



**In accordance with Article R. 22-10-14 (IV.) of the French Commercial Code, it is reminded that this compensation policy (cf. 2020 Universal Registration Document, pages 184 to 190) has been approved by the Combined General Meeting of May 11, 2021, up to:**

- **81.39% (10<sup>th</sup> resolution) concerning the Chairman and Chief Executive Officer; and**
- **99.72% (11<sup>th</sup> 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 takes 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 compensation, 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 that of the Company, 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 engages 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 Internal Regulations of the Board of Directors.

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

The main difference compared with the compensation policy of the Chairman and Chief Executive Officer approved by the General Meeting of May 7, 2020, would concern, if approved, the modification and adjustment of some of the criteria used for long-term compensation.

This compensation policy was set by the Board of Directors at its meeting on March 1, 2021, based on the recommendations of the Compensation and Appointments Committee. In accordance with Article L.22-10-8 (II.) of the French Commercial Code, it will be submitted to shareholders for approval at the upcoming General Meeting, in the 10<sup>th</sup> and 11<sup>th</sup> 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 Next Frontier strategic plan (2019-2022);
- **contributes to the Company's long-term sustainability**, because the long-term compensation represented by the performance share plan provides a long-term incentive for corporate officers and increases the sense of shared interest;
- **is part of the Company's growth strategy**: the Next Frontier strategic plan referred to above is designed to unlock the potential of a digital platform model, leading to sustainable and profitable growth. Annual variable compensation notably includes quantifiable financial objectives aligned with the annual objectives defined as part of the Next Frontier strategic plan.

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 rules for determining compensation take into account the need to attract, retain and motivate high-performing executive corporate officers while aligning their interests with those of shareholders. 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. More than 75% of the Chairman and Chief Executive Officer's total compensation is variable and composed of criteria related to the Group's short 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<sup>(1)</sup> 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 duties 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.

(1) As of the date of this compensation policy, the total compensation budget amounts to €700,000 as set by the General Meeting of May 7, 2020. At the General Meeting of May 11, 2021, shareholders will be asked to increase this total amount to €800,000.

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

<b>Board of Directors</b>	Each member	Fixed portion	€15,000 per year
		Variable portion	€4,200 per Board meeting attended
	Vice-Chairman	Additional fixed portion	€15,000 per year
<b>Audit and Risks Committee</b>	Chairman	Fixed portion	€17,000 per year
	Each member	Variable portion	€6,500 per committee meeting attended
<b>Commitments Committee</b>	Chairman	Fixed portion	€15,000 per year
	Each member	Variable portion	€5,500 per committee meeting attended
<b>Compensation and Appointments Committee</b>	Chairman	Fixed portion	€15,000 per year
	Each member	Variable portion	€5,500 per committee meeting attended

### 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 instalment and is based on:

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

The Chairman and Chief Executive Officer's gross annual fixed compensation amounts to €825,000, unchanged since the Board of Directors' decision of December 20, 2017.

### Annual variable compensation

#### Structure of annual variable compensation

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

- **quantifiable financial objectives, representing 65% of the 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 the 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 the annual fixed compensation**, aligned with the Group's strategy and based on its three-pronged sustainable development policy: People (improve quality of life), Planet (protect the environment) and Progress (create value responsibly). The policy 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 table below summarizes the structure of annual variable compensation:

PERFORMANCE INDICATOR	TARGET VARIABLE	MAXIMUM
<b>Quantifiable financial objectives:</b> Like-for-like EBITDA and, to a lesser extent, earnings per share at constant exchange rates	<b>65% of the annual fixed compensation</b>	<b>Up to an additional 40% of the annual fixed compensation</b> if the quantifiable objectives are outperformed and based on a balanced split between said objectives
<b>Quantifiable business objectives:</b> linked to the Group's strategy and depending on its implementation	<b>30% of the annual fixed compensation</b>	<b>Up to an additional 20% of the annual fixed compensation</b> if the quantifiable objectives are outperformed and based on a balanced split between said objectives
<b>Qualitative managerial and Corporate Social Responsibility (CSR) objectives</b>	<b>25% the of annual fixed compensation</b>	
<b>OVERALL RATE OF ACHIEVEMENT OF THE OBJECTIVES</b>	<b>120% OF THE ANNUAL FIXED COMPENSATION</b>	<b>180% OF THE ANNUAL FIXED COMPENSATION</b>

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 main 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 loss of office

If the Chairman and Chief Executive Officer were to stand down during the financial year, the amount of the variable portion 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 allocated free of charge 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 EBITDA growth rate;
- Edenred's total shareholder return (TSR) compared with the average TSR for companies included in the SBF 120 index; and
- a Corporate Social Responsibility (CSR) condition that includes the diversity of the Group's management bodies, its reduction of greenhouse gas emissions and efforts to raise awareness of healthy eating.

Measurements for these criteria are presented in this Universal Registration Document, pages 341-342.

Compared with the compensation policy approved by the General Meeting of May 7, 2020:

- the operating revenue growth rate has been replaced by the achievement of a CSR condition;
- regarding the TSR:
  - CAC Large 60's TSR has been replaced by SBF 120's TSR;
  - for the TSR condition, the percentage achievement rate corresponding to the 4<sup>th</sup> sextile has been modified, from 75% to 50%.

### **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 loss of office**

The Chairman and Chief Executive Officer will forfeit the right to the performance shares initially granted if he resigns during the vesting period, unless the Board of Directors decides otherwise. The performance conditions set at the award date would still have to be met in order for the performance shares to vest.

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.22-10-8 of the French Commercial Code. The exceptional compensation may be paid in cash and/or in performance shares allocated free of charge; 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 compensation, 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, pages 189-190.

### **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 189.

### **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 189.

### **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 Chairman and Chief Executive Officer.

For more information, see the final section of this compensation policy in the Universal Registration Document, page 189.

### **Company car**

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

### **Supplementary pension benefits**

The Chairman and Chief Executive Officer participates in two defined-contribution pension plans corresponding to Article 82 and Article 83 of France's General Tax Code (*Code général des impôts*).

For more information, see the final section of this compensation policy in the Universal Registration Document, pages 189-190.

### **Renewal of the Chairman and Chief Executive Officer's term of 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 shares allocated free of charge, 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 loss of office; and
- the average of the variable portion of annual compensation as Chairman and Chief Executive Officer paid during the last two financial years during which he served as Chairman and Chief Executive Officer, closed prior to the date of loss of office.

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 Chapter 4 of the Universal Registration Document, starting on page 67.

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)<sup>(1)</sup> 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.

In addition, if the Chairman and Chief Executive Officer is forced to stand down, for whatever reason, 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 portion 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 Chairman and Chief Executive Director.

### Company car

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

### Supplementary pension benefits

In addition to an "Article 83" defined-benefit pension plan, as defined in France's General Tax Code, certain senior executives of the Company, including the Chairman and Chief Executive Officer, participate in an "Article 82" funded defined-contribution plan (under this plan, retirement savings are invested in an individually managed insurance policy), set up to replace the "Article 39" defined-benefit plan that was closed on December 31, 2019 in accordance with regulatory evolutions including the government order dated July 3, 2019 on defined benefit plans.

(1) Before other income and expenses.

## Article 82

The vested rights under the defined-benefit pension plan have been transferred to the new "Article 82" defined-contribution pension plan. The amount transferred was calculated by an independent firm of actuaries and 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 potential turnover rate and mortality tables. The amount calculated for the Chairman and Chief Executive Officer was €2.2 million.

In addition, the annual 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).

COMPENSATION BRACKET	CONTRIBUTION RATE
[Between 4 and 8x the Annual Social Security Ceiling (PASS)]	11%
[Between 8 and 12x the Annual Social Security Ceiling (PASS)]	17%
[Between 12 and 24x the Annual Social Security Ceiling (PASS)]	22%
[Between 24 and 60x the Annual Social Security Ceiling (PASS)]	28%

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.

## Article 83

For the "Article 83" defined-contribution pension plan, the contribution rate is determined as a percentage of the gross annual compensation of the Chairman and Chief Executive Officer (fixed and variable annual compensation), with progressive rates applied on multiples of the Annual Social Security Ceiling (PASS):

COMPENSATION BRACKET	CONTRIBUTION RATE
[Up to 5x the Annual Social Security Ceiling (PASS)]	5%
[Between 5 and 6x the Annual Social Security Ceiling (PASS)]	7%
[Between 6 and 7x the Annual Social Security Ceiling (PASS)]	13%
[Between 7 and 8x the Annual Social Security Ceiling (PASS)]	19%

The maximum contribution for this plan, based on the brackets above, is the equivalent of 8% of eight times the Annual Social Security Ceiling (PASS), which comes to €26,327 for 2020. Given that the Annual Social Security Ceiling (PASS) remains unchanged from 2020, the amounts are the same for 2021.

Just like with the "Article 82" defined-contribution pension plan, tax must be paid immediately on the amounts invested in the "Article 83" plan, directly by the beneficiary.