

RELEASE

INFORMATION ON THE COMPENSATION OF THE EXECUTIVE CORPORATE OFFICERS OF THE COMPANY

Issy-les-Moulineaux, November 7, 2019

In accordance with the recommendations of the AFEF-MEDEF corporate governance code, Sodexo is publishing below the compensation components relative to its Chief Executive Officer and its Chairwoman of the Board of Directors, as approved by the Board of Directors at its meeting of November 6, 2019, as recommended by the Compensation Committee.

Chief Executive Officer Compensation

✓ Fiscal 2019

In conformity with the compensation policy approved by the Shareholders' Meeting of January 22, 2019, Denis Machuel's Fiscal 2019 compensation mainly comprises fixed compensation of 900,000 euro (unchanged since the start of his mandate on January 23, 2018) and variable compensation calculated based on a target amount representing 100% of his fixed compensation if the targets are achieved and up to 150% if the targets are exceeded.

On November 6, 2019, after reviewing the performance targets established on November 6, 2018 and their achievement levels, the Board of Directors decided to attribute variable compensation to Denis Machuel for Fiscal 2019 in the amount of 892,800 euro, which is equivalent to 99% of its target amount, as indicated below.

Although organic growth outperformed during Fiscal 2019 compared to the initial objective, the Board of Directors, at Denis Machuel's request, decided that, as the underlying operating profit margin was at the bottom end of the expected range, payment of variable compensation related to the organic growth objective will be capped at 100%, both for himself and the Executive Committee members.

		Weight	Maximum in % of target	Achievement level	Corresponding amount (in euro)
70% based on financial targets	Organic growth	20%	175%	100%	180,000
	Underlying operating profit margin	20%	175%	86%	154,800
	Growth in Group net income	10%	175%	0%	0
	Free cash flow	20%	175%	175%	315,000
	Total financial targets	70%	175%	103%	649,800
30% based on non-financial targets	Health and safety	10%	100%	100%	90,000
	Talent management	10%	100%	70%	63,000
	<i>Dow Jones Sustainability Index</i> , industry leader position	10%	100%	100%	90,000
	Total non-financial targets	30%	100%	90%	243,000
Total variable compensation for Fiscal 2019		100%	150%	99%	892,800

In accordance with Article L.225-100 of the French Commercial Code, payment of this variable compensation is contingent upon approval by the Shareholders' Meeting to be held on January 21, 2020 (*ex post* vote).

Performance share grant

On June 19, 2019, the Board of Directors, following the recommendation of the Compensation Committee, decided to grant 22,000 performance shares to Denis Machuel. The proportion of shares that will vest depends on the achievement of performance conditions related to financial performance, stock market performance and Corporate Responsibility performance and are subject to a vesting period of four years.

On November 6, 2019, based on the recommendation of the Compensation Committee, the Board reinforced the shareholding obligation provided for by Article L.225-197-1 of the French Commercial Code by deciding that the Chief Executive Officer should from now on maintain a portfolio of shares with a value equivalent to 200% of the gross annual fixed compensation. This portfolio should be built up over a maximum period of three years. Denis Machuel currently holds a portfolio of shares with a total value exceeding the threshold set by the Board.

✓ Fiscal 2020

Acting on recommendations of the Compensation Committee, on November 6, 2019, the Board also set the remuneration package for the Chief Executive Officer for Fiscal 2020.

The Board decided to maintain Denis Machuel's fixed compensation at 900,000 euro, as well as the structure of his variable compensation (target amount of 100% of his fixed compensation and up to 150% if targets are exceeded).

The performance targets will remain based mainly on financial quantifiable criteria, as follows:

- 70% is contingent upon targets based on the Group's financial performance for the fiscal year, including organic revenue growth, underlying operating profit margin, Group net income and free cash flow;
- 30% is contingent upon non-financial targets, including occupational health and safety, talent management and Sodexo's ranking in the Dow Jones Sustainability Index.

The financial performance targets were determined in a specific manner by reference to the budget which had been pre-approved by the Board of Directors. The detailed achievement levels will be disclosed on a criterion-by-criterion basis after the close of Fiscal 2020, once the Board of Directors has assessed whether the performance targets have been achieved.

Performance share grant

At its November 6, 2019 meeting, the Board decided to reduce the vesting period of shares granted under future plans to three years in order to align the vesting periods with the performance assessment periods. From now on, the plans will be approved at the beginning of each fiscal year, when the financial statements for the previous fiscal year are published. Consequently, and in order to maintain a regular annual delivery of performance shares, no performance shares will be granted to the Chief Executive Officer in Fiscal 2020.

Supplemental benefit pension plan

In order to comply with the French Business Growth and Transformation Act dated May 22, 2019 (the "PACTE Act") as well as with the Ordonnance of July 3, 2019 transposing the pension portability directive, the Board of Directors, on November 6, 2019, also decided to close as of December 31, 2019 Denis Machuel's current defined benefit pension plan, his rights under this plan being frozen at such date.

The Board also decided to implement, effective January 1, 2020, another benefit pension plan governed by Article L.137-11-2 of the French Social Security Code. This new plan, which will benefit Denis Machuel, will grant annual rights amounting to 0.5% of his fixed and variable compensation for the first five years and to 1% beyond those five years, up to a total of 10%.

The acquisition of rights will remain subject to the same performance condition as the one set for the previous plan, i.e. an achievement rate of his annual variable compensation targets of at least 80%. This decision taken by the Board constitutes, in accordance with the current provisions of Article L. 225-42-1 of the French Commercial Code, a regulated commitment which will be submitted for approval to the Shareholders' Meeting to be held on January 21, 2020.

The Board also decided the compensation policy for the Chairwoman of the Board and for the Chief Executive Officer for Fiscal 2020. These policies, which will be described in the Fiscal 2019 Universal Registration Document, shall be submitted for approval to the next Shareholders' Meeting to be held on January 21, 2020.

As compared to the Chief Executive Officer's compensation policy approved by the Shareholders' Meeting of January 22, 2019, in the new policy, the possibility to grant exceptional compensation has been discarded.

Chairwoman of the Board of Directors compensation

For Fiscal 2019, Sophie Bellon's fixed compensation as Chairwoman of the Board of Directors was maintained at 675,000 euro.

During Fiscal 2020, the fixed compensation for the Chairwoman of the Board will remain unchanged, at 675,000 euro.

Apart from the Company's collective health and benefit plans, to which she is entitled, as well as the use of a company car, Sophie Bellon will not receive any other form of compensation.

About Sodexo

Founded in Marseille in 1966 by Pierre Bellon, Sodexo is the global leader in services that improve Quality of Life, an essential factor in individual and organizational performance. Operating in 67 countries, Sodexo serves 100 million consumers each day through its unique combination of On-site Services, Benefits and Rewards Services and Personal and Home Services. Sodexo provides clients an integrated offering developed over more than 50 years of experience: from foodservices, reception, maintenance and cleaning, to facilities and equipment management; from services and programs fostering employees' engagement to solutions that simplify and optimize their mobility and expenses management, to in-home assistance, child care centers and concierge services. Sodexo's success and performance are founded on its independence, its sustainable business model and its ability to continuously develop and engage its 470,000 employees throughout the world.

Sodexo is included in the CAC 40, FTSE 4 Good and DJSI indices.

Key figures (as of August 31, 2019)

22.0 billion euro in consolidated revenues

470,000 employees

19th largest employer worldwide

67 countries

100 million consumers served daily

14.7 billion euro market capitalization (as of November 6, 2019)

Contacts

Analysts and Investors

Virginia JEANSON

Tel. : +33 1 57 75 80 56

virginia.jeanson@sodexo.com

Corporate Legal Department

Olivia GUILLAUME

Tel. : +33 1 57 75 85 90

olivia.guillaume@sodexo.com