



Translation for information purposes only. This document is an English-language translation of the report of the Board (rapport du Conseil d'administration) made available to the bondholders on March 3, 2021. In the event of any differences between this English-language translation and the French rapport du Conseil d'administration, the French rapport du Conseil d'administration shall prevail.

Société anonyme

Share capital: EUR 493,166,702

Registered office: 14-16 boulevard Garibaldi, 92130 Issy-les-Moulineaux, France

493.322.978 R.C.S. Nanterre
(the « **Company** »)

REPORT OF THE BOARD OF DIRECTORS

Presentation of the draft resolutions to the General Meeting of the holders of the Bonds
(as defined below)

Bonds issued on May 23, 2012 in an amount of €225,000,000 at the interest rate of 3.75% and due on May 23, 2022 (ISIN FR0011244367)
(the "**2012 Bonds**")

Bonds issued on March 10, 2015 in an amount of €500,000,000 at the interest rate of 1.375% and due on March 10, 2025 (ISIN FR0012599892)
(the "**2015 Bonds**")

Bonds issued on March 30, 2017 in an amount of €500,000,000 at the interest rate of 1,875% and due on March 30, 2027 (ISIN FR0013247202)
(the "**2017 Bonds**")

Bonds issued on December 6, 2018 in an amount of €500,000,000 at the interest rate of 1,875% and due on March 6, 2026 (ISIN FR0013385655)
(the "**2018 Bonds**")

Bonds issued on June 18, 2020 in an amount of €600,000,000 at the interest rate of 1,375% and Due on June 18, 2029 (ISIN FR0013518537)
(the "**2020 Bonds**" and together with the 2012 Bonds, the 2015 Bonds, the 2017 Bonds and the 2018 Bonds, the "**Bonds**")

Dear Sir or Madam,

You have been convened to a General Meeting to approve the draft resolutions for the conversion of the corporate form of the Company through adoption of the European company statute ("**SE**") and to approve the Draft Terms of Conversion (as defined below).

In the first resolution, the conversion of the corporate form of the Company into a European company and the draft terms of the conversion of the Company into a European company prepared by the Board of Directors, dated November 30, 2020 and filed with the clerk of the Commercial Court of Nanterre (*greffe du Tribunal de commerce de Nanterre*) on December 8, 2020, which explain and substantiate the legal and business aspects of the conversion of the Company into a European company and which indicate its consequences for the shareholders, the employees and the creditors of the Company (the "**Draft Terms of Conversion**") are submitted to your approval.

REASON FOR THE CONVERSION

The reason for the conversion is to reflect the European and international dimension of the Group in its legal form.

The SE legal form would better reflect the reality of the Group, which is both firmly international, with a presence in over 46 countries and 84% of its employees working outside of France as of December 31, 2020. In addition, as of the same date, the Group makes 63% of its operational revenues in Europe with most of its workforce, namely 51%.

With this project, the Company would adopt a legal form common to all EU countries. This legal form, which is increasingly adopted by companies located in Europe and companies listed on the Euronext Paris regulated market, is consistent with the economic reality of the Group and its market.

This legal form would also strengthen the attractiveness of the Group by allowing the group to benefit from the image of source of skills, technological excellence and leadership that Europe projects throughout the world.

LEGAL FRAMEWORK AND PROCEDURE OF THE CONVERSION

The conversion is governed by (i) the provisions of the Council Regulation (EC) no. 2157/2001 of October 8, 2001 on the Statute for a European Company (the "**SE Regulation**") (and particularly Articles 2§4 and 37 on the formation of an SE by conversion of an existing company); (ii) Articles L. 225-245-1 and R. 229-20 to R. 229-22 of the French Commercial Code and (iii) the provisions of the Council Directive no. 2001/86/EC of October 8, 2001 supplementing the Statute for a European Company with regard to the involvement of employees (the "**SE Directive**") and French national provisions implementing the SE Directive as set out in Articles L. 2351-1 *et seq.* of the French Labour Code.

Pursuant to the provisions of the SE Regulation, a limited liability company incorporated under the laws of a Member State and having its registered office and head office located in the European Union may convert to an SE:

- if its subscribed capital is at least of EUR 120,000; and
- if for at least two years it has had a subsidiary governed by the laws of another Member State.

These conditions are satisfied as the Company, a limited liability company incorporated under French law and with its registered office and head office located in France, (i) has a share capital of EUR 493,166,702, and (ii) has had for more than two years several subsidiaries located in EU countries other than France, such as Edenred Deutschland GmbH in Germany and Edenred Belgium in Belgium.

Pursuant to the provisions of Article L. 225-245-1 of the French Commercial Code, the firm Ledouble, represented by Mrs. Agnès Piniot, conversion auditor (*commissaire à la transformation*), was appointed on December 9, 2020 upon decision of the President of the Commercial Court of Nanterre. The conversion auditor shall prepare a report certifying that the Company has net assets at least equivalent to the share capital plus any reserves that the law or the by-laws do not permit to distribute.

On November 17, 2020, the Social and Economic Committee (*comité social et économique*) of the Company, unanimously issued a positive opinion on the proposed conversion.

The draft terms of conversion prepared by the Board of Directors and dated November 30, 2020 were filed with the clerk of the Commercial Court of Nanterre (*greffe du Tribunal de commerce de Nanterre*) on December 8, 2020 and a notice was published in a legal gazette and in the *Bulletin des Annonces Légales Obligatoires* (BALO) on December 11, 2020.

The proposed conversion of the Company into a European company is submitted to your approval as required under Articles L. 225-244 and L.228-65 I. 1° of the French Commercial Code. However, failing your approval, the Board of Directors may decide to carry out the proposed conversion of the Company into a European company, by offering to the bondholders, upon request, the reimbursement at par value of the Bonds for which the general meetings did not approve the proposed conversion. Such decision of the Board of Directors would be published, after which the relevant bondholders would have three months to request the reimbursement of the Bonds.

The proposed conversion of the Company into a European company will also be submitted to the approval of the General Meeting of the shareholders of the Company on May 11, 2021. Subject to the approval of the project by the General Meeting of the shareholders, the conversion of the Company into a European company and its registration with the Commercial and Companies Registry will not take place until the employee involvement procedure set out in Articles L. 2351-1 et seq. of the French Labor Code has been completed.

Accordingly, pursuant to the provisions of the SE Directive, a Special Negotiating Body (*Groupe Spécial de Négociation*, SNB) comprising employee representatives from all of the direct or indirect subsidiaries of the Company and the relevant entities whose registered office is located in the European Union or in the European Economic Area was created and met for the first time on February 25, 2021.

Negotiations with the SNB may continue for a period of six months from its creation. This period may be extended by common agreement between the parties up to a total maximum period of one year.

Negotiations with the SNB on the involvement of the employees in the Company may result in the following situations:

- in accordance with Article L. 2352-16 of the French Labour Code, the signature of an agreement setting out in particular the conditions for the implementation and functioning of an employee representation body within the SE having rights relating to its information and consultation, and, in accordance with Articles L. 2352-17 and L. 2352-18 of the French Labour Code, the conditions for the participation of employees to the Board of Directors of the Company which should be at least equivalent to the existing terms ;

- failing an agreement within the aforementioned negotiation period, the alternative provisions set out in the SE Directive and Articles L. 2353-1 et seq. of the French Labour Code shall apply. These provisions provide for the set-up of an SE Committee, the functioning of which is governed by Articles L. 2353-1 to L. 2353-27-1 of the French Labour Code, and the preservation of the existing provisions for employee representation on the Board of Directors (Article L. 2353-28 of the French Labour Code and Article L. 225-27-1 of the French Commercial Code).

CONSEQUENCES OF THE CONVERSION

As an European company, the Company will be governed by its by-laws, the SE Regulation, the legislative and regulatory provisions in force in France applicable to European companies and, where compatible, the provisions applicable to French *sociétés anonymes*.

The current by-laws of the Company will be amended to incorporate the provisions of the SE Regulation. The amendments will mainly relate to the identification of the Company, including its corporate form (articles 1, 2 and 4 of the by-laws), the functioning and powers of the Board of Directors (articles 12, 13 and 15 of the by-laws) and the reference to the regulated agreements procedure (*procédure des conventions règlementées*) by reference to the provisions applicable to French *sociétés anonymes* (addition of a new article 25 to the by-laws).

The conversion shall neither result in the winding-up of the Company nor in the creation of a new legal person.

Once the conversion becomes effective, the Company shall keep its corporate name "EDENRED" preceded or followed, in all documents issued by the Company, by the words "société européenne" (European company) or the initials "SE".

The conversion shall not change the term or the corporate purpose of the Company. The registered office and head office of the Company will remain in France, located at 14-16 boulevard Garibaldi, 92130 Issy-les-Moulineaux, France.

The number of shares issued by the Company and their par value shall not change as a result of the conversion. They shall continue to be traded on the Euronext Paris regulated market.

The duration of the current financial year will not be affected and the financial statements for this financial year will be prepared, presented and audited under the same conditions as before.

The Company will maintain a monistic structure, as permitted by the SE Regulation, and will therefore continue to have a Board of Directors (*Conseil d'administration*), the composition of which will remain unchanged. The directors (*administrateurs*), the Chairman and Chief Executive Officer (*Président-directeur général*) and the appointed and substitute statutory auditors (*commissaires aux comptes titulaires et suppléants*) in office at the time of the conversion of the Company into a European company shall remain in office until the end of their respective terms of office.

The governance of the Company, consisting primarily of the Chairman of the Board of Directors (*Président du Conseil d'administration*), its reference director (*administrateur référent*) and Vice-Chairman (*Vice-Président*) and the three board committees (an Audit and Risks Committee (*Comité d'audit et des risques*), a Commitments Committee (*Comité des engagements*), and a Compensation and Appointments Committee (*Comité des rémunérations et des engagements*)) shall remain unchanged.

All authorizations and delegations of authority and power granted to the Board of Directors in the current form of a *société anonyme* and in force on the date of completion of the conversion of the Company shall, on the date of such completion, be automatically transferred to the Board of Directors of the Company in its new form of a European company.

▶ Consequences of the conversion for the shareholders

The conversion shall have no impact on the rights associated with the shares of the Company and shall not result in any increase in the commitments of the shareholders. The number of EDENRED shares issued, their par value and the number of voting rights attached to each share shall not be affected as a result of the conversion.

▶ Consequences of the conversion for the creditors

The conversion shall not, in itself, affect the rights of the creditors of the Company. The creditors existing prior to the conversion shall retain all of their rights with respect to the Company once the conversion becomes effective.

▶ Consequences of the conversion for the employees

The conversion of the Company into a European company shall not change the current configuration of the Group to the extent it comprises a parent company and, with respect to the European Economic Area scope, subsidiaries and entities located in this scope.

The individual and collective rights of employees of the Company and its various subsidiaries and entities shall not be affected in that:

- individual relations between employees and their employer shall continue in accordance with the national rules governing such relations;
- collective relations shall also continue or evolve in accordance with national law and, in particular, shall not be reduced or held back by the conversion of the Company.

Nevertheless, Article L. 2351-2 of the French Labour Code provides that provisions concerning the European Works Council are not applicable to an SE and its subsidiaries. Accordingly, upon registration of the Company as an SE, the current European Works Council shall automatically cease to exist (subject to transitory provisions that may be agreed upon).