

# Management Board's report on the resolutions to be submitted to to the General Shareholders' Meeting of May 20, 2021

Dear Shareholders,

We have convened this combined general shareholders' meeting on May 20, 2021 to submit the following 23 resolutions for your approval. These resolutions were approved in draft form by the Management Board at its meeting on March 8, 2021.

Given the continuing public health emergency and in view of the administrative measures taken in response to the Covid-19 pandemic, this general shareholders' meeting will be held at the Company's registered office at 5 boulevard Louis Loucheur, Saint-Cloud (92210), behind closed doors, without the physical presence of shareholders or other persons entitled to attend.

This decision has been made pursuant to Article 4 of Order No. 2020-321 of March 25, 2020, as amended by Order No. 2020-1497 of December 2, 2020, as recently extended by Decree No. 2021-255 of March 9, 2021, adapting the rules governing meetings and deliberations of shareholders' meetings and the governing bodies of legal entities and private law entities without legal personality due to the Covid-19 pandemic. It has been supplemented by Decree No. 2020-418 of April 10, 2020, as extended and amended by the aforementioned Decree No. 2021-255 of March 9, 2021. On April 12, 2021, the date of the preliminary notice of meeting, administrative measures limiting or prohibiting travel and gatherings for public health reasons made it impossible to hold the general shareholders' meeting with the physical presence of shareholders or other persons entitled to attend. Further, given the usual rates of attendance at the Company's general shareholders' meetings, Elis's headquarters, whose conference rooms have limited capacity, would not have allowed for the adequate spacing of attendees as per the recommended physical distancing guidelines (in particular those provided in Decree No. 2020-1310 of October 29, 2020, as amended) to guarantee everyone's health and safety.

The following 23 resolutions will be submitted for your approval:

- > the first 20 resolutions, which fall within the authority of the ordinary general shareholders' meeting;
- > the 21<sup>st</sup> to 22<sup>nd</sup> resolutions, which fall within the authority of the extraordinary general shareholders' meeting;
- > the last resolution, which concerns powers to carry out legal formalities.

Detailed information pertaining to the parent company and consolidated financial statements for the year ended December 31, 2020 and the Group's activities during the previous financial year are included in the 2020 universal registration document, which was filed with the French Financial Markets Authority (AMF) on March 30, 2021 and has been made available to you in accordance with the applicable laws and regulations at the Company's registered office or on its website at <https://fr.elis.com/fr/groupe/relations-investisseurs/information-reglementee>.

Shareholders are also invited to refer to the cross-reference tables on pages 287 to 291 of the 2020 universal registration document, which identify the parts of this document that correspond to information that must be included in the management report for the 2020 financial year.

The information that must be included in the annual financial report is identified with the symbol AFR in the table of contents of the 2019 universal registration document.

In this report, we present the reasons for each of the resolutions submitted for your approval during the general shareholders' meeting.

## Resolutions within the authority of the ordinary general shareholders' meeting

### 1<sup>st</sup> and 2<sup>nd</sup> resolutions

#### Approval of the parent company and consolidated financial statements for the year ended December 31, 2020

Under the 1<sup>st</sup> and 2<sup>nd</sup> resolutions, you are asked to approve the parent company and consolidated financial statements for the year ended December 31, 2020 after reviewing the Statutory Auditors' reports on said statements.

The parent company financial statements have been prepared in accordance with French legal and regulatory requirements and the consolidated financial statements have been prepared in accordance with applicable regulations and International Financial Reporting Standards (IFRS).

The parent company financial statements for the year ended December 31, 2020 show a loss of €42,796,152.77.

The consolidated financial statements for the year ended December 31, 2020 show a profit attributable to the owners of the parent company of €4 million.

These results are detailed in the management report, and the financial statements are included in the 2020 universal registration document.

You are also asked to approve the amount of non-deductible expenses and charges referred to in Article 39, paragraph 4 of the French Tax Code totaling €25,175.

### 3<sup>rd</sup> resolution

#### Allocation of income for the financial year ended December 31, 2020

As the financial year ended December 31, 2020 showed a net loss of €42,796,152.77, you are asked, pursuant to the 3<sup>rd</sup> resolution, to allocate this amount to the accumulated deficit account. You will also be asked to clear all losses shown in the accumulated deficit account.

In accordance with the provisions of Article 20 of the Company's bylaws, this proposed allocation of income was submitted to the Supervisory Board for prior approval.

In accordance with Article 243 bis of the French Tax Code, we remind you that no dividends were paid for the financial years ended December 31, 2017, 2018 or 2019.

### 4<sup>th</sup> resolution

#### Approval of the regulated agreements referred to in Articles L. 225-86 *et seq.* of the French Commercial Code

The purpose of the 4<sup>th</sup> resolution is to submit for your approval the terms of the Statutory Auditors' special report on the regulated agreements referred to in Articles L. 225-86 *et seq.* of the French Commercial Code.

We hereby inform you that, at its meeting on March 8, 2021, the Supervisory Board:

- > noted that no regulated agreements had been entered into in 2020;
- > voted on whether to continue the agreements entered into during previous financial years in 2021, in accordance with the provisions of Article L. 225-88-1 of the French Commercial Code.

In this regard, it is specified that at its meeting on March 3, 2020, the Supervisory Board introduced an assessment procedure for conventional agreements entered into at arm's length pursuant to Article L. 225-87 of the French Commercial Code (new Article L. 22-10-29).

On that basis, the criteria used for the classification of conventional agreements led the Supervisory Board to reclassify intra-group financing agreements and the parent company guarantees already approved by the general shareholders' meeting in previous financial years as conventional agreements as from the 2020 financial year.

This classification is reviewed each year. Thus, at its meeting on March 8, 2021, the Supervisory Board voted in favor of continuing the intra-group financing agreements and parent company guarantees in 2021 and classifying them as conventional agreements, on the basis of the criteria laid down in the assessment procedure for conventional agreements.

Therefore, as of that date, no regulated agreements previously approved by the general shareholders' meeting continued in 2020.



We also remind you that, since Order No. 2019-1234 of November 27, 2019 on the compensation of corporate officers of listed companies (“the Order”), the commitments made for the benefit of members of the Management Board and corresponding to elements of compensation, indemnities or benefits payable or likely to be payable as a result of the termination or change of duties or subsequent to the exercise thereof are no longer subject to the regulated agreements procedure. These commitments are now covered by the “Say on pay” policy, which is the subject of resolutions 8 to 18 presented to you below.

## 5<sup>th</sup> to 7<sup>th</sup> resolutions

### Composition of the Supervisory Board

Resolutions 5, 6 and 7 regarding the composition of the Supervisory Board ask you to vote on the reappointment of three Supervisory Board members, Anne-Laure Commault, Florence Noblot and Joy Verlé, for a four-year term.

Information on the background, experience and duties of these candidates for reappointment is provided in the notice of meeting for this general shareholders’ meeting.

It should be noted that the Supervisory Board now has two members representing employees, appointed in November 2020 under Article L. 225-79-2(II) of the French Commercial Code and Article 17 of the Company’s bylaws.

At its meeting on March 8, 2021, the Supervisory Board reviewed the independence of its members, as it does every year, and concluded that Florence Noblot, Philippe Delleur, Thierry Morin, Antoine Burel, Anne-Laure Commault and Fabrice Barthélemy continued to meet the independence criteria referred to in Article 1 of the Supervisory Board’s rules of procedure.

The Board also reviewed the availability of its members in accordance with the recommendations of the AFEP-MEDEF Code. This review revealed that no member served on an excessive number of boards of listed companies outside the Group, thus allowing each member of the Company’s Supervisory Board to devote the time and attention necessary to perform their duties. The Board also assessed their respective contributions to its work and to the work of its committees, both in terms of skills and personal commitment, and considered that maintaining all of them in their roles was in the Company’s interest.

The biographies of current Supervisory Board members as at March 8, 2021 are provided in chapter 2 “Corporate governance” of the 2020 universal registration document.

It should be noted that at the end of your general shareholders’ meeting, if these resolutions are adopted, more than half of the members of your Supervisory Board will be independent, in accordance with the principles of the AFEP-MEDEF Code (Article 8.3). It will comprise 11 members (including members representing employees), six women and five men, which is a gender ratio consistent with the statutory provisions.

## 8<sup>th</sup> and 9<sup>th</sup> resolutions

Ex-ante vote on the overall compensation policy for the Chairman and members of the Management Board for financial year 2020The 8<sup>th</sup> and 9<sup>th</sup> resolutions concern the compensation of corporate officers and are presented as part of the “Say on pay” policy laid down in the new Articles L. 22-10-26, L. 22-10-9 and L. 22-10-34 of the French Commercial Code. More specifically, these resolutions are presented to you as part of the *ex-ante* vote on the compensation policy for all corporate officers, as provided by the policy regarding corporate officer compensation, as amended by the Order supplemented by Decree No. 2019-1235 of November 27, 2019 transposing EU Directive 2017/828 of May 17, 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement.

Given the impact of the Covid-19 pandemic on the Company, you are asked to approve the revisions made by the Supervisory Board at its meeting on March 8, 2021, on the advice of the Appointments, Compensation and Governance Committee, to certain elements of compensation for the 2020 financial year that are the subject of the compensation policy for corporate officers as approved by the general shareholders’ meeting on June 30, 2020.

As a consequence, the purpose of resolutions 8 and 9 is to ask you, pursuant to Articles L. 22-10-26 and R. 22-10-18 of the French Commercial Code, to vote on the overall compensation policy applicable to the Chairman and members of the Management Board for the 2020 financial year, as prepared by the Supervisory Board in accordance with Article L. 22-10-26, including revisions thereto.

Information on the compensation policy provided for in Article R. 22-10-18 of the French Commercial Code, including general information and individual information for the Chairman and each member of the Management Board, is presented in the Supervisory Board’s report on corporate governance included in chapter 2 of the 2019 Universal Registration Document, It is also presented in the supplements to that report, one dated April 27, 2020, which was attached to the notice of meeting for the general shareholders’ meeting of June 30, 2020, and one dated March 8, 2021, attached to this notice of meeting.

## 10<sup>th</sup> to 13<sup>th</sup> resolutions

### Ex-ante vote on the compensation policy for corporate officers for financial year 2021

The 10<sup>th</sup> to 13<sup>th</sup> resolutions concern the compensation of corporate officers and are presented as part of the “Say on pay” policy laid down in the new Articles L. 22-10-26, L. 22-10-9 and L. 22-10-34 of the French Commercial Code. More specifically, these resolutions are presented to you as part of the *ex-ante* vote on the compensation policy for all corporate officers, as provided by the policy regarding corporate officer compensation, as amended by the Order supplemented by Decree No. 2019-1235 of November 27, 2019 transposing EU Directive 2017/828 of May 17, 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement.

The purpose of the 10<sup>th</sup> to 13<sup>th</sup> resolutions is to ask you, pursuant to Article L. 22-10-26(II) of the French Commercial Code, to vote on the compensation policy for the 2021 financial year for all corporate officers as prepared by the Supervisory Board in accordance with Article L. 22-10-26(I).

Information on the compensation policy provided for in Article R. 22-10-18 of the French Commercial Code, including general information and information specific to each corporate officer, is contained in the Supervisory Board’s report on corporate governance included in chapter 2 of the 2020 universal registration document.

To ensure that your votes on these compensation policies are more accurately reflected, and insofar as the components of those policies may differ depending on the category of corporate officer to which they apply, four separate resolutions are being put forward for your vote. The 10<sup>th</sup> and 11<sup>th</sup> resolutions concern the compensation policy for the Chairman of the Supervisory Board and members of Supervisory Board, respectively, while the 12<sup>th</sup> and 13<sup>th</sup> resolutions pertain to the compensation policy for the Chairman of the Management Board and members of the Management Board, respectively.

If the general shareholders’ meeting rejects these resolutions on the compensation policy for corporate officers, the respective compensation for 2021 for these officers will be based on the compensation policy previously approved by the general shareholders’ meeting on June 30, 2020 and the Supervisory Board will submit a revised compensation policy that takes into account the vote and opinions expressed by the shareholders for approval at the next general shareholders’ meeting to be held in 2022. In particular, if the shareholders vote against the 11<sup>th</sup> resolutions, it will also suspend payment of the compensation allocated to members of the Supervisory Board under Article L. 22-5-83 of the French Commercial Code until the revised compensation policy has been approved.

The elements of compensation that will be paid or awarded to the Chairman and members of the Supervisory Board and to the Chairman and each of the members of the Management Board for the 2021 financial year under the compensation policies submitted to this general shareholders’ meeting will be subject to an ex-post vote in 2022 pursuant to Article L. 22-10-34 of the French Commercial Code.

## 14<sup>th</sup> to 18<sup>th</sup> resolutions

### Ex-post vote on the elements of compensation paid or awarded to corporate officers

The 14<sup>th</sup> to 18<sup>th</sup> resolutions concern the compensation of corporate officers and are presented as part of the “Say on pay” policy laid down in the new Articles L. 22-10-26, L. 22-10-9 and L. 22-10-34 of the French Commercial Code. More specifically, these resolutions are presented to you as part of the *ex-post* vote on the elements of compensation paid or awarded for or during the year under review, as provided by the policy regarding corporate officer compensation, as amended by the Order supplemented by Decree No. 2019-1235 of November 27, 2019 transposing EU Directive 2017/828 of May 17, 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement.

The ex-post vote on the elements of compensation paid or awarded to corporate officers now comprises two components, covered by two separate resolutions:

- > The first component of the ex-post vote relates to the **information referred to in paragraph I of Article L. 22-10-9 of the French Commercial Code**, including the total compensation and benefits of any kind **paid** to corporate officers in respect of their office during the 2020 financial year or awarded in respect of their office **for the 2020 financial year**. This applies to **all corporate officers** (the chairman and members of the Supervisory Board and the chairman and members of the Management Board, including newly appointed corporate officers (Fabrice Barthélemy and Amy Flikerski). This is the subject of the **14<sup>th</sup> resolution**;
- > The second component of the ex-post vote relates to the **fixed, variable and exceptional elements of compensation comprising the total compensation and benefits of any kind paid during the 2020 financial year or awarded for that financial year** to the chairman and the members of the Management Board and the chairman of the Supervisory Board. Consequently, shareholders are asked to vote on four specific draft resolutions pertaining to the fixed, variable and exceptional elements of compensation comprising the total compensation and benefits of any kind paid during the 2020 financial year or awarded for that financial

year to the Chairman and members of the Management Board and the Chairman of the Supervisory Board in respect of their office, as these components have been determined under the compensation policies approved by the shareholders at the general shareholders' meeting on June 30, 2020 in accordance with the provisions of Article L. 22-10-34 of the French Commercial Code. This second component of the ex-post vote is covered by resolutions **15 to 18**;

- > In accordance with Article L. 22-10-34 of the French Commercial Code, the variable and exceptional elements comprising the compensation of the Chairman and members of the Management Board and the Chairman of the Supervisory Board under resolutions 15 to 18 may not be paid until after the general shareholders' meeting has approved the elements of compensation for the person concerned.

## 19<sup>th</sup> resolution

### **Increase in the amount of annual compensation allocated to members of the Supervisory Board**

The **19<sup>th</sup> resolution** concerns the increase in the total amount of compensation allocated to the Chairman and members of the Supervisory Board pursuant to the provisions of Article L. 225-83 of the French Commercial Code.

The last increase was approved by the general shareholders' meeting of May 18, 2018, which had set the overall annual amount allocated for the fixed compensation of members of the Supervisory Board and their attendance at committee meetings at €600,000.

A study carried out on the level of compensation of corporate officers by an independent expert commissioned by the Appointments, Compensation and Governance Committee highlighted a significant discrepancy between the compensation of the Chairman of the Supervisory Board and the chairs of the Board's standing committees and that of their peers in the benchmark: the compensation of the Chairman of the Supervisory Board was €77,000 in 2019, compared with €254,000 for the benchmark, while the additional compensation for the standing committee chairs was €12,000, compared with €25,000 for the benchmark.

The Appointments, Compensation and Governance Committee has therefore recommended that the Supervisory Board increase the fixed portions due to the Chairman of the Supervisory Board and the committee chairs. The study found that the Chairman of the Board and the committee chairs attended all official Board and committee meetings. Not only that, but the work they did on behalf of the Group amounted to much more than simply attending those meetings, as is evident from the benchmark examined by the independent expert.

This proposal for a redistribution of compensation among Supervisory Board and committee members is subject to a shareholder vote as part of the compensation policy for the Chairman and members of the Supervisory Board for 2021 under the 10<sup>th</sup> and 11<sup>th</sup> resolutions set out above (Ex-ante vote).

Should you approve this 2021 compensation policy, you will need to vote on the increase in the total amount allocated from €600,000 to €800,000 under the 19<sup>th</sup> resolution.

## 20<sup>th</sup> resolution

### **Authorization to be granted to the Management Board to trade in the Company's shares**

The general shareholders' meeting on June 30, 2020 renewed the authorization granted to the Company to trade in its own shares for a period of 18 months.

Making use of this authorization, the following transactions took place in 2020 under the liquidity agreement:

- > 422,774 shares were purchased for €6,455,738.44, or an average price per share of €15.2699;
- > 336,252 shares were sold for €5,147,117.08, or an average price per share of €15.3073.

As at December 31, 2020, the Company held 205,723 shares directly, representing 0.09% of the Company's share capital on that date.

As the prevailing authorization granted to the Management Board is due to expire in December 2021, the Management Board, under prior authorization from the Supervisory Board dated March 8, 2021 proposes that it be replaced with a new authorization for a period of **18 months** as from the date of this general shareholders' meeting, pursuant to the **20<sup>th</sup> resolution**.

This new delegation of authority would allow the Company to trade in its own shares, in accordance with the provisions of Articles L. 22-10-62 *et seq.* of the French Commercial Code, European Regulation No. 596/2014 of April 16, 2014 on market abuse (the Market Abuse Regulation or “MAR”), Commission Delegated Regulation (EU) No. 2016/1052 of March 8, 2016, and Articles 241-1 *et seq.* of the General Regulation of the AMF. Shares may be purchased in particular in order to:

- > increase share liquidity under a liquidity agreement, using an investment services provider as intermediary;
- > honor obligations deriving from the exercise of rights attached to securities issued by the Company or by one of its subsidiaries entitling the holder, immediately or in the future, to the grant of shares of the Company, in accordance with applicable regulations;
- > honor obligations related to stock option plans, the grant of bonus shares to employees and corporate officers, the grant or transfer of shares to employees as part of the Company’s expansion-related profit sharing plan, employee share ownership or company savings plans, and any other forms of share grant, allotment, sale or transfer to employees and corporate officers of the Company or Group, and to carry out any hedging transactions related to these transactions, as provided by law;
- > cancel any shares acquired under the conditions provided for in the 22<sup>nd</sup> resolution, subject to the adoption thereof;
- > hold all or part of the shares acquired for subsequent reintroduction to the market or for use as payment for potential acquisitions, contributions, mergers or demergers in accordance with recognized market practices and applicable regulations; and
- > more generally, carry out any other transaction that is permitted or that might be authorized in the future.

The conditions applying to this new share buyback authorization, unchanged from those previously adopted by the general shareholders’ meeting on June 30, 2020, would be as follows:

- > maximum purchase price (excluding acquisition-related costs): €30 per share;
- > maximum holding: 10% of the share capital (or 22,181,943 shares as at December 31, 2020); and
- > maximum purchase amount: €350 million.

These shares may be acquired at any time, **except during tender offer periods** for the Company’s share capital (except with prior authorization from the general shareholders’ meeting), in one or more installments and by all available means, on any market, over the counter, to the extent permitted by the laws and regulations in force during the period of validity of the share buyback program.



## Resolutions within the authority of the extraordinary general shareholders' meeting

### 21<sup>st</sup> resolution

#### **Delegation of authority to be granted to the Management Board to increase the share capital for certain categories of international employees without preferential subscription rights**

Shareholders are informed that the Group has launched a second employee share ownership plan in France and abroad, "Elis for All 2021". The project was approved by the AMF on December 15, 2020.

In this context, the Management Board intends to use the authorization granted, for a period of 26 months, by the combined general shareholders' meeting on June 30, 2020, under its 24<sup>th</sup> resolution, to increase the Company's share capital by issuing shares and/or other securities giving access to the Company's capital reserved for employees of the Company and affiliated companies as defined by Article L. 225-180 of the French Commercial Code and L. 3344-1 of the French Labor Code, subscribing directly or via one or more company mutual funds, provided that those employees are members of a Company savings plan.

Furthermore, in order for the Management Board to be able to roll out said employee share ownership plan internationally, the Management Board intends to use the delegation of authority granted under the 25<sup>th</sup> resolution of the combined general shareholders' meeting on June 30, 2020 to offer the subscription of Elis shares to employees or categories of employees of the Group outside France by tailoring the terms and conditions of the offer to local circumstances.

This resolution (25<sup>th</sup> resolution of the general shareholders' meeting on June 30, 2020) was granted for a period of 18 months and therefore does not cover the entire remaining subscription period prior to the annual general shareholders' meeting in 2022.

In order for the Management Board to be able to roll out an international employee share ownership plan under the best possible conditions, the Management Board, upon prior authorization from the Supervisory Board dated March 8, 2021, proposes, under the 21<sup>st</sup> resolution, to replace the 25<sup>th</sup> resolution of the combined general shareholders' meeting on June 30, 2020 with a new delegation of authority for a further period of **18 months** from this general shareholders' meeting. This delegation of authority would give employees or categories of employees of the Group based outside France the option to subscribe for Elis shares under terms and conditions tailored to local circumstances.

Under the 21<sup>st</sup> resolution, we also ask you to decide that the issue price for the new shares will be determined on the same terms as the shares that would be issued pursuant to the 24<sup>th</sup> resolution of the combined general shareholders' meeting on June 30, 2020, and/or in accordance with the methods for determining the subscription price of the Company's shares, taking into account the specific arrangements for an offer of Company shares that would be made as part of a share ownership plan governed by foreign law.

The general shareholders' meeting is therefore asked, under the 21<sup>st</sup> resolution, to grant the Management Board the authority to increase the Company's share capital in one or more installments up to a limit of **€5 million** (nominal amount), i.e., approximately 2% of the Company's share capital as at December 31, 2020. This cap also applies to the 24<sup>th</sup> resolution of the combined general shareholders' meeting on June 30, 2020.

Note that the vote on this resolution requires shareholders to expressly waive their preferential subscription rights to the new shares to be issued, so that the subscription for those new shares can be reserved for categories of employees who are beneficiaries of an employee share ownership or savings plan giving access to the Company's shares. To that end, we ask that you delegate the task of approving the list of beneficiaries to your Management Board.



## 22<sup>nd</sup> resolution

### **Authorization to be granted to the Management Board to reduce the share capital**

The purpose of this resolution is to renew the delegation of authority granted to the Management Board by the general shareholders' meeting on June 30, 2020 to reduce the share capital by canceling any number of treasury shares held by the Company after implementing the share buyback authorization submitted for your approval under the 20<sup>th</sup> resolution of this general shareholders' meeting. In accordance with applicable law, only **10% of the total number of shares comprising the share capital may be canceled per 24-month period**.

This authority is granted for a period of **18 months** from the date of the general shareholders' meeting, and the adoption of this resolution immediately terminates the unused portion of the delegation of authority previously granted for the same purpose to the Management Board by the general shareholders' meeting on June 30, 2020.

Note that, in accordance with Article 20 of the Company's bylaws, this draft resolution on reducing capital by canceling shares was submitted for prior approval to the Supervisory Board, which voted thereon at its meeting on March 8, 2021.

## 23<sup>rd</sup> resolution

### **Powers to carry out legal formalities**

Lastly, we ask that you grant powers to carry out any formalities prescribed by law following this general shareholders' meeting.

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We believe that the resolutions that will be submitted for your vote are in your Company's interests and conducive to the development of your Group's business.

We therefore ask that you vote in favor of these resolutions and we thank you for your trust.

**The Management Board**