“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 during the suspension period, the term of the Options may be postponed until one (1) more month following the suspension period. For U.S. 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 become exercisable as follows:

- one-sixth of the Options, at the expiration of a period of six (6) months as from the Date of Grant of the Options by the Board of Directors (the “**6 Month Anniversary**”); and
- with respect to the remaining five-sixths of the Options, one-thirty-sixth of the Options, each at the expiration of successive one (1) month periods as from the 6 Month Anniversary; 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:

- a) 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;
- b) 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;
- c) 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;
- d) 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; or
- e) in the event of a merger of the Company into another corporation or of the sale by one or several shareholders, acting alone or in concert, of the Company to one or several third parties of a number of shares resulting in a transfer of more than fifty per cent (50%) of the shares of the Company to said third parties (a “**Change in Control**”). Notwithstanding the foregoing, a Change in Control must also constitute a “change in control event,” as defined in Treasury Regulation §1.409A-3(i)(5) with respect to any compensation or benefit that is subject to Section 409A of the U.S. Code.

In the cases mentioned in clauses a) through d) above, the Beneficiaries shall be entitled to exercise all of their unexercised 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 until the end of the expiration of the term of the Options.

In the case of a Change in Control as mentioned in clause e) above, unless otherwise decided by the Board of Directors, all of the Options that remain unexercisable as of immediately prior to the completion of the Change in Control shall become exercisable immediately prior to the completion of the Change in Control. Such fully exercisable Options shall then be subject to the terms set forth in Article 10.2.

Moreover, as exceptions to the exercise schedule provided in Article 8.2.1 above, (a) if an employment agreement entered into between the Company or a subsidiary and the Beneficiary provides for special vesting treatment upon a Covered Termination (as such term is defined in such employment agreement), the Options shall become exercisable as to the number of Options that would otherwise have become exercisable within the twelve month period immediately following the Covered Termination in accordance with Article 8.2.1 above as if the Beneficiary had remained in continuous service with the Company or a subsidiary during such period and (b) 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, e.g., before June 11, 2031 for a Date of Grant on June 11, 2021.

When a US Beneficiary, at the Date of Grant, holds greater than 10% of the share capital of the Company, and to the extent that it is eligible for grants under the Plan pursuant to US applicable regulations, the Options are exercisable for up to five (5) years from the Date of Grant. The terms of ten (10) and five (5) years, respectively, may not be exceeded, including in the case of early exercise in the event of death or disability of the Beneficiary.

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 his or her Options, the Beneficiary shall send to the legal representative of the Company, a notification indicating the number of Options that he or she 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 remain Incentive Stock Options. 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 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 been registered under the U.S. Securities Act and may be offered or sold in the United States or to U.S. persons as defined under Rule 902 of the U.S. Securities Act.

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. Code, 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, 10% of the 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 deputy 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.

The amount of Shares to be held shall be determined by taking into account all the shares already held pursuant to the requirements of the previous plans.

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. Code.

10.2 ABSORPTION OF THE COMPANY

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

In the case of a Change in Control or the Company is otherwise 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 itself for the Company with respect to 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, as applicable, in accordance with Sections 422, 424 and 409A of the U.S. Code.

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 itself for the Company with respect to its duties toward the Beneficiary, 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 Options will terminate. For U.S. Beneficiaries, this will be determined in accordance with Sections 422, 424 and 409A of the U.S. Code.

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

Subject to Article 13(b) hereof, the Board of Directors may at any time amend, alter, suspend or terminate the Plan to the extent permitted by applicable French or U.S. laws.

(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. Furthermore, to the extent any amendment or alteration of the Plan would prevent any Options that were intended to qualify as ISOs from so qualifying under the U.S. Code, such amendment or alteration shall be null and void with respect to such Options.

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. Code.

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.

APPENDIX 1
FORM OF OPTION AGREEMENT

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
 (the “**Company**”)
 Capital of 4,373,013.32 Euros
 Headquarters : Parc d’Activité de La Poudrette Lamartine,
 4, rue du Dauphiné, 69120 VAULX-EN-VELIN
 316488204 RCS LYON

SHARE PURCHASE OPTION PLAN

Ordinary and Extraordinary Assembly Meeting June 28, 2019

Board of Directors: June 11, 2021

1. GENERAL

In accordance with the authorization granted by the ordinary and extraordinary general shareholders’ meeting of June 28, 2019 (the “**Shareholders Authorization**”), the Board of Directors decided on **June 11, 2021**, 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 purchase option plan as set out below, and
- to grant, on one or several occasions, two hundred ninety-two thousand four hundred and twenty-eight (292,428) options giving the right to purchase a maximum of two hundred ninety-two thousand four hundred and twenty-eight (292,428) 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**”):

The authorization granted by the shareholders on June 28, 2019 is valid until August 28, 2022 unless terminated earlier.

2. PURPOSES OF THE PLAN

We wish to motivate and reward EDAP’s teams who will be entirely dedicated to successfully perform our U.S. as well as our worldwide business goals. To this end, the Board of Directors wishes to implement an incentive stock option program in favor of EDAP’s 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.

3. SHARES SUBJECT TO THE PLAN AND NUMBER OF OPTIONS TO PURCHASE SHARES

The Board of Directors is authorized to use shares (i) that the Company already holds for having duly acquired them for allocation to employees and corporate officers pursuant to Article L.225-177 of the French Commercial Code, and (ii) for which the options, duly granted within one year of the acquisition of the shares, may no longer be exercised.

Subject to the provisions of Article L. 225-181 of the French Commercial Code, as applicable, and pursuant to the Shareholders Authorization, the maximum aggregate number of shares which may be optioned and issued is equal to **358,528** (the “**Shares**”).

On June 11, 2021, the Board of Directors decided to grant two hundred ninety-two thousand four hundred and twenty-eight (292,428) share purchase options (the “**Options**”) to Beneficiaries, this amount being the available balance of this authorization.

Should the Options expire or become unexercisable for any reason without having been exercised in full, the unpurchased Shares which were subject thereto shall, unless the Plan shall have been terminated prior to August 28, 2022, become available again for any future grant under the Plan to be made in accordance with the Shareholders Authorization.

4. BENEFICIARIES

The Chairman of the Board of Directors (*président du conseil d’administration*), the Chief Executive Officer (*directeur général*) and other deputy executive officers (*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 and in the Shareholders Authorization.

Subject to the provisions of the French Commercial Code, the Shareholders Authorization and the Plan, 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, who are French tax residents, with the exact number of Options allocated to each of them has been set by the Board of Directors at its meeting on June 11, 2021 (the “**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**”).

No Option may be granted less than twenty (20) trading sessions after the detachment of a coupon entitling the holder to a dividend or a capital increase.

The Plan shall be effective as of June 11, 2021, and Options may be granted as of such date (which is the Date of Grant for the Options that the Board of Directors decided to grant to Beneficiaries on June 11, 2021) until August 28, 2022. The Plan shall continue in effect until the date of termination of the last Option 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 exercise price of each option to purchase shares (the “**Purchase Price**”) shall be set by the Board of Directors on the Date of Grant, by reference to the closing share price on the NASDAQ on the day preceding the Date of Grant, which may not be less than:

- 95% of the average price of the ADS of the Company listed on the NASDAQ stock market over the twenty (20) trading days preceding the Date of Grant, and
- 95% of the average purchase price of shares purchased by the Company for allocation to employees or corporate officers.

For a Date of Grant on June 11, 2021, the Purchase Price per Share is equal to 5.59 Euros.

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

The Purchase Price may not be modified for the duration of the Plan. However, the number of Shares under option as well as their Purchase 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.

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.

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). If, at Termination, the Beneficiary is not entitled to exercise his Options, the Shares covered by the unexercisable portion of Options shall become available again for any future grant in accordance with Article 3. 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 become available again for any future grant in accordance with Article 3.

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 or the Options expiration date, then the Options shall be null and void and the Shares covered by such Options shall become available again for any future grant in accordance with Article 3.

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 become available again for any future grant in accordance with Article 3. 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 become available again for any future grant in accordance with Article 3.

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.

For the purposes of this Article 7.1.2 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 during the suspension period, the term of the Options may be postponed until one (1) more month following the suspension period.

8.2 SCHEDULE FOR EXERCISING OF THE OPTIONS

8.2.1 Principle

The Options become exercisable as follows:

- one-sixth of the Options, at the expiration of a period of six (6) months as from the Date of Grant of the Options by the Board of Directors (the “6 Month Anniversary”); and
- with respect to the remaining five-sixths of the Options, one-thirty-sixth of the Options, each at the expiration of successive one (1) month periods as from the 6 Month Anniversary; 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:

- a) 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;
- b) 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;
- c) 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;
- d) 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.; or
- e) in the event of a merger of the Company into another corporation or of the sale by one or several shareholders, acting alone or in concert, of the Company to one or several third parties of a number of shares resulting in a transfer of more than fifty per cent (50%) of the shares of the Company to said third parties (a “**Change in Control**”). Notwithstanding the foregoing, a Change in Control must also constitute a “change in control event,” as defined in Treasury Regulation §1.409A-3(i)(5) with respect to any compensation or benefit that is subject to Section 409A of the U.S. Code.

In the cases mentioned in clauses a) through d) above, the Beneficiaries shall be entitled to exercise all of their unexercised 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 until the end of the expiration of the term of the Options.

In the case of a Change in Control as mentioned in clause e) above, unless otherwise decided by the Board of Directors, all of the Options that remain unexercisable as of immediately prior to the completion of the Change in Control shall become exercisable immediately prior to the completion of the Change in Control. Such fully exercisable Options shall then be subject to the terms set forth in Article 10.2.

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, e.g., before June 11, 2031 for a Date of Grant on June 11, 2021.

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 his or her Options, the Beneficiary shall send to the legal representative of the Company, a notification indicating the number of Options that he or she 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 Purchase Price.
- (iii) Furthermore, in the event that the sale of Shares under this Plan is not registered under the U.S. Securities Act of 1933 (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) The Beneficiary will have the ownership and the enjoyment of the Shares on the date of exercise of the 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 been registered under the U.S. Securities Act and may be offered or sold in the United States or to U.S. persons as defined under Rule 902 of the U.S. Securities Act.

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, 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, 10% of the 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 deputy 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.

The amount of Shares to be held shall be determined by taking into account all the shares already held pursuant to the requirements of the previous plans.

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.

10.2 ABSORPTION OF THE COMPANY

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

In the case of a Change in Control or the Company is otherwise 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 itself for the Company with respect to 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.

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 itself for the Company with respect to its duties toward the Beneficiary, 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 Options will terminate.

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

Subject to Article 13(b) hereof, the Board of Directors may at any time amend, alter, suspend or terminate the Plan to the extent permitted by applicable French or U.S. laws.

(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 purchase the Shares.

14.3. Each Beneficiary understands that the Beneficiary may suffer adverse tax consequences as a result of the purchase 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.

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.

APPENDIX 1
FORM OF OPTION AGREEMENT

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

Vaulx-en-Velin, June 16, 2021

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

Re: 2019 Share Purchase Option Plan, 2019 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 2019 Share Subscription Option Plan and the 2019 Share Purchase Option Plan (the “2019 Option 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 issuable to employees of the Company and direct and indirect subsidiaries of the Company: 1,292,428 shares (the “Shares”) under the 2019 Option Plans, including 1,000,000 Shares pursuant to the 2019 Share Subscription Option Plan, and 292,428 Shares pursuant to the 2019 Share Purchase 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 2019 Option 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

We consent to the incorporation by reference in this registration statement on Form S-8 of EDAP TMS S.A. of our reports dated April 7, 2021, with respect to the consolidated balance sheets of EDAP TMS S.A. and subsidiaries as of December 31, 2020 and 2019, the related consolidated statements of income (loss), comprehensive income (loss), shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2020, and the related notes, and the effectiveness of internal control over financial reporting as of December 31, 2020, which reports appear in the December 31, 2020 annual report on Form 20-F of EDAP TMS S.A..

Our report dated April 7, 2021, on the consolidated financial statements, refers to the change in EDAP TMS S.A.'s method of accounting for leases in 2019, due to the adoption of ASU No. 2016-02 Leases (Topic 842).

Lyon, June 16, 2021

KPMG Audit
A division of KPMG S.A.

Sara Righenzi de Villers
Partner
