



In accordance with Article R. 225-29-1 (IV.) of the French Commercial Code, it is reminded that this compensation policy (cf. 2019 Universal Registration Document, pages 156 to 161) has been approved by the Combined General Meeting of May 7, 2020, up to:

- **80.62% (8th resolution) concerning the Chairman and Chief Executive Officer; and**
- **99.56% (9th resolution) concerning the members of the Board of Directors (excluding the Chairman and Chief Executive Officer).**

Corporate officers' compensation policy (ex ante vote by shareholders)

Decision-making process

The compensation policy is set by the Board of Directors based on a recommendation by the Compensation and Appointments Committee. The Board considers the compensation policy as a whole and take into account each of its components, which are as follows:

- **for members of the Board of Directors:** annual compensation, comprising a fixed and a variable portion (previously referred to as "directors' fees");
- **for the Chairman and Chief Executive Officer:** annual fixed compensation, annual variable compensation, long-term incentive, other commitments and benefits.

The Compensation and Appointments Committee meets several times a year to discuss relevant subjects and performs preparatory work conducted under the supervision of the committee's Chairman. This work includes:

- reviewing corporate officers' compensation data from similar companies;
- monitoring changes in corporate governance best practices, guidelines and codes;
- and, regarding the Chairman and Chief Executive Officer, analyzing his performance and the Company's one and ensuring that objectives are in line with Group strategy and shareholders' interests. This work is used as a basis to assess the prior year's performance and set targets and compensation for the following year.

The Compensation and Appointments Committee regularly retains external compensation consultants, in particular the firm Mercer, to perform a benchmark study of the corporate officers' compensation.

This study is based on a peer group of French companies from a variety of sectors included in the SBF 120 index with similar characteristics to the Group, selected based on the following four criteria: market capitalization, operating income, total number of employees and percentage of employees located abroad.

The compensation policy is reviewed at least once a year, giving due consideration in particular to changes in compensation-related laws and regulations, best practices, guidelines and corporate governance codes, as well as the votes cast by shareholders and, as the case may be, any opinions expressed during the General Meeting.

The Board of Directors and the Compensation and Appointments Committee pay close attention to preventing and managing any conflicts of interest that may arise during the decision-making process, in accordance with the policy on the prevention of conflicts of interest set out in the Director's Charter.

Concerning the components of the corporate officers' compensation:

- the Chairman and Chief Executive Officer's annual fixed compensation is revised periodically (at fairly long intervals or when his appointment is due to be renewed), taking into account his performance and market practices. However, it may be revised earlier than that in the event of a significant change in the scope of his responsibilities or if there is a wide gap as to his positioning on the market. In these specific circumstances, the revised annual fixed compensation and the reasons for its revision will be disclosed;
- the Chairman and Chief Executive Officer's annual variable compensation and long-term incentive are reviewed annually;

- the compensation of the members of the Board of Directors is revised periodically, taking into account market practices.

In this regard, and considering the Company's dialogue with its shareholders, the main changes compared with the compensation policy approved by the General Meeting of May 14, 2019 (apart from the inclusion of the members of the Board of Directors in application of the PACTE Law) concern the criteria used to determine the Chairman and Chief Executive Officer's annual variable compensation and long-term incentive as well as the introduction of a cap on the amount, in cash and shares, of any exceptional compensation. Furthermore, certain changes have also been made to the pension plan covering the Chairman and Chief Executive Officer.

This compensation policy was set by the Board of Directors at its meeting on February 25, 2020, based on the recommendations of the Compensation and Appointments Committee. In accordance with Article L.225-37-2 (II.) of the French Commercial Code, it will be submitted to shareholders for approval at the upcoming General Meeting, in the 8th and 9th resolutions.

Philosophy

The corporate officers' compensation policy is determined based on an assessment of the level and difficulty of their function, their experience, and observed practices in companies or groups of a comparable size to Edenred.

All of the components of the corporate officers' compensation comply with the applicable laws and regulations, the AFEP-MEDEF Code and the "comply or explain" principle.

The corporate officers' compensation policy:

- **is aligned with the corporate interest**, because it is both useful and appropriate for the Company, considering the challenges associated with the new Next Frontier strategic plan, which follows a period of radical transformation under the Fast Forward strategic plan (2016-2018);
- **contributes to the Company's long-term sustainability**, because the long-term compensation represented by the performance share plan offers a long-term incentive by rewarding performance over several years and increasing the sense of shared interest;
- **is part of the Company's growth strategy**: the new Next Frontier strategic plan referred to above is designed to unlock the potential of a unique platform model, leading to greater sustainable and profitable growth. The annual variable compensation notably includes quantifiable financial objectives aligned with the Company's new, more ambitious annual financial objectives for the period 2019-2022.

More specifically as regards to the Chairman and Chief Executive Officer, the Board has set diverse and demanding performance criteria, which are used to perform a complete analysis of his performance, in line with the Group's strategy and shareholders' interests. The performance assessment is based on a balance between financial and non-financial criteria as well as a balance between short-term and long-term performance.

Directors' compensation

Compensation structure

On the recommendation of the Compensation and Appointments Committee, the Board of Directors allocates the annual fixed amount awarded by the General Meeting ⁽¹⁾ based in particular on each director's attendance rate at Board meetings and at meetings of any committee of which he or she is a member. The compensation allocation method must include a variable portion (representing the largest part of each director's compensation).

Allocation is based on the following principles:

- the duties of Board members are compensated with a fixed portion of a flat amount and with a variable portion based on the number of Board meetings attended in the previous financial year, which will exceed the amount of the fixed portion;
- the duties of Vice-Chairman of the Board of Directors are compensated with an additional fixed portion of a flat amount;
- the duties of members of a Board Committee are compensated with a variable portion based on the number of Committee meetings attended the previous financial year, with Audit and Risks Committee members entitled to a larger variable portion than members of the other committees;
- the duties of committee Chairman are compensated with a fixed portion of a flat amount defined for each of the committees, with the Chair of the Audit and Risks Committee entitled to a larger fixed portion than that awarded to the other committee Chairmen;
- directors who also hold the position of Chairman of the Board, Chairman and Chief Executive Officer, Chief Executive Officer or Deputy Chief Executive Officer of the Company are not entitled to any compensation for their as members of the Board of Directors.

These allocation principles are aligned with AFEP-MEDEF Code guidelines, which are as follows:

- a variable portion (representing the largest part of each director's compensation) that takes into account directors' attendance at Board meetings;
- an additional amount allocated to members of the Board Committees;
- an amount that reflects the level of responsibility assumed and time spent in the role of director.

Subject to any changes in the membership of the Board of Directors during the financial year, the amounts would be set as follows:

- each member of the Board of Directors would receive a fixed portion of a flat amount of €15,000, plus a variable portion in an amount of €4,200 per Board meeting attended;

(1) As of the date of this compensation policy, the total compensation budget amounts to €590,000 as set by the General Meeting of May 4, 2017. At the General Meeting of May 7, 2020, shareholders will be asked to increase this total amount to €700,000.

- the Vice-Chairman of the Board would receive an additional fixed portion of a flat amount of €15,000;
- each member of the Audit and Risks Committee would receive a variable portion of €6,500 per committee meeting attended, and each member of the other committees would receive a variable portion of €5,500 per committee meeting attended;
- in addition, the Chairman of the Audit and Risks Committee would receive a fixed portion of a flat amount of €17,000 and the other committee Chairmen would receive a fixed portion of a flat amount of €15,000.

Renewal of a director's term of office and appointment of a new director

The compensation and allocation principles described above will also apply to any director whose term of office is renewed or (on a prorated basis if appropriate) to any new director appointed during the application period of this compensation policy.

Chairman and Chief Executive Officer's compensation

The Chairman and Chief Executive Officer will not receive any compensation for his duties as member of the Board of Directors.

In addition, the Chairman and Chief Executive Officer may not have an employment contract while holding executive office.

Annual fixed compensation

The Chairman and Chief Executive Officer's annual fixed compensation is paid in 12 monthly installments and is based on:

- the complexity of his responsibilities;
- his professional experience and expertise;
- benchmark studies of comparable functions (external competitiveness).

Annual variable compensation

Structure of annual variable compensation

The Chairman and Chief Executive Officer will receive an annual variable compensation equal to 120% of his annual fixed compensation if the targets set are achieved ("target variable"). It will be based on:

- **quantifiable financial objectives, representing 65% of his annual fixed compensation;** based primarily on like-for-like EBITDA and, to a lesser extent, on earnings per share at constant exchange rates;
- **quantifiable business objectives, representing 30% of his annual fixed compensation;** linked to the Group's strategy and depending on its implementation; and
- **qualitative managerial and Corporate Social Responsibility (CSR) objectives, representing 25% of his annual fixed compensation;** aligned with the Group's strategy and based on its three-pronged sustainable development strategy – People (improve quality of life), Planet (protect the environment) and Progress (create value responsibly). The strategy has been built around ten long-term commitments that are regularly re-assessed. These commitments are supported by targets to be met in 2022 and 2030 concerning,

for example, reductions in the Group's carbon footprint, staff training, initiatives to raise awareness among users and merchants of the need to observe a balanced diet, or the design and deployment of eco-responsible services. The Board of Directors monitors the improvements in these indicators delivered by the Chairman and Chief Executive Officer and all of the Group's teams.

The operating EBIT objective in the compensation policy approved by the General Meeting of May 14, 2019 has been replaced by the like-for-like EBITDA, which is better aligned with the aims of the Next Frontier strategic plan.

The targets for these criteria are clearly defined but are not disclosed for reasons of confidentiality in a highly competitive environment for all of the Group's product lines. Edenred's competitors are either not listed on the stock exchange or, if they are listed, derive only a limited proportion of their revenue from business lines that are equivalent to those of the Group. For these reasons, they disclose few details about the financial or business objectives of the businesses that compete with those of Edenred.

Ceiling

If the quantifiable objectives are outperformed, the Board of Directors may raise the annual variable compensation to a maximum of 180% of the Chairman and Chief Executive Officer's annual fixed compensation based on a balanced split between the said objectives.

Modalities in case of taking up office

If a new Chairman and Chief Executive Officer were to be appointed during the financial year, the same principles would apply, with the amount prorated to the period served. However, if the new appointment was made in the second half of the financial year, performance would be assessed by the Board of Directors on a discretionary basis, based on the recommendation of the Compensation and Appointments Committee.

Modalities in case of termination of office

If the Chairman and Chief Executive Officer were to stand down during the financial year, the amount of the variable part of compensation for that financial year would be based on:

- his performance as assessed by the Board of Directors on a discretionary basis, based on the recommendation of the Compensation and Appointments Committee; and
- the period served during the financial year concerned.

Long-term compensation

Long-term compensation structure

This mechanism, to which other key executives of the Group are also entitled, is particularly appropriate for the Chairman and Chief Executive Officer given the direct contribution he is expected to make to the Company's overall long-term performance. In line with market practices and the Company's strategy, this mechanism is based on the award of performance shares, which not only help to incentivize and retain the beneficiaries but also to align their interests with the interest of the Company and that of the shareholders.

The performance shares vest only if the Chairman and Chief Executive Officer is still in office at the end of the three-year vesting period and the following three performance conditions are met over that period:

- like-for-like operating revenue growth rate;
- like-for-like EBITDA growth rate; and
- Edenred's total shareholder return (TSR) compared with the average TSR for companies included in the CAC Large 60 index.

Measurements for these criteria are presented in this Universal Registration Document, p. 315-316.

Compared with the compensation policy approved by the General Meeting of May 14, 2019:

- growth in funds from operations (FFO) and operating EBIT growth rate on a like-for-like basis have been replaced by operating revenue growth rate and EBITDA growth rate on a like-for-like bases, as these new criteria are better aligned with the aims of the Next Frontier strategic plan; and
- SBF 120's TSR has been replaced by CAC Large 60's TSR, in line with Edenred's positioning within the SBF 120 index.

Ceiling

The award-date value of the performance share award may not exceed 120% of the annual fixed and target variable compensation of the Chief Executive Officer at the award date.

Modalities in case of termination of office

The Chairman and Chief Executive Officer will forfeit the right to all or some of the performance shares initially granted if he resigns during the vesting period, unless the Board of Directors decides otherwise.

If the Chairman and Chief Executive Officer is forced to stand down for any reason whatsoever during the vesting period, he will retain the right to one-third of the shares awarded for each year of presence during the three-year vesting period, unless the Board of Directors decides that the entire award may be retained. The performance conditions set at the award date must still be met in order for the performance shares to vest.

Exceptional compensation

The Board of Directors adopts the principle according to which the Chairman and Chief Executive Officer could receive an exceptional compensation in certain circumstances, which shall be disclosed in detail and substantiated, it being reminded that payment of an exceptional compensation is subject to approval by the shareholders in accordance with Article L.225-37-2 of the French Commercial Code. The exceptional compensation may be paid in

cash and/or in performance shares; it may not exceed the equivalent of 100% of the Chairman and Chief Executive Officer's annual fixed and maximum variable compensation.

Multi-annual variable compensation

The Board of Directors has decided not to use this kind of cash-based long-term incentive, preferring to focus on share-based incentives to align the interests of the Chairman and Chief Executive Officer with those of the shareholders.

However, such a mechanism could be envisaged should regulatory developments or other circumstances make the use of share-based incentives ineffective, restrictive or impossible.

Other commitments and benefits

For information about the detailed terms of these other commitments and benefits, see the section entitled "Detailed presentation of other commitments and benefits" of this compensation policy in the Universal Registration Document, p. 160-161.

Compensation for loss of office

The Chairman and Chief Executive Officer will be entitled to compensation for loss of office, the terms and conditions of which will be adapted to his personal profile and will take into account the Company's economic and social environment.

For more information, see the final section of this compensation policy in the Universal Registration Document, page 160.

Unemployment insurance

The Chairman and Chief Executive Officer will benefit from an unemployment insurance plan that will pay unemployment benefits following loss of office for a maximum period of 24 months.

For more information, see the final section of this compensation policy in the Universal Registration Document, page 161.

Death/disability and health insurance

The Chairman and Chief Executive Officer will be covered by the death/disability and health insurance plan set up for employees, which has been extended to include the Chief Executive Director.

For more information, see the final section of this compensation policy in the Universal Registration Document, page 161.

Company car

The Chairman and Chief Executive Officer will be entitled to a company car.

Supplementary pension benefits

Up until December 31, 2019, the Chairman and Chief Executive Officer participated in the Group's supplementary pension scheme comprising an "Article 83" defined contribution plan and an "Article 39" defined benefit plan, as defined in France's General Tax Code (Code général des impôts).

Following changes in the applicable laws and regulations, the "Article 39" defined benefit plan has been replaced by an "Article 82" defined contribution plan, as defined in France's General Tax Code.

For more information, see the final section of this compensation policy in the Universal Registration Document, page 161.

Renewal of the Chairman and Chief Executive Officer's office and appointment of a new Chairman and Chief Executive Officer

The compensation components and structure described above will also apply to the Chairman and Chief Executive Officer following his re-appointment or (on a prorated basis if relevant) to any new Chairman and Chief Executive Officer appointed during the application period of this compensation policy.

If a person not previously employed by a Group entity were to be appointed as Chairman and Chief Executive Officer, he or she may be awarded a signing bonus, depending on the circumstances and the candidate. In order to immediately align the new Chairman and Chief Executive Officer's interests with those of the shareholders, and subject to ongoing authorizations granted by the General Meeting, the signing bonus may be composed partly or entirely of long-term incentives subject to presence and performance conditions, such as performance shares, stock options or any other incentives. The signing bonus may not exceed the amount of the benefits lost by the candidate upon leaving his or her previous function.

Detailed presentation of other commitments and benefits

Compensation for loss of office

The Chairman and Chief Executive Officer will be entitled to compensation for loss of office should he be forced to stand down for whatever reason. Said compensation may not exceed the equivalent of two years' fixed and annual compensation, as defined below, and payment will be contingent on the achievement of serious, challenging performance conditions. No compensation for loss of office will be payable if, within 12 months of his departure, the Chairman and Chief Executive Officer becomes eligible for the basic State pension and, consequently, for pension benefits under the Company's supplementary pension plan.

The compensation payable will not exceed the equivalent of two years' total gross annual compensation as Chairman and Chief Executive Officer, defined as:

- the fixed portion of the compensation on an annual basis as Chairman and Chief Executive Officer on the date of termination of his duties; and
- the average of the variable portion of annual compensation as Chairman and Chief Executive Officer paid in the last ended two financial years during which he served as Chairman and Chief Executive Officer, prior to the date of termination.

Payment of the compensation for loss of office is contingent on the achievement of certain serious, challenging performance criteria. The criteria selected by the Board concern the Company's business and financial performance – as measured by the key indicators on which the Group's financial communications to the market are based – and its stock market performance. Performance will be measured over a three-year period, taking into account the Company's long-term historical performance and the external risks to which it is exposed, as described in section 2.2 of the Universal Registration Document, page 43.

The performance conditions are as follows:

- 5% like-for-like growth in business volume compared with the previous financial year;
- 2% like-for-like growth in operating revenue compared with the previous financial year;
- 5% like-for-like growth in funds from operations (FFO) ⁽¹⁾ compared with the previous financial year;
- increase in the Company's share price at least equal to 85% of the increase in the Euronext Paris SBF 120 index over the Reference Period or, if the index falls over the Reference Period, decline in the Company's share price of no more than 125% of that of the index over the Reference Period.

Achievement of each of these four criteria will be measured over the three financial years preceding the financial year in which his office as Chairman and Chief Executive Officer was terminated (the "Reference Period"). Each of the first three criteria will be deemed to have been met if the related objective was achieved in at least two of the three financial years in the Reference Period. In the event of departure before the third completed year, the index performance before the date on which he took up office will not be taken into account.

Payment of the maximum compensation for loss of office will depend on at least three of these four performance criteria being met, as observed by the Board of Directors on the basis prescribed by the laws in force when his office as Chairman and Chief Executive Officer is terminated. If only two of the criteria are met, 50% of the maximum compensation for loss of office will be paid; if one or none of the criteria are met, no benefits will be paid.

The compensation for loss of office paid to the Chairman and Chief Executive Officer may not, under any circumstances, exceed two years' total gross annual compensation.

(1) Before other income and expenses.

In addition, if the Chairman and Chief Executive Officer is forced to stand down and the variable compensation taken into account for calculating his compensation for loss of office is due in respect of a financial year during which he was not in office for the full twelve months, the compensation for loss of office will be based on two times the amount of the variable part paid in the financial year prior to the year in which he was forced to step down as Chairman and Chief Executive Officer.

Unemployment insurance

The Chairman and Chief Executive Officer is covered by a "GSC" insurance plan entitling him to unemployment benefits equal to 70% of his contractual income, capped at €17,140 per month, for a period of up to 24 months.

Death/disability and health insurance

The Chairman and Chief Executive Officer will be covered by the death/disability and health insurance plan set up for employees, which has been extended to include the Chief Executive Director.

Company car

The Chairman and Chief Executive Officer will be entitled to a company car.

Supplementary pension benefits

Up until December 31, 2019, certain senior executives of the Company, including the Chairman and Chief Executive Officer, participated in the Group's supplementary pension scheme comprising an "Article 83" defined benefit plan in addition to an "Article 39" defined contribution plan, as defined in France's General Tax Code.

Recent regulatory changes, including the government order dated July 3, 2019 on defined benefit plans, made it impossible to continue the "Article 39" defined benefit plan.

The "Article 39" defined benefit plan was closed on December 31, 2019 and no rights have vested under the plan since that date.

The Group has chosen to set up a new "Article 82" funded defined contribution plan effective from June 2020 (under this plan, retirement savings are invested in an individually managed insurance policy) to replace the "Article 39" defined benefit plan, which will then be canceled.

The vested rights under the defined benefit plan on the date the plan was closed will be transferred to the new defined contribution plan. The value of the vested rights has been calculated by an independent firm of actuaries. This amount reflects an individual discount compared with the liability recognized in the financial statements, due to the fact that the calculation takes into account the age of the plan participants, their turnover rate and mortality tables. The amount calculated for the Chairman and Chief Executive Officer is €2.2 million.

The contribution rate is determined as a percentage of the gross annual remuneration of the Chairman and Chief Executive Officer (fixed and variable annual remuneration), with progressive rates applied on multiples of the Annual Social Security Ceiling (PASS). Based on his 2020 fixed and target variable compensation, by way of illustration, an average rate of 21.02% would apply.

Unlike in the case of the defined benefit plan, under the defined contribution plan, tax is due immediately on the amounts invested in the plan directly by the beneficiary.

As was the case for the defined benefit plan, annual payments to the Chairman and Chief Executive Officer in respect of the defined contribution plan will be subject to the same performance condition which was applicable to the previous defined benefit plan, i.e. the achievement of at least 60% of his annual variable compensation targets.