

Bellon SA

Bellon SA's interest in Sodexo was increased following the Group's share repurchase and cancellation program. In addition, during Fiscal 2016 Bellon SA raised its stake in Sodexo by purchasing 1.6 million shares from March through August 2016. Consequently, as of August 31, 2016, it held 39.61% of the Company's share capital and 54.81% of exercisable voting rights. Given that Bellon SA is not authorized to increase its ownership interest in Sodexo by more than 1% within 12 consecutive months, the Company requested an exemption from the AMF's requirement to file a public tender offer, which it obtained on March 1, 2016.

Mr. Pierre Bellon and his four children control 68.5% of Bellon SA. Agreements prevent them from selling their Bellon SA shares to third parties. In 2008, Mr. Pierre Bellon and his children created a partnership (*société en participation*) for a period of 50 years to prevent direct descendants from selling their Bellon SA shares. The only asset of Bellon SA is its holding in Sodexo and Bellon SA has no intention of selling this holding to a third party.

As of August 31, 2016, the members of the Board of Directors, including the Group Chief Executive Officer, together held directly less than 0.50% of the Company's share capital.

Disclosure thresholds

On September 25, 2015, First Eagle Investment Management LLC, acting on behalf of the funds it manages, notified the Company that due to a purchase of 100,000 Sodexo shares on September 17, 2015 it had raised its interest to above 2.50% (disclosure threshold in the Company's bylaws), and that as of that date it held 2.53% of the share capital, representing 1.85% of the voting rights. Since then First Eagle has confirmed that its interest in the Company as of August 31, 2016 was slightly higher than one year earlier.

On December 7, 2015, Allianz Global investors, acting on behalf of the funds it manages, notified the Company that it had reduced its interest to below the disclosure threshold provided for in the Company's bylaws of 2.50% of the share capital and that as of that date it held 2.44% of the capital representing 1.78% of the voting rights.

The Company is not aware of any other shareholder that increased or decreased its shareholding to above or below any disclosure threshold (provided for by law or the Company's bylaws) in Fiscal 2016.

As of the date of this document, Sodexo is not aware of:

- any other shareholder holding 2.50% or more of the capital or voting rights of Sodexo directly or indirectly, individually, or in concert;
- any shareholders' agreement or other agreement which, if implemented, could result in a change of control of Sodexo.

Repurchases and disposals of Sodexo shares

During Fiscal 2016:

- at its meeting on January 26, 2016, the Board of Directors decided to implement the Company's share repurchase program as authorized by the Shareholders' Meeting held on the same date;
- Sodexo repurchased 3,151,060 shares (representing 2.05% of the share capital) at an average price of 88.98 euro per share plus trading fees of 101,160 euro excluding VAT;
- a review of the treasury shares allocated to covering stock option and free share plans was carried out. As this review showed that there were 239,826 shares too many allocated to the plans, at its meeting on April 12, 2016 the Board of Directors decided to reallocate these excess shares (whose cost price was 20 million euro) for cancellation;
- at its meeting on June 14, 2016, the Board of Directors decided to reduce the Company's share capital by cancelling a total of 3,390,886 shares (representing an aggregate 300 million euro). These shares comprised all of the 239,826 shares initially allocated to cover stock option and free share plans which were reallocated for cancellation as well as all of the 3,151,060 shares acquired by the Company for the purpose of cancellation;
- Sodexo transferred 1,548,186 shares on the exercise of stock options and for delivery under free share plans;
- as of August 31, 2016, Sodexo directly held 3,074,444 treasury shares (representing 2% of the share capital), which have been allocated to cover the various stock option and free share plans awarded to Group managers;
- the total carrying amount of the treasury shares portfolio was 217 million euro as of August 31, 2016.

Since August 31, 2016 the Company has not purchased any Sodexo shares.

Description of the new share repurchase plan (pursuant to article 241-2 of the General Regulation of the AMF) subject to authorization by the Shareholders' Meeting of January 24, 2017

- In its fifteenth resolution, the Board of Directors will propose that the Shareholders' Meeting of January 24, 2017 renew the authorization given to the Board for the Company to repurchase Sodexo shares pursuant to articles L.225-209 *et seq.* of the French Commercial Code. This authorization would be valid for a period of 18 months, replacing the authorization given for the same purpose by the Shareholders' Meeting of January 26, 2016.


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- The treasury shares held as of August 31, 2016 in connection with the share repurchase program are intended to cover the various stock option and free share plans set up for Group managers (for further details concerning stock options and free shares, please refer to section 5.3.4 of this document).
- The objectives of the repurchase program remain identical to previous years, in terms of covering stock option and

free share plans as well as a possible capital reduction by the cancellation of shares. The maximum percentage of the share capital, the maximum number and characteristics of the shares that the Company intends to purchase, together with the maximum purchase price, are provided in the resolution submitted for approval by the January 24, 2017 Shareholders' Meeting in section 7.2 of this document.

6.2.3 EMPLOYEE SHARE OWNERSHIP

As of August 31, 2016, employees held 0.90% of the Company's share capital (approximately 85% of which was held in an employees' mutual fund (FCPE)).

As of August 31, 2016, an estimated 29,881 employees held Sodexo shares.

Company employee savings plans

The various profit-sharing agreements in force allow employees of the Group's French subsidiaries to pay the amounts they receive in respect of these profit-sharing agreements into an employees' mutual fund invested in Sodexo shares, or into a restricted savings account. To qualify for favorable tax and social charges treatment, amounts due to employees are subject to a five-year lock-up period.

International employee share purchase plan

The Group has put in place international employee share purchase plans. The most recent of these, "Sodexo with me", was introduced in 2008 and allowed employees of French and foreign subsidiaries of the Group in more than 20 countries to subscribe to a special share capital issuance at a favorable share price. In connection with this plan, eligible employees were offered a choice of two formulas:

- the "Plus" plan allowed employees to invest up to 2.5% of their annual gross compensation and to benefit from a multiplier effect on the increase in the share price, or a guaranteed return in the absence of an increase in the share price;

- the "Classic" plan allowed employees to invest up to 25% of their annual gross compensation and to receive all of any increase in Sodexo's share price, while assuming the risk of any fall in the share price.

In September 2013, the amounts due to employees became available.

In accordance with the provisions of the plan and depending on the country, employees who chose the "Plus" plan received the cash value of their assets or transferred their assets invested in this plan to the Classic fund or a monetary fund. Following this legal deadline, the mutual fund "Sodexo with me" was renamed mutual fund "Sodexo with me Classic". The assets held in this fund are still available.

In addition, in 2006 a mechanism was introduced whereby employees of the Group's North American subsidiaries were able to invest between 1% and 8% of their annual gross compensation in the Company's shares through an Employee Share Purchase Plan. Participating employees qualified for a 10% discount on the share price. In light of the participation rate and administrative fees, this plan was suspended as of September 1, 2012. Investments made prior to the suspension date continue to benefit from the same advantages as before; however, new payments cannot be made into the plan. The related employees did not participate in the 2008 International Employee Share Purchase Plan.