

Press Release

Information on the compensation and financial terms of the departure of Denis Machuel, Chief Executive Officer, and the compensation of Sophie Bellon, Chairwoman and Interim Chief Executive Officer

Issy-les-Moulineaux, October 8, 2021

In accordance with the recommendations of the AFEP-MEDEF Corporate Governance Code (“AFEP-MEDEF Code”), Sodexo is providing the following information on the compensation of its executive officers as determined by the Board of Directors on October 7, 2021, upon the Compensation Committee’s proposal.

The Board of Directors has decided to reinforce Denis Machuel’s non-compete undertaking, in order to better protect the Group. The impact of the Covid-19 crisis on Sodexo’s market environment, on the one hand, and Denis Machuel’s experience, and the strategic discussions held over the past few months in which he participated, on the other hand, have led us to amend his non-compete agreement. New competitors, in particular digital disruptors, have been added, and the duration of the agreement has been increased from two to three years. In return, the amount of the related non-compete indemnity has been increased.

Sodexo’s Board of Directors considers that the financial terms of Denis Machuel’s departure comply with the spirit of and the recommendations set forth in the AFEP-MEDEF Code and the compensation policy of the Group. These terms result from a reflection intended to reinforce the protection of the interests of Sodexo and its shareholders in an exceptional and pivotal context for the Group, given that:

- Since his appointment in 2018, Denis Machuel was already subject to a non-compete agreement intended to protect the interests of the Group;
- The Covid-19 pandemic had an unpredictable and significant impact on the Group’s competitive environment and led to the acceleration of the arrival of new market “disruptors”;
- The non-compete indemnity, which takes into account the additional restrictions added by the Board of Directors, complies with the cap recommended by the AFEP-MEDEF Code for such an indemnity, of two years of compensation (fixed plus variable).

Denis Machuel

Compensation for Fiscal 2021

- Fixed Compensation

Denis Machuel’s fixed compensation amounts to 900 000 euros.

- Variable Compensation

Pursuant to the compensation policy approved at 97% by the Annual General Meeting held on January 12, 2021, exceptionally and given the unprecedented sanitary crisis caused by the Covid-19 pandemic, the Board of Directors decided to establish the budget for Fiscal 2021 by half-year. Thus, the financial

performance targets were determined in October 2020 for the first half and in March 2021 for the second half.

The rate of achievement of each of the financial objectives for the second half of Fiscal 2021 and the non-financial objectives for Fiscal 2021 will be determined by the Board of Directors on October 26, 2021 when it will close the financial statements for the year. The achievement levels for each of these criteria will be communicated in the Fiscal 2021 Universal Registration Document.

The payment of his variable compensation will be submitted to the vote of the General Meeting of December 14, 2021 called to approve the financial statements for the year ended August 31, 2021.

- Supplemental pension plan

During Fiscal 2021, the Company replaced the supplemental pension plan provided for in Articles 39 of the French General Tax Code and L. 137-11-1 of the French Social Security Code by a plan provided for in Article L. 137-11-2 of the French Social Security Code, which has similar characteristics.

Under this plan, Denis Machuel will benefit from an annual entitlement of 0.5% of his fixed and variable compensation for the period from January 1 to September 30, 2021, provided that he has reached a minimum rate of 80% of achievement of the objectives of his annual variable compensation for Fiscal 2021.

Compensation for Fiscal 2022 and financial terms of departure¹

Having terminated his term of office as Chief Executive Officer effective on September 30, 2021, the Board of Directors proposes, as recommended by the Compensation Committee, to compensate him as follows.

- Fixed Compensation

The amount of Denis Machuel's fixed annual compensation of € 900,000 remains unchanged for Fiscal 2022.

His fixed compensation paid will be calculated *pro rata temporis* from 1 to 30 September 2021, the end date of his term of office as Chief Executive Officer.

He therefore received € 75,000 of fixed compensation for the month of September 2021.

- Annual Variable Compensation

Given that Denis Machuel's term of office ended on September 30, 2021, and the difficulty of measuring his performance over such period, the Board of Directors decided to set the amount of his variable compensation for Fiscal 2022 at its target level: 100% of his fixed compensation.

The variable component of compensation due to Denis Machuel for Fiscal 2022 would therefore be 75 000 euros, calculated *pro rata temporis* from September 1 to 30, 2021, the end date of his term of office as Chief Executive Officer.

¹ These compensation elements are subject to approval at the Annual Shareholders' meeting on December 14, 2021.

- Fiscal 2022 Performance Share Grant

No performance shares will be granted to Denis Machuel for Fiscal 2022.

- Unvested Performance Share Plans

In recognition of his contribution to the development of the Group, which he joined in 2007 and of which he was Chief Executive Officer since January 2018, and his management of the Covid-19 crisis, and in accordance with the compensation policy approved by the Annual General Meeting on January 12, 2021, the Board of Directors has decided to waive the condition of presence applicable to the unvested performance share plans and to maintain the performance shares pro rata to Denis Machuel's actual presence within the Group.

There will be no acceleration of the vesting period of the plans and the performance conditions of these plans will continue to apply.

Denis Machuel may thus retain a portion of his rights to the performance shares granted in 2018, 2019 and 2020: 41,514 performance shares out of the 75,000 initially granted. These shares were valued at 2 872 221 euros according to IFRS on the grant date. However, this valuation does not take into account the satisfaction of the performance conditions which will be measured at the end of the related vesting period.

These performance conditions are particularly stringent, as evidenced by the failure to meet the performance conditions related to the 2016 and 2017 plans. In addition, the performance criteria of the non-vested plans, including those granted to Denis Machuel, will be severely affected by the impact of the Covid-19 crisis on the Group's performance.

As this stage, it is not possible to determine the number of shares that will be obtained upon vesting of each of these plans nor their value.

- Termination indemnity

It should be noted that Denis Machuel expressly refused to receive any compensation in the event of termination of his duties. He will therefore not receive any termination indemnity.

- Non Compete Agreement

As soon as Denis Machuel was appointed Chief Executive Officer in 2018, the Board of Directors decided to subject him to a non-competition undertaking in the event of his departure, with the objective of protecting the interests of Sodexo.

However, the scope of the non-compete agreement initially entered into no longer reflects recent and unpredictable developments within Sodexo's sector of activity, massively impacted by the Covid-19 crisis.

In this context, as the 2018 non-compete agreement was not sufficiently protective of the Company's interests, the Board of Directors decided to modify the scope of this non-compete agreement.

The modifications made by the Board are as follows:

- i. the duration of the non-compete agreement was extended from two years to three years;
- ii. the list of competitors was expanded to take account of changes in the competitive environment;
- iii. clauses such as non-solicitation of Group Senior Leaders and significant clients were added; and

iv. the financial consideration under the agreement was increased to 24 months of the fixed and variable annual compensation due to Denis Machuel for Fiscal 2021.

- Health insurance and life insurance

In accordance with the compensation policy, Denis Machuel, like all Sodexo SA employees, will be entitled to health insurance and life insurance for a period of twelve months following the end of his term of office.

Sophie Bellon

The Board of Directors has implemented interim governance until the appointment of a new Chief Executive Officer by unanimously deciding that effective October 1, 2021, the Chairwoman will also assume the role of Chief Executive Officer on an interim basis.

Sophie Bellon will therefore receive additional fixed compensation of 18 750 euros per month during the interim period, representing a theoretical total fixed annual compensation of 900 000 euros.

The structure of the Chairwoman's compensation will remain unchanged throughout the interim period, with no variable compensation and no performance share grants.

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 64 countries, Sodexo serves 100 million consumers each day through its unique combination of On-site Services, Benefits & Rewards Services and Personal & 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 420,000 employees throughout the world.

Sodexo is included in the CAC Next 20, CAC 40 ESG, FTSE 4 Good and DJSI indices.

Key figures

- 19.3 billion** euro in Fiscal 2020 consolidated revenues
- 420,000** employees as at August 31, 2020
- #1** France-based private employer worldwide
- 64** countries
- 100 million** consumers served daily
- 11.4 billion** euro in market capitalization (as of October 7, 2021)

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