

INFORMATION ON THE MANAGEMENT BOARD'S COMPENSATION FOR FINANCIAL YEAR 2018 AND 2019

In accordance with the AFEP-MEDEF Corporate Governance Code regarding the publication of the compensation of executive corporate officers, the Supervisory Board of Elis, during its meeting of March 6, 2019, on the recommendations of the Appointments and Compensation Committee, made the following decisions on:

- the assessment of the level of achievement of the 2018 performance conditions for the variable compensation of Xavier Martiré, Chairman of the Management Board, Louis Guyot and Matthieu Lecharny, members of the Management Board, for the financial year ended December 31, 2018;
- the general principles for the determination of compensation for executive corporate officers for 2019.

A – ASSESSMENT OF THE LEVEL OF ACHIEVEMENT OF THE PERFORMANCE CONDITIONS FOR THE VARIABLE COMPENSATION OF THE PRESIDENT AND THE MEMBERS OF THE MANAGEMENT BOARD FOR FINANCIAL YEAR 2018

During its meeting held on March 6, 2018, the Supervisory Board, in accordance with a proposal by the Appointments and Compensation Committee, decided the principles that have governed the determination of the variable compensation for each member of the Management Board, and set, for financial year 2018, the amount of the target variable portion of Xavier Martiré, Chairman of the Management Board, at 100% of his fixed compensation, an amount that could reach 170% in case of outperformance, and for Louis Guyot and Matthieu Lecharny at 70% of their fixed compensation, an amount that could reach 119% in case of outperformance according to the following criteria :

- financial indicators (70% of the variable portion that can range from 0% to 140% in the event of outperformance): the economic indicators selected, corresponding to the Company's strategic management tools, are the revenue (20%), EBIT (30%), and operating cash flow (20%);
- non-financial indicators (30% maximum of the variable portion) based on strategic and management indicators with a qualitative and quantitative assessment.

In accordance with the article L.225-82-2 of the French commercial Code, the principles and criteria for the determination of the compensation of the Management Board members had been approved by the shareholders at their general meeting of May 18, 2018.

On the recommendation of the Appointments and Compensation committee, the Supervisory Board meeting of March 6, 2019, reviewed the achievement of the performance targets for the 2018 variable compensation of the Chairman and the members of the Management Board, and found that the level of achievement was as follows:

FINANCIAL INDICATORS (common to all members of the Management Board)

Type of targets	Respective weighting Of variable compensation	Performance in 2018 (as a percentage of the variable compensation)	Justification
Revenue	20%	22.8% , 114% of the target bonus	Consolidated revenue totaled €3.133 billion with proforma organic growth of 2.4%, outstripping the budget in the fourth quarter (2.9%). This was mainly attributed to: <ul style="list-style-type: none"> - solid business growth (+2.2%) in France, despite a challenging environment at year-end; - robust performance (+2.0%) of the workwear segment in central Europe (Netherlands, Germany, Poland); - continued business growth (+3.1%) and control of losses in Scandinavia; - in the British Isles (-1.1%), control of losses in Hospitality, as demonstrated by the steady improvement in the fourth quarter (+0.5%); - strong performance (+3.2%) in southern Europe, despite the slowdown in the hotel industry; - continuation of bullish momentum (+8.4%) in Latin America.
EBIT, compared to the budget	30%	47.3%, 158% of the target bonus	The Group's EBIT stands at €426 million, higher than budgeted: It mainly reflects the impact of synergies achieved from Indusal, Lavebras and Berendsen acquisitions, and continuous productivity gains across the portfolio, balanced by the currency effect and impact of IFRS 3.
Operating cash flow, compared to the budget	20%	40%, 200% of the target bonus	There was a clear normalization of cash flow in 2018, which was higher than budgeted. This included : <ul style="list-style-type: none"> - the return to normal WCR - Control of a non-recurring item, despite integration related restructuring - Normal income tax - All despite additional one-off costs related to the catch-up program for Berendsen's capital expenditures and the refinancing of the bridge loan.

Non-financial indicators (individualized indicators)

Type of targets	Respective weighting of variable compensation	Performance in 2018 (as a percentage of variable compensation)	Justification
Xavier Martiré, Chairman of the Management Board			
Successful integration of Berendsen (Synergies)	7.5%	7.5%	The Berendsen integration is proceeding according to plan. Cumulative synergies amounted to €50 million at the end of 2018.
Build-up in strategic countries (e.g. Germany)	7.5%	7.5%	The Group continued its targeted acquisitions policy, particularly in Germany, in a bid to consolidate the healthcare sector.
Development of the Group's CSR policy	7.5%	6%	The Group has accelerated its CSR development policy, as described in Chapter 3 of the 2018 registration document. This applies to human resources, the environment, and society.
Innovation as a driver of organic growth	7.5%	6%	The Group continued its active innovation policy, including the development of product and service traceability and initiatives around customer experience (augmented reality virtual sizing, etc.).

Louis Guyot, member of the Management Board			
Quality of financial communications	10%	5%	Despite consistent and recognized financial communication, the share price fell in 2018 which the Supervisory Board wanted to take into account.
Group financing	10%	9%	The 2 billion bridge financing set up in September 2017 was refinanced in less than four months on excellent terms.
Deployment of processes and reporting tools across the entire organization	10%	10%	Group reporting tools were rolled out at the end of 2017, enabling the Group system to be used for the 2017 consolidation, with the introduction of harmonized operational reporting in the same system in early 2018.
Matthieu Lecharny, member of the Management Board			
Increase in consolidation scope in Spain	10%	7%	Indusal's integration went well. However, Spain witnessed a slowdown as growth in the hospitality sector levelled off.
M&A in Germany and in Berendsen's countries	10%	8%	The Group continued its targeted acquisitions policy, particularly in Germany, in a bid to consolidate the healthcare sector.
Strong sales momentum in Brazil	10%	7.5%	The Lavebras integration was a success. The momentum has remained strong, with organic growth of close to 10%.

On that basis, at its meeting held on March 6, 2019, the Supervisory Board decided that the amount of the variable compensation for each member of the Management Board in respect of 2018 financial year would be as follows:

- For **Xavier Martiré**, Chairman of the Management Board, the percentage of targets achieved in respect of the 2018 financial year based on financial and non-financial indicators was 137,10% of fixed compensation, corresponding to variable compensation of €1 096 830;
- For **Louis Guyot**, member of the Management Board, the percentage of targets achieved in respect of the 2018 financial year based on financial and non-financial indicators was 93,87% of fixed compensation, corresponding to variable compensation of €375 491 (excluding the provisional amount of the profits to be shared for the year ended 2018) ; and;
- For **Matthieu Lecharny**, member of the Management Board, the percentage of targets achieved in respect of the 2018 financial year based on financial and non-financial indicators was 92,82% of fixed compensation, corresponding to variable compensation of €278 468 (excluding the provisional amount of the profits to be shared for the year ended 2018).

In accordance with the Article L.225-100 II of the French commercial Code, the elements of fixed, variable and special compensation and benefits of any kind paid or awarded to the Management Board members will be submitted to the approval of the shareholders in the annual general meeting of May 23, 2019, being specified that the payment of variable elements of compensation

is subject to the prior approval of the shareholders of those elements.

B/ COMPENSATION POLICY FOR EXECUTIVE CORPORATE OFFICERS FOR 2019

At its meetings of March 6, 2019, the Supervisory Board, on the recommendation of the Appointments and Compensation Committee decided the compensation policy for the President and the members of the Management Board for 2019 as follow:

Fixed compensation

The Supervisory Board decided that the amount of fixed compensation for each member of the Management Board would remain unchanged for 2019. At this stage, no changes are planned before the end of the current term of office of the Management Board. The Supervisory Board confirmed that the amount is appropriate in view of the executive compensation studies carried out.

Variable compensation

The Supervisory Board decided that the target amount, the maximum variable compensation and the weighting of financial and non-financial indicators used to calculate the variable position for 2019 would remain unchanged from 2018.

In the interest of the continuity of the ongoing assessment and measurement of the Management Board's financial performance, the Supervisory Board decided not to change the economic indicators attached to variable compensation, and the portion ranges from 0 to 200% as well when the indicator is around the target value.

- **Financial indicators counting for 70% of the variable component for the Chairman and the member of the Management Board**
- The economic indicators used correspond to the Company's business management tools, namely, revenue (20%), EBIT (30%), and operating cash flow (20%), in line with the budgetary target discussed annually with the Supervisory Board, said target being itself in line with the forecasts communicated to the market.

With regards to non-financial criteria, a decision of the Supervisory Board was made at the recommendation of the Appointments and Compensation Committee to make several adjustments for 2019 to align criteria with the Group's current strategy and targets for non-financial and operational performance. In accordance with the AFEP-MEDEF Code, the annual variable compensation of each member of the Management Board now includes a criterion related to Corporate Social Responsibility.

The table below shows the breakdown of non-financial indicators used to determine the annual variable compensation targets of the President and the members of the Management Board, together with the weighting of each indicator:

Xavier MARTIRE, President of the Management Board	Variable component weighting (at 100%)
Transformation of EBITDA into cash flow	15%
Development of the Group's CSR policy	7.5%
Optimization and standardization of information systems throughout the Group	7.5%

Louis GUYOT, Member of the Management Board	Variable component weighting (at 100%)
Introduction of cash management tools	10%
Debt rescheduling	10%
Effectiveness of financial communications particularly in terms of CSR	10%

Matthieu Lecharny, Member of the Management Board	Variable component weighting (at 100%)
Improvement of overall performance in Spain	10%
Development of CSR across the organization	10%
Sales momentum in Latin America	10%

Long-term equity-based compensation

On the recommendation made by the Appointments and Compensation Committee, at its meetings on March 6, 2019, the Supervisory Board maintained the principle of equity-based compensation for each member of the Management Board in the form of performance shares to which is attached a medium-term economic and share-price performance condition in order to align the interests of the shareholders with those of the beneficiaries, and it renewed the following principles for 2019:

- the maximum proportion of performance shares that can be granted annually to the members of the Management Board (including the Chairman of the Management Board) is set at 1.25 times their annual compensation (fixed + maximum variable), in accordance with the recommendations of the AFEP-MEDEF Code and in line with market practices noted for SBF 120 companies;
- the vesting of performance shares granted to the Chairman and members of the Management Board is conditioned on the employment of these beneficiaries in the Group for the full vesting period starting from the grant date, the vesting period being a minimum of three years;

- the vesting of the performance shares granted to the Chairman and members of the Management Board is subject to economic and share-price performance conditions assessed over a period of at least three years. With regard to economic criteria, the Supervisory Board shall use appropriate criteria that can be assessed over time and may, where necessary, be identical to the financial criteria used to determine the annual variable component. With regard to share-price performance, this shall be assessed on the basis of a stable criterion based on the performance of the Elis share's TSR compared to that of the SBF 120;
- the rights granted to the Chairman and members of the Management Board may not exceed 0.55% of the Company's share capital as established at the date of the decision of the Management Board awarding the performance shares in accordance with the 22nd resolution of the annual shareholders' meeting held on May 27, 2016.
- At the end of the vesting period, each Management Board member has an obligation to retain shares as follows:
 - for the Chairman of the Management Board, one-third of the shares vested to be retained until his Company share portfolio reaches a value representing three times the amount of his annual fixed compensation;
 - for the other members, one-third of the shares vested to be retained until their Company share portfolios reach a value representing two times the amount of their annual fixed compensation.

Special compensation

The Supervisory Board has maintained the principle whereby the Chairman and other members of the Management Board may, under certain circumstances, be eligible for special compensation not to exceed the maximum amount of annual monetary compensation (maximum fixed + variable).

At the general meeting of May 23, 2019, the shareholders shall be called to approve the principles and the criteria of the determination of the 2019 compensation of the executive corporate officers under the terms presented below in accordance with Article L.225-82-2 of the French commercial Code.