2019
Universal Registration Document

Edenred

Contents

The information required in the Annual Financial Report is identified in the Contents table by the AFR pictogram AFR
The disclosure of non-financial information is identified in the Contents table by the DNFI DNFI

2019 Universal Registration Document

including the annual financial report

Edenred is a leading services and payments platform and the everyday companion for people at work, connecting 50 million employees and 2 million partner merchants in 46 countries via more than 850,000 corporate clients.

Edenred offers specific-purpose payment solutions for food (meal vouchers), fleet and mobility (fuel cards, commuter vouchers), incentives (gift vouchers, employee engagement platforms) and corporate payments (virtual cards). These solutions enhance employee well-being and purchasing power, improve companies' attractiveness and efficiency, and vitalize the employment market and the local economy.

Edenred's 10,000 employees are committed to making the world of work a connected ecosystem that is safer, more efficient and more user-friendly every day.

In 2019, thanks to its global technology assets, the Group managed €31 billion in business volume, primarily carried out via mobile applications, online platforms and cards.

Edenred is listed on the Euronext Paris stock exchange and included in the following indices: CAC Next 20, FTSE4Good, DJSI Europe and MSCI Europe.

€31 billion
in business volume, of which 83% digital

1.5 billion
meals served per year using Edenred solutions

3 million
Edenred fuel cards and toll solutions

850,000
corporate clients

50 million
employees using our solutions

2 million
partner merchants

46
countries

10,000
employees

€1.6 billion
in total revenue

This Universal Registration Document was filed on March 25, 2020 with the Autorité des Marchés Financiers (AMF), the competent authority within the meaning of Regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of the said Regulation.

The Universal Registration Document may be used for the purposes of a public offer of securities or admission of securities for trading on a regulated market if supplemented by a securities note and, where applicable, a summary and all amendments to the Universal Registration Document. The whole thus formed is approved by the AMF in accordance with Regulation (EU) 2017/1129.

www.edenred.com

Message
from the Chairman and CEO

Bertrand Dumazy
Chairman and Chief Executive Officer of the Edenred Group

2019 was a turning point for Edenred, with the launch of the Next Frontier 2019-2022 strategic plan.

To the shareholders,

This year, the Registration Document has made way for the new Universal Registration Document, following changes in European regulations. The new format requires issuers to provide new content and revise the presentation, particularly as regards strategy, non-financial information and risk factors. That means more selective, more relevant and easier to understand information, which we hope will make for a more pleasant reading experience and give you a clearer understanding of all aspects of the Group. 2019 was a turning point for Edenred, with the launch of the Next Frontier 2019-2022 strategic plan, unveiled at a Capital Markets Day in London last October.

Next Frontier was built on firm foundations made possible by the radical transformation achieved since 2016 in the 46 countries where the Group operates. The successful implementation of the Fast Forward 2016-2018 plan enabled Edenred to change its scale and growth profile. Thanks to our successful technological transition, the Group is today a leader in the digital segment in its various markets, generating business volume of €31 billion via a unique services and payments platform.

Opening up new prospects for sustainable and profitable growth in the years to 2022, Next Frontier is above all an affirmation of our vision: to be the everyday companion

The record earnings in 2019 – another year of double-digit growth across all regions and all business lines – are the first tangible outcome of our new Next Frontier 2019-2022 strategy.

for people at work, making this world a connected ecosystem that is safer, more efficient and more user-friendly. Applied in the fields of food, fleet and mobility, incentives, and payments, our solutions enhance employee well-being and purchasing power, improve companies' attractiveness and efficiency, and vitalize the employment market and the local economy. Next Frontier's ambitious objectives are based on three growth drivers. The first is to change Scale by continuing our pursuit of business excellence and winning new clients in still largely underpenetrated markets, while making acquisitions. The next is Innovation, not only in terms of products and technologies, but also in the development of adjacent businesses, mirroring our success with Corporate Payment Services and employee engagement platforms in recent years. And the last is Transformation, to nurture "Ideal", our corporate social responsibility program, and tirelessly boost the commitment of our teams and our passion for customers.

Edenred, everyday companion for people at work

Edenred's commitment to making the world of work a better place for everyone is enshrined in some ten social commitments for the period from 2022 to 2030, backed up by an action plan dedicated to improving our stakeholders' quality of life, preserving the environment by reducing our consumption of resources and our waste, and creating value responsibly by applying high ethical standards.

The record earnings in 2019 – another year of double-digit growth across all regions and all business lines – are the first tangible outcome of our new Next Frontier 2019-2022 strategy. 2019 was also an especially abundant year in terms of integrating companies acquired in our various business segments to enhance our model. Notable examples are employee engagement platforms in Belgium, Italy and Romania; The Right Fuelcard Company, the number four fuel card manager in the United Kingdom and a provider of value-added services such as toll payment and maintenance in the fleet and mobility sector; and Corporate Spending Innovations (CSI), a North American fintech, paving the way for Edenred's expansion in a corporate payments market undergoing a digital transition. With Next Frontier, Edenred has also undertaken to pursue a progressive dividend policy, as reflected in our proposal, to be put to your vote at the Annual Shareholders' Meeting on May 7, to pay a dividend of €0.87 per share this year in respect of 2019.

Thank you for your trust and loyalty.

Financial and operational glossary

ACCEPTANCE NETWORK

The network of partner merchants that accepts the Group's solutions as payment instruments.

There are three types of acceptance networks for the Group's card-based products:

- **closed loop:** the card is issued by a partner merchant under its own brand (*e.g.*, Carrefour, Walmart or Starbucks) and is only accepted in its outlets;
- **filtered loop:** the card is issued only under the issuer's brand and is redeemable in a certain number of sales outlets, selected by the issuer who designed the preloaded service (meal card, food card, fuel card, gift card, etc.); and
- **open loop:** solutions (*e.g.*, gift cards, prepaid cards and payroll cards) that are cobranded by the acceptance network and the issuer. They are accepted anywhere.

BUSINESS VOLUME

Business volume comprises total issue volume of Employee Benefits, Incentive & Rewards solutions, Public Social Programs and Corporate Payment Services, plus the transaction volume of Fleet & Mobility Solutions and other solutions.

COMPANY AND PUBLIC INSTITUTION COMMISSION

Commission billed to Edenred's clients (companies, non-profits and public institutions), comprising a variable component calculated as a percentage of business volume.

EARNINGS BEFORE INTEREST AND TAXES (EBIT)

This aggregate is the "Operating profit before other income and expenses", which corresponds to total revenue (operating revenue and other revenue) less operating expenses, depreciation, amortization (mainly intangible assets, internally generated or acquired assets) and non-operating provisions. It is used as the benchmark for determining senior management and other executive compensation as it reflects the economic performance of the business.

EBIT excludes the share of net profit from equity-accounted companies and excludes the other income and expenses booked in "Operating profit including share of net profit from equity-accounted companies".

EBIT is presented in Note 4.4 to the consolidated financial statements, page 211.

EBITDA

This aggregate corresponds to total revenue (operating revenue and other revenue) less operating expenses (excluding depreciation, amortization and provisions).

EMPLOYEE USER

The person who uses the benefit or service received from his or her employer or from a public institution.

FACE VALUE

Amount marked on the payment voucher, or the amount loaded on a digital solution.

FLOAT

A portion of the operating working capital requirement corresponding to the preloading of funds by corporate clients.

FREE CASH FLOW

Free cash flow corresponds to cash generated by operating activities less investments in intangible assets and property, plant and equipment. It is presented in section 2.3.1.4, pages 66 et 67.

FUNDS FROM OPERATIONS BEFORE OTHER INCOME AND EXPENSES (FFO)

Funds from operations before other income and expenses (FFO) corresponds to EBITDA less net financial expense, income tax paid, non-cash revenue and expenses included in EBITDA, provision movements included in net financial expense, income tax expense and non-recurring taxes. This management ratio is discussed in section 2.3.1.4, page 66.

See also the consolidated statement of cash flows in section 4, part 1.4.

ISSUE VOLUME

Total face value of the funds preloaded on all of the payment solutions issued by Edenred to its corporate and public sector clients.

LIKE-FOR-LIKE

At constant exchange rates and scope of consolidation. See definition for "Organic growth".

OPERATING EBIT

This aggregate corresponds to EBIT adjusted for other revenue.

ORGANIC GROWTH

Organic growth corresponds to like-for-like growth, that is, at constant scope of consolidation and exchange rates. It reflects the Group's business performance.

Organic (or like-for-like) growth in revenue represents the difference between the amount for the current period and the amount for the comparative period, before the currency effect and the impact of acquisitions and/or disposals.

The impact of acquisitions is eliminated from the amount reported for the current period. The impact of disposals is eliminated from the amount reported for the comparative period. The sum of these two amounts is known as the impact of changes in the scope of consolidation or the scope effect.

The calculation of changes in activity is translated at the exchange rate applicable in the comparative period and divided by the adjusted amount for the comparative period.

The currency effect is the difference between the amount for the reported period translated at the exchange rate for the reported period and the amount for the reported period translated at the exchange rate applicable in the comparative period.

OTHER INCOME AND EXPENSES

See Note 10.1 to the consolidated financial statements, page 251.

PARTNER MERCHANT

A business or merchant that accepts the issuer's transactional solutions as payment. The partnership is based on a contractual relationship between the issuer and the merchant.

PARTNER MERCHANT COMMISSION

Commissions paid by Edenred partner merchants are generally based on the vouchers' face value. When the vouchers are presented for reimbursement, Edenred pays to the merchant the face value less the amount of its commission.

PENETRATION RATE

The ratio between the number of employee users of a transactional solution and the eligible working population, as defined by local legislation in Employee Benefits.

TAKE-UP RATE

The ratio of operating revenue generated by issue volume to total issue volume, in the Employee Benefits business.

TOTAL REVENUE

Total revenue for the Group includes:

- operating revenue generated directly by services; and
- other revenue.

Operating revenue corresponds to:

operating revenue generated by prepaid vouchers managed by Edenred; and

operating revenue from value-added services such as incentive programs, human services and event-related services. It corresponds to the amount billed to the corporate client and is recognized on delivery of the solutions.

Other revenue is the interest generated by investing cash over the period between:

- the issue date and the reimbursement date for prepaid vouchers; and
- the top-up date and the date the credit is used for prepaid cards.

Total revenue corresponds to the sum of operating revenue and other revenue.

TRANSACTION VOLUME

Transaction volume represents the total value of the transactions paid for with payment instruments, at the time of the transaction.

WORKING CAPITAL REQUIREMENT

The net balance of operating uses of funds and operating sources of funds. It is presented in Note 4.5 to the consolidated financial statements, page 212. It is structurally negative for prepaid solutions, as Edenred receives funds from corporate clients before having to reimburse its partner merchants. Certain non-prepaid solutions also generate a negative working capital requirement.

1

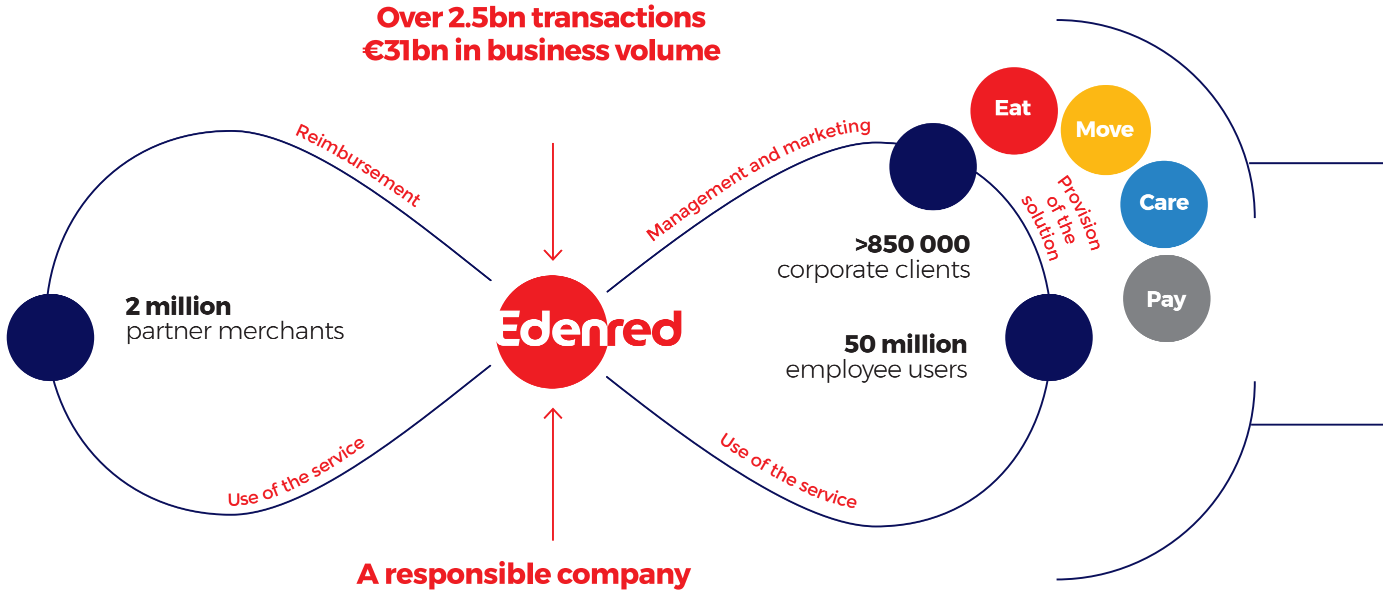
Presentation of the Group and its business model

1.1 Corporate profile

1.1.1 A sustainable and profitable business model

A unique digital intermediation and payment platform

Over 2.5bn transactions
€31bn in business volume



A responsible company
Robust resources and organization

Edenred has deployed a corporate social responsibility approach applicable on a daily basis. Known as "Ideal", it is aligned with the Group's operations and based on three components:
people. improve quality of life
planet. preserve the environment
progress. create value responsibly

A multilocal organization
10,000 employees in 46 countries with a common corporate culture and shared values

An innovative fintech
A global technology platform for authorizing, managing, tracing and securing payment flows

A trusted partner with 50 years of experience
€31bn in business volume
A highly cash-generative business model and sound financial position

Three complementary business lines in fast-growing, under-penetrated markets
Employee Benefits
Fleet & Mobility Solutions
Complementary Solutions

1

A business model catering to emerging trends in society and the working world

Society

Environmental and health protection	Urbanization	Digitalization	Shifts in global economic power

Working world

Healthy, local, environmentally friendly food	Changing mobility practices	Work-life balance	Move to a more formalized, service-based economy

4 categories of Edenred solutions to serve these trends

Eat: Food, Meals

Move: Fuel, Tolls, Business travel, Maintenance

Care: Culture, Leisure, Well-being, Incentives and rewards, Human services

Pay: Banking services, Public social programs, Corporate payment services

Edenred solutions, creating value for all stakeholders and the environment

Employee users & citizens	Purchasing power and well-being	**Over 1.5bn** meals served **3m** fuel cards and toll solutions
Corporate clients	Attractiveness and efficiency	Solutions for all companies, from SMEs to major corporations Cost and tax optimization
Partner merchants	Increased revenues Traffic Generation	**€31bn** in contributed revenue
Edenred employees	Diversity and employability	**52%** of staff are women **40%** of managers are women **89%** of employees have received training
Local communities	Direct contribution to 12 of the 17 UN Sustainable Development Goals	**€1.3m** in donations **1,470** days of volunteering
Environment		**30%** reduction in GHG emissions since 2013 **14%** of solutions available in eco-designed formats
Tech partners	Innovation and business excellence	Pioneer in mobile payment with Apple Pay, Google Pay and Samsung Pay in 19 countries **15 start-ups** supported since 2012
Shareholders	Profitability and shared value creation	Best stock market performance in the CAC Large 60 index for two years. Threefold increase in market capitalization in three years
Public authorities	Payment traceability and support for employment	One job created for every 23 meal voucher users in France

2019 figures

Analysis of Edenred's stakeholder flows

The table below sets out the Group's financial flows by priority stakeholder category in 2019. It illustrates the Group's economic impact, both directly on jobs and indirectly on its host country economies. Furthermore, as explained in section 2.4, Edenred's operations add economic value to the local economy, as its solutions are used in local shops and restaurants.

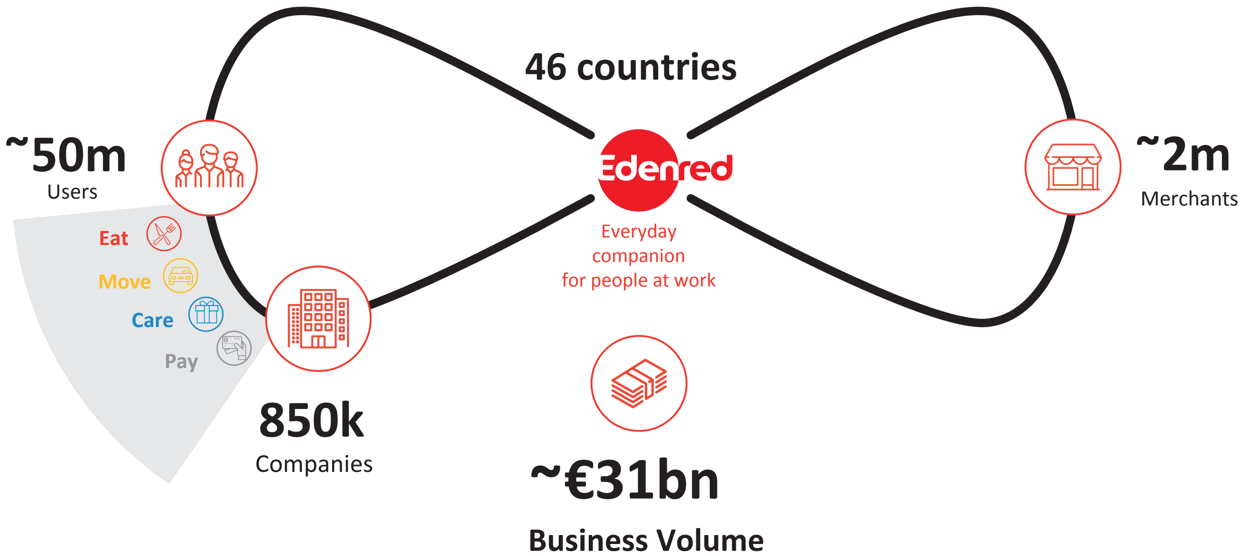
STAKEHOLDER	CLIENTS	EMPLOYEES	SUPPLIERS	SHAREHOLDERS	BANKS	STATES	INVESTORS	COMMUNITIES
Type of flow	Total revenue	Employee benefit expense	Other operating expenses excluding tax	Dividends and purchase/sale of own shares excluding tax	Net borrowing cost	Taxes	Capital expenditure	Donations to NGOs *
Data *(in € millions)*	1,626	(479)	(432)	(206)	(13)	(200)	(869)	(1.33)

* In addition, Edenred employees spent more than 1,470 work days on volunteer initiatives in 2019.

1.1.2 Edenred, a unique positioning in the working world

Edenred is a trusted partner to people at work, providing solutions and services that make life easier for employees and increase their purchasing power, improve the efficiency of companies and local authorities, and vitalize the employment market and local economy in 46 countries around the world.

With its unique intermediation platform for specific-purpose services and payments, Edenred leverages innovative digital services to connect close to 50 million users with 2 million partner merchants *via* 850,000 corporate clients.



Edenred operates more than 250 programs designed to improve the user experience for employees, companies and merchants in the workplace meals, fleet and mobility, employee well-being, incentive and rewards, and corporate payment segments, playing a daily role at the heart of a broad ecosystem generating a business volume of €31 billion.

Eat

Move

Care

Pay

Edenred harnesses a virtuous business model underpinned by the uniqueness of its B2B2C platform, combining a low user acquisition cost with high levels of user adoption and retention. Operating exclusively in the working world and serving specific purposes, the Group is able to screen transactions and earmark funds for selected merchants, who appreciate the extra revenue that Edenred sends their way.

1.1.3 Business lines

Edenred's offer is built around three business lines:

EMPLOYEE BENEFITS 62% (1)

More than 110 programs:

- Meal and food
- Well-being
- Culture

FLEET & MOBILITY 26% (1)

More than 80 programs:

- Fuel cards
- Toll and parking services
- VAT refund services
- Maintenance

COMPLEMENTARY SOLUTIONS 12% (1)

More than 60 programs:

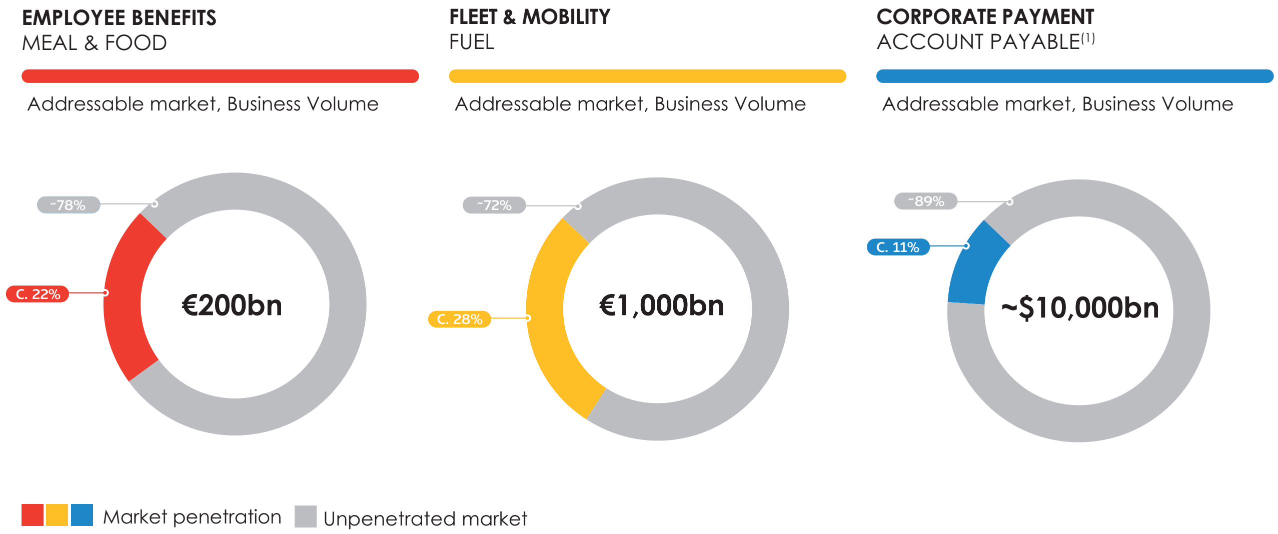
- Corporate payment services
- Incentive and rewards
- Public social programs

(1) As a% of the Group's 2019 operating revenue.

1.1.4 A global player operating in promising markets

1.1.4.1 Still largely underpenetrated markets

Edenred operates in still largely underpenetrated markets that offer significant growth opportunities, notably as programs and distribution channels go digital.



(1) US only (Source: Edenred estimates)

1.1.4.2 Favorable trends in the world of work

The underpenetration of the markets in which Edenred operates reflects the changing expectations of those involved in the world of work and society as a whole. It also reflects the digitalization of these markets and distribution channels, which significantly increases the number of companies in its addressable market and reduces the user acquisition cost.

- the growth drivers in the **Employee Benefits** market primarily include economic formalization, intensifying urbanization, the emergence of a middle class and the increasing contribution of the services sector to the local economy. Demand is also being led by the rising number of women in the workplace, aging populations in developed countries and overall population growth in emerging economies, as well as aspirations for a better work-life balance;
- the **Fleet & Mobility Solutions** market is benefiting both from employee demand for more mobility and from the need for companies to manage business expenses more effectively and improve their traceability, while reducing costs and optimizing the time spent managing them;
- **Complementary Solutions** enable Edenred to offer a comprehensive range of solutions to companies and local authorities, particularly the **Corporate Payment Services** that help companies transfer and receive funds more efficiently and securely. **Incentive & Rewards** solutions respond to companies' growing need to find ways of retaining and motivating their employees. Lastly, **Public Social Program** solutions support governments and local authorities in their efforts to combat informal employment and tighten control over the distribution of assistance, while also increasing the purchasing power of their constituents.

1.1.4.3 Unique expertise and positioning

Backed by 50 years of expertise, Edenred is positioned at the crossroads of four complementary skills:

- proficiency in digital payment technologies (Fin Tech);
- the ability to offer solutions to filter and control financial flows in accordance with local regulations or with the corporate client's needs (public or private Reg Tech);
- the ability to affiliate networks and carry out the necessary financial intermediation (Financial Intermediation);
- the use of transaction data to develop new services (Data Intermediation).

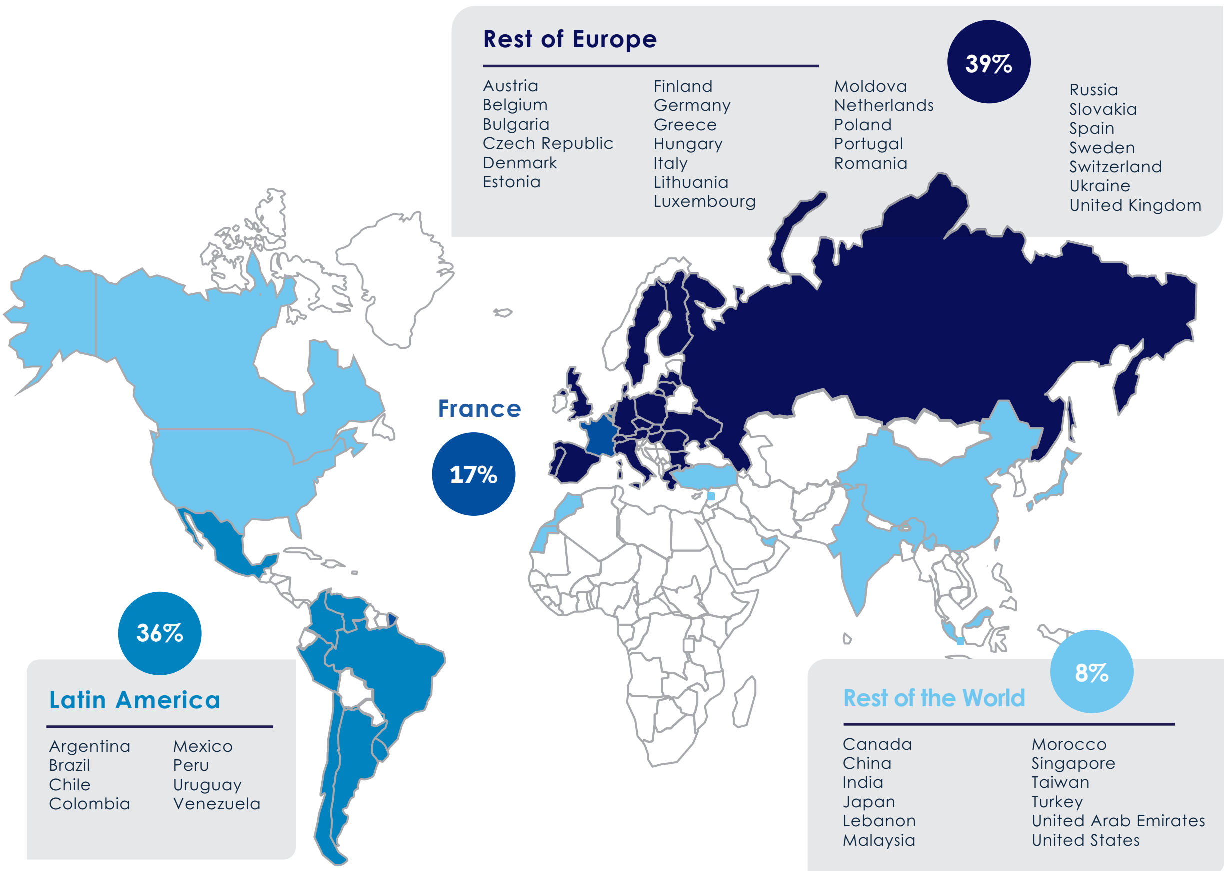
In particular, this expertise is being supported by the digital capabilities of its issuance, authorization and reimbursement technology platform for payments.

In this way, Edenred has integrated payment expertise into its vast ecosystem, which connects 50 million employee users, 2 million partner merchants and 850,000 corporate clients, with an unrivaled positioning in its three core markets, namely Employee Benefits, Fleet & Mobility Solutions and Complementary Solutions.

1.1.4.4 A global player with a multi-local presence

In 50 years, Edenred has built a solid operating presence in 46 countries on five continents. In most of them, the Group pioneered the Employee Benefits market, by initiating the passage of enabling legislation, and now generally holds market leadership. Drawing on its expertise in the management of payment flows in the working world, the Group has also expanded since the 1990s in the Fleet & Mobility Solutions business, where it is currently market leader in Latin America and the second-largest issuer of multi-brand pan-European solutions. More recently, starting in 2016, Edenred leveraged the expertise of its digital technology platform to launch a Corporate Payment Services offering, which was broadened in 2019 with the acquisition of Corporate Spending International (CSI), a recognized player in the promising corporate payment market in the United States.

EDENRED, A GLOBAL PLAYER WITH OPERATIONS IN 46 COUNTRIES



* Breakdown of the Group's business by region, as a% of 2019 operating revenue.

Main host countries

In **France**, solutions are offered in several categories:

- Employee Benefits (79% of local operating revenue in 2019): *Ticket Restaurant*, Kadéos, *Ticket CESU*;
- Fleet & Mobility Solutions (9% of local operating revenue in 2019): *Ticket Clean Way*, Ticket Fleet Pro, La Compagnie des Cartes Carburant;
- Complementary Solutions (12% of local operating revenue in 2019): Corporate Payment Services, Kadéos, *Ticket CESU*, Ticket Service.

In 2019, operating revenue totaled €264 million for the year.

In **Brazil**, Edenred offers a large, diversified range of solutions:

- Employee Benefits (55% of local operating revenue in 2019): *Ticket Restaurante*, Ticket Alimentação, Ticket Transporte, *Ticket Cultura*;
- Fleet & Mobility Solutions (42% of local operating revenue in 2019): *Ticket Log*, *Repom*;
- Complementary Solutions (3% of local operating revenue in 2019): Accentiv'Mimetica.

In 2019, operating revenue totaled €398 million for the year.

Competitive environment

In each host market, Edenred typically has several competitors that vary between its business lines and may be local, regional or global.

In the Employee Benefits market, Edenred competes in most of its host countries with global players Sodexo and Groupe Up, as well as with regional and local providers such as Alelo in Brazil, Natixis Intertitres and LunchR in France, and ePassi in Finland.

In the Fleet & Mobility Solutions market, Edenred's competitors are FleetCor and WEX, two North American companies with operations worldwide, as well as large regional players such as DKV, Eurowag, and Radius in Europe, and numerous local operators.

In Complementary Solutions, the Incentive & Rewards market is extremely competitive in all countries, and the fast-growing Corporate Payment Services market is characterized by a multitude of local and regional players, such as Avidxchange and BottomLine in the United States, competing for business alongside multinationals like FleetCor and WEX.

In addition, Edenred actively tracks strategic developments in adjacent markets and the startup ecosystem, notably thanks to the expertise of its in-house venture capital fund Edenred Capital Partners and to its partnership with venture capital firm Partech International.

PEER GROUP TABLE

COMPANY	BUSINESS	COUNTRY	CURRENCY
Adyen	Payment systems	Netherlands	Euro (€)
FleetCor	Fuel cards and Payment systems	United States	Dollar ($)
MasterCard	Payment systems	United States	Dollar ($)
Sodexo	Corporate services	France	Euro (€)
UP Group	Corporate services	France	Euro (€)
Visa	Payment systems	United States	Dollar ($)
Wex	Fuel cards and Payment systems	United States	Dollar ($)
Wirecard	Payment systems	Germany	Euro (€)
Worldline	Payment systems	France	Euro (€)

1.1.5 An attractive financial profile

1.1.5.1 Edenred's business model

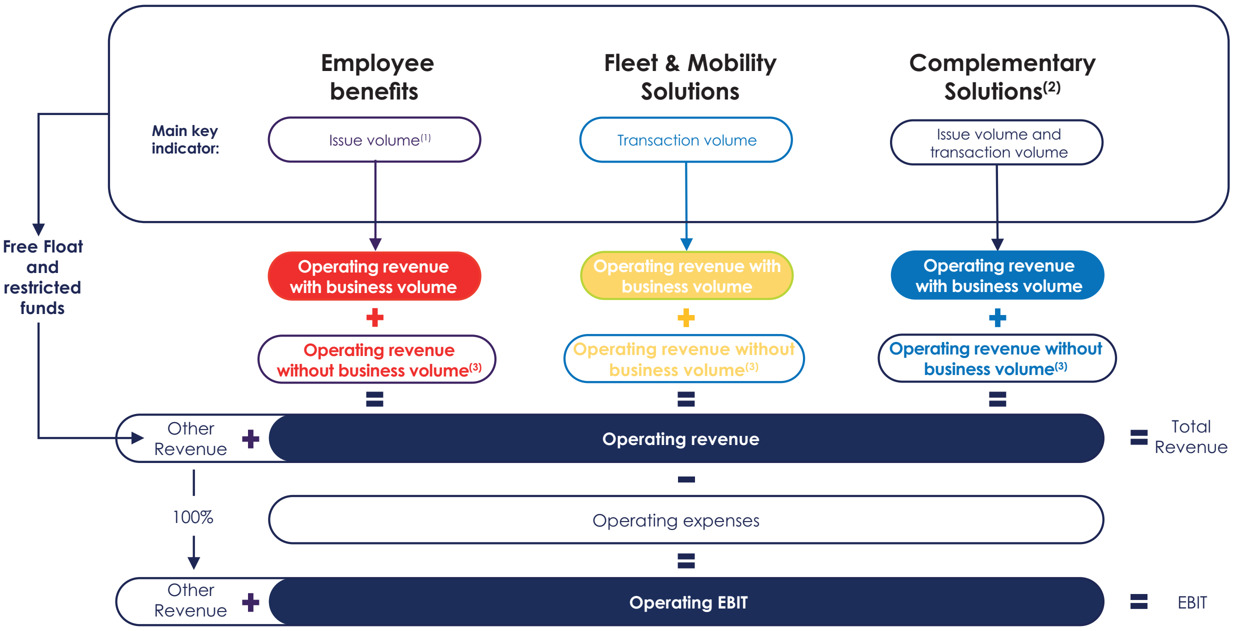
Edenred's sustainable and profitable growth profile allows it to combine the characteristics of a growth company with those of a group that has a solid financial position. The Group enjoys major operating leverage, low capital intensity and a structurally cash-generative business model thanks to its negative working capital requirement, since a large proportion of Edenred solutions are prepaid.

The Group's financial model is set out in the diagram below:

- **total revenue**, which came to €1.6 billion in 2019, is made up of operating revenue and other revenue;

the most relevant indicator for measuring the Group's performance is **operating revenue**, part of which relates to the business volume managed by Edenred;

- **EBITDA** corresponds to **total income less operating expenses (excluding depreciation, amortization and provisions)**. It stood at €668 million for 2019.
- **EBIT** corresponds to operating profit before other income and expenses, and includes:
  - operating EBIT, which corresponds to EBIT before other revenue;
  - other revenue.



(1) Some of the Fleet & Mobility Solutions and Complementary Solutions are preloaded and also generate issue volume.

(2) Complementary Solutions primarily comprise:

- Incentive & Rewards solutions, whose key indicator is generally issue volume;

- Public Social Programs, whose key indicator is generally issue volume;

- Corporate Payment Services.

(3) For example, maintenance and installation costs and periodic subscription fees.

Employee Benefits

The **Employee Benefits** business is unique in that it uses **preloaded** media that generate **issue volume**, which corresponds to the total amount of preloaded funds given to users.

Employee Benefits generate **operating revenue**, mainly through commissions related to issue volume, received from both corporate clients and partner merchants. Operating revenue also includes revenue generated without business volume, such as fees based on user numbers, particularly for employee engagement platforms. In addition, a more marginal source of revenue comes from the gains on lost or expired vouchers.

The time between the loading of the payment instruments by the corporate clients and their reimbursement to the partner merchants gives rise to a **negative working capital requirement** that, less receivables, constitutes the majority of the **float**. Interest earned from investing the float generates **other revenue** (formerly known as financial revenue).

In line with its "Next Frontier" strategic plan for 2019-2022 and for information purposes only, Edenred expects its Employee Benefits operating revenue to grow by at least 7% each year on an organic basis.

Fleet & Mobility Solutions

In this business line, **operating revenue** generated by these solutions consists of different types of commissions received from corporate clients and partner merchants. These include per-use commissions on fuel cards, whether as a percentage of the transaction amount, as a percentage of the fuel purchase, per liter, or in transaction fees, as well as commissions on non-fuel expenditure (for vehicle maintenance, tolls, car washing, parking fees and VAT reimbursement).

Some Fleet & Mobility Solutions are preloaded, so that the investment of the resulting float generates **other revenue**. Moreover, the period from which a client pays until the partner merchant is reimbursed generates a **negative working capital requirement** at the Group level, providing an additional source of financing for Edenred.

In line with its "Next Frontier" strategic plan for 2019-2022 and for information purposes only, Edenred expects its Fleet & Mobility Solutions operating revenue to grow by at least 10% each year on an organic basis.

Complementary Solutions

Operating revenue from Complementary Solutions is primarily derived from the commissions paid by clients (companies, local authorities and public institutions) and partner merchants, in Incentive & Rewards solutions and Public Social Programs. It also includes the revenue generated from employee users and gains on lost or expired vouchers.

Over the past three years, Edenred has been developing new Corporate Payment Services, which also generate operating revenue both with and without business volume (interchange, monthly subscriptions, commissions per transaction, commissions per amount spent, etc.).

In line with its "Next Frontier" strategic plan for 2019-2022 and for information purposes only, Edenred expects its Complementary Solutions operating revenue to grow by at least 10% each year on an organic basis. Within this business line, organic growth in Corporate Payment Services operating revenue is expected to be at least 20% per year.

A business model generating strong cash flows

Thanks to a sustainable and profitable growth profile and a structurally negative working capital requirement, Edenred generates significant cash flows.

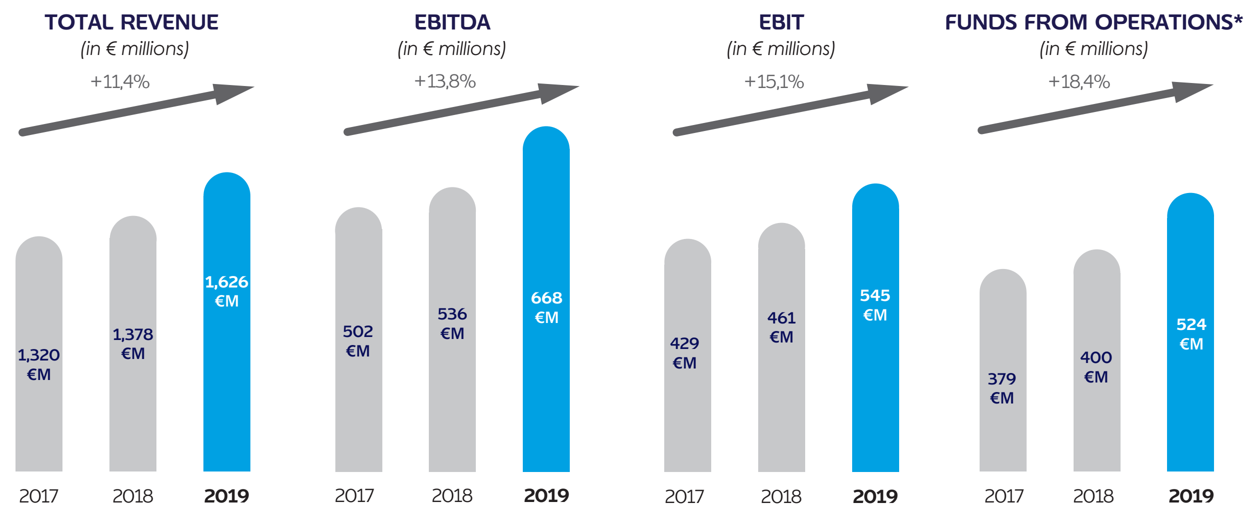
In line with its "Next Frontier" strategic plan for 2019-2022, the Group is targeting a free cash flow/EBITDA conversion rate of more than 65% .

1.1.5.2 Solid financial performance

KEY INDICATORS (in € millions) [1]	2019	2018	2017 RESTATED [2]
Total revenue	1,626	1,378	1,320
• of which operating revenue	1,570	1,327	1,253
• of which other revenue	56	51	67
Funds from operations before other income and expenses (FFO)	524	400	379
EBITDA	668	536	502
EBIT	545	461	429
• of which operating EBIT	489	410	362
• of which other revenue	56	51	67
NET PROFIT, GROUP SHARE	**312**	**254**	**241**

(1) For definitions, see the glossary page 4 of this document.
(2) 2017 figures adjusted to reflect the changes in accounting methods described in the 2018 Registration Document.

ANNUAL AVERAGE LIKE-FOR-LIKE GROWTH OVER THE PAST THREE YEARS (1)



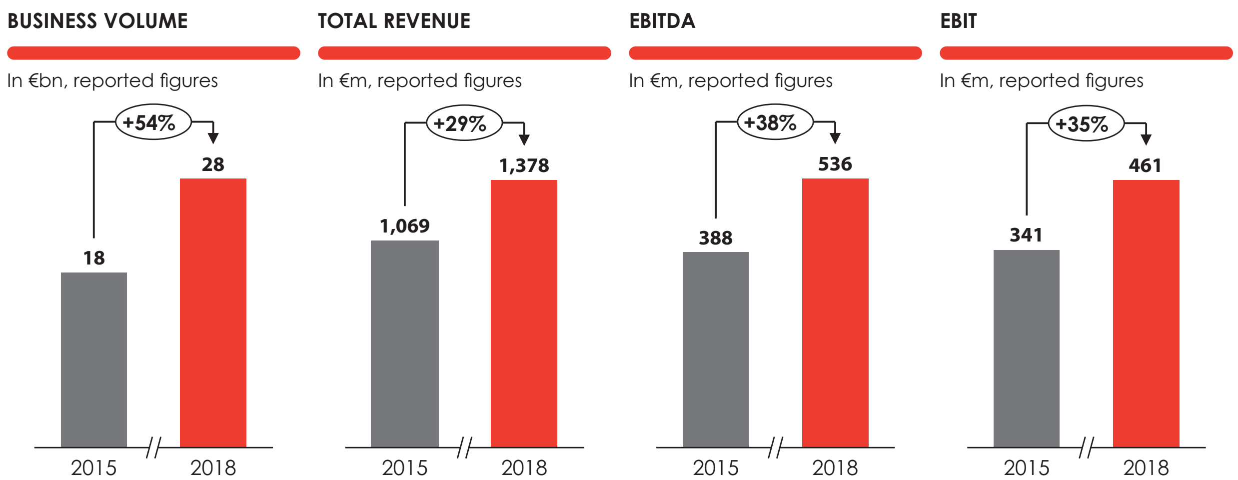
** Before other income and expenses.*

(1) Averages calculated using non-restated growth rates.

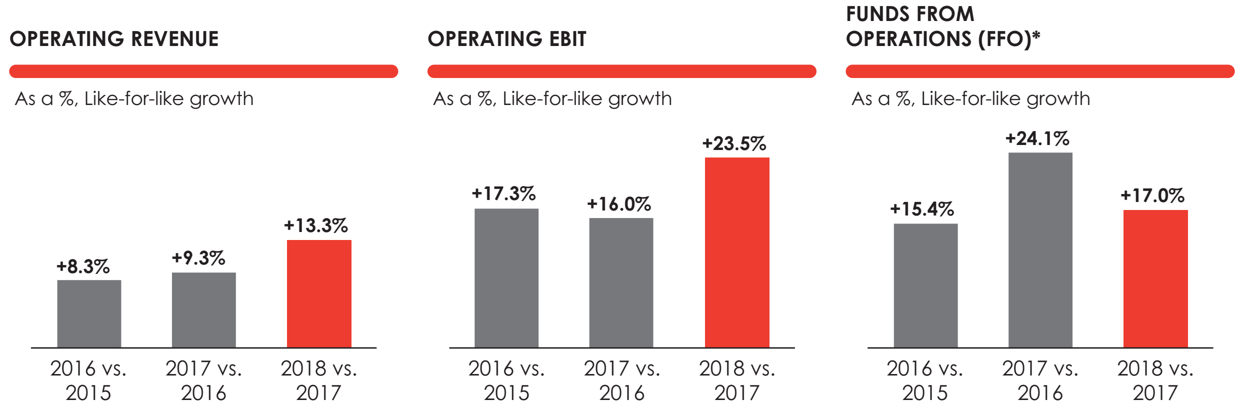
1.2 Strategy

1.2.1 A radically transformed Group thanks to the Fast Forward strategic plan (2016-2018)

The successful execution of the "Fast Forward" strategic plan launched in 2016 radically transformed the Edenred Group, enabling it to move up a level in terms of scale and growth profile. Edenred has become a technology leader, offering a wide range of innovative digital solutions.



(1) Averages calculated using non-restated growth rates.



FAST FORWARD	>+7%	>+9%	>+10%

** Before other income and expenses.*

The Group was able to achieve record levels in its key financial metrics by exceeding its organic growth objectives and effectively integrating its acquisitions.

More than 20 M&A deals since 2016

BOLT-ON

BUILD-UP

ADJACENCIES

Between 2016 and 2018, Edenred strengthened its leadership position in the Employee Benefits market by seizing the numerous opportunities created by digitalization, placing the user's mobile experience and access to omni-channel consumption of its services (in stores, on mobile devices, through e-commerce) at the heart of its strategy. In the high-growth Fleet & Mobility Solutions market, Edenred has become a global player thanks to sustained organic growth and the successful integration of some ten companies, including Embratec in Brazil and UTA in Europe. Fleet & Mobility Solutions now represents more than a quarter of the Group's business. Edenred has also capitalized on its technological expertise to develop innovative products and solutions on the fast-changing Corporate Payment Services market.

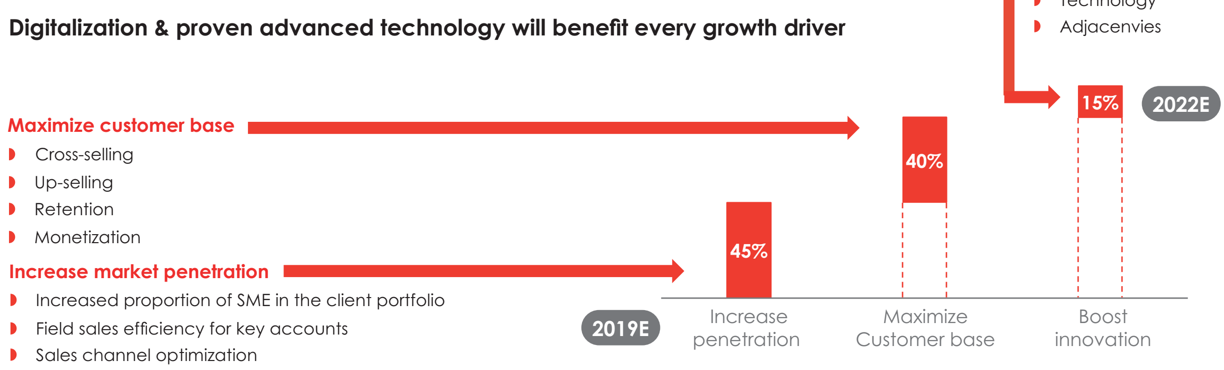
1.2.2 A new phase of profitable growth led by Next Frontier 2019-2022

The "Next Frontier" strategic plan leverages the unique nature of the Group's platform model, presented in section 1.1.2, to transform Edenred into the everyday companion for people at work. It enables the Group to provide these stakeholders with the full range of services and payment solutions they need to make their working lives easier, all accessible from a single virtual wallet.

The platform model, coupled with the shift to digitalized processes and pooled support services, gives rise to significant scale effects, making it possible both to bring new solutions to market and to swiftly, extensively and cost-effectively roll out innovation and thereby generate profitable growth.

Capitalizing on the platform's unique characteristics, Edenred has based its new strategic plan, "Next Frontier 2019-2022", on several drivers of sustainable and profitable growth.

BREAKDOWN BY MAIN DRIVERS



1.2.2.1 Expanding and strengthening Edenred's presence in existing businesses

Edenred operates in still largely underpenetrated markets (see section 1.1.4.1) that offer significant growth opportunities, notably as programs and distribution channels go digital. Digitalization remains an important avenue for growth, particularly in the Employee Benefits segment in Europe, where the adoption rate has still not reached its full potential.

Leveraging the methods and tools put in place under "Fast Forward", Edenred has developed a systematic approach based on an array of operating drivers, which are primarily designed to further penetrate its markets. Thus equipped, Edenred will now notably continue to implement initiatives targeting the strategic SME market, where penetration is significantly lower than among middle-market and large companies. To capture the potential of its existing base of clients, partner merchants and end users, the Group intends to develop tools for retention, cross-selling and monetization of value-added services.

1.2.2.2 Innovation as a driver of differentiation and source of additional growth

Attentive to the needs of all stakeholders, Edenred looks ahead to the new consumer behavior that may emerge from digitalization, placing the user's mobile experience and access to omni-channel consumption of its services (in stores, on mobile devices, online) at the heart of its strategy. The Group's ability to provide clients with mobile, app-to-app and virtual-card-based payment methods with increasing speed considerably sharpens its competitive edge.

This innovation-led approach requires major investments to improve the Group's global technology assets, guarantee system soundness and security, and increase Edenred's capabilities in new segments such as data science and advanced automation.

These technology assets will form an essential base from which to step up development in adjacent businesses, while driving operational and commercial synergies. The market potential of digital employee engagement platforms, for example, is at least as great as that of food-related Employee Benefits. In Fleet & Mobility Solutions, value-added services will diversify the current business model while also reducing the Group's sensitivity to fuel prices [1]. Lastly, Edenred plans to capitalize on its expertise in the most advanced payment technologies and on its sales and marketing prowess to fully capture the potential of the corporate payment market, notably in North America, where it is still underexploited.

1.2.2.3 A strategy of targeted acquisitions to enhance robust organic Group growth

Building on its sound financial position, carefully managed debt and strong cash flow generation, Edenred intends to seize external growth opportunities in line with the strategic ambitions of the "Next Frontier" plan, namely:

- consolidate its position as a world leader in Employee Benefits *via* targeted acquisitions;
- continue to build its Fleet & Mobility Solutions portfolio *via* international expansion and a broader range of value-added services to consolidate its position as a global multi-services player;
- grow Corporate Payment Services by targeting new business sectors.

(1) In 2019, a 10% change in oil prices (Brent crude for Europe, WTI crude for Latin America) had an impact of approximately €9 million on the Group's total revenue.

In line with this external growth strategy, Edenred carried out several acquisitions in 2019. In the Employee Benefits segment, it notably acquired several employee engagement platforms, such as Easy Welfare in Italy, Merits & Benefits and Ekivita in Belgium and Benefit Online in Romania. These transactions strengthen Edenred's position as world leader in this business line and facilitate client retention and cross-selling. In Fleet & Mobility Solutions, the Group expanded its geographic footprint in Europe by acquiring The Right Fuelcard Company (TRFC), the number four fuel card program manager in the United Kingdom. It also broadened its services offering in this business line in Europe with the acquisition of EBV Finance, a company specialized in tax refunds for European transportation companies. Lastly, in Corporate Payment Services, Edenred finalized the acquisition of Corporate Spending Innovation (CSI), a North American provider of corporate payment solutions. In a fast-growing market experiencing significant technological change, CSI is a leader in supplier payment automation, thanks to its cutting-edge, multi-method digital payment platform.

1.2.3 Group financial targets

1.2.3.1 Ambitious financial targets reflecting the Group's Next Frontier 2019-2022 strategy

In line with its "Next Frontier" strategic plan, Edenred has set itself three new, ambitious annual financial targets for 2019-2022, reflecting its sustainable and profitable growth profile, its strong operating leverage and its unique, highly cash-generative business model.

Next Frontier

Sustainable top-line growth
+
Profitable growth
+
Highly cash-generative model

L/L ANNUAL OPERATING REVENUE GROWTH > +8%
L/L ANNUAL EBITDA GROWTH > +10%
ANNUAL FCF/EBITDA CONVERSION RATE(1) > 65%

1.2.3.2 2020 objectives

On February 26, 2020, Edenred published its 2019 annual results and stated its outlook for full-year 2020:

Edenred begins 2020 with confidence and expects to continue enjoying sustained business growth in all regions and all business lines, thanks to the efficient deployment of the Next Frontier strategy.

The Group confirms the Next Frontier strategy's 2019-2022 targets for 2020, namely:

- like-for-like operating revenue growth of more than 8%;
- like-for-like EBITDA growth of more than 10%;
- a free cash flow/EBITDA conversion rate of more than 65% (1).

This outlook has been updated due to the uncertainties linked to the Covid-19 epidemic. In this context, Edenred has suspended its targets for full-year 2020. For details, see section 2.3.1.8, page 68.

(1) Based on constant regulations and methods.

1.2.4 Capital allocation policy

As part of its commitment to maintaining its position as a leading digital innovator and thereby ensuring sustainable and profitable growth, Edenred plans to earmark **between 6% and 7% of its total revenue each year for investments in the period 2019-2022, focusing mainly on the ongoing development of its technology assets**.

At the same time, the Group intends to **seize external growth opportunities** in line with the strategic ambitions of the "Next Frontier" plan, subject to meeting stringent financial criteria. These acquisitions will provide the Group with an additional source of value creation.

The "Next Frontier" plan for 2019-2022 provides for a **new dividend payout policy in respect of 2019 based on dividend growth in absolute terms**. This policy is consistent with the Group's organic expansion strategy, its external growth ambitions, and its determination to maintain a "strong investment grade" rating.

A dividend of €0.87 per share in respect of 2019 will be proposed at the Shareholders Meeting of May 7, 2020. Subject to approval by the Shareholders Meeting of May 7, 2020, shareholders may opt to receive the dividend 100% in cash or 100% in shares at a 10% discount.

Dividends in the past three years:

	2019	2018	2017
Last closing price	46.10	32.11	24.18
Dividend in €	0.87 *	0.86	0.85
Gross dividend yield at December 31	1.89%	2.68%	3.52%

* *To be proposed at the Shareholders Meeting of May 7, 2020.*

1.3 Highlights of the year

Strategy

Radically transformed since the launch of its "Fast Forward 2016-2018" strategic plan, Edenred embarks on a new phase of profitable growth with its "Next Frontier 2019-2022" strategic plan, described in section 2.2 (press release dated October 23, 2019).

Acquisitions

- Edenred finalized the acquisitions of Corporate Spending Innovations (CSI), one of the leading providers of automated corporate payment software in North America, and The Right Fuelcard Company (TRFC), the number four fuel card program manager in the United Kingdom, both initiated in November 2018 (press release dated January 9, 2019).
- Edenred expanded its Employee Benefits offering in Belgium with the dual acquisition of Merits & Benefits and Ekivita, market leaders in employee engagement platforms in Belgium (press release dated January 31, 2019).
- Edenred acquired Italian employee engagement platform Easy Welfare (press release dated May 28, 2019).
- Edenred acquired Benefit Online, a Romanian employee engagement platform (press release dated July 30, 2019).
- In December 2019, Edenred acquired the payroll card portfolio of Mint, the second-largest operator specializing in pay distribution and management for under- or unbanked workers in the United Arab Emirates (press release dated January 8, 2020).

Partnerships

- Edenred launched its Corporate Payment Services offer in Africa with Jumia Travel, Africa's top online hotel booking portal (press release dated February 19, 2019).
- Edenred joined forces with Swave, the French platform dedicated to innovation in financial services (fintech, insurtech and paytech), which was founded in 2017 at the initiative of the French State (press release dated July 9, 2019).
- Edenred finalized an exclusive partnership agreement with Brazil's largest privately owned bank, Itaú Unibanco, providing for the exclusive distribution of Edenred's Employee Benefits solutions in Brazil (press release dated September 2, 2019).

Open innovation

A forerunner in open innovation, Edenred anticipates trends, explores new ecosystems close to its core business and invests in promising startups. That's why Edenred joined forces with Partech Ventures in 2011 and created its own venture capital structure, Edenred Capital Partners, in 2012. The Group also encourages its employees in their entrepreneurial projects *via* its Edenred Factory program.

- Edenred Capital Partners acquired a minority interest in Fretlink, a startup specialized in the digitization of road freight transportation (press release dated May 2, 2019).
- Edenred Capital Partners invested in workplace learning technology Fuse Universal (press release dated June 26, 2019).

- Edenred Capital Partners invested in fleet management platform Avrios, enriching its portfolio in value-added services for international transportation companies, a fast-growing market on which Edenred is a leading player (press release dated October 8, 2019).

Public Social Programs

- Edenred announced the launch of its new commuter voucher. At the crossroads between Employee Benefits and Fleet & Mobility Solutions, Ticket Mobilité is an innovative solution developed along the same lines as the *Ticket Restaurant* meal voucher, at the initiative of the public authorities (press release dated June 18, 2019).

Transactions

- Edenred successfully placed bonds convertible into and/or exchangeable for new and/or existing shares (OCEANE) due September 2024 for a nominal amount of approximately €500 million (press release dated September 3, 2019).

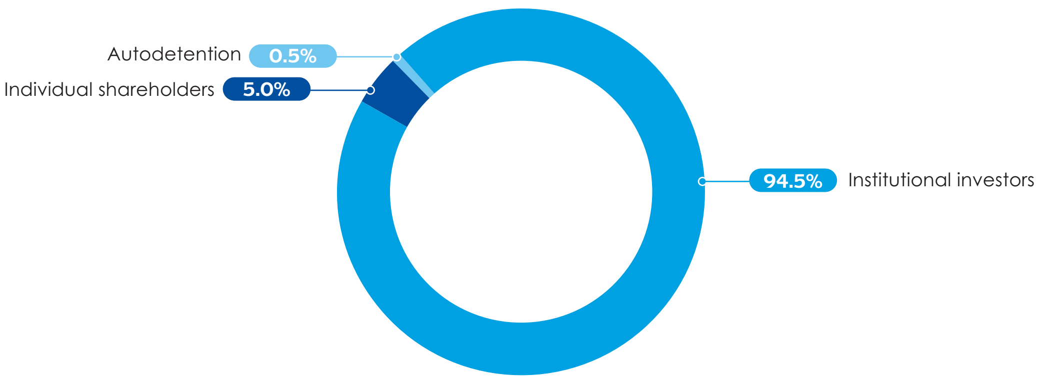
Subsequent events

- Edenred announced that it had renegotiated its syndicated credit facility, increasing it from €700 million to €750 million, extending its maturity from July 2023 to February 2025 – with extension options to February 2027 – and improving the financial conditions. Edenred notably decided to introduce environmental and social performance criteria into the calculation of the financing costs, namely - promoting healthy and sustainable eating habits – Edenred aims to reach by 2030 an 85% nutrition awareness rate among merchants and employees using its solutions (versus 30% in 2018); - combating global warming – Edenred is targeting a 52% cut in green house gas emissions intensity by 2030 compared with 2013 (26% reduction in 2018), (press release dated February 13, 2020).
- In February 2020, Edenred finalized the agreement signed in September 2019 to acquire EBV Finance, a Lithuanian company specialized in tax refunds for European transportation companies, further expanding its Fleet & Mobility solutions offering in Europe (press release dated September 25, 2019).

1.4 Shareholder information

1.4.1 Ownership structure

THE COMPANY'S OWNERSHIP STRUCTURE IS AS FOLLOWS:



The free float represents **99.5%** of outstanding shares.

For more information, see section 2.1, pages 31.

1.4.2 Financial calendar

First-quarter 2020 revenue	**April 23, 2020**
Annual Shareholders Meeting	**May 7, 2020**
First-half 2020 results	**July 27, 2020**
Third-quarter 2020 revenue	**October 22, 2020**

1.5 Milestones

1.5.1 Pre-2010: creation and development of Accor Services

1962-1980: From an original idea to an effective business model

The original luncheon voucher concept was launched in the United Kingdom in 1954. In 1962, the Jacques Borel International Group set up a new company, Crédit-Repas, and created *Ticket Restaurant*, France's first meal voucher. Five years later, legislation was adopted creating a legal regime for meal vouchers in France (government order no. 67-830 dated September 27, 1967).

In the 1970s, the *Ticket Restaurant* formula was exported to Brazil, Italy, Belgium, Germany and Spain.

1980-2010: Geographic expansion and diversification of solutions and media

In 1982, Novotel SIEH acquired Jacques Borel International, which was the world's leading meal voucher issuer at the time. The following year, Novotel SIEH-Jacques Borel International was renamed Accor.

In the 1980s and 1990s, Accor embarked on a strategy to diversify the employee benefits offer for businesses, starting in Mexico with the creation of the *Ticket Alimentación* food voucher in 1983. This was followed, in 1989, by the introduction of *Childcare Vouchers* in the United Kingdom and, in 1995, by Ticket Culture vouchers in France.

During this period, the Group continued to expand in other European and Latin American countries.

From the early 2000s, the Group pursued a strategy of acquiring local Employee Benefits providers.

Starting in 2006, the Group expanded its business portfolio, particularly by acquiring providers of Fleet & Mobility and Incentive & Rewards solutions.

At the same time, the Group completed acquisitions in the technology sector to support its transition from paper to digital solutions, mainly through the acquisition of 67% of PrePay Technologies, which became PrePay Solutions.

1.5.2 2010: creation of Edenred

On June 29, 2010, the Extraordinary General Meeting of Accor shareholders approved the demerger of the Hotels and Services businesses, leading to the creation of Edenred, listed on the Paris stock exchange as part of the CAC Next 20 index.

Since its formation, Edenred has pursued a targeted acquisitions strategy in its core business, and has carried out a strategic review of its portfolio.

In October 2016, Edenred implemented a new strategic plan, Fast Forward, whose aim is to speed up the Group's transformation by 2020, while laying the foundations for new sources of sustainable and profitable growth.

Main acquisitions over the past three years

- January 2017: Edenred lifted its stake in UTA to 51% by exercising a call option on 17% of the share capital;
- October 2017: the Group acquired Vasa Slovensko, Slovakia's number three player in meal vouchers;
- December 2017: following the Daimler group's exercise in mid-December 2017 of its put option on a 15% stake in UTA, Edenred increased its interest to 66%;
- January 2018: Edenred increased its stake in UTA to 83%;
- November 2018: Edenred acquired Corporate Spending Innovations (CSI), one of the leading providers of automated corporate payment software in North America;
- November 2018: Edenred acquired The Right Fuelcard Company (TRFC), the number four fuel card program manager in the United Kingdom;
- January 2019: Edenred signed an agreement for the dual acquisition of Merits & Benefits and Ekivita, market leaders in employee engagement platforms in Belgium;
- May 2019: Edenred acquired Italian employee engagement platform Easy Welfare;
- July 2019: Edenred acquired Benefit Online, a Romanian employee engagement platform;
- September 2019: Edenred signed an agreement to acquire EBV Finance, a Lithuanian company specialized in tax refunds for European transportation companies;
- December 2019: Edenred acquired the payroll card portfolio of Mint, the second-largest operator specializing in pay distribution and management for under- or unbanked workers in the United Arab Emirates.

Joint ventures and alliances over the past three years

- May 2016: Edenred completed the merger of Embratec (35%) and Edenred (65%) in a joint venture, *Ticket Log*;
- July 2017: Edenred was chosen by the International Air Transport Association (IATA) to develop and manage IATA EasyPay, its system dedicated to the purchase of airline tickets by travel agencies in more than 70 countries;
- January 2018: Edenred joined forces with Partech Ventures, its partner since 2011, to explore the African market;
- February 2018: Foncia chose Edenred to develop a digital payment method for collecting funds by wire transfer;

- September 2018: Edenred signed an exclusive partnership agreement pursuant to which its Employee Benefits solutions will be distributed in Brazil by Itaú Unibanco, the country's largest privately owned bank;
- October 2018: Edenred forged a partnership with Crédit Mutuel, whose customer advisors (and those of its subsidiary CIC) will market the *Ticket Restaurant* card to their clients;
- February 2019: Edenred launched its Corporate Payment Services offer in Africa with Jumia Travel, Africa's top online hotel booking portal;
- July 2019: Edenred joined forces with Swave, the French platform dedicated to innovation in financial services (fintech, insurtech and paytech), which was founded in 2017 at the initiative of the French State.

Disposals over the past three years

- May 2017: Edenred sold its Employee Benefits business in Switzerland;
- July 2017: Edenred sold its operations in South Africa (mainly Incentive & Rewards solutions).

For more information about acquisitions, development projects and disposals in 2019, see section 4, Note 2 to the consolidated financial statements, page 201.

1.6 The management team

Edenred's management team comprises the Chairman and Chief Executive Officer, the Board of Directors and the Executive Committee. For more on the Group's governance, see section 3.

1.6.1 The Board of Directors

The Board of Directors defines the business strategy and oversees its implementation. A description of its duties and powers is provided in section 3.

Bertrand Dumazy
Chairman and Chief Executive Officer of Edenred

Jean-Paul Bailly*
Chairman of RATP

Anne Bouverot*
Chairperson of the Board of Directors of Technicolor

Sylvia Coutinho*
Country Head of UBS Group Brazil and Head of UBS Global Wealth Management Latin America

Dominique D'Hinnin*
Chairman of the Board of Directors of Eutelsat Communications SA

Gabriele Galateri di Genola*
Chairman of Assicurazioni Generali S.p.A.

Maëlle Gavet*
Director of Edenred

Françoise Gri*
Independent director(1)

Jean-Bernard HAMEL
Senior Vice-President, Treasury and Financing, Edenred(2)

Jean-Romain Lhomme*
Founder and Manager – Lake Invest Sarl – venture capital

Bertrand Meheut*
Chairman of PMU

* *Independent directors.*
(1) Françoise Gri is Chairman of the Compensation and Appointments Committee as well.
(2) Employee-representative director.

1.6.2 The Executive Committee

In line with his responsibilities, the Chief Executive Officer designates an appropriate Executive Committee to help him implement the strategy defined by the Board of Directors.

Bertrand Dumazy
Chairman and Chief Executive Officer

Jacques Adoue
Executive Vice-President, Human Resources and Corporate Social Responsibility

Patrick Bataillard
Executive Vice-President, Finance

Marie-Laurence Bouchon
Vice-President, Communications

Gilles Coccoli
Chief Operating Officer, Americas

Elie du Pré de Saint Maur
Executive Vice-President, Marketing and Strategy, and Chief Operating Officer, Corporate Payment

Philippe Dufour
Executive Vice-President, Alternative Investments

Antoine Dumurgier
Chief Operating Officer, Fleet & Mobility Solutions

Arnaud Erulin
Chief Operating Officer, Europe, Middle East and Africa

Diego Frutos
Chief Operating Officer, Northern Hispanic America and Americas Business Solutions Rollout

Graziella Gavezotti
Chief Operating Officer, Southern Europe and Africa

Laurent Pellet
Chief Operating Officer, Asia-Pacific

Philippe Relland-Bernard
Executive Vice-President, Legal and Regulatory Affairs

Dave Ubachs
Executive Vice-President, Digital and IT

Photo credits: Laurent Attias (Bertrand Dumazy) and Yves Forestier

1.7 Regulatory environment

1.7.1 Income tax and payroll tax rules

1.7.1.1 Overview

Employee benefits are exempted from income tax and/or payroll taxes as part of government strategies to encourage their use as an instrument of social policy. To ensure the effectiveness of this incentive system, strict rules govern the allocation and use of these solutions, particularly regarding the employer's contribution and role, the eligible beneficiaries and how the benefits may be used.

In some countries, companies have to be licensed to operate in the Employee Benefits market. They may also be subject to legal and regulatory requirements governing the issue of digital tickets or investment of the float (corresponding to the cash received from clients for prepaid services that has not yet been reimbursed to partner merchants). This is the case in France and Romania, for example (see section 2.3.1.4, page 65, and Note 4.5 to the consolidated financial statements, page 212).

The Fleet & Mobility Solutions business line is not affected by the existence of these kinds of exemptions.

The regulatory environment is illustrated in the following sub-sections by a description of the legislation applicable to meal vouchers in France and Brazil.

1.7.1.2 Regime applicable in France

Rules governing the allocation and use of meal vouchers

The allocation of meal vouchers by an employer is governed by a set of rules that include the following:

- the vouchers may only be allocated to company employees (including interns, in accordance with Article L.124-13 of the French Education Code [Code de l'éducation]);
- all employees of the company must be allocated vouchers with the same face value. However, an employer can choose to allocate meal vouchers only to selected employees, provided that the selection criteria are non-discriminatory;
- employees can only receive one voucher per meal eaten within their daily working hours (part-time employees therefore receive a meal voucher when their working hours include time set aside for a meal).

The use of meal vouchers by employees is also governed by a set of rules that include the following:

- employee users may use the vouchers to pay for their restaurant meal or the purchase of a ready-meal, dairy products or fruit and vegetables up to a daily limit of €19. Partner merchants are not allowed to give any money back on paper voucher payments, while paperless vouchers allow employees to pay merchants the exact amount of the transaction;
- meal vouchers cannot be used on Sundays or public holidays, unless an exception is made by the employer exclusively for employees working on those days. For paper vouchers, this decision is to be explicitly stated on the voucher itself. For paperless solutions, the employer is to inform the employees concerned of the decision by any means before issuing the benefit.

Aside from persons and organizations working as restaurant owners or greengrocers, the only merchants that can accept meal vouchers are those accredited by France's Commission Nationale des Titres Restaurant (CNTR).

Employer and employee benefits

Meal vouchers are financed jointly by the employer (or in some cases the social and economic council) and the employee. The employer's contribution (plus – for the calculation of the ceilings below – any contribution by the social and economic council) cannot represent less than 50% or more than 60% of the vouchers' face value. The employer's contribution is exempt from employee and employer social security contributions provided that it does not exceed a certain ceiling, which is adjusted each year in line with the consumer price index (excluding tobacco) during the 12 months to October 1 of the year preceding the year the meal vouchers are acquired, rounded, if applicable, to the nearest cent (Article 81, 19° of the French General Tax Code *(Code général des impôts)*, amended by France's 2020 Finance Act no. 2019-1479 of December 28, 2019). This exemption ceiling was adjusted to €5.55 for 2020, versus €5.43 in 2018. The employer is free to contribute more than this amount, provided that the 50% and 60% minimum and maximum limits mentioned above are adhered to. In this case, only the fraction of the contribution in excess of the exemption ceiling is added back for the purpose of calculating the basis of assessment of social security contributions.

Tax benefits for employees

Meal vouchers represent tax-free income for the employee user, as the portion of the face value paid by the employer within the legal limits is not subject to personal income tax.

1.7.1.3 Regime applicable in Brazil

According to Brazilian food and meal vouchers law (Labor Food Program - PAT), there are two types of food-related vouchers in Brazil, meal vouchers *(vale refeição)* and food vouchers *(vale alimentação)*. Meal vouchers may only be used in restaurants and fast-food outlets, while food vouchers may only be used in supermarkets and grocery stores. These two types of vouchers are not interchangeable.

Companies that want to give meal or food vouchers to their employees have to register with the Brazilian Labor Ministry. They can decide to give the vouchers to selected employees only, provided that all employees who are paid less than five times the minimum wage are included.

As in France, part of the vouchers' face value is financed by the employer and part by the employee. The employee's contribution cannot exceed 20% of the face value and, in practice, employers generally finance the total amount. Meal vouchers are totally tax-exempt for both the employer and the employee. For large companies, in addition to being exempt from payroll taxes, which in Brazil can represent up to 100% of gross fixed pay, the employer's contribution is deducted from corporate income tax up to the equivalent of 4% of the tax due for each tax year. Since November , 11th 2017, the Labor Reform, which reformulated the Brazilian Labor Code, is enforceablein Brazil. This new law brings, among others changes, alimentation aid provided by employers. Alimentation aids shall not bepaid in cash and it is not considered as part of the salary, as such, it is exempt from labor charges. The Labor Reform does not bring any changes to the Brazilian food and meal vouchers law (Labor Food Program - PAT).

1.7.2 Other regulations

1.7.2.1 Within the European Union

All employee benefits are excluded from the scope of European directive 2009/110/EC of September 16, 2009 (the "E-Money directive") and directive (EU) 2015/2366 of November 25, 2015 (the "Payment Services directive"). The E-Money directive emphasizes that it is not intended to apply to "monetary value stored on specific pre-paid instruments, designed to address precise needs that can be used only in a limited way", particularly because these instruments are only accepted within a "limited network" or can only be used to purchase "a limited range of goods or services, regardless of the geographical location of the point of sale". It states that this may include "meal vouchers or vouchers for services (such as vouchers for childcare, or vouchers for social or services schemes which subsidize the employment of staff to carry out household tasks such as cleaning, ironing or gardening), which are sometimes subject to a specific tax or labor legal framework designed to promote the use of such instruments to meet the objectives laid down in social legislation". The exclusion of all employee benefits is confirmed in the Payment Services directive, which provides a regulatory framework for payment services in the European Union. It clearly and unconditionally excludes "instruments valid only in a single member State provided at the request of an undertaking or a public sector entity and regulated by a national or regional public authority for specific social or tax purposes to acquire specific goods or services from suppliers having a commercial agreement with the issuer".

The Incentive & Rewards, Fleet & Mobility Solutions and Corporate Payment Services portfolios contain some programs involving the issuance of e-money and/or the supply of payment services, which can only be issued by licensed institutions subject to specific capital adequacy rules. The Group offers these types of solutions through its PrePay Solutions subsidiary, an e-money issuer licensed in the UK, and through the two e-money issuers created by the Group in Italy and France to meet local needs – Edenred Italia Fin S.r.l. and Edenred Paiement SAS. Thanks to these three e-money issuers, Edenred can offer solutions, through its European subsidiaries, based on prepaid cards regarded as e-money. Each of these e-money issuers complies with all applicable capital adequacy and other requirements. The main rule resulting from the classification of certain programs as e-money or payment services concerns the obligation to protect the funds received in exchange for the issue of e-money or for the purpose of making a payment order. These funds are reported in the balance sheet under "Restricted cash" (see section 2.3.1.4, page 65 and Note 4.6 to the consolidated financial statements, page 213.

1.7.2.2 Outside the European Union

The Group keeps a particularly watchful eye on the emergence of regulations that are similar to the E-Money and Payment Services directives in all countries in which it operates.

In several countries, regulations governing payment services and/or e-money sometimes take a similar approach to the European Union's regulations, acknowledging the exceptional nature of the Employee Benefits offered by Edenred.

This is the case, for example, in Turkey, where regulations covering both payment services and e-money entered into force in June 2015. Just like the European Union's E-Money and Payment Services directives, the Turkish regulations provide for the exclusion of instruments accepted within a "limited network" or which only grant access to "a limited range of goods or services".

Since 2014, the Central Bank in Brazil has been in charge of regulating procedures for the issue and functioning of certain electronic payment instruments. Circular no. 3,886 issued on March 26, 2018 recognized the specific nature of food and meal vouchers and excluded them from the Central Bank's scope of supervision. Edenred's other operations in Brazil, including the issuance and distribution of fuel cards, remain within the Central Bank's scope. The freight business company (Repom) is authorized by Brazilian Central Bank to operate as close-loop scheme and issuer. Also, Ticket Soluçoes, fuel and maintenance business company, is authorized by Brazilian Central Bank to operate as close-loop scheme. Others registration applications for companies affected by these regulations were still being reviewed by the Central Bank on December 31, 2018.

1.8 Contractual relationships

1.8.1 Contractual relationships with clients

Master contracts are signed with major accounts that generate significant business volume, organizing business relations with these clients.

Such master contracts are generally signed following a call for bids and may cover one or several of the corporate clients' facilities or subsidiaries. They are usually for periods of one to three years. In particular, they specify the terms of the compensation to be paid to the Edenred unit concerned and the frequency of invoicing and remittance.

For small and medium-sized enterprises and micro-enterprises with limited needs that require greater ordering flexibility, contractual relations are generally based on order forms containing Edenred's general conditions of sale. As part of its digitalization process, the Group also makes use of online contractual agreements and simple, advanced or qualified electronic signatures.

1.8.2 Contractual relationships with merchants

The affiliation of merchants accepting Edenred solutions is formalized by paper or electronic contracts between the Edenred subsidiary and each merchant.

In particular, these contracts specify the terms of the Edenred subsidiary's compensation and the conditions and technical procedures governing the acceptance of the Edenred solutions.

1.8.3 Contractual relationships with suppliers and service providers

Relations between Edenred or its subsidiaries and external suppliers or service providers are governed by standard contracts. Close attention is paid to services with associated intellectual property rights in order to ensure that the rights of Edenred and its subsidiaries are clearly determined.

Edenred uses many suppliers and is not dependent on any single company. In order to benefit from powerful, scalable and secure technological infrastructures, the Group favors the use of public or private cloud-based IT solutions, from providers hailed by the market for the quality of their services and long-term viability. The Group has notably implemented global master agreements with leading providers of cloud-based solutions and the associated network aspects. These agreements are particularly demanding in terms of compliance, security and availability. To support the digitalization of the Group's solutions, plastic card production, electronic payment services and technical acquisition or authorization services are also outsourced, with the appropriate diligence and care. Particular attention is also paid to the contractual and technical management of providers dealing with personal data, notably to ensure that the processing complies with applicable legislation such as the new European General Data Protection Regulation (GDPR).

1.9 Intellectual property

Edenred's intellectual property mainly consists of its portfolio of brands and domain names. Intellectual property rights are managed by a dedicated in-house team and monitored worldwide by specialized service providers. *Ticket Restaurant* [1] and all other tradenames of Edenred solutions and services are registered trademarks of Edenred SA.

Edenred ensures that its protected trademarks are never used inappropriately, with a special focus on preserving their distinctive character.

1.10 Real estate

Most of the Group's offices are leased. The Group does not expect to encounter any problems in renewing the leases.

(1) Edenred does not own the Ticket Restaurant trademark in Portugal.

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Management report AFR

The Management Report is prepared in accordance with the provisions of Articles L.225-100, I. paragraph 2 and L.232-1, II. of the French Commercial Code *(Code de commerce)*.

2.1 The Company, ownership structure, dividends and market for Edenred securities

2.1.1 The Company

The Company's legal name is "Edenred". It is registered with the Trade and Companies Register of Nanterre under identification number 493 322 978 R.C.S. Nanterre. Its APE business identifier code is 7010Z and its LEI is 9695006LOD5B2D7Y0N70.

The Company was incorporated on December 14, 2006 for a 99-year term as a société par actions simplifiée (simplified joint-stock company). It was converted into a société anonyme (public limited company) on April 9, 2010.

The Company's registered office is located at 14-16, boulevard Garibaldi, 92130 Issy-les-Moulineaux, France (Phone: +33 (0)1 74 31 75 00).

Edenred is a *société anonyme* with a Board of Directors governed by the laws of France, mainly the provisions of the French Commercial Code.

The corporate purpose is set out in Article 3 of the Company's bylaws, which are obtainable on request from the Company's registered office and may be consulted on its website (https://www.edenred.com/en/discover-edenred, in the "Governance" section).

2.1.2 Ownership structure: shareholders and voting rights

2.1.2.1 Ownership of shares and voting rights

In accordance with the declaration as to the number of shares and voting rights made by the Company on January 6, 2020 pursuant to Article L.233-8 II. of the French Commercial Code and Article 223-16 of the General Regulations of French financial markets authority (Autorité des marchés financiers – AMF), at December 31, 2019, the Company's capital was made up of 243,204,857 shares representing a total of 248,512,725 voting rights, of which 247,375,082 were exercisable.

At December 31, 2019, the Company had 2,875 registered shareholders representing 2.57% of the total number of shares and 4.21% of exercisable voting rights.

The Company's ownership structure over the last three years was as follows:

	AT NOVEMBER 30, 2019 [3]			AT NOVEMBER 30, 2018 [3]			AT NOVEMBER 30, 2017 [3]		
	NUMBER OF SHARES	**% CAPITAL**	**% VOTING RIGHTS**	NUMBER OF SHARES	% CAPITAL	% VOTING RIGHTS	NUMBER OF SHARES	% CAPITAL	% VOTING RIGHTS
The Capital Group Companies, Inc.	35,870,512	14.74%	14.43%	35,870,512	14.98%	14.65%	46,392,499	19.69%	19.23%
Select Equity Group LP	11,920,580	4.89%	4.79%	12,273,163	5.13%	5.01%	12,120,013	5.14%	5.02%
BlackRock Inc. [1]	12,554,346	5.16%	5.05%	11,842,313	4.95%	4.84%			
Other institutional investors	169,668,993	69.73%	68.23%	166,967,537	69.73%	68.19%	164,388,703	69.76%	68.14%
Individual shareholders	12,034,727	4.95%	6.98%	10,844,303	4.53%	6.65%	11,294,171	4.79%	7.01%
Edenred (treasury shares) [2]	1,282,549	0.53%	0.52%	1,627,484	0.68%	0.66%	1,441,864	0.61%	0.60%
TOTAL	**243,331,707**	**100%**	**100%**	**239,411,300**	**100%**	**100%**	**235,637,250**	**100%**	**100%**

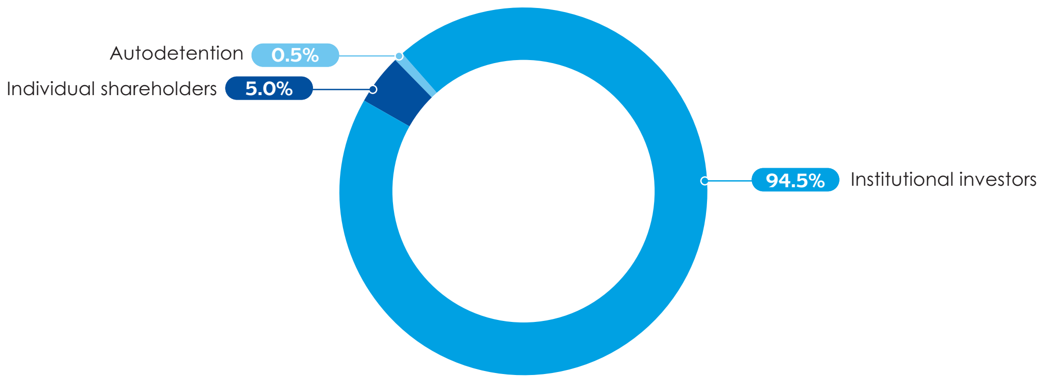
Sources: Euroclear France, Edenred share register, additional survey and disclosures made to the AMF.

(1) On January 27, 2020, BlackRock Inc. disclosed that it held 12,283,498 shares, representing 5.13% of the capital and 5.02% of the voting rights (AMF reference no. 219C0226).

(2) At December 31, 2019, the Company held 1,137,643 shares, representing 0.46% of the total number of shares making up the Company's share capital. The voting rights associated with shares held in treasury are not exercisable.

(3) Date of the most recent shareholder survey.

THE COMPANY'S OWNERSHIP STRUCTURE IS AS FOLLOWS:



The free float represents **99.5%** of outstanding shares.

During the past three years, the following registered intermediaries and fund managers notified the AMF of changes in their interests, in accordance with disclosure threshold rules:

REGISTERED INTERMEDIARY OR FUND MANAGER	DISCLOSURE DATE	AMF REFERENCE NO.	INCREASE OR DECREASE IN INTEREST	NUMBER OF SHARES HELD	% CAPITAL	NUMBER OF VOTING RIGHTS HELD	% VOTING RIGHTS
ColDay (Colony Investors)	January 20, 2017	217C0254	Decrease	0	0	0	0
BlackRock Inc.	January 27, 2017	217C0306	Increase	11,781,391	5.04%	11,781,391	4.58%
BlackRock Inc.	January 30, 2017	217C0320	Decrease	11,673,401	4.99%	11,673,401	4.54%
BlackRock Inc.	February 15, 2017	217C0468	Increase	11,710,013	5.01%	11,710,013	4.73%
BlackRock Inc.	February 24, 2017	217C0534	Increase	12,625,924	5.40%	12,625,924	5.10%
Select Equity Group	May 18, 2017	217C1025	Increase	11,726,117	5.01%	11,726,117	4.89%
OppenheimerFund Inc.	May 23, 2017	217C1047	Increase	12,750,696	5.45%	12,750,696	5.32%
BlackRock Inc.	July 12, 2017	217C1553	Decrease	11,083,622	4.69%	11,083,622	4.59%
OppenheimerFund Inc.	October 2, 2017	217C2286	Decrease	11,673,074	4.96%	11,673,074	4.84%
Select Equity Group	January 11, 2018	218C0083	Increase	12,120,013	5.13%	12,120,013	5.01%
Select Equity Group	January 11, 2018	218C0083	Increase	13,440,431	5.71%	13,440,431	5.58%
The Capital Group Companies, Inc.	February 19, 2018	218C0447	Decrease	36,094,936	15.32%	36,094,936	14.97%
JP Morgan Securities plc	May 11, 2018	218C0862	Increase	12,867,741	5.46%	12,867,741	5.33%
JP Morgan Securities plc	May 18, 2018	218C0894	Decrease	9,587,863	4.07%	9,587,863	3.97%
Select Equity Group	May 25, 2018	218C0929	Decrease	11,713,884	4.97%	11,713,884	4.85%
The Capital Group Companies, Inc.	July 10, 2018	218C1245	Decrease	35,870,512	14.96%	35,870,512	14.62%
BlackRock Inc.	October 26, 2018	218C1733	Increase	12,022,374	5.02%	12,022,374	4.91%
Select Equity Group	November 22, 2018	218C1870	Increase	12,017,103	5.02%	12,017,103	4.91%
Select Equity Group	December 5, 2018	218C1938	Decrease	11,876,104	4.96%	12,017,103	4.85%
Select Equity Group	December 6, 2018	218C1946	Increase	12,273,163	5.13%	12,017,103	5.01%
BlackRock Inc.	January 11, 2019	219C0082	Decrease	11,958,048	4.99%	11,958,048	4.89%
Select Equity Group	March 14, 2019	219C0461	Decrease	12,018,719	5.02%	12,018,719	4.91%
Select Equity Group	March 18, 2019	219C0483	Decrease	11,920,580	4.98%	11,920,580	4.87%
FMR LLC	December 12, 2019	219C2715	Increase	12,233,274	5.03%	12,233,274	4.92%
FMR LLC	December 18, 2019	219C2801	Increase	12,625,524	5.19%	12,625,524	5.08%
FMR LLC	March 03, 2020	220C0836	Increase	12,866,166	5.70%	12,321,036	5.58%
The Capital Group Companies Inc	March 04, 2020	220C0840	Decrease	24,832,584	10.21%	24,832,584	9.99%
The Capital Group Companies Inc	March 04, 2020	220C0841	Increase	25,040,285	10.29%	25,040,285	10.08%
BlackRock Inc. [(1)]	March 05, 2020	220C0874	Decrease	12,020,479	4.95%	12,020, 479	4.84%
FMR LLC	March 09, 2020	220C0894	Increase	14,122,987	5.82%	14,122,987	5.69%
FMR LLC	March 11, 2020	220C0929	Decrease	13,889,834	5.72%	13,889,834	5.59%
FMR LLC	March 16, 2020	220C0968	Increase	14,080,500	5.80%	14,080,500	5.67%

(1) Between January 11, 2019 and March 5, 2020, BlackRock Inc. made 35 threshold disclosures after having increased or decreased its interest in the capital or voting rights, which hovered around 5%. All the disclosures are available for consultation on the AMF website.

Shareholders' agreement(s) on the securities making up the Company's capital

None.

Voting rights of the shareholders

As of December 31, 2019, each Edenred share entitled its holder to one vote, with the exception of treasury shares.

However, Article 24 of the Company's bylaws states that, under certain circumstances, shares may be attributed double voting rights. As a result, fully paid-up shares registered in the name of the same holder for at least two years have double voting rights (see section 3.3.1.4 "Rights attached to the Company's shares", page 176).

Agreement(s) that may lead to a change of control

None.

2.1.2.2 Employees' interests in Edenred's capital

Employee stock ownership

The proportion of share capital held by employees represents 0.4% (see details hereinafter).

Information on stock option plans for employees

Pursuant to the authorization given by the General Meeting of May 10, 2010, the Board of Directors' meetings of February 23, 2011 and February 22, 2012 defined the terms and conditions of two stock option plans (2011 plan and 2012 plan) for certain Group employees or corporate officers and granted stock options as summarized in section 3.2.4 of the Universal Registration Document, page 173. The number of options granted pursuant to this authorization may not be exercisable for shares representing more than 7% of the share capital.

2019 financial year and beginning of 2020 financial year

During the financial year ended December 31, 2019, the 2011 plan expired on March 11, 2019. In addition, since the end of the said financial year, the 2012 plan expired on February 27, 2020.

No stock options were granted to Group employees or corporate officers during the 2019 financial year. Moreover, the Board of Directors has no ongoing authorization granted by the General Meeting of shareholders for the issuance of stock options.

For the 2019 financial year, stock options granted to or exercised by the top ten employees other than corporate officers were as follows:

Stock options granted to and exercised by the top ten employees other than corporate officers during the financial year

	TOTAL OPTIONS GRANTED/EXERCISED	EXERCISE PRICE *(in €)*
Options granted during the financial year by the issuer and any company included in the scope of options granting to the ten employees of the issuer and any company included in such scope, who received the largest number of options (aggregate information)	None	
Options exercised during the financial year by the ten employees of the issuer and companies above-mentioned, who exercised the largest number of options (aggregate information)	67,800 59,050	18.81 19.03
TOTAL	**126,850**	

Information on stock options granted to or exercised by Edenred's corporate officers can be found in section 3.2.2 of the Universal Registration Document, page 162.

Information on free allocations of shares to employees

Pursuant to the authorizations given by the General Meetings of May 10, 2010, May 24, 2013, April 30, 2015 and May 4, 2016, the Board of Directors' meetings of February 12, 2013, February 11, 2014, February 11, 2015, December 9, 2015, May 4, 2016, February 23, 2017 and February 19, 2018 defined the terms and conditions of plans for the free allocation of performance shares to certain Group employees and/or corporate officers.

Information on historical share allocations and the terms and conditions of said allocations can be found in section 3.2.4 of the Universal Registration Document, page 173.

In accordance with the AFEP-MEDEF Code, the performance share allocations are made at the same time every year, after the annual results have been published, save for the exceptional allocation of performance shares plan for the benefit of Bertrand Dumazy upon his appointment as Chairman and Chief Executive Officer as of October 26, 2015 and the Group free allocation of shares plan of May 4, 2016 set up to take advantage of a stabilized fiscal and workforce-related environment. Performance shares are not allocated systematically to a given category of employees, but are designed to reward personal performance, measured in terms of the results obtained, individual achievements and potential.

2019 financial year and beginning of 2020 financial year

The General Meeting of May 3, 2018 authorized the Board of Directors to freely grant performance shares. According to the terms of this authorization, the number of performance share rights allocated during the 26-month authorization period may not exceed 1.5% of the share capital, it being specified that the nominal amount of share capital increases likely to be carried out will be deducted from the global limit provided for in the third paragraph of the twenty-first resolution approved by General Meeting of May 3, 2018 or, if applicable, from the global limit set in any new resolution to the same effect adopted while this authorization is in force.

The Chief Executive Officers may not be awarded more than 0.1% of the share capital during a financial year.

Pursuant to the authorization given by the General Meeting of May 3, 2018, the Board of Directors decided to set up (i) a performance shares plan in February 2019 for 325 beneficiaries (of which 245 men and 80 women) including the Chairman and Chief Executive Officer, awarding a total of 597,220 shares representing 0.25% dilution at the allocation date, and (ii) a performance shares plan in February 2020 for 316 beneficiaries (of which 228 men and 88 women) including the Chairman and Chief Executive Officer, awarding a total of 502,551 shares representing 0.21% dilution at the allocation date.

The vesting of the performance shares freely allocated is subject to a presence condition as well as the achievement of performance conditions set for the following objectives and assessed over three consecutive financial years:

- for 37.5% of the performance shares allocated, the organic growth rate of the operating EBIT;
- for 37.5% of the performance shares allocated, the organic growth rate of the funds from operations (FFO);
- for 25% of the performance shares allocated, a stock market criterion, corresponding to Edenred's total shareholder return (TSR) compared with the SBF 120 index's TSR.

The Board of Directors' meetings of February 20, 2019 and February 25, 2020, based on the proposal from the Compensation and Appointments Committee, set the performance ranges to be reached for each objective (lower and upper limits) for calculating the performance. The criteria are as follows:

Operating EBIT (op. EBIT) organic growth	
Op. EBIT organic growth of less than 7%	0%
Op. EBIT organic growth of equal to or more than 7% but less than 9%	75%
Op. EBIT organic growth of equal to or more than 9% but less than 10%	100%
Op. EBIT organic growth of equal to or more than 10% but less than 12%	125%
Op. EBIT organic growth of equal to or more than 12%	150%
Organic growth in FFO (1)	
Organic growth in FFO of less than 8%	0%
Organic growth in FFO of equal to or more than 8% but less than 10%	75%
Organic growth in FFO of equal to or more than 10% but less than 12%	100%
Organic growth in FFO of equal to or more than 12% but less than 14%	125%
Organic growth in FFO of equal to or more than 14%	150%
Edenred's TSR (2) compared with that of SBF 120 companies (by sextiles)	
6th sextile (101 to 120)	0%
5th sextile (81 to 100)	50%
4th sextile (61 to 80)	75%
3rd sextile (41 to 60)	100%
2nd sextile (21 to 40)	125%
1st sextile (1 to 20)	150%

(1) Funds from operations before other income and expenses.
(2) Total shareholder return.

Edenred's TSR measures the total return for shareholders, taking into account Edenred's share price appreciation and the dividends paid to shareholders.

The SBF 120 TSR will be calculated based on the TSR of each company of the SBF 120 index.

The level of achievement of the performance conditions will be assessed based on the information provided by the Edenred Group's Finance Department.

Lastly, the Board of Directors' meetings of February 20, 2019 and February 25, 2020 (during which were approved the annual accounts), after consulting the Compensation and Appointments Committee, respectively validated the level of achievement of the performance conditions under the 2016 and 2017 free allocation of share plans.

For the 2019 financial year, performance shares freely allocated to and vested for the top ten employees other than corporate officers during the financial year were as follows:

Performance share freely allocated to and vested for the top ten employees other than corporate officers during the financial year

	NUMBER OF PERFORMANCE SHARE ALLOCATED/VESTED	FAIR VALUE *(in €)*
Shares allocated during the financial by the issuer and any company included in the scope of shares allocation to the ten employees of the issuer and any company included in such scope, who received the largest number of allocated shares (aggregate information)	161,520	5,441,608
Shares vested during the financial year for the ten employees other than corporate, who received the largest number of vested shares (aggregate information)	324,550	4,847,332

Information on performance shares freely allocated during the financial year to the Chairman and Chief Executive Officer can be found in section 3.2.2 of the Universal Registration Document, page 162. Information on performance shares for the Chairman and Chief Executive Officer that vested during the financial year can be found in section 3.2.4 of the Universal Registration Document, page 173.

2.1.2.3 Buyback and sale by Edenred of its own shares

The authorizations given by the General Meetings of May 3, 2018 and May 14, 2019 were used by the Company during the 2019 financial year, enabling it to implement a share buyback program.

At December 31, 2019, the Company held 1,137,643 shares directly or indirectly, representing 0.46% of the total number of shares making up the Company's share capital at the same date.

(a) Transactions carried out excluding the liquidity contract

During the 2019 financial year, the Company:

- bought back 1,034,592 Edenred shares for the purpose of cancellation at an average price of €32.95 per share for a total spend of €34,092,459. This transaction was in particular carried out by investment services providers acting independently under the Company's share buyback program;
- bought back 790,463 Edenred shares for the purpose of freely allocating shares in accordance with the provisions of Article L.225-197-1 *et seq*. of the French Commercial Code;
- delivered 414,870 shares as part of the delivery of performance shares allocated to certain employees and corporate officers under the performance shares free allocation plan of May 4, 2016 relating to beneficiaries who are French tax residents;
- canceled 1,021,207 Edenred shares totaling €29,243,505 to offset the stock dilution following the share capital increase resulting from (i) the exercise of options vested under stock option plans, and (ii) the free allocation of shares to the beneficiaries of the plan of February 17, 2014 who are not French tax residents.

In addition, 627,195 shares bought back for the purpose of freely allocating performance shares were redirected to the purpose of cancellation during the 2019 financial year.

(b) Transactions carried out under the liquidity contract

On October 3, 2016, the Company signed a liquidity contract with Exane BNP Paribas to maintain a liquid market for its shares on the Euronext Paris stock exchange. The contract complied with the AMAFI Code of Conduct as approved by the AMF on March 21, 2011. The Company terminated the contract on May 21, 2019.

During the 2019 financial year, under the said liquidity contract, the Company:

- purchased 40,574 shares at an average price of €32.94 per share, for a total outlay of €1,336,509; and
- sold 64,958 shares at an average price of €33.83 per share, for total proceeds of €2,197,663.

On May 29, 2019, the Company signed a liquidity contract with Kepler Cheuvreux to maintain a liquid market for its shares on the Euronext Paris stock exchange. The contract complies with the regulations of the AMF, in particular AMF decision no. 2018-01 of July 2, 2018.

During the 2019 financial year, under the said liquidity contract, the Company:

- purchased 573,218 shares at an average price of €43.85 per share, for a total outlay of €25,137,375; and
- sold 540,186 shares at an average price of €44.35 per share, for total proceeds of €23,957,802.

At December 31, 2019, the Company held 33,032 shares under this liquidity contract, acquired at an average price of €44.7 per share, for a total of €1,476,542 representing 0.3% of the capital.

In addition, the Company's balance sheet at December 31, 2019 included €8,820,427 in marketable securities held under the liquidity contract.

Details of Edenred's share buyback program are available in section 2.1.2.4 hereinafter.

(c) Utilization of authorizations granted by the General Meeting

TYPE AND DATE OF AUTHORIZATION	MAXIMUM AMOUNT AUTHORIZED	DURATION	UTILIZATION OF THE AUTHORIZATION DURING THE 2019 FINANCIAL YEAR
Share buyback program			
General Meeting of May 3, 2018 (19th resolution)	10% of the capital at the completion date **Total amount:** €823,911,340 **Maximum purchase price:** €35	**Duration:** 18 months **Early termination:** May 14, 2019	Purchases made outside the liquidity contract: None Purchase made under the Exane BNP Paribas liquidity contract: 40,574 shares
General Meeting of May 14, 2019 (8th resolution)	10% of the capital at the completion date **Total amount:** €1,315,964,925 **Maximum purchase price:** €55	**Duration:** 18 months **Deadline:** Nov. 14, 2020	Purchase for allocation of performance share: 790,463 shares Purchase for cancellation: 407,397 shares Purchase made under the Kepler Cheuvreux liquidity contract: 573,218 shares
Capital reduction by cancellation of shares			
General Meeting of May 3, 2018 (20th resolution)	10% of the capital at the cancellation date for each 24-month period	**Duration:** 18 months **Early termination:** May 14, 2019	Cancellation of 406,406 shares (*i.e.* circa 0.17% of the share capital) as decided by the Board of Directors on February 20, 2019 Cancellation of 487,951 shares (*i.e.* circa 0.20% of the share capital) as decided by the Board of Directors on May 14, 2019
General Meeting of May 14, 2019 (9th resolution)	10% of the capital at the cancellation date for each 24-month period	**Duration:** 18 months **Deadline:** Nov. 14, 2020	Cancellation of 126,850 shares (*i.e.* circa 0.05% of the share capital) as decided by the Board of Directors on December 18, 2019

The General Meeting of May 7, 2020 will decide whether to renew the authorization to buy back the Company's shares and the authorization to reduce the capital by canceling shares, under the terms defined in sections 5.1 and 5.2 of the Universal Registration Document.

(d) Overview of the share buybacks carried out during the 2019 financial year

The number of shares held by the Company at December 31, 2019 is summarized below (information disclosed pursuant to AMF decision no. 2018-01 of July 2, 2018 and AMF instruction no. 2017-03 of February 15, 2017):

Number of Edenred shares canceled over the last 24 months	2,050,192
Number of Edenred shares held in treasury at December 31, 2019, of which:	1,137,643
• shares held for cancellation	280,547
• shares held for free allocation of performance shares	824,064
• shares held under the liquidity contract with Kepler Cheuvreux	33,032
Percentage of capital held by the Company directly and indirectly at December 31, 2019	0.46%
Book value of treasury shares	€48,312,088
Market value of treasury shares at December 31, 2019	€52,445,342

The total amount of buyback transaction fees excluding tax was €52,548 in 2019.

The Company held no open long or short positions in derivatives at December 31, 2019.

2.1.2.4 Share buyback programs

(a) Overview of the current share buyback program

The Combined General Meeting of May 14, 2019 (8th resolution) gave the Board of Directors an 18-month authorization to buy back a number of shares that may not exceed 10% of the total number of shares outstanding, as allowed by Article L.225-209 *et seq.* of the French Commercial Code.

The maximum purchase price was set at €55 per share. It may be adjusted to reflect the impact of any corporate actions.

The purposes of this share buyback program are provided in the program description published on the Company's website in accordance with Article 241-1 *et seq.* of the AMF's General Regulations.

The characteristics of the buyback program are as follows:

TYPE OF SECURITY	SHARES
Maximum percentage of capital that may be purchased into treasury	10% (the number of Edenred shares purchased into treasury and subsequently remitted in connection with a merger, demerger or asset contribution may not exceed 5% of the Company's share capital)
Maximum number of shares that may be purchased	23,926,635 shares (*i.e.*, 10% of the share capital at December 31, 2018)
Maximum total amount allocated to the program	€1,315,964,925
Maximum purchase price per share	€55
Validity	18 months, *i.e.* until November 14, 2020

(b) Description of the share buyback program proposed at the Combined General Meeting of May 7, 2020 (14th resolution)

This section is the share buyback program established in accordance with Article 241-1 *et seq.* of the AMF's General Regulations.

At the Combined General Meeting scheduled for May 7, 2020 (14th resolution), the Board will submit a proposal to approve a new 18-month authorization that would cancel and supersede the unused portion of the authorization granted by the Combined General Meeting of May 14, 2019 (8th resolution) to buy back a number of shares that may not exceed 10% of the total number of shares outstanding (*i.e.*, on an indicative basis, 23,182,842 shares, representing 9.54% of the share capital at December 31, 2019, provided Edenred held 1,137,643 of its own shares at that date, representing 0.46% of the capital at December 31, 2019) at a maximum purchase price of €65 per share. The total amount allocated to this buyback program could not exceed €1,506,884,730 on this basis.

Subject to approval of the authorization by the Combined General Meeting of May 7, 2020 (14th resolution), and in accordance with the provisions of Article L.225-209 *et seq.* of the French Commercial Code, the AMF's General Regulations and Regulation (EU) No. 596/2014 of April 16, 2014 as well as the associated delegated and implementing acts adopted by the European Commission, the share buybacks will be used for the following purposes:

- canceling all or some of the shares acquired as part of a a capital reduction, subject to adoption of the 15th resolution at the Combined General Meeting of May 7, 2020 or of any other resolution for the same purpose that may supersede the said resolution while this authorization is in force;
- allocating, covering and honoring any stock option plans, free allocation of shares plans, employee savings plans or any other form of allocation to employees and/or corporate officers of the Company and companies that are related to the Company as defined in the legal and regulatory provisions in force;
- delivering shares upon the exercise of rights attached to securities giving access to the share capital the Company;
- holding shares in treasury for subsequent remittance in payment or exchange in connection with mergers, demergers or asset contributions;
- ensuring the liquidity of or making a market in Edenred shares, under an AMF-compliant liquidity contract entered into with an investment services provider;
- enabling the Company to trade in Edenred shares for any other purpose currently authorized or that may be authorized in the future by the legal and regulatory provisions in force, or to carry out any market practice that may be authorized in any new regulations adopted by the AMF. In such cases, the Company will inform its shareholders through a press release.

In the event of a transaction affecting shareholders' equity, the Board of Directors may adjust the maximum price in order to take into account the impact of said transactions on the value of the share.

The purchase, sale or transfer of shares may be carried out and settled by any means, on the basis and within the limits prescribed by the legal and regulatory provisions in force, in one or several transactions, *via* regulated markets, multilateral trading facilities, systematic internalizers or over the counter, including through block purchases or sales or the use of derivative instruments (excluding sales of put options). The entire buyback program may also be implemented through a block trade.

Shares may be bought back, sold or otherwise transferred at any time for a period of 18 months from the date of the Combined General Meeting of May 7, 2020 until November 7, 2021, except when a takeover bid for the Company is in progress, on the basis and within the limits prescribed by the legal and regulatory provisions in force.

2.1.3 Dividends

2.1.3.1 Dividends paid over the past three financial years

Edenred made the following dividend payments in the past three financial years:

					SHARE PRICE *(in €)*			
Year	SHARES OUTSTANDING AT DECEMBER 31	DIVIDEND PER SHARE *(in €)*	TOTAL DIVIDEND PAID *(in €)*	PAID ON	HIGH	LOW	YEAR-END	YIELD BASED ON YEAR-END PRICE
2018	239,266,350	0.86	205,846,503	June 11, 2019	34.49	30.74	32.11	2.68%
2017	235,403,240	0.85	199,677,661	June 8, 2018	25.00	18.53	24.18	3.52%
2016	233,688,345	0.62	144,104,866	June 15, 2017	22.45	13.22	18.84	3.29%

No interim dividend was paid during the year. Dividends are paid by Euroclear France.

Dividends not claimed within five years from the date of payment are forfeited, as provided for by law. The dividend policy set out in the bylaws is described in section 3.3.1.4 of the Universal Registration Document.

At the Combined General Meeting of May 7, 2020, the Board of Directors will recommend setting the 2019 dividend at €0.87 per share. Shareholders will be able to opt for payment of the entire dividend in cash or shares at a discount of 10%.

2.1.3.2 Tax regime applicable to dividends paid

This section outlines the rules governing French withholding tax applicable to the Company's dividends, based on current French legislation. It does not take into account the effects of any international tax treaties that may apply to individual shareholders. Shareholders are encouraged to seek advice from their tax adviser concerning their specific situation. Shareholders that are not resident in France for tax purposes are required to also comply with the tax rules in force in their country of residence. French tax residents are required to comply with applicable French tax laws.

(a) Withholding tax on dividends distributed to shareholders not domiciled in France for tax purposes

In principle, dividends paid by the Company are subject to withholding tax deducted by the paying agent, when the shareholder's tax domicile or registered office is located outside France. Except as specified below, withholding tax is deducted at the rate of (i) 12.8% when the shareholder is an individual and is resident in a Member State of the European Union or a European Economic Area country that has signed a tax treaty with France containing a clause providing for administrative assistance in combating tax fraud and evasion, (ii) 15% when the shareholder is a non-profit organization headquartered in such a country, that would be taxed under Article 206-5 of the French General Tax Code (Code général des impôts) if it were headquartered in France and meets the criteria set out in paragraph 580 *et seq.* of Instruction BOI-IS-CHAMP-10-50-10-40, and (iii) 30% in all other cases.

Withholding tax is not deducted from dividends distributed to foreign investment funds that are tax residents of a Member State of the European Union or a country or territory that has signed a tax treaty with France containing a clause providing for administrative assistance in combating tax fraud and evasion and stipulating that the French tax authorities are entitled to obtain from the country where the fund is established the information necessary to verify that the funds (i) raise capital from a number of investors with a view to investing it in accordance with a defined investment policy for the benefit of those investors, and (ii) have similar characteristics to the French investment funds governed by section 1, paragraphs 1, 2, 3, 5 and 6 of subsection 2, subsection 3 or subsection 4 of section 2 in chapter IV, part I, book II of France's Monetary and Financial Code (Code monétaire et financier).

The withholding tax may be reduced or canceled in application of international tax treaties or of Article 119 *ter* of the French General Tax Code, which applies in some circumstances to corporate shareholders resident in the European Union.

In addition, provided that they meet the conditions set out in Instruction BOI-RPPM-RCM-30-30-20-40, corporate shareholders that hold at least 5% of the Company's capital may, under certain circumstances, be exempt from withholding tax if their seat of management is located in a Member State of the European Union or a European Economic Area country that has signed a double taxation agreement with France containing a clause providing for administrative assistance in combating tax fraud and evasion.

However, since January 1, 2013, dividends paid by the Company are subject to 75% withholding tax, whatever the shareholder's tax residence (unless an international tax treaty applies that provides for a lower rate), if they are paid outside France to an "uncooperative country or territory" within the meaning of Article 238-0 A of the French General Tax Code. The list of uncooperative countries and territories is published by ministerial order and updated annually.

Shareholders should seek advice from their tax adviser, in order to determine whether the new legislation on uncooperative countries and territories applies to them and/or whether they qualify for withholding tax relief or exemption. Shareholders are also invited to seek advice about the procedure to be followed to apply international tax treaty provisions, in particular as provided for in Instruction BOI-INT-DG-20-20-20-20, which describes the standard and simplified procedures for claiming withholding tax relief or exemption.

(b) Withholding tax on dividends distributed to individual shareholders domiciled in France for tax purposes

As of January 1, 2018, dividends distributed to individual shareholders domiciled in France for tax purposes are subject to a single flat-rate tax (the "flat tax") of 12.8%, save where said persons have expressly and irrevocably elected to pay tax at their marginal rate of income tax.

Dividends are initially subject to a mandatory withholding tax in the year of payment, at a rate aligned with that of the flat tax, namely 12.8% (21% previously). The following year, the tax withheld at source is offset against the income tax due (applying the flat tax or, by choice, the marginal rate of income tax) and any excess tax withheld is reimbursed.

The flat tax is applied at a rate of 12.8%, or an aggregate rate of 30% taking into account social security contributions of 17.2%. It is levied on gross income, with no deductions for expenses or charges. Taxpayers paying the flat tax are not eligible for the 40% allowance, which nevertheless continues to apply for those persons who have elected to pay tax on the dividends at their marginal rate of income tax. In addition to qualifying for the 40% allowance, opting for the latter solution also allows taxpayers to deduct expenses incurred to receive or hold dividends.

Where received by persons domiciled for tax purposes in France, dividends are subject to CSG wealth tax at a rate of 9.2% for all income generated as of January 1, 2019 (the rate was previously 9.9%), CRDS social security debt reduction tax at a rate of 0.5%, and the solidarity tax (7.5%), or an aggregate rate of 17.2%.

For income generated in 2018, 6.8% of the CSG wealth tax payable on dividends taxed under the marginal rate of income tax method is deductible from taxable income in the year of payment (5.1% previously). However, taxpayers paying the flat tax do not have this option. The other social security levies are not deductible at all.

2.1.4 Market for Edenred securities

2.1.4.1 Edenred share performance during the 2019 financial year

Edenred shares are traded on the Euronext Paris stock exchange (Compartment A). They are included in the following stock market indices: CAC Large 60, SBF 120, SBF 250, CAC High Dividend, CAC All-Share, Euronext 100, MSCI Standard Index Europe, FTSE4GOOD and DJSI.

The shares were initially listed at a reference price of €11.40. On the first day of trading (July 2, 2010), the shares opened at €13 and closed at €14.80.

On the last day of trading in 2019, the shares closed at €46.10, giving the Company a market capitalization of €11.2 billion.

Edenred's share price and trading volumes (ISIN code FR0010908533) on Euronext are set out below:

(in €)	AVERAGE CLOSING PRICE	HIGH	LOW	TRADING VOLUME
2019				
January	35.14	37.05	31.44	9,995,219
February	37.49	40.67	35.55	9,202,449
March	40.05	41.62	38.26	9,198,001
April	41.80	42.80	40.65	8,253,743
May	40.86	42.17	39.56	10,972,426
June	43.19	45.06	39.97	9,979,654
July	45.28	46.96	43.95	8,711,184
August	44.46	46.44	42.92	8,309,042
September	43.64	44.72	41.25	10,409,951
October	43.62	47.33	41.32	11,312,434
November	46.38	47.65	43.01	10,884,236
December	45.05	46.82	43.10	7,215,842
2020				
January	47.85	51.56	45.76	8,659,518
February	49.34	50.64	45.50	10,471,487

Source: Euronext.

Shareholder services are provided by:

Société Générale Securities Services

SGSS/SBO/CSS/BOC

32, rue du Champ-de-Tir

CS 30812 – 44308 Nantes Cedex 3, France

2.1.4.2 Corporate officers' and executives' dealings in the Company's shares

The following table sets out trading in the Company's securities carried out during the 2019 financial year and notified to the AMF in accordance with Article 19 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse and Article L.621-18-2 of the French Monetary and Financial Code.

PERSONS CONCERNED	TRANSACTION DATE	TYPE OF TRANSACTION	NUMBER OF SHARES	TRANSACTION AMOUNT *(in €)*
Patrick Bataillard *Member of the Executive Committee*	May 4, 2019	Vesting of free shares	30,000	
	May 16, 2019	Sale of shares	6,000	250,800
	June 6, 2019	Sale of shares	1,215	50,787
	July 24, 2019	Contribution of securities	4,800	201,600
PBRI-Participations[(1)]	July 24, 2019	Contribution of securities	4,800	201,600
	August 1, 2019	Sale of shares	4,800	220,560
Antoine Dumurgier *Member of the Executive Committee*	February 25, 2019	Sale of shares	15,300	596,700
	May 4, 2019	Vesting of free shares	25,000	
	December 16, 2019	Sale of shares	5,000	221,950
Gilles Coccoli *Member of the Executive Committee*	January 4, 2019	Exercise of stock options	7,000	133,210
	January 4, 2019	Sale of shares	7,000	229,180
	January 8, 2019	Exercise of stock options	7,000	133,210
	January 8, 2019	Sale of shares	7,000	238,000
	January 9, 2019	Exercise of stock options	9,000	171,270
	January 9, 2019	Sale of shares	9,000	317,700
	February 18, 2019	Vesting of free shares	23,400	
	February 25, 2019	Sale of shares	23,400	912,600
	May 4, 2019	Vesting of free shares	38,000	
	May 7, 2019	Sale of shares	15,000	615,000
	May 8, 2019	Sale of shares	13,000	539,500
	May 16, 2019	Sale of shares	10,000	420,000
	October 28, 2019	Sale of shares	10,000	456,800
Philippe Dufour *Member of the Executive Committee*	January 16, 2019	Exercise of stock options	5,000	95,150
	May 4, 2019	Vesting of free shares	11,000	
	May 7, 2019	Exercise of stock options	850	16,175
	June 11, 2019	Dividend reinvestment	807	29,520
Bertrand Dumazy *Chairman and Chief Executive Officer*	May 4, 2019	Vesting of free shares	149,600	
	June 12, 2019	Sale of shares	75,000	3,200,347
Arnaud Erulin *Member of the Executive Committee*	February 25, 2019	Sale of shares	21,150	839,232
	May 4, 2019	Vesting of free shares	33,000	
Diego Frutos ***Member of the Executive Committee***	**February 18, 2019**	**Vesting of free shares**	**7,200**	
	February 25, 2019	**Sale of shares**	**7,000**	**275,840**
	May 4, 2019	**Vesting of free shares**	**22,000**	
	May 20, 2019	**Sale of shares**	**7,000**	**282,100**
	June 11, 2019	**Dividend reinvestment**	**471**	**17,229**
	June 11, 2019	**Sale of shares**	**15,471**	**663,183**
	October 25, 2019	**Sale of shares**	**1,000**	**45,560**

(1) Legal entity linked to Patrick Bataillard.

PERSONS CONCERNED	TRANSACTION DATE	TYPE OF TRANSACTION	NUMBER OF SHARES	TRANSACTION AMOUNT *(in €)*
Graziella Gavezotti *Member of the Executive Committee*	February 18, 2019	Vesting of free shares	17,100	
	February 25, 2019	Sale of shares	17,100	676,986
	February 25, 2019	Exercise of stock options	30,000	564,300
	February 25, 2019	Sale of shares	30,000	1,187,691
	February 27, 2019	Exercise of stock options	27,000	513,810
	February 27, 2019	Sale of shares	27,000	1,038,047
	May 4, 2019	Vesting of free shares	25,000	
	May 21, 2019	Sale of shares	25,000	1,016,835
Laurent Pellet *Member of the Executive Committee*	February 18, 2019	Vesting of free shares	17,100	
	February 25, 2019	Sale of shares	17,100	677,673
	May 4, 2019	Vesting of free shares	24,000	
	May 7, 2019	Sale of shares	24,000	984,960
Philippe *Relland-Bernard* *Member of the Executive Committee*	February 25, 2019	Sale of shares	6,750	263,250
	May 4, 2019	Vesting of free shares	22,000	
	May 24, 2019	Sale of shares	4,800	194,472
	September 9, 2019	Sale of shares	2,000	88,420
	September 30, 2019	Sale of shares	2,200	96,888
	October 29, 2019	Sale of shares	1,000	46,100
Jeanne Renard *Senior Vice President, Transformation*	May 3, 2019	Sale of shares	12,000	499,820
	May 4, 2019	Vesting of free shares	22,000	
	May 22, 2019	Sale of shares	3,150	127,795
	May 24, 2019	Sale of shares	14,509	588,324
	June 3, 2019	Exercise of stock options	3,200	60,896
	June 3, 2019	Sale of shares	3,200	131,200
	June 6, 2019	Sale of shares	14,400	599,040
Konstantinos Voyiatzis *Vice President, IT EMEA*	May 4, 2019	Vesting of free shares	16,000	
	June 7, 2019	Sale of shares	5,000	212,000
	June 11, 2019	Dividend reinvestment	612	22,387

2.2 Risk factors and management

Investors are advised to consider all of the information provided in this Registration Document, including the risk factors described in this section, before making their investment decision. The described risks are those, as of the date of this Registration Document, which the Company believes are specific to it and whose occurrence could have a material adverse impact on the Group, its business, financial position, results of operations or development.

The main risks together with the measures for managing these risks are described in section 2.2.1 below.

Legal and arbitration proceedings are described in section 2.2.2, page 52.

Measures for transferring risk are described in section 2.2.3, page 53.

Internal control and risk management procedures are described in section 2.2.4, page 54.

2.2.1 Risks and measures to manage the risks

The Group regularly reviews the risks and threats to its business, under the supervision of the Audit and Risks Committee. To this end, it conducted a risk mapping exercise drawing on external expert opinion and benchmark studies, for almost all of its subsidiaries, and on the expertise available in the Group's functional divisions. Nearly 200 risks were identified and assessed based on a number of criteria, including likelihood of occurrence, financial impact and reputational impact for the purpose of evaluating the "gross" risk (*i.e.*, "net" of existing risk management procedures) together with the effectiveness of risk management procedures in evaluating "net" risk materiality. In 2019, these risks were tracked by the Audit and Risks Committee so that the related action plans could be updated in line with any change.

The following five risk categories emerged from the review of the risk map (classified from highest to lowest "net" materiality within each category):

Synthesis of risk factors

Net impact:	● : Low	●● : Medium	●●● : high
Net probability:	● : Low	●● : Medium	●●● : high

Category	Risk factors	Section	Probability	Impact
Financial Risks	Currency risk	2.2.1.1.1	●●●	●●●
	Tax risk	2.2.1.1.2	●●	●●●
	Commodity risk	2.2.1.1.3	●●	●●
	Customer counterparty risk (credit risk)	2.2.1.1.4	●●	●●
	Financial institutions counterparty risk	2.2.1.1.5	●	●●
Legal risks	Risks related to changes in the laws or regulations governing solutions qualifying for a specific payroll and/or income tax regime	2.2.1.2.1	●●	●●●
	Risks related to competition law	2.2.1.2.2	●●	●●●
	Risks related to personal data protection regulations	2.2.1.2.3	●●	●●●
	Risk related to enhanced regulatory oversight over the Group's activities via banking regulations	2.2.1.2.4	●	●●
	Risks related to corruption, money laundering and / or terrorist financing schemes	2.2.1.2.5	●	●●
Information systems and cybercrime risks	Information system risks	2.2.1.3.1	●●	●●●
	Cybercrime risks	2.2.1.3.2	●●	●●●
Group strategy and competitive environment risks	Competitive environment risks	2.2.1.4.1	●●	●●●
	Risks related to the acquisition strategy	2.2.1.4.2	●	●●
	Risks related to the partnership strategy and other strategic agreements	2.2.1.4.3	●	●●
Operational risks	Business continuity risks	2.2.1.5.1	●●	●●
	Risks linked to counterfeiting, falsification and theft of vouchers	2.2.1.5.2	●●	●●

Non-financial risks, which were not among the main risks identified in the review, are included in a specific analysis presented in section 2.4.1.4 "Non-financial risk analysis".

It should be noted that, although coronavirus did not emerge as an issue in the 2019 review of the Group's main risks, the epidemic and an assessment of its impacts are discussed in section 2.3.1.8 "Main risks and uncertainties".

2.2.1.1 Financial risks

The main financial risks to which the Group is exposed are as follows:

- currency risk, described in section 2.2.1.1.1, see below;
- tax risk, described in section 2.2.1.1.2, see below;
- commodity risk, described in section 2.2.1.1.3, see below;
- customer counterparty risk, described in section 2.2.1.1.4, see below;
- financial institutions counterparty risk, described in section 2.2.1.1.5, see below.

Detailed quantified information about the Group's exposure to these risks, after hedging, is presented in Note 6.6 to the consolidated financial statements, page 231.

The Group's financial risk management policy is designed to meet the following core objectives (listed in order of priority): financial security of transactions, liquidity of assets and sources of financing, and profitability (interest income and expense). The aim is to minimize the impact of market risks on the Group's results and, to a lesser extent, on the balance sheet. Interest rate and currency risks are managed at the Group level by the Treasury and Financing Department, which reports to the Executive Vice-President, Finance.

Interest rate and currency instruments are used to support the Group's investment and financing policies, as well as its hedging strategies (fair value and cash flow hedges). Group Treasury and Financing has the necessary expertise and computer applications (Front to Back treasury management software) to invest available cash, raise funds and hedge risks on the financial markets in accordance with the practices generally applied by leading groups. The department's organization and procedures are reviewed by the Internal Audit Department. Monthly cash reports are submitted to the Executive Vice-President, Finance, who validates the objectives set in accordance with previously approved management strategies.

2.2.1.1.1 Currency risk

Risk

The Group is exposed to currency risks on the translation into euros in the consolidated financial statements of business volumes, revenue, EBIT and balance sheet items for each country outside the euro zone. Due to the Group's operations in 46 different countries, many financial statement indicators are inevitably exposed to foreign currency translation risk, particularly that arising from the translation of financial statements denominated in Brazilian reals and Mexican pesos. A significant proportion of the Group's business is generated in countries where the functional currency is different from the Group's reporting currency (the euro).

However, the Group is only exposed to limited currency risk, because each subsidiary's revenues and expenses are generated and paid in local currency.

Actual cash flows between countries whose currency is not the euro consist mainly of dividends and royalties paid by subsidiaries to their parent company, and interest payments made and received on intercompany financing. These cash flows may be exposed to changes in exchange rates between the original currency and the euro.

Exchange gains and losses recognized in the 2019 income statement are presented in Note 6.1 "Net financial expense" to the consolidated financial statements, page 224.

The impact of a 10% change in the exchange rates of the main currencies is presented in Note 6.6 to the consolidated financial statements, paragraphs "Foreign exchange risk: currency analysis", "Currency hedges" and "Sensitivity to exchange rates", page 233.

Measures to manage the risk

Group policy consists of investing the cash generated by an activity in the currency of the country that manages said activity. This avoids having to manage the liquidity risk associated with currency fluctuations and reduces currency risk exposure.

This foreign currency translation risk is not hedged.

However, concerning currency risks on capital flows between subsidiaries and the parent company, foreign currency loans/borrowings are translated using the standards generally applied by leading groups. Other capital flows are included in the monthly cash reports referred to in section 2.2.1.1.

Neither Edenred SA nor the Group has any open currency positions that would be likely to expose the Group to significant risks.

At December 31, 2019, the Company did not have any cash flow hedges of currency risks concerning forecast capital flows maturing in less than 12 months for limited notional amounts.

2.2.1.1.2 Tax risk

Risk

As an international group, Edenred is subject to the tax laws of a large number of countries and conducts its business in compliance with various regulatory requirements. The tax rules in force in the Group's various host countries do not always provide clear solutions that are unequivocal in meaning. As a result, the Group's organizational structure, the way it conducts business and the applicable tax regime are based on its own interpretation of local tax rules. There is no guarantee that its interpretations will not be challenged by local tax administrations in the future.

The Group is currently involved in various tax disputes. These are described in Note 10.3 "Claims and litigation" to the consolidated financial statements, page 253..

Measures to manage the risk

Assisted by the legal and tax departments and/or a firm of legal and tax advisers, the subsidiaries ensure that they comply with local tax rules.

2.2.1.1.3 Commodity risk – fuel

Risk

Part of Edenred's business model is sensitive to fluctuations in fuel prices in the different countries in which it provides Fleet & Mobility Solutions. Indeed, some of these solutions are fuel cards used to pay for fuel. The commission of Edenred on these products is sometimes partly dependent on fuel prices. Fuel prices are determined based on a number of factors, including the price of crude oil and the level of local taxes. Dependence on crude prices varies significantly both by country and by solution. In 2019, 12% of the Group's total revenue was sensitive to oil price fluctuations. The sensitivity of the Group's total revenue to a 10% change in oil prices – based on Brent Crude for Europe and West Texas Intermediate (WTI) Crude for Latin America – is estimated at €9 million.

Measures to manage the risk

In Fleet & Mobility Solutions, Edenred has developed a large portfolio of non-fuel-based value-added services, driven either by organic growth or acquisitions. For example, UTA, in which Edenred holds an 83% stake, has a highly diversified revenue model based on toll, parking, vehicle maintenance payment and other solutions. This drive to develop Fleet & Mobility Solutions beyond fuel has given the Group a leadership position in the vehicle maintenance sector in Brazil. The Group has also refined its pricing strategy – country by country, and solution by solution – to reduce revenue exposure to fuel price fluctuations.

2.2.1.1.4 Customer counterparty risk (credit risk)

Risk

Customer counterparty risk – or credit risk – essentially concerns the risk of customers being unable to honor amounts that they owe to the Group. This could apply to post-payment facilities where invoicing is based on the volume consumed and not the issue volume (in Fleet & Mobility Solutions, for example), as well as to payment terms extended to prepaid solution customers where invoicing is based on the issue volume.

The significant proportion of business generated by – generally prepaid – Employee Benefits and Complementary Solutions (Incentives and Rewards) limits the Group's exposure to credit risk. However, Fleet & Mobility Solutions, where close to about 25% of 2019 business volume was preloaded, tends to increase the Groupe's credit risk exposure.

Edenred's exposure to a major customer default remains relatively low. Statistical dispersion of the business is high, with no customer billed in 2019 representing a significant share of revenue, and trade receivables corresponding to several hundreds of thousands of accounts.

Measures to manage the risk

Most subsidiaries have set up dedicated teams to manage this risk, and use external databases to assess the financial health of prospects or customers.

Some country organizations have chosen to implement risk transfer solutions, notably in the form of credit insurance, especially for post-payment facilities and in markets where there is a demand for longer payment periods.

Moreover, as part of the Next Frontier strategic plan, the Group is accelerating its development among SMEs, thereby helping to diversify customer risk even further.

2.2.1.1.5 Financial institutions counterparty risk

Risk

The Group is exposed to banking counterparty risk, especially with regard to funds invested. Its counterparties are financial institutions with which its available cash is invested and from which interest rate and currency instruments are purchased. Default by one of these institutions or a deterioration in its financial position could result in financial losses for Edenred.

Measures to manage the risk

Exposure to counterparty risk is reduced by dealing only with leading counterparties according to correlated country risks, using a wide range of counterparties, setting exposure limits by counterparty and using a monthly reporting procedure to track the concentration of counterparty risk and the credit quality of the various counterparties based on their credit ratings.

Details of the Group's counterparties are presented in Note 6.6 "Financial instruments and market risk management" to the consolidated financial statements, paragraph "Credit and counterparty risk", page 235.

Group policy consists of investing available cash in the currency of the country in which its solutions are proposed. It is therefore exposed to country risks that could arise, in particular in the event of a financial crisis affecting one or more of its host countries.

A significant proportion of the Group's available cash (corresponding to cash denominated in euros) is invested with the holding company under the worldwide centralized cash management scheme. Under this system, the subsidiaries' available cash is transferred to Edenred SA in all cases where this is allowed under local law or the law governing the business concerned, and where financial conditions permit. Pooling available cash helps to reduce the Group's exposure to counterparty risks on the leading financial institutions with which the funds are invested, through regular centralized monitoring of these funds.

Moreover, pooling available cash in this way helps to vastly reduce the Group's exposure to counterparty risks in countries on review for a potential credit rating downgrade. As part of this prudent policy, the Group selects financial institutions independently of the country from which the available cash originates.

Invested funds amounted to €3,602 million at December 31, 2019, of which €1,738 million (gross) reported as cash and cash equivalents and other marketable securities (see Note 6.3 "Cash and cash equivalents and other marketable securities" to the consolidated financial statements, page 226 and €1,864 million reported as restricted cash (see Note 4.6 "Change in Restricted cash", page 213.

The average interest rate was 1.9% at December 31, 2019 and 1.8% at December 31, 2018. Instruments with maturities (after any hedging) of more than one year represented 27% of the total at December 31, 2019 versus 30% at December 31, 2018.

2.2.1.2 Legal risks

The five main legal risks to which the Group is exposed are as follows:

- risks related to changes in the laws or regulations governing solutions qualifying for a specific payroll and/or income tax regime, presented in section 2.2.1.2.1 below;
- risks related to competition law, presented in section 2.2.1.2.2 below;
- risks related to personal data protection regulations, presented in section 2.2.1.2.3 below;
- risk of tighter control over the Group's activities *via* banking regulations, presented in section 2.2.1.2.4 below;
- risk of being caught up in activities that involve bribery, money laundering and/or the financing of terrorism, presented in section 2.2.1.2.5 below.

2.2.1.2.1 Risks related to changes in the laws or regulations governing solutions qualifying for a specific payroll and/or income tax regime

Risk

Some Group solutions are governed by national regulations designed to create a dedicated legal framework (mainly for payroll tax, income tax) that will encourage their development. They are mainly Employee Benefits, particularly *Ticket Restaurant* and *Ticket Alimentación*. In 2019, Employee Benefits accounted for 62% of the Group's operating revenue.

These laws and/or regulations may change in ways that are unfavorable to the Group. For example, governments in certain countries may be tempted to scale back or abolish the payroll tax or income tax benefits attached to these solutions. As the solutions' income and payroll tax appeal and the format that restricts their use to a specified purpose are core factors behind their growth, any unfavorable change in the regulatory or legislative environment could lead to a decline in related business volume.

See section 1.7 "Regulatory environment", page 25, for more information about the regulations applicable to the Group, including sections 1.7.1.2 and 1.7.1.3, page 25, which describe the regulatory environments in France and in Brazil, respectively.

Measures to manage the risk

The Public Affairs Department implements targeted measures on behalf of the Group, such as:

- continuously monitoring political, social and economic developments in the Group's host countries in order to be forewarned of proposed changes in the laws and regulations applicable to solutions that qualify for a specific payroll tax or income tax regime;
- developing institutional tools, such as macro-economic studies, research, surveys and position papers, demonstrating the effectiveness of Edenred's solutions in promoting specific policies;
- identifying the core players in government, government departments, the corporate world and academia that are involved at the international, the European and the national level, and developing long-term contacts with them;
- participating in public debate, in order to become a preferred contact of international organizations, European institutions and national decision-makers, so as to defend Edenred's interests and promote its business;
- drafting messages adapted to each of these players, to preserve Edenred's solutions and programs;
- creating partnerships (and/or discussion platforms) with players involved in developing, promoting or defending policies that govern Employee Benefits solutions.

2.2.1.2.2 Risks related to competition law

Risk

The Group does business in highly competitive environments. When these markets are restricted to just a few players, they may sometimes give rise to anti-competitive practices. Similarly, the Group may sometimes find itself in what could be considered a dominant position, notably in the Employee Benefits market segment.

Pursuing an external growth strategy requires strict compliance with certain rules aimed at preventing any exchange of information with a potential acquiree before the transaction has actually been approved by the relevant authorities.

As of December 31, 2019, the Group is involved in four legal disputes related to competition law (see Note 10.3 "Claims and litigation" to the consolidated financial statements, page 253).

Measures to manage the risk

The Legal and Regulatory Affairs Department regularly conducts training and awareness programs for executive management in the Group's subsidiaries.

2.2.1.2.3 Risks related to personal data protection regulations

Risk

Edenred's activities involve processing at times vast volumes of personal data from users of the Group's solutions, particularly digital solutions, as well as for other stakeholders in its business, to a lesser extent. Protecting this data is a priority for Edenred and the bedrock of stakeholder trust (see also section 2.4.4.2.2 "Priority issue: personal data").

In the European Union, the introduction of Regulation (EU) 2016/679 (General Data Protection Regulation – GDPR) in May 2018 both harmonized data protection rules (thereby minimizing complexity due to regulatory differences) and strengthened these same rules, generating a vast number of compliance obligations and potential significant sanctions in the event of failure to comply.

Outside the European Union, laws and regulations to protect personal data are also being introduced and are frequently inspired by EU Regulations. This is the case, for example, in Brazil, where law no. 13.709 of August 2018 on personal data protection entered into force in February 2020.

Measures to manage the risk

In December 2017, the Group appointed a Data Protection Officer (DPO) tasked with supporting the Group and its subsidiaries in the management of data related to their operations.

In the EU and a number of non-EU countries, the DPO can rely on a network of correspondents throughout the subsidiaries and advises them on how to deploy measures that ensure effective personal data protection and compliance at the local level with personal data protection rules. The DPO devises all of the related procedures, internal guidelines and recommendations designed to ensure a consistent approach to conducting compliance-based initiatives and projects and a uniform level of regulatory compliance throughout the Group's entities.

By securing applications and data, the Group Digital and IT Department also plays a role in the Group's data protection regulatory compliance.

2.2.1.2.4 Risk related to enhanced regulatory oversight over the Group's activities via banking regulations

Risk

Two factors tend to increase the risk of enhanced regulatory oversight over over our activities *via* banking regulations: (i) the increase in the number of digital solutions coupled with strong growth in the share of digital business volume, and (ii) the increasingly complex legislative and regulatory framework applicable to payment services and related solutions.

Consequently, the switch from paper vouchers to digital solutions, the launch of new digital Fleet & Mobility Solutions and Corporate Payment Services together with the Group's external growth strategy in these areas are leading to an increase in both the number of digital solutions and their contribution to overall business volume. In line with this, digital solutions accounted for 83% of the Edenred Group's business volume in 2019.

At the same time, there are more and more laws and regulations governing payment services and/or e-money issuance, notably to promote financial inclusion and boost innovation in banking, but which nonetheless require the introduction of measures that are technically or financial onerous for payment solution providers.

In the European Union, directive no. 2015/2366, known as the Payment Services Directive (PSD2), defines the specific features of digital Employee Benefits and explicitly excludes most of these solutions from the scope of banking and payment regulations, but nevertheless introduces an obligation to notify the local regulator for other more limited-type solutions. Outside of the European Union, countries such as Brazil, Uruguay, Chile, the US, Japan, India and several South-East Asian countries have introduced legislative and regulatory requirements that apply specifically to payment services and/or e-money issuance. In most cases, the specific nature of our businesses and the ways in which these differ from payment activities are clearly recognized, however some of these regulations will affect all or part of our businesses. These regulations could require the Group to take measures that will impact our organization (*e.g.*, a requirement to obtain a specific type of license, possibly for a dedicated entity), our business model (*e.g.*, by limiting commissions billable to corporate clients or partner merchants and the repayment of unused balances on expired cards) and/or our operations (*e.g.*, regulations covering claims-processing deadlines and obligations to perform due diligence on corporate clients).

These legal and regulatory obstacles may limit the Group's ability to grow its businesses. The obstacles may be unexpected and require the deployment of resources and investments, which may have an adverse effect on the Group's results of operations and financial position.

Measures to manage the risk

As it does for changes in the laws and regulations applicable to solutions that qualify for specific tax treatment, the Legal and Regulatory Affairs Department implements targeted measures such as:

- continuously monitoring legal, political, social and economic developments in the Group's host countries;

- developing institutional tools that demonstrate the specific nature of Edenred's solutions vis-à-vis e-money or payment services;
- identifying the core players that are involved at the international, the European and the national level, and developing long-term contacts with them;
- participating in public debate in order to become a preferred contact of international organizations, European institutions and national decision-makers, to defend the specific features of Edenred's business and promote its model.

In some countries, specific organizations have also been set up to issue payment instruments and manage e-money or payment services under the local oversight of the supervisor in order to comply with legal and regulatory requirements applicable to certain solutions. This is the case, for example, in France, Italy, Brazil, the United Kingdom, Belgium and Mexico.

2.2.1.2.5 Risks related to corruption, money laundering and/or terrorist financing schemes

Risk

As a French company employing over 500 people and generating revenue in excess of €100 million, the Group must comply with all provisions of France's Sapin 2 Act concerning transparency, the fight against corruption and the modernization of the economy, which came into force in October 2016.

As a stakeholder in the deployment of social policies in most of the countries in which it operates, working for both businesses and local authorities, the Group may be exposed to a risk of passive or active involvement in processes of corruption.

By their nature, the Group's businesses are relatively unexposed to the risks associated with money laundering and the financing of terrorism. Nevertheless, some specific solutions could be misused for the purpose of money laundering or even financing terrorist organizations or actions.

In some countries, particularly in Latin America, subsidiaries must comply with regulations designed to combat organized crime, money-laundering and/or the financing of terrorism. This is also the case for four European subsidiaries with licences to conduct business as e-money institutions, including one UK-based subsidiary, and Group businesses covered by e-money or payment service regulations.

Measures to manage the risk

The Legal and Regulatory Affairs Department has prepared and circulated anti-corruption processes to executive management in all of the Group's subsidiaries. These processes are based on corruption risk mapping, an anti-corruption code of conduct, policies, procedures and other solutions designed to contain the risks identified, as well as an whistleblowing procedure. In 2019, measures were deployed to bring the Group's existing processes based on the new recommendations of the French Anti-Corruption Agency (AFA), for example by completing the corruption risk mapping and whistleblowing processes. These measures will be reinforced in 2020, notably by the launch of an online training module on corruption risks for all employees, and by stepping up operational accounting controls and checks on the anti-corruption processes.

The Group's Compliance Department is tasked notably with assisting subsidiaries to ensure compliance with the laws and regulations designed to combat organized crime, money-laundering and/or the financing of terrorism.

The four European e-money institutions reviewed and amended their anti-money-laundering and counter-terrorism-financing policies in 2018 following the transposition of directive (EU) 2015/849, which amends the regulatory constraints applicable throughout the European Union.

Examples of compliance-related training measures implemented in the subsidiaries are provided in section 2.4.4.1 of the CSR report.

2.2.1.3 Information systems and cybercrime risks

2.2.1.3.1 Information system risks

Risk

In the normal course of business, the Group and/or its service providers use a certain number of IT tools and information systems, in particular to manage digital media and for prepaid program management, notably as part of its payment operations. The main risks concern information system downtime and data availability and confidentiality, particularly for personal data. If the IT infrastructure, applications or data transmission networks were to fail, or data center or network security were to be breached, or data were lost – accidentally or intentionally – or used for fraudulent purposes, this could disrupt the Group's business operations. This is particularly true for certain pooled applications such as transaction authorization platforms. The loss of confidential information could lead to the loss of corporate clients (and in turn part of the business) and at the same time expose the Group to the risk of being ordered to pay fines or damages.

Measures to manage the risk

The Group and/or its service providers have back-up systems for these databases, located in highly secure data centers. These data centers are subject to administrative and technical monitoring and safeguarding procedures covering physical access to the centers themselves and the information systems they house, with restrictions imposed on physical access.

In addition, the Group develops business-specific information systems that are rolled out to the subsidiaries to promote synergies and reduce risks.

Information system availability

The IT teams ensure high availability of information systems *via* the following measures, implemented at either the subsidiary or the Group level:

- infrastructure monitoring software;
- risk alert applications;
- support teams at the local, the regional and the international level that provide continuous assistance during business hours;
- on-call support staff that provide assistance outside business hours;
- a technical contingency plan setting out the process to follow in order to switch from one environment to another, when necessary.

Data protection

The IT teams ensure data protection *via* the following measures, implemented at either the subsidiary or the Group level:

- user access rights management;
- increased monitoring of privileged administrator accounts;
- intra-data center application filtering (communication between third-party front-end applications, servers and data bases);
- data encryption, when necessary (data bases, data transmission, etc.);
- data storage encryption on laptop computers, where appropriate.

Data retention

The IT teams ensure data retention *via* the following measures, implemented at either the subsidiary or the Group level:

- regular, scheduled application environment back-ups with data retained in accordance with country-specific requirements;
- regular, scheduled data base back-ups with data retained in accordance with country-specific requirements;
- secure storage spaces where users can back-up work files;
- scheduled e-mail back-ups with data retained for six months.

Protection and retention of personal data

More specifically, as an employer and service provider, Edenred is exposed to the rules governing personal data protection, which safeguard individual identity, privacy and freedoms. Edenred has therefore established an organization, tools and a series of processes dedicated to the protection of personal data at all levels of its organization, in order to provide training, support and expertise in its operations. Edenred's information system security and data protection policies are widely circulated within the Group and are based notably on an approach that privileges the principle of privacy by design.

Program code quality management

The IT teams ensure the quality of IT programs *via* the following measures, implemented at either the subsidiary or the Group level:

- dedicated development and test environments for each application, when necessary and possible;
- dedicated User Acceptance Testing (UAT) environments;
- dedicated pre-production environments where modifications to applications are tested prior to moving to production;
- dedicated production environments.

Use of cloud computing services

The Edenred Group has a corporate private cloud solution to improve its level of IT security, in particular by protecting data centers and their availability and standardizing incident management and back-ups. The cloud is accessible *via* a wide area network (WAN) which the Group has developed jointly with a leading market player.

Alongside this private cloud, in 2018 Edenred unveiled a public cloud solution that enables the Group to provide its subsidiaries with more flexible solutions, especially when deploying new applications.

These combined solutions ensure a high level of application availability and data security.

2.2.1.3.2 Cybercrime risks

Risk

In the normal course of business, the Edenred Group and/or its service providers use a certain number of IT tools and information systems, in particular to manage digital media and for prepaid program management, notably as part of its payment operations. In the face of mounting cybercrime, the Group is exposed to the risk of cyberattacks that may impair the availability, integrity or confidentiality of certain confidential or sensitive data for Edenred or its clients.

On November 21, 2019, the Edenred Group fell victim to a malware attack. This attack led to the unavailability of certain Edenred Group IT equipment connected to the network at the time of the attack. Forensic investigations carried out to date have not identified any unauthorized access to the personal data concerned or any illegal extraction of data outside of the Edenred Group network.

In the wake of the attack, a crisis management unit was quickly set up to structure the response to the incident around the legal, organizational and technical aspects and identify the origin of the security breach, its consequences and remediation processes to ensure both data protection and business continuity.

Measures to manage the risk

In 2019, the Edenred Group's Information Systems Security and Compliance Department began restructuring its Group-level cybersecurity teams to deal more effectively with cybercrime risks (see also section 2.4.4.2.1 "Priority issue: IT security").

Analyses and feedback from the November 21, 2019 attack were also used to reinforce protection and resilience against potential cyberattacks.

At the same time, the Group conducts internal or external audits on sensitive IT sites and infrastructure, in particular to monitor safety and improve quality if needed.

Technical measures to boost data security and detect threats

Security measures implemented by the Edenred Group to prevent security incidents mainly take the form of access rights management, access traceability, surveillance of external networks (internet and darknet), external audits of sensitive services, antivirus software on workstations and servers, securing of inbound and outbound access (firewalls, proxies, WAFs, VPNs) and encryption of workstation hard drives.

Deployment of a new cybersecurity program

In 2020, the Edenred Group will launch a new cybersecurity program in its Information Systems Security and Compliance Department. The program aims to monitor and continually improve cybersecurity both at the subsidiary and the Group level by harnessing international IT security standards.

The program will notably cover governance, security by design, cybersecurity awareness, vulnerability and corrective patch management, IT infrastructure and computer application security, access and identity management, cybersecurity incident management and the resilience of critical IT systems.

The program will tie in with personal data protection requirements and drive a continuous and sustained improvement in IT systems security throughout the Group in 2020 and 2021.

2.2.1.4 Group strategy and competitive environment risks

2.2.1.4.1 Competitive environment risks

Risk

The Group's businesses are exposed to competition from both international groups and local competitors (see section 1.1.4.4 "A global player with a multi-local presence", page 12 for a description of the Group's main competitors). One or several markets may be penetrated by new entrants. These may be new companies, or existing companies that are changing their positioning in one or more markets. Competitive pressures may drive down rates in some economically fragile countries, resulting in contracts not being renewed or making it more difficult to win new contracts. If the Group is unable to effectively withstand these competitive pressures, it may lose market share or experience a decline in business or margins.

In countries where Edenred has strengthened its leading position, certain competitors or commercial partners may be tempted to claim that the Group has used this position to circumvent or distort market rules.

Measures to manage the risk

To compete effectively against the main players in its markets, the Group applies a strategy of innovation and competitive differentiation in terms of product offer, positioning, customer experience and value for money.

For example, in its Employee Benefits core business, the Group stepped up the transition from paper-based vouchers to paperless versions and rolled out new services such as mobile payment and payment using application programming interfaces (APIs) to gain a competitive edge over its rivals. This strategy forms the basis of balanced and long-lasting relations with the Group's various stakeholders.

In addition, to capture the potential of its existing base of clients, partner merchants and end users, the Group intends to develop retention, cross-selling and monetization tools for its value-added services. Edenred is also expanding into new market segments, such as Fleet & Mobility Solutions and Corporate Payment Services, where it in turn is playing the role of a newcomer challenging the positions of other existing players.

2.2.1.4.2 Risks associated with the acquisition strategy

Risk

The Group's strategy is based in part on external growth, mainly through acquisitions. It may not be possible to identify credible targets or to close deals at the right time and the right price.

In addition, in order to obtain approval from competition authorities for acquisitions in one or several jurisdictions, the Group may have to accept certain conditions such as a requirement to dispose of certain assets or business units.

There are a number of risks associated with acquisition strategies: (i) the business plan assumptions underlying the valuation of the target may prove to be wrong, particularly those concerning future commercial synergies and estimates of revenue growth, (ii) the Group may not be successful in integrating the acquired company, its technologies, product ranges and employees, (iii) the Group may be unable to retain all key customers of the acquired company, and (iv) the Group may have to take on additional debt to finance the acquisitions. Consequently, the benefits of current or future acquisitions may not be obtained within the forecast period or may fall short of expectations or adversely affect the Group's financial position.

Lastly, acquisitions generate risks linked to intangible asset valuation. Goodwill and other intangible assets with an indefinite useful life are tested annually for impairment. Net goodwill carried in the consolidated balance sheet at December 31, 2019 amounted to €1,604 million while net intangible assets totaled €706 million.

Measures to manage the risk

In line with its strategy, and notably its goal of maintaining a investment grade rating, the Group applies strict criteria for vetting M&A deals, particularly in relation to forecasts of recurring revenue and positive EBIT impact.

When a new business is acquired, the Group's M&A teams coordinate accounting and financial, strategic and IT due diligence work involving teams from other Group functions and external consultants.

An integration plan is also prepared and the necessary resources are made available for its implementation. In particular, an Internal Audit is performed without delay, internal control principles are established and the Group's financial systems are deployed.

As regard intangible asset valuation risks, business assumptions and forecasts are prepared periodically, including a strategic plan and budget drawn up each year for each of the subsidiaries. The strategic plan and the budget are analyzed and, where necessary, an appropriate action plan is developed.

In addition, one of the objectives of the Next Frontier strategic plan is to maximize organic growth by leveraging clearly identified growth drivers, such as growth in the SME segment, which would free the Group from the need to rely on external growth alone for its development.

2.2.1.4.3 Risks associated with the partnership strategy and other strategic agreements

Risk

In the course of its business, the Group may use partners' technologies, IT applications or networks, particularly for digital transactions. Any disagreement concerning the renewal of any such partnerships or user licenses may have an adverse effect on the Group's business.

In addition, agreements are being implemented with clients and merchants to enable employee users to use the Group's solutions. As a result, the non-renewal of any of these partnerships may have an adverse effect on revenues from the solutions concerned.

Lastly, the Group has set up partnerships for the distribution of solutions by third parties, including a partnership with Itaú Unibanco finalized on September 2, 2019. Itaú Unibanco now exclusively distributes Edenred's Employee Benefits in Brazil.

Measures to manage the risk

A team has been set up to manage the Group's partnerships and strategy and keep tabs on the competition. The team identifies risks upstream, sets up multiple partnerships whenever possible and identifies new partnerships to replace existing ones.

2.2.1.5 Operational risks

The main operational risks concern business continuity and risks related to voucher forgery and/or theft.

The Group is also exposed to other operational risks such as internal fraud with a lower level of criticality.

These risks are examined in detail below.

2.2.1.5.1 Business continuity risk

Risk

Business continuity is a key component of the Group's value proposition for its corporate clients, the employee users of its solutions, and the partner merchants that accept these solutions, together with the public authorities that deploy Employee Benefit-type programs.

The Group is exposed to two main business continuity risks: (i) the risk that its solutions cannot be used, notably in the event of inability to authorize digital solution transactions, and (ii) the risk of the Group not being able to carry on its business more generally, linked to, for e.g, a major failure of internal processes or essential service providers or loss of a license needed to do business in certain countries.

Measures to manage the risk

The risk of inability to authorize digital solution transactions is managed by securing the continuity of transaction authorization platforms. This is made easier by centralizing all transactions on a limited number of platforms, most of which are managed by the Group.

The risk of internal failures and cybersecurity risk is managed by a series of protection measures that include internal control and audit processes, information system back-ups and deployment of disaster recovery and business continuity plans.

The risk of service provider failure is handled by tracking service provider performance and stipulating and enforcing strict contractual requirements, especially in terms of service availability and continuity.

The risk of losing a license needed to do business in certain countries is managed locally by executive management of the subsidiaries.

The risk of disruption to certain business lines following Brexit on January 31, 2020 is being managed by setting up a subsidiary in Belgium, obtaining an e-money issuer license, validating the Group's capacity to distribute e-money *via* Group subsidiaries in all countries offering e-money or payment service-type solutions, and migrating e-money issuance for these solutions to the new subsidiary. These processes have been up and running since October 31, 2019.

2.2.1.5.2 Risk of voucher forgery or theft

Risk

The Group is exposed to the risk of forgery and/or theft of paper and paperless vouchers.

In the case of paper vouchers, risks mainly relate to the distribution of forged or stolen paper vouchers. The Group may be asked to accept forged or stolen and potentially falsified vouchers presented by corporate clients for reimbursement and this may have a financial impact.

In the case of digital solutions, the main risk concerns "skimming", which involves stealing or obtaining card data (by hacking the information system, for example) and then copying these onto another card. The risk of actual card theft is minimal.

Combating the risk of digital solution forgery or theft requires much greater sophistication than for risks associated with paper vouchers. Cases of forgery and theft are nevertheless extremely rare.

Measures to manage the risk

To limit risk, steps are being taken to accelerate the migration from paper to digital solutions – which automatically reduces the risk associated with paper vouchers – as explained below.

First, the Group is developing dedicated resources for integrating fraud prevention and detection mechanisms onto digital solutions. Payment instrument and transaction security is being constantly improved through technological improvements, such as by equipping the cards with a smartcard chip, incorporating strong authentication solutions, stepping up security checks at payment terminals or introducing international standards, thereby helping to enhance data security.

At the same time, the Group has resources specifically dedicated to preventing fraud. The Group also has a policy of purchasing insurance to cover fraud risk, as explained in section 2.2.3.2 "Risks transferred to the insurance market", page 53.

2.2.2 Legal and arbitration proceedings

In the normal course of business, the Group may be involved or become involved in legal and arbitration proceedings and may be subject to tax or government audits.

Information about legal or arbitration proceedings in progress, pending or threatened that may have, or have had in the recent past, significant effects on the Group's financial position, business or results of operations is provided in Note 10.3 "Claims and litigation" to the consolidated financial statements, page 253.

To the best of the Company's knowledge, no other governmental, legal or arbitration proceedings that may have a significant impact on the financial position of the Company and/or the Group have been initiated against the Company or any of its subsidiaries.

The method used to provide for or recognize liabilities complies with the applicable accounting standards (see section 4, Note 10.2, page 252).

Provisions for litigation are recorded on receipt by the Group of a notice of claim or summons, based on an assessment of the related risk made by the Group and its advisors. They are presented in Note 10.2 "Provisions" to the consolidated financial statements, page 252.

Edenred has not entered into any material off-balance sheet commitments other than those disclosed in Note 11.5 "Off-balance sheet commitments" to the consolidated financial statements, page 257.

2.2.3 Transferred risks

2.2.3.1 Risks transferred to suppliers

The Group transfers some risk to suppliers *via* contract negotiations. In 2017, the Group set up a Purchasing Department to negotiate important supplier contracts, especially services supplied to a number of subsidiaries. This contractual risk transfer policy helps reduce the Group's residual exposure to operational as well as to information systems and cybercrime risk.

2.2.3.2 Risks transferred to the insurance market

Edenred transfers part of its risks onto the insurance market through business-specific insurance programs that protect its businesses and assets in all host countries. They consist of international programs that set common standards for transferring risks to insurers and optimizing cover by pool-purchasing within Group entities. To diversify counterparty risks associated with these international programs, they are spread between around a dozen top-ranking insurers, none of which covers more than 30% of the total capacity transferred to the insurance market. In 2019, 100% of the Group's programs involved insurers with an insurer financial strength rating higher than A- from Standard & Poor's.

Key insurance cover taken out by the Group and transferred to the insurance market includes:

- professional and civil liability insurance covering liability incurred by Edenred in the course of its business activities. This covers the Group's potential financial liability in the event of bodily injury, material and/or immaterial damage caused to third parties. The Group has set up an international insurance program that covers all entities throughout the world thanks to local country-specific policies;
- property and casualty and business interruption insurance covering Group assets throughout the world against accidental risks such as fire, natural disasters and other similar risks. It also covers any interruption to Edenred's business as a result of such events together with problems encountered with suppliers following an accidental event covered by a policy taken out by the Group. The individual sites purchase local cover in addition to that provided by the international program. Edenred operates close to 200 sites in 46 countries;
- anti-fraud insurance covering financial losses suffered by the Group as a result of fraud or hostile acts committed either by an employee of the insured (internal fraud) or by a third party. This policy covers paper fraud as well as payment fraud, *i.e.*, fraudulent use of cards issued by the Group. The Group has set up a worldwide insurance program rounded out by local policies taken out in countries in which a need has been identified;
- digital risk insurance covering the harm suffered/liability incurred by Edenred as a result of an attack on the Group's information systems or theft or a leak of data. This worldwide policy has been brought into line with the requirements of EU legislation to protect personal data and it is rounded out by local policies taken out in countries in which a need has been identified;
- transportation insurance covering the cost of goods stolen during transport and/or storage. Edenred has taken out a Group insurance policy that covers entities exposed to transport insurance risk.

The Group's international insurance program is rounded out by policies taken out in the countries in which it does business. This coverage offers specific types of insurance needed in the different countries and only available locally (*e.g.*, vehicle liability insurance).

To maximize the efficiency of its insurance arsenal, the Group has chosen to self-insure against low-intensity and/or infrequent risks. Self-insurance is based around contractual deductibles and/or a reinsurance captive acquired in 2014:

- insurance deductibles are intended to cover low-intensity risks and per-loss deductibles are adapted to each risk in line with Edenred's financial capacity to bear the amounts in question. No adjustments were made to insurance deductibles during the year;
- as a primary protection measure, Edenred's reinsurance captive commits to insuring a certain amount of each risk covered. In addition to helping the Group to optimize the cost of transferring risk by retaining low-intensity and infrequent risks, the reinsurance captive also enables Edenred to address new risks that are specific to its businesses and to manage other risks in accordance with risk appetite in the insurance and reinsurance markets. There was no change in the level of risk retained by the Group reinsurance captive during the year.

In 2019, Edenred maintained its existing insurance coverage together with the guarantees that it has taken out on the insurance market. The Group continues to track the terms and conditions on offer on the insurance market and in 2019 it increased its insurance capacity.

2.2.4 Internal control and risk management procedures

2.2.4.1 Internal control definition and objectives

The Edenred Group observes the highest standards in terms of internal control and financial information. Internal control is a process defined and implemented by the Board of Directors, management and employees to provide reasonable assurance regarding the achievement of objectives in the following areas:

- application of the instructions and directional guidelines fixed by Executive Management;
- compliance with the applicable laws and regulations, and adherence to the Group's corporate values;
- prevention and control of risks, particularly operational and financial risks;
- optimization of internal processes to guarantee operational efficiency and efficient use of resources;
- production of high quality, fairly stated accounting, financial and management information.

To fulfill each of these objectives, the Group has defined and implemented the main principles of internal control, based to a large extent on the Internal Control Framework defined in the report of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), as last updated in 2013, and on the Internal Control Reference Framework of the Autorité des marchés financiers (AMF) and related recommendations, as last updated in 2010.

These principles are underpinned by:

- management policies that foster the development of an internal control culture and promote integrity;
- the identification and analysis of risk factors that may prevent the Group from meeting its objectives;
- an organization and procedures designed to ensure that the strategies defined by Executive Management are implemented;
- periodic reviews of control activities to seek out potential areas of improvement;
- procedures for the communication of information about internal control.

By helping to anticipate and control the risks involved in not meeting the objectives the Company has set for itself, the internal control system plays a key role in conducting and monitoring its various activities. However, internal control cannot provide absolute assurance that the Company's objectives will be met.

One of the objectives of the internal control system is therefore to anticipate and control the risks arising in the course of the Company's business, as well as the risk of errors or fraud, particularly in the areas of accounting and finance. However, as stated in the AMF's Internal Control Reference Framework, internal control procedures cannot provide absolute assurance that the Company's objectives will be met, no matter how well the system is designed or how well the procedures are applied.

The following description of the Company's internal control systems was prepared based on the AMF's Internal Control Reference Framework and its application guide.

2.2.4.2 Summary description of internal control procedures

The internal control system described below covers the parent company and all of its consolidated subsidiaries, which are responsible for implementing the instructions and directional guidelines fixed by Executive Management, including internal control objectives. Each subsidiary's internal control system includes both the procedures defined at the Group level and business-specific procedures that take account of the subsidiary's organization, culture, risk factors and specific operating environment. As the parent company, Edenred SA is responsible for ensuring that adequate internal controls exist and are applied, in particular to the accounting, financial and operating procedures of fully consolidated subsidiaries.

2.2.4.3 Main participants in the system of internal control

Internal control procedures are part of the policies defined by the Board of Directors and are implemented under the direct responsibility of the heads of the operating divisions and corporate functions. Internal control is everyone's responsibility, from corporate officers to front-line employees.

The main structures responsible for overseeing the internal control system are as follows:

2.2.4.3.1 Executive Management

In accordance with the law and the Company's bylaws, the Chairman and Chief Executive Officer represents the Company in its dealings with third parties and has the broadest powers to act on behalf of the Company in all circumstances. The situations where exercise of the Chairman and Chief Executive Officer's powers is subject to the prior approval of the Board of Directors are described in the Corporate Governance Report in section 3.

For the purpose of carrying out his duties, the Chairman and Chief Executive Officer has set up an Executive Committee comprising representatives from all of the operating divisions and corporate functions. The Executive Committee members are:

- Chief Operating Officer, Northern Hispanic America and Americas Business Solutions Rollout;
- Chief Operating Officer, Europe, Middle East and Africa;
- Chief Operating Officer, Southern Europe and Africa;
- Chief Operating Officer, Americas;
- Chief Operating Officer, Asia-Pacific;
- Chief Operating Officer, Fleet & Mobility Solutions;

- Executive Vice-President, Marketing and Strategy, and Chief Operating Officer, Corporate Payment Services;
- Executive Vice-President, Alternative Investments;
- Executive Vice-President, Finance;
- Executive Vice-President, Legal and Regulatory Affairs;
- Executive Vice-President, Digital and IT;
- Executive Vice-President, Human Resources and Corporate Social Responsibility;
- Vice-President, Communications.

2.2.4.3.2 Group Finance

The Executive Vice-President, Finance is responsible for implementing the Group's financial policies, in particular by communicating to the subsidiaries the accounting principles and standards used to prepare the consolidated financial statements.

Group Finance is organized around the following departments:

- Group Internal Audit, which includes the operating and financial Internal Audit teams, as well as information systems Internal Audit teams;
- Treasury and Financing;
- Group Accounting, responsible for overseeing the following units:
  - Group Consolidation,
  - Group Accounting of Holdings (including Edenred SA),
  - Group Financial Information Systems;
- Performance;
- Corporate Finance, Mergers and Acquisitions;
- Financial Communications;
- Group Tax;
- Purchasing.

Group Finance maintains regular contact with the Statutory Auditors, who audit the financial statements of the Company and the Group in accordance with the applicable laws and regulations.

Group Internal Audit and Information Systems Audit department

Reporting to the Executive Vice-President, Finance, Group Internal Audit is one of the cornerstones of the internal control system, responsible for helping to develop internal control tools and standards, and for performing audits based on the annual audit program approved by the Audit and Risks Committee of the Board of Directors. It has a team specializing in operations and financial audit and a team in charge of information systems audit.

Internal Audit is defined in professional standards as "an independent, objective assurance and consulting activity designed to add value and improve an organization's operations and information systems. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control, and governance processes." The internal auditors help the Group to meet its objectives by assessing its risk management, control and governance processes according to a systematic and methodical approach, and making proposals to improve their efficiency.

The Internal Audit Department's procedures are fully aligned with this definition. Its methods and procedures for reporting on its work are described in the Internal Audit Charter. This charter defines the framework for Internal Audit activities within the Group, based on the professional guidelines issued by IFACI (operations and financial audit) and ISACA (information systems audit), IIA affiliates, which require internal auditors to observe the highest ethical standards. It is signed by the Chairman and Chief Executive Officer, the Executive Vice-President, Finance and the head of Group Internal Audit, and approved by the Group's Audit Committee. In November 2017, Group Internal Audit obtained IFACI Professional Certification for its professional activities, for a period of three years.

Group Internal Audit coordinates its audit plans with the Statutory Auditors' work plans. In 2019, the Group Internal Audit team comprised the head of department and eight auditors (five operations auditors and three information systems auditors).

Treasury and Financing department

This department is responsible for the tracking, security, transparency and efficiency of the Group's cash management and financing transactions. Its activities include:

- managing financial resources to preserve the Group's liquidity position, in agreement with the Executive Vice-President, Finance;
- managing cash positions;
- quantifying and hedging financial risks (particularly currency and interest rate risks);
- managing banking relationships;
- supporting subsidiaries in their management choices and assisting Executive Management in arranging financing for new projects.

Group Accounting department

This department supervises and manages the Group Consolidation unit, the Group Financial Information Systems Department and the Group Accounting of Holdings Department.

It is responsible for relations with the Group's Statutory Auditors.

The role of the Group Consolidation unit consists in consolidating Group companies at the level of the ultimate parent company, Edenred SA, which owns all of these companies either directly or indirectly. Each consolidated subsidiary produces a consolidation package in accordance with Group accounting policies and IFRSs, based on accounting data generated by their local information systems.

The Group Consolidation unit issues instructions prior to each period-end, setting out the reporting deadlines and describing any changes in standards, rules or principles that will apply for the first time. It also provides regular training on consolidation tools and standards. On receipt of the packages, the Group Consolidation unit performs the customary checks and controls before launching the consolidation process. The package reviews are an opportunity to check the accounting treatment applied to recognize and measure material, unusual and non-recurring transactions.

To help improve the quality of financial information reported by consolidated subsidiaries, the Chief Executive Officer and the Finance Director of each consolidated or non-consolidated subsidiaries are required to provide the Group Consolidation team with a representation letter at each year-end, certifying that (i) the financial statements comply with Group accounting policies and principles, (ii) internal controls over the preparation and processing of the financial statements are effective, and (iii) there have been no irregularities involving employees or management. The subsidiaries' management also provide additional Human Resources information for the calculation of pension obligations, as well as comments on material events for the period and a description of any items that – individually or cumulatively – have a material impact on the understanding and measurement of the subsidiary's financial statements.

The Group Consolidation team also produces the financial statements and notes published in the Group's Annual Reports.

Group Financial Information Systems department

The Group's financial information systems are designed to ensure the security, reliability, timeliness and traceability of financial information.

They are based on:

- a Group accounting system, to be deployed in all of the Group's subsidiaries;
- a reporting and consolidation system that covers all of the Group's operations, thereby ensuring consistency of accounting data at the Company and Group levels.

A specifically designed user manual has been prepared and issued to the employees concerned in order to guarantee that the systems are correctly used and that the information obtained is appropriate and relevant.

The Group has also set up processes to ensure the security of the financial information systems, as well as the integrity of the data involved. These include regular back-ups, programmed controls that trigger warnings in the event of incorrect data entries, and payment flow security measures.

The accounting and financial information system is regularly updated to keep pace with changes in the Group's specific needs.

The network and all centralized applications are tested periodically to ensure that they are adequately protected against intrusion risk. Regular security audits are also performed.

Performance department

The Performance Department is made up of financial controllers and managers from Group Reporting.

The Financial Control team is tasked with ensuring that the Group deploys the right resources to achieve its growth and profitability objectives. To do this, it draws up management control guidelines and ensures that they are applied correctly in the subsidiaries. These guidelines cover both the analytical framework to be used for the Group's operating activities and the financial and non-financial indicators used to understand and manage these activities.

The Performance Department works closely with operational teams to ensure that the management framework continues to be suitable and relevant and to reflect the Group's changes and growth objectives. It also oversees the monthly performance review process with regional management and Executive Management.

In performing this duty, it draws on a team of Financial Controllers, each responsible for a specific region. The Performance team also works closely with Group Accounting using the same reporting tool.

The Group Reporting team is responsible for producing monthly, quarterly and annual consolidated income statements. The items in the income statements of the subsidiaries and the corporate functions are tracked and analyzed by means of operational and financial indicators, which are compared at monthly intervals with the budget and prior-year actual results. The unit also produces the data for the Group's published quarterly revenue reports.

This work serves as the basis for the preparation and transmission to the Executive Committee of management reports, supported by variance analyses and analyses of material trends identified from the subsidiaries' monthly management reporting packages.

The Executive Committee attaches considerable importance to the Group's planning process, leading to the preparation of the annual budget that rolls down the Group's strategy into operational action plans. It is the responsibility of Group Consolidation and Reporting to issue appropriate instructions and guidelines for the teams involved in preparing the budgets.

The department coordinates the planning and budget control system, which is backed by an instruction manual describing the reporting rules to be applied by all entities, as well as the budgeting and forecasting procedures.

Corporate Finance, Mergers and Acquisitions department

Corporate Finance is responsible for all of the Group's capital transactions such as acquisitions, divestments, mergers and joint ventures. It provides expertise notably in the valuation and economic and financial structuring of acquisitions. Corporate Finance ensures compliance with Group procedures in the implementation of due diligence, negotiations with vendors and corporate finance projects. It assists the Group Accounting Department in valuation work connected with monitoring merger and acquisition transactions in the Group's consolidated financial statements (impairment testing) and goodwill allocation.

The role of Corporate Finance with respect to mergers and acquisitions involves:

- evaluating investment proposals;
- coordinating the entire acquisition process, including the acquisition audit, and centralizing the results;
- arranging the process for approving investment proposals (organizing the approval Committee meeting, presenting the proposals to the Group's Executive Committee, Executive Management and/or the Board's Commitments Committee).

Financial Communications department

The Financial Communications Department is responsible for providing the market and the financial community with clear, accurate information about the Company's results, strategy and outlook.

It organizes and conducts ongoing dialogue with shareholders, investors and analysts through press releases, meetings, telephone conference calls, and the Company's website.

The Financial Communications Department complies strictly with the applicable regulatory framework, in particular that of the Autorité des marchés financiers (AMF), and adheres to the principle of equal treatment of all investors. With the support of the Legal and Group Accounting Departments, it is also responsible for reporting all regulated information (periodical and regular), which must meet transparency, accuracy and regularity requirements.

All financial press releases and published results are signed off by the Board of Directors and the Audit Committee prior to publication.

Group Tax department

The Group Tax Department's responsibilities in the area of internal control are to ensure that the Group fulfills its obligations and complies with the applicable tax rules. The department's duties include:

- identifying the Group's risk exposures and implementing policies and procedures to address and attenuate tax risks;
- monitoring material tax disputes and tax audits of Group entities;
- aligning the tax practices of the various Group entities and checking with the Group's tax advisors that major transactions comply with the applicable tax laws;
- selecting tax advisors for all Edenred geographies and monitoring their services and related billings.

2.2.4.3.3 Legal and Regulatory Affairs

The Group Legal and Regulatory Affairs Department is responsible for ensuring that the Group complies with all applicable laws and regulations in all of its host countries, protecting the Group's assets and businesses as a whole and defending the interests of the Group, as well as the professional interests of its directors and employees.

It contributes to internal control in four main areas:

- drafting and updating standard contracts and contract templates for the most common transactions (purchases of IT and other goods and services, general conditions of sale, product claims, etc.), along with procedures for their use;
- making proposals to the Executive Committee regarding the rules to be applied for delegations of authority and for the distribution and protection of confidential information, introducing these rules and monitoring their correct application worldwide;
- selecting external legal advisors, monitoring their services and performance, and tracking their billings in liaison with the Management Control Department;
- transposing international standards and guidelines into Group operational requirements.

In the field of risk management, the Compliance and Risks Department, which reports to the Legal and Regulatory Affairs Department, is tasked with:

- ensuring the appropriateness of insurance coverage in relation to the risks incurred by the Group;
- mapping the Group's major risks in collaboration with the Internal Audit and Information Systems Audit teams;
- monitoring the regulations mentioned in section 1.7.2 (notably electronic money and payment services) that could have an impact on Edenred's programs and providing Group subsidiaries with all the support they need to understand these regulations and their impact on their programs and organizations.

2.2.4.4 Internal communication of information and procedures related to accounting and financial information

The Group ensures that relevant information is communicated in a timely manner to all persons concerned by the system of internal control so that they can perform their duties in accordance with the Group's standards. To this end, a set of procedures describing best practices and reporting processes has been circulated internally.

Internal controls over accounting and financial information are designed to provide assurance that (i) the financial information produced by consolidated subsidiaries is reliable, (ii) the financial information published by the Group is fairly stated and complies with the true and fair view principle, and (iii) adequate safeguards are in place to protect against the risk of errors, inaccuracies or omissions in the Group's financial statements. Edenred refers to the AMF's Internal Control Reference Framework and the guide to its application to internal controls over accounting and financial information.

Corporate values and principles

The Group's internal control system forms part of the corporate values expressed by the Board of Directors and Executive Management and communicated to all employees. Rules of conduct and integrity have been drawn up covering the areas of employee behavior and relations with customers, shareholders, business partners and competitors.

Procedure manuals and accounting principles

A Finance Manual is issued to all Group Finance Departments, describing the closing process for the monthly management accounts and setting out the Group's charts of accounts, consolidation principles, accounting standards and policies. The Manual also includes the Treasury Charter, which describes cash management procedures, the principles to be followed concerning the holding of payment instruments and the approval of expenditures, as well as the role and organization of cash pooling systems.

A presentation of International Accounting Standards/International Financial Reporting Standards has been prepared by the Group Accounting Department and made available to all Group employees concerned.

Consolidation instructions detailing the financial reporting schedule and specific adjustments to be made to the subsidiaries' local financial statements are issued every six months to the various Finance Directors and consolidation teams, and are archived on the dedicated intranet.

The subsidiaries' consolidation packages, including adjustments to comply with Group policies, are prepared by the local accounting teams using as a reference the Group Finance Manual, which describes the accounting recognition and measurement rules. The manual presents the basic concepts applied for the preparation of the financial statements, such as the going concern, accounting period and reliability concepts. It is regularly updated to reflect changes in French laws and regulations governing the preparation of consolidated financial statements.

The Finance Manual also describes in detail Group principles for the recognition, measurement and presentation of the main financial statement items, including:

- descriptions and definitions of income statement items, and the consistency tests to be performed such as the tax proof;
- rules governing the recognition and presentation of balance sheet and off-balance sheet items;
- rules governing the measurement of certain items based on estimates;
- accounting and reporting principles for intra-group transactions.

Reporting procedure

The Reporting Department is responsible for overseeing the reporting procedure described in the Finance Manual. This procedure requires local teams to submit monthly reporting packages comprising an analysis of key business indicators and the main components of income, in the format prescribed by the Group. All reporting data submitted by local subsidiaries must be analyzable by nature, function and solution.

The reporting procedure is designed to provide a detailed analysis of monthly changes in consolidated financial and operating results, to support resource allocation decisions and measure the efficiency of the various organizations. Reported data are compared to the budget and to prior-year actuals to detect any emerging trends or unexplained variances.

Internal Audit reports

A draft report is prepared after each Internal Audit, setting out the auditors' findings, identified risks and related recommendations. This report is sent to the management of the audited entity, which prepares an action plan.

The final report, which includes the action plan prepared by the audited entity, is then sent to the members of the Group Executive Committee in charge of overseeing operational and financial matters for the entity concerned, as well as the corporate support functions and Executive Management.

The Audit and Risks Committee receives a half-yearly summary from the Group Internal Audit Department of the Internal Audits carried out during the period, including a status report on the annual audit plan, an assessment of the quality of internal control in the audited entities, and the internal auditors' main observations.

2.2.4.5 Identifying and analyzing risks

The Group identifies and analyzes the key risks that, if they occurred, would affect its ability to fulfill its objectives. It takes the appropriate measures to limit the probability of these risks occurring and the consequences if they do.

Identifying and assessing major risks for the Group

The Group is exposed to a number of risks in the normal course of business.

These risks, together with the related control procedures, are described in section 2.2 "Risk factors and management". In 2018, the Group conducted a project to map out major risks, which is described in section 2.2.1 above. Internal control procedures are implemented under the direct responsibility of the heads of the operating divisions and corporate functions and Group Internal Audit, and form part of an on-going process of identifying, assessing and managing risks.

Internal control self-assessments

The Group has developed internal control self-assessments, based on analyzing the internal control risks inherent in each business and identifying key control issues.

The Group places considerable emphasis on preparing, issuing and monitoring internal control self-assessment procedures. The self-assessment procedures are implemented by all Edenred entities that sell prepaid solutions in paper voucher, card and other formats. These systems are compatible with existing internal control standards and processes.

Data obtained from the internal control self-assessment procedures are centralized annually at the country level, with the assistance of the Group Internal Audit team.

Internal control risk maps are also used to plan the work performed by Group Internal Audit. These maps, which highlight issues that require priority action, are included in the relevant Internal Audit reports and are periodically presented in summary form to the Executive Committee and the Audit and Risks Committee.

Analyzing IT security risks

To round out the risk identification and assessment work conducted as part of the Group risk mapping process and the internal control self-assessment, the Group Information Systems Security and Compliance Department advises and assists Executive Management in defining its IT security policy. It is responsible for ensuring that the policy is properly implemented, applied and monitored. It also identifies, organizes, coordinates and leads all preventive and corrective security measures introduced in all of the Group's host countries.

Analyzing non-financial risks

In 2018, the Corporate Social Responsibility (CSR) Department performed an analysis of the non-financial risks to which the Group is exposed in accordance with the directive of October 22, 2014 on the disclosure of non-financial information. These risks were identified using international standards such as the Global Reporting Initiative (GRI) and the Task Force on Climate-related Financial Disclosures (TCFD) as well as external benchmarks, the materiality assessment carried out in 2017 and the expertise of the network of HR and CSR correspondents throughout the 46 countries in which the Group operates. Five categories of risk were assessed using the Group's risk identification and management guidelines:

environmental and climate-related risks;

- social risks;
- risks related to business ethics;
- risks related to human rights;
- risks related to corruption and tax evasion.

The results of the analysis of non-financial risks and related policies are detailed in section 2.4.

2.2.4.6 Control activities

To improve control of identified risks, the Group has set up control procedures that comply with its standards and cover both operating and financial information processes.

Preparing and controlling the consolidated financial statements

The consolidated financial statements are prepared by the Group Accounting Department based on information reported by the entities' Chief Executive Officers and Finance Directors. The format of the consolidation packages is determined by the Group.

The entities are responsible for the information contained in their consolidation packages and are required to make formal representations to Group Finance about the fairness of reporting data and its conformity with Group accounting standards and policies.

The Consolidation unit carries out systematic controls of the consolidation packages submitted by the entities. A detailed schedule for reviewing the packages is prepared and sent to the employees concerned.

In connection with their audit of the consolidated financial statements, the Statutory Auditors review the consolidation packages transmitted by the entities included in the scope of their audit. Group Internal Audit also reviews from time to time the proper application of Group accounting standards and policies by the entities, and reports to Group Finance any issues identified during the review.

The consolidated financial statements are lastly examined by the Executive Vice-President, Finance prior to their review by the Audit and Risks Committee in preparation for approval by the Board of Directors.

Role of Group Internal Audit

Group Internal Audit carries out its audit assignments based on an audit program validated by the Executive Committee and the Audit and Risks Committee. The main types of assignments, as described in the Internal Audit Charter, are as follows:

- **operations and/or financial audits**, which are aimed at evaluating the reliability and effectiveness of the operating entities' internal control systems, as well as ensuring that they comply with Group standards. These audits mainly include checking that the internal control self-assessments have been properly and regularly performed by the operating entities. Comparing the results of the Internal Audits with the results of the self-assessments serves to close the internal control loop;

- **organizational and procedural audits**, which are aimed at helping the divisions to optimize and adapt their procedures and operating processes, notably when rolling out cross-functional projects that lead to a change in organization structures;
- **specific audits**, which are any type of assignment that complies with the professional standards applicable to internal auditors and falls within their remit. They can concern issues applicable to one or more operating entities or to a particular country, function or process;
- **IT function audits**, which are performed by specialized information systems auditors to ensure that best practices are applied in relation to the organization and management of the audited entities' information systems as well as to the security of the technology platforms operated by the Group;
- **audits of applications and processes**, which are aimed at ensuring that the manual and automated checks in place provide an appropriate level of internal control in view of the operations covered by the applications concerned;
- **project management audits**, which are designed to validate the implementation of best IT project management practices.

Internal Audit plans are determined based on the Group risk map and self-assessment questionnaires. The objective is for each entity to be audited at least once every three or four years. The duration of each Internal Audit depends on the context, but they generally involve three or four auditors spending two weeks on site. A report is drawn up at the end of each audit, describing the organization of each process and the auditors' recommendations. Copies of the report are given to the audited entity, the manager responsible for the entity, the members of the Executive Committee and the Chairman and Chief Executive Officer.

Measures are taken by the management of the audited entities to eliminate the identified internal control weaknesses and make any necessary improvements. The Group Internal Audit team performs a follow-up visit to check that the action plans have been duly implemented.

The head of Group Internal Audit prepares half-yearly and yearly summaries of the Internal Audits carried out by his or her teams during the year for presentation to the Executive Committee and to the Audit and Risks Committee, which checks that the department has the necessary resources and makes any observations or recommendations that it considers necessary.

2.2.2.7 Monitoring internal control

Internal control procedures are regularly reviewed to ensure that they are appropriate and aligned with the Group's objectives, particularly in view of the risks specific to each business and the costs of performing the controls.

The main structures responsible for overseeing the internal control system are as follows:

The Audit and Risks Committee

The Board of Directors' Internal Regulations define the Audit and Risks Committee's membership, terms of reference and procedures. The Audit and Risks Committee is responsible for ensuring that the accounting policies applied for the preparation of the financial statements of the Company and the Group are appropriate and applied consistently from one period to the next. Its terms of reference also include monitoring the process for the preparation of financial information and checking that internal reporting and control procedures provide adequate assurance concerning the reliability and completeness of financial information and the control of Group risk exposure. It assists the Board of Directors in ensuring that the financial statements of the Company and the Group are accurate, fairly stated and reliable. To this end, the Committee makes proposals and recommendations to the Board in the areas described in section 3.1.1.9, page 145.

2.3 Financial review

2.3.1 Consolidated results

2.3.1.1 Introduction

Edenred announces strong growth in earnings to record levels in the first year of its Next Frontier strategic plan (2019-2022).

Double-digit growth in 2019 earnings, as reported and like-for-like:

- Total revenue up 18.0% to **€1,626 million** (+13.8% like-for-like);
- EBIT: up **18.3%** (+14.8% like-for-like) to **€545 million**, in line with the EBIT guidance of between €520 million and €550 million;
- Net profit, Group share: up **22.9%** to **€312 million**;
- Proposed dividend: **€0.87** per share, up €0.01 versus 2018;
- Funds from operations of **€524 million** up 30.9% (+16.5% like-for-like);
- Net debt/EBITDA ratio of **1.9x**, after **€782 million** dedicated to acquisitions.

Performances for 2019 were in line with the annual financial targets set for the period to 2022 in the Next Frontier strategic plan:

- Operating revenue: **up 14%** like-for-like (annual target: above 8%);
- EBITDA: **up 14%** like-for-like (annual target: above 10%);
- Free cash flow/EBITDA conversion rate [(1)]: **65%** (annual target: above 65%);

Edenred is beginning the new year with confidence and confirms the Next Frontier strategic plan's 2019-2022 targets for 2020.

Key financial metrics for 2019

Due to the current situation in Venezuela, the like-for-like performance and the currency effect are temporarily calculated excluding the country.

The consolidated financial statements[(2)] for 2019 were approved by the Board of Directors on February 25, 2020.

Key financial metrics for 2019

(in € millions)	2019	2018	% CHANGE (REPORTED)	% CHANGE (LIKE-FOR-LIKE)
Operating revenue	1,570	1,327	+18.3%	+13.9%
Other revenue	56	51	+10.4%	+11.0%
Total revenue	**1,626**	**1,378**	**+18.0%**	**+13.8%**
EBITDA	**668**	**536**	**+24.8%**	**+13.8%**
Operating EBIT	489	410	+19.3%	+15.3%
Other revenue	56	51	+10.4%	+11.0%
EBIT	**545**	**461**	**+18.3%**	**+14.8%**
Net profit, Group share	**312**	**254**	**+22.9%**	

(1) Based on constant regulations and methods.
(2) The audit has been completed and the auditors will issue their opinion before the Universal Registration Document is filed.

In 2019, Edenred generated business volume of €31 billion. Digitalization rate reaches more than 83% of the total, up 3 points from 2018. This level is in line with the Group's target of a digitalization rate of over 85% by 2022.

2.3.1.2 Analysis of consolidated financial results

Total revenue: €1,626 million

Total revenue for 2019 amounted to **€1,626 million**, an increase of 18.0%, that took into account the positive impact from changes in the scope of consolidation (+5.1%) and a slightly negative currency effect (-0.9%) over the year. Like-for-like growth was 13.8% compared with 2018.

Total revenue for the fourth quarter was €456 million, up 17.7% as reported on fourth-quarter 2018 and up 12.5% like-for-like. The scope effect had a positive impact on revenue in the period (+5.4%), the currency effect was slightly negative (-0.1%), and the impact of Venezuela was negligible (+0.1%).

Operating revenue: €1,570 million

Operating revenue for 2019 came in at €1,570 million (including €445 million in the fourth quarter), representing an increase of 18.3% as reported after taking into account the positive scope effect (+5.3%) and the negative currency effect (-0.9%). Like-for-like growth in operating revenue was 13.9% over the year and 13.6% in the fourth quarter.

In 2019, Edenred delivered double-digit operating revenue growth in all of its business lines and in all regions in which the Group operates.

Operating revenue by business line

(in € millions)	2019	2018	% CHANGE (REPORTED)	% CHANGE (LIKE-FOR-LIKE)
Employee Benefits	975	854	+14.1%	+13.0%
Fleet & Mobility Solutions	409	336	+21.8%	+15.8%
Complementary Solutions	186	137	+35.6%	+14.9%
TOTAL	**1,570**	**1,327**	**+18.3%**	**+13.9%**

Operating revenue for the **Employee Benefits** business line was **€975 million** in 2019, representing **62%** of the consolidated total, and €276 million in the fourth quarter. Operating revenue rose by **14.1%** as reported (+13.0% like-for-like) over the full year and by 17.0% in the fourth quarter alone (+11.8% like-for-like). The effectiveness of the action taken under the Next Frontier 2019-2022 strategic plan, notably the deployment of a sales strategy focused on SMEs, helped generate strong organic growth. Also reflected in this performance is Edenred's technological leadership, be it in terms of mobile payment, with 32 Apple Pay, Google Pay and Samsung Pay programs accessible in some 20 countries, or in app-to-app payment, now available in five countries. With app-to-app payment, users can order meals from more than 40 different partners such as Deliveroo, Uber Eats or DejBox. In addition, the Group acquired several employee engagement platforms in Europe in 2019. These innovative digital solutions aim to improve employee retention, motivation and purchasing power. They open up real growth and cross-selling opportunities for Edenred, notably in Europe, where this remains a fairly new market.

In the **Fleet & Mobility Solutions** business line, which now accounts for **26%** of the Group's business, reported operating revenue rose by **21.8%** in 2019 (+15.8% like-for-like) to **€409 million**. In fourth-quarter 2019, operating revenue grew by 25.8% as reported (+17.7% like-for-like) to €114 million. Reported growth includes the performance of The Right Fuelcard Company (TRFC), the number four fuel card program manager in the United Kingdom, acquired in January 2019. The robust like-for-like growth reflects the good momentum of sales teams, notably in Brazil, and the success of recently launched solutions for light fleets in Europe. In addition, value-added services such as maintenance in Brazil, and interoperable toll solutions in Europe, ramped up at a satisfactory rate.

The **Complementary Solutions** business line, which includes Corporate Payment Services, Incentive & Rewards Solutions and Public Social Programs, generated operating revenue of **€186 million** in 2019, up **35.6%** as reported (+14.9% like-for-like, of which +15.2% in the fourth quarter). This solid performance reflected both the successful integration of CSI, a North American fintech specialized in optimizing accounts payable processes, consolidated since January 2019, and the healthy deployment of Corporate Payment Services, which has developed organically.

Operating revenue by region

(in € millions)	2019	2018	% CHANGE (REPORTED)	% CHANGE (LIKE-FOR-LIKE)
Europe	884	755	+16.9%	+13.0%
Latin America	559	497	+12.5%	+14.4%
Rest of the World	127	75	+70.9%	+19.3%
TOTAL	**1,570**	**1,327**	**+18.3%**	**+13.9%**

In **Europe**, operating revenue rose by **16.9%** as reported (+13.0% like-for-like) to **€884 million**, representing **56%** of total consolidated operating revenue in 2019. In fourth-quarter 2019, operating revenue increased by 18.3% as reported (+13.2% like-for-like) to €254 million.

In **France**, operating revenue amounted to **€264 million** in 2019, an increase of **10.2%** as reported (+10.2% like-for-like) for the full year and of 13.6% in the fourth quarter. In 2019, Employee benefits such as *Ticket Restaurant* and the employee engagement platform ProwebCE enjoyed rapid growth, thanks notably to their improved marketing mix, innovative digital offerings, and the successful drive to increase revenues in the SME segment. The good performance of Fleet & Mobility Solutions was led notably by the development of dedicated solutions for light fleets.

Operating revenue in **Europe excluding France** was up **20.0%** as reported in 2019 (+14.3% like-for-like) to **€620 million**. Operating revenue for the region in the fourth quarter grew by 20.4% as reported (+13.0% like-for-like) to €177 million. Employee Benefits experienced strong momentum all throughout the region. Demand for Fleet & Mobility Solutions surged in the light fleet segment and the value-added services segment such as toll payment services, notably in Italy, Germany and Austria.

Operating revenue amounted to **€559 million** in **Latin America**, up **12.5%** as reported (+14.4% like-for-like). The region accounted for **36%** of the Group's operating revenue for the year. In fourth-quarter 2019, operating revenue for the region increased by 12.9% as reported (+13.7% like-for-like) to €156 million.

In **Brazil**, operating revenue was up 14.5% like-for-like in 2019, and up 19.7% [1] like-for-like in the fourth quarter alone. This good Brazilian performance was attributable to rapid organic growth both in Employee Benefits and in Fleet & Mobility Solutions, with maintenance and toll payment services getting off to a good start.

In **Hispanic Latin America**, operating revenue climbed **14.4%** like-for-like in 2019. This new year of double-digit organic growth reflected good sales performances by the Group's two main business lines throughout the region. In the fourth quarter operating revenue was down by 1.8% like-for-like, mainly due to an economic slowdown in Mexico. As expected, in this country currently in recession, the effect of the unfavorable basis of comparison for fuel prices had an impact on the growth of Fleet & Mobility Solutions locally. Moreover, in Employee Benefits, following a change in the rules for awarding Navideños benefits, Edenred decided to considerably reduce the issue volume related to this product at the end of the year.

Operating revenue in the **Rest of the World** region rose by **70.9%** as reported (+19.3% like-for-like), to **€127 million**, representing **8%** of total Group operating revenue in 2019. The strong reported growth was attributable to the consolidation of CSI as from January 2019. Like-for-like growth was led notably by the good performance of the payroll cards business in the United Arab Emirates, which has expanded to include new digital services designed to improve the daily lives of under- or unbanked workers.

Other revenue: €56 million

Based on a float [2] of **€3.0 billion** at the end of 2019, other revenue totaled **€56 million** for the year, up **10.4%** as reported (+11.0% like-for-like). In 2019, the Group benefited from a slight rise in interest rates in certain European countries outside the eurozone, but was impacted by lower interest rates in Latin America.

EBITDA: €668 million

EBITDA was **€668 million** in 2019 compared with €536 million in 2018, an increase of **24.8% as reported** and of 13.8% like-for-like. The EBITDA margin came in at 41.1%, up 2.2 points year-on-year. Excluding the impact of IFRS 16, the increase was 0.4 of a point.

(1) Excluding a change in the breakdown between operating revenue and other revenue within total revenue in Brazil, this increase was 15.1%, hence the positive impact in the fourth quarter (neutral impact over the full year). See the appendix, page 16.

(2) The float corresponds to a portion of the operating working capital from the preloading of funds by corporate clients.

EBIT: €545 million

EBIT rose by 18.3% on a reported basis in 2019, reaching a record high of **€545 million**, within the range of the EBIT guidance of between €520 million and €550 million announced in mid-2019. The currency impact reduced EBIT by €6 million, while the scope effect increased it by €22 million during the period. Like-for-like, EBIT advanced by €68 million, or **14.8%**.

Operating EBIT by region:

(in € millions)	2019	2018	% CHANGE (REPORTED)	% CHANGE (LIKE-FOR-LIKE)
Europe	280	234	+20.0%	+14.3%
Latin America	204	188	+8.6%	+9.9%
Rest of the World	19	5	+269.1%	+106.1%
Holding & Other	(14)	(17)	-14.2%	-31.6%
TOTAL	**489**	**410**	**+19.3%**	**+15.3%**

Operating EBIT rose by **19.3%** in 2019 (+15.3% like-for-like) to **€489 million**.

In **Europe**, operating EBIT was up 20.0% as reported, reflecting the Group's improved operating leverage in the region, with profitability rising in all the region's main countries, and the contribution of newly acquired businesses.

In **Latin America**, operating EBIT increased by 8.6% as reported and 9.9% like-for-like, thanks first and foremost to a good performance in Brazil, where like-for-like operating EBIT growth was in the double digits. The healthy rate of growth was attenuated by a less favorable macro-economic environment in Hispanic Latin America and unfavorable bases of comparison, notably for fuel prices in Mexico in the fourth quarter, which had a negative impact on EBIT margin.

Net profit, Group share: €312 million

Net profit, Group share in 2019 came in at **€312 million** versus €254 million in 2018, an increase of **22.9%**.

Other income and expenses represented a net expense of €25 million in 2019, compared with a €31 million net expense in 2018. The total included non-recurring expenses corresponding for the most part to the costs incurred for the acquisitions carried out in 2019, asset impairment losses and restructuring costs.

Net profit also takes into account net financial expense (€35 million versus €37 million in 2018), net income tax expense (€153 million versus €119 million in 2018) and non-controlling interests (€34 million in 2019 versus €31 million in 2018).

2.3.1.3 Dividend and payout ratio

At Edenred's Capital Markets Day in October 2019, which saw the unveiling of the new Next Frontier strategic plan for 2019-2022, the Group announced the introduction of a progressive dividend policy[1]. The Group proposes paying a dividend of €0.87 per share for 2019, representing an increase of €0.01 compared with the previous year. Shareholders may opt to receive the dividend 100% in cash or 100% in shares with a 10% discount. The dividend will be put to the vote at Edenred's Annual Shareholders Meeting to be held on May 7, 2020.

For more information on the capital allocation policy, see section 1.2.4, page 19.

	2019	2018
Net profit, Group share	312	254
Weighted average number of shares outstanding *(in millions)*	241	236
Earnings per share, Group share *(in €)*	1.30	1.07
Ordinary dividend per share *(in €)*	0.87 [1]	0.86
Ordinary dividend payout *(in € millions)*	206	200

(1) To be recommended at the Annual Shareholders Meeting on May 7, 2020.

(1) An increase of at least €0.01 per year as from 2020 (dividend paid in respect of 2019).

2.3.1.4 Liquidity and financial resources

Cash flows[1]

(in € millions)	2019	2018
Net cash from (used in) operating activities	498	525
Net cash from (used in) operating activities including other income and expenses	465	526
Net cash from (used in) investing activities	(869)	(340)
Net cash from (used in) financing activities	30	594
Effect of changes in exchange rates and fair values	10	(39)
Net increase (decrease) in cash and cash equivalents	**(364)**	**741**
Cash and cash equivalents at beginning of period	1,316	575
Cash and cash equivalents at end of period	952	1,316
Net increase (decrease) in cash and cash equivalents	**(364)**	**741**

Net cash from operating activities corresponds to funds from operations before other income and expenses, plus the change in working capital (*i.e.*, the recurring increase in negative working capital requirement) plus the change in restricted cash.

Restricted cash, in the amount of €1,864 million at December 31, 2019 versus €1,402 at December 31, 2018, corresponds mainly to voucher reserve funds subject to special regulations in the following countries: France (€722 million), the United Kingdom (€613 million), Belgium (€302 million), Romania (€94 million), the United States (€63 million), Italy (€19 million), Brazil (€12 million), the United Arab Emirates (€10 million), Bulgaria (€10 million), Uruguay (€9 million) and Taiwan (€8 million).

Working capital requirement

The following table sets out the items that make up the working capital requirement, excluding restricted cash.

(in € millions)	DEC. 31, 2019	DEC. 31, 2018	CHANGE DEC. 31, 2019/DEC. 31, 2018
Inventories, net	32	27	3
Trade receivables, net	2,073	1,875	198
Other receivables, net	327	280	47
Working capital – assets	**2,432**	**2,182**	**250**
Trade payables	(261)	(224)	(37)
Other payables	(1,072)	(614)	(458)
Funds to be redeemed	(5,161)	(4,959)	(202)
Working capital – liabilities	**(6,494)**	**(5,797)**	**(697)**
NEGATIVE WORKING CAPITAL	**(4,062)**	**(3,615)**	**(447)**
Corporate income tax liabilities	(33)	(13)	(20)
NEGATIVE WORKING CAPITAL (incl. corporate income tax liabilities)	(4,095)	(3,628)	(467)

Negative working capital requirement at December 31, 2019 was up €467 million compared with December 31, 2018.

(1) See the consolidated statement of cash flows on page 193 and Note 4.5 to the consolidated financial statements on page 212.

Debt

Net debt analysis

The Edenred business model generates significant cash flows, lifting funds from operations before other income and expenses (FFO) to €524 million in 2019, an increase of 30.9% as reported and 16.5% like-for-like.

Despite a fall in volume related to the Navideños program in Mexico in December, Edenred generated free cash flow of €400 million in 2019. At December 31, 2019, after taking into consideration the €782 million dedicated to targeted acquisitions and the €134 million allocated to dividend distribution, minority interests and the share buyback program, the Group's net debt stood at €1,290 million versus €659 million at December 31, 2018. The ratio of net debt to EBITDA is 1.9 at end 2019.

(in € millions)	**DEC. 31, 2019**	DEC. 31, 2018
Non-current debt	2,421	2,213
Other non-current financial liabilities	139	61
Current debt	374	276
Other current financial liabilities	177	125
Bank overdrafts	52	21
Debt and other financial liabilities	**3,163**	**2,696**
Current financial assets	(136)	(46)
Other marketable securities	(733)	(654)
Cash and cash equivalents	(1,004)	(1,337)
Cash and cash equivalents and other current financial assets	**(1,873)**	**(2,037)**
NET DEBT	**1,290**	**659**

The cost of the Group's debt was 0.8% in 2019 versus 1.2% in 2018, a decrease of 40 basis points. The average maturity of the debt is close to 5 years. The Group has been attributed a "Strong Investment Grade" rating by Standard & Poor's (BBB+).

In September 2019, Edenred successfully placed bonds convertible into and/or exchangeable for new and/or existing shares (OCEANE) due in 2024 for an aggregate nominal amount of approximately €500 million, under particularly favorable financial conditions (yield to maturity of -1.53%). The net proceeds of the offering will be used by the Company for general corporate purposes, including the financing of potential external growth operations.

(in € millions)	**DEC. 31, 2019 CARRYING AMOUNT**	TOTAL CONTRACTUAL FLOWS	2020	2021	2022	2023	2024	2025 AND BEYOND
Debt	2,795	2,981	414	156	274	62	526	1,549
Bank overdrafts and other financial liabilities	368	303	210	57	4	3	6	23
DEBT AND OTHER FINANCIAL LIABILITIES	**3,163**	**3,284**	**624**	**213**	**278**	**65**	**532**	**1,572**

The cost of gross debt at December 31, 2019 was 1.5% before hedging and 0.8% after hedging (see Note 6.6 to the consolidated financial statements, page 210).

The maturity of financial investments (see Note 6.3, page 226, and Note 4.6 "Change in restricted cash" to the consolidated financial statements, page 213) breaks down as follows:

- maturity >1 year: 27%;
- maturity <1 year: 73%.

Other marketable securities include €528 million worth of term deposits and equivalents with maturities of more than three months and €206 million worth of money market securities and bonds, as well as UCITS.

Cash and cash equivalents break down as €461 million in cash and €543 million in money market securities and bonds, as well as UCITS.

Funds from operations and free cash flow

The Edenred business model generates significant cash flows, lifting funds from operations before other income and expenses (FFO) to €524 million in 2019, an increase of 30.9% as reported and 16.5% like-for-like.

Despite a fall in volume related to the Navideños program in Mexico in December, Edenred generated free cash flow of €400 million in 2019. At December 31, 2019, after taking into consideration the €782 million dedicated to targeted acquisitions and the €134 million allocated to dividend distribution, minority interests and the share buyback program, the Group's net debt stood at €1,290 million versus €659 million at December 31, 2018. The ratio of net debt to EBITDA was 1.9 at end-2019.

(in € millions)	2019	2018
+ Net profit, Group share	312	254
+ Non-controlling interests	34	31
- Share of net profit from equity-accounted companies	(14)	(11)
- Depreciation, amortization and changes in operating provisions	126	72
- Expenses related to share-based payments	16	13
- Non-cash impact of other income and expenses	14	21
- Difference between income tax paid and income tax expense	(8)	(18)
- Dividends received from equity-accounted companies	9	12
= Funds from operations including other income and expenses	**489**	**374**
- Other income and expenses (including restructuring costs)	35	26
+ Funds from operations before other income and expenses (FFO)	**524**	**400**
+ Decrease (increase) in working capital	369	404
+ Decrease (increase) in restricted cash	(395)	(279)
+ Recurring expenditure	(98)	(90)
= Free cash flow	400	435

Equity

Equity represented a negative amount of **€1,193 million** at December 31, 2019 and €1,561 million at the end of the previous year.

This is due to the recognition at historical cost of the assets contributed or sold to Edenred by Accor through the asset contribution-demerger transaction. It has no impact on the Group's refinancing capacity, the underlying strength of its financial position or its dividend-paying ability.

The statement of changes in equity is presented on page 194 of the consolidated financial statements.

Off-balance sheet commitments

Off-balance sheet commitments amounted to €475 million at December 31, 2019, versus €433 million a year earlier. For more details, see Note 11.5 to the consolidated financial statements, page 257.

2.3.1.5 Management indicators

Key ratios and indicators

	2019	2018
Like-for-like growth in operating revenue	+13.9%	+13.3%
EBITDA margin	41.1%	38.8%
EBIT margin	33.5%	33.4%
Like-for-like growth in FFO [(1)]	+16.5%	+17.0%
Adjusted FFO/adjusted net debt [(2)]	**31.6% ***	**44.7%**

* *The Group's estimated ratio of adjusted funds from operations to adjusted net debt was 31.6% at December 31, 2019, above the 30% threshold forming one of the main ratios for the "Strong Investment Grade" rating based on Standard & Poor's criteria, compared with a ratio of 44.7% at December 31, 2018.*

(1) FFO = Funds from operations before other income and expenses: the calculation appears in the table above the key ratios and indicators table.

(2) Adjusted FFO/adjusted net debt ratio: see table below.

The adjusted FFO/adjusted net debt ratio

(in € millions)	**2019**	2018
Net debt (cash) at December 31	1,290	659
Standard & Poor's adjustment	288	314
Adjusted net debt (cash)	1,578	973
EBITDA	668	535
Standard & Poor's adjustment	(169)	(100)
Adjusted FFO	499	435
Adjusted FFO/adjusted net debt	**31.6% ***	**44.7%**

* *The Group's estimated ratio of adjusted funds from operations to adjusted net debt was 31.6% at December 31, 2019, above the 30% threshold forming one of the main ratios for the "Strong Investment Grade" rating based on Standard & Poor's criteria, compared with a ratio of 44.7% at December 31, 2018.*

2.3.1.6 2018 - 2019 Material contracts

During 2019, no contract representing a material obligation or commitment for the Group was signed in connection with the Group's external growth operations.

However, the major partnership agreement signed on September 4, 2018 between Ticket Serviços and Itaú Unibanco was closed on September 2, 2019. Itaú Unibanco now exclusively distributes Edenred's Employee Benefits in Brazil. To further cement the business partnership, Itaú Unibanco has become a minority shareholder in Ticket Serviços, with an 11 % stake.

2.3.1.7 Foreseeable developments

The outlook for 2020 is described in section 1, page 18.

2.3.1.8 Main risks and uncertainties

The main risks and uncertainties that may affect the Group in the current financial year are the same as the ones described in section 2.2 "Risk factors and management", page 44.

The Group has seen general economic conditions deteriorate in response to the significant health risks arising from the coronavirus epidemic. This has resulted in a more uncertain environment in 2020.

In light of this, Edenred emphasizes that 62% of the Group's business is related to Employee Benefits. In this business line, where Edenred is a technology leader, the Group's digital solutions enable employees working on site or remotely to primarily purchase staples, such as food, from supermarkets, local stores and restaurants as well as from meal delivery platforms. These Employee Benefits continue to be preloaded by corporate clients and may be used by their employees throughout the financial year.

Given the high proportion of digital solutions in Edenred's range of Employee Benefits, the Group is able to ensure good continuity of service despite the various measures taken by the local authorities or companies in this atypical public health environment. Local containment measures could have a negative impact on the business volume growth generated by Fleet & Mobility Solutions, which are fully digitalized, as travel is restricted or canceled. In addition, as indicated in section 2.2 "Risk factors and management", around 12% of the Group's total revenue is linked to fuel prices, which are subject to significant fluctuations in this turbulent economic environment.

At the end of the first quarter, aside from negative changes in exchange rates and oil prices seen since the start of the health crisis, the Group has not observed any material negative impacts on its various businesses.
However, the epidemic will have an impact on the Group's business, the extent of which is not possible to estimate as at the date this Universal Registration Document was filed. The impact will depend, among other things, on the duration of the epidemic, the containment measures implemented by the various countries in which Edenred operates, and the use of short-time working by some of the Group's clients.

Due to these uncertainties, the Group has suspended its targets for full-year 2020 until it has better visibility of the financial impacts of the epidemic.

The Group is taking appropriate measures to reduce any consequences the epidemic may have on its business and earnings.

2.3.1.9 Main related-party transactions

The main related-party transactions are presented in detail in Note 11.2 to the consolidated financial statements, page 255.

2.3.1.10 Research and development activities

None.

2.3.1.11 Subsequent events

Edenred expands its Fleet & Mobility Solutions offering in Europe

In February 2020, Edenred finalized the agreement signed in September 2019 to acquire EBV Finance, a Lithuanian company specialized in tax refunds for European transportation companies. Edenred now has a 60% interest in the new entity[1]. The transaction is accretive to Group EBIT from 2020.

Edenred ties social and environmental criteria to one of its financing instruments for the first time

In February 2020, Edenred announced that it had renegotiated its syndicated credit facility, increasing it from €700 million to €750 million, extending its maturity from July 2023 to February 2025 – with extension options to February 2027 – and improving the financial conditions. For the first time, Edenred introduced environmental and social performance criteria into the calculation of the financing costs:

- promoting healthy and sustainable eating habits – Edenred aims to reach by 2030 an 85% nutrition awareness rate among merchants and employees using its solutions (versus 30% in 2018);
- combating global warming – Edenred is targeting a 52% cut in greenhouse gas emissions intensity[2] by 2030 compared with 2013 (26% reduction in 2018).

(1) Edenred has a 60% interest in EBV Finance while the former shareholder, EBV Group, has retained a 40% interest. The new entity has been fully consolidated in Edenred's financial statements since February 2020.

(2) Targets calculated using the Science Based Targets initiative methodology in line with the goals of the Paris Agreement.

2.3.2 Results of operations for the Edenred parent company

2.3.2.1 Description of the business

As the Group holding company, Edenred SA manages a portfolio of equity interests, collects dividends from subsidiaries and drives the Group's development.

The Company owns a portfolio of brands, including *Ticket Restaurant*, Ticket Alimentaçao®, *Ticket Compliments®*, *Childcare Vouchers®* and *Ticket EcoCheque®*, and earns revenues from licensing these brands.

It also provides services to other members of the Group regarding prepaid solutions, staff secondment, cash management and IT, as well as advisory services. These services are billed as a percentage of the subsidiaries' revenue and/or profit, as a flat fee or on a per-service basis. They are determined on arm's length terms.

2.3.2.2 Significant events in 2019

Legal restructuring

In 2019, the Group continued to reclassify its investments internally as part of a wider reorganization drive.

Final reorganization operations will take place in 2020.

Together, these operations will enable the Group to align its legal structure with its three business lines.

Edenred SA tax audit

In 2018 and 2019, a tax audit was carried out at Edenred SA, covering the period 2014 to 2016.

In December 2018, the French tax authorities notified the Company of a proposed reassessment of the tax paid in 2014, on the grounds that the brand royalties billed to the Brazilian subsidiaries were understated and were not on arm's length terms.

Notification of the proposed reassessments of tax paid in 2015 and 2016 was received by the Company in July 2019. As originally expected, the tax authorities reduced the 2014 reassessment to align its position with that adopted with regard to 2015 and 2016.

The total tax, late interest and penalties claimed for the three years amount to €17 million. The Company has contested the reassessments and filed a claim with the national tax board in early 2019. The tax board heard the Company's arguments at the end of January 2020. Its decision is currently pending.

Based on the opinion of its tax advisers, the Company believes that it has solid arguments in its defense. Therefore, the Company has not set aside a related provision.

2.3.2.3 2019 results

Analysis of Edenred SA's revenue

The Company reported revenue of €80 million in 2019 versus €59 million in 2018, including all royalties and service fees earned in the normal course of business.

Service fees relate to services billed under the Master Services Agreement as well as IT services, the secondment of staff and various additional costs.

(in € millions)	2019	2018	% OF TOTAL
Service fees			
IT services	26	16	32.50%
Master Services Agreement	49	38	61.25%
Other	1	2	1.25%
Staff costs	4	3	5%
TOTAL	**80**	**59**	**100%**

Operating income (loss)

Other income, own work capitalized, reversals of depreciation, amortization and provisions and expense transfers together totaled €85 million in 2019 compared with €57 million in 2018.

The Company ended the year with an operating loss of €22 million, versus a €27 million loss in 2018.

Operating expenses in 2019 amounted to €187 million compared with €143 million in the previous year.

Other purchases and external charges totaled €86 million in 2019 versus €69 million in 2018.

Payroll costs amounted to €58 million in 2019 versus €44 million in 2018.

Depreciation and amortization of fixed assets amounted to €5 million in 2019, versus €4 million the previous year.

Net financial income (loss)

Edenred SA recorded net financial income of €298 million in 2019, compared with net financial income of €245 million in 2018.

This result can mainly be accounted for by changes in dividends received from subsidiaries, as well as by movements in financial provisions.

Dividend income for the year totaled €323 million, versus €253 million in 2018.

The largest equity interests paying dividends were Edenred Belgium (€123 million), Edenred Italy (€53 million) and Edenred France (€50 million).

Movements in financial provisions, for the most part provisions for impairment of shares in subsidiaries and risks related to subsidiaries, represented a net expense of €9 million. In 2019, this broke down into €11 million in provisions for shares in subsidiaries and affiliates, €1 million in reversals of provisions for shares in subsidiaries and affiliates, €1 million in provisions for contingencies and €2 million in reversals of provisions for contingencies.

Movements in write-downs of shares in subsidiaries and affiliates mainly comprised impairment losses of €7 million for Big Pass, €2 million for Edenred Japan and €1 million for Veninvest 4.

Recurring profit (loss) before tax

Edenred SA reported a recurring profit before tax of €276 million in 2019 versus a recurring profit before tax of €218 million in 2018.

Non-recurring items

Non-recurring items represented net income of €3 million for the year, compared with €57 million in 2018.

This change was mainly linked to capital gains on the sale of internal investments started in 2018 as part of the launch of the drive to streamline and rationalize the Company's legal structure.

Income tax

Income tax amounted to an €18 million benefit in 2019, versus a €10 million benefit in 2018.

The Company reported a tax loss of €18.6 million in 2019, compared with taxable profit of €0.5 million in the previous year. Edenred SA and its eligible French subsidiaries elected for the Group relief system governed by Article 223A of the French General Tax Code *(Code général des impôts)* on March 18, 2011. The election has been applied since the beginning of the 2011 tax year.

In 2018, a Group relief benefit of €16 million was recorded in Edenred SA's financial statements.

Edenred SA recorded a tax expense for the Group of €0.64 million, against which withholding tax credits were offset.

Net profit

Net profit for 2019 stood at €297 million (€296,830,332), compared with €285 million (€284,792,529) in 2018.

Non-deductible provisions for contingencies and charges recorded in the balance sheet at December 31, 2019 totaled €11 million, versus €9 million a year earlier.

Edenred SA distributed €206 million (€205,846,503) in dividends for 2019, or €0.86 per share, giving shareholders the option of reinvesting 100% of the dividend in new shares. This resulted in the creation of 3,938,507 new ordinary Edenred shares, representing 1.65% of the capital. The total cash dividend, which was paid on June 11, 2019, amounted to €62 million

The recommended ordinary dividend for 2019 has been set at €0.87 per share. Details of the proposed appropriation of earnings are provided in section 5 of this Document.

Details of the positions and directorships held by the directors and of the Executive Directors' compensation are provided in section 3 on corporate governance.

Information on supplier and client payments

	PAYABLES						RECEIVABLES					
	ARTICLES D.441-1-1E: INVOICES <u>RECEIVED</u> AND DUE BUT NOT SETTLED AT THE END OF THE PERIOD						ARTICLES D.441-1-2E: INVOICES <u>ISSUED</u> AND DUE BUT NOT SETTLED AT THE END OF THE PERIOD					
	0 DAYS *(INDICATIVE)*	1 TO 30 DAYS	31 TO 60 DAYS	61 TO 90 DAYS	MORE THAN 90 DAYS	TOTAL (1 OR MORE DAYS)	0 DAYS *(INDICATIVE)*	1 TO 30 DAYS	31 TO 60 DAYS	61 TO 90 DAYS	MORE THAN 90 DAYS	TOTAL (1 OR MORE DAYS)
Days late												
Number of invoices	7					119	75					804
Total amount of invoices (excl. VAT)	€60,033	€535,959	€202,143	€213,355	€64,982	€1,016,439	€1,999,488	€(506,159)	€12,103,008	79,612 €	18,300,583 €	29,977,045 €
As a % of total purchases for the period (excl. VAT)	0.08%	0.76%	0.29%	0.30%	0.09%	1.43%						
As a % of revenue for the period (excl. VAT)							1.60%	-0.40%	9.67%	0%	14.62%	23.94%
Invoices excluded – relating to contested or unrecognized payables or receivables												
Number of invoices excluded	None						None					
Total amount of invoices excluded	None						None					
Reference payment terms used (contractual or legal – Article L.441-6 or Article L.445-1 of the French Commercial Code)												
Reference payment terms used to calculate late payments	• Contractual terms: yes • Legal terms: yes						• Legal terms: No later than the last day of the month in which the invoice is received					

2.3.2.4 Non-deductible expenses

The aggregate amount of non-deductible costs and expenses referred to in Article 39 paragraph 4 of the French General Tax Code amounted to €250,845 for 2019 and the tax paid thereon was €64,793 (disclosure made in application of Articles 223 *quater* and *quinquies*, 39-4 and 39-5 of the French General Tax Code).

2.3.2.5 2019 business review

In 2019, the Company carried out its holding company activities.

During the year, the Company continued to apply its investment strategy of acquiring minority interests, generally through joint investments with other investment funds, in innovative projects offering significant growth potential in similar markets to the Group's businesses.

For this reason, Edenred SA continued to subscribe to capital calls for the five Partech funds in 2019, investing €2.5 million, and in new investments that are shown in the table below:

COMPANY	GROUP STAKE
Avrios	6.628%
Fuse	7.372%
Fret Link	5.496%

2.3.2.6 Transactions in Edenred SA shares

At December 31, 2019, Edenred SA held 1,137,643 of its own shares, representing 0.47% of the capital.

The Company's ownership structure is described in section 2.1.2 of the Registration Document on ownership structure and voting rights.

As a reminder, on October 3, 2016, the Company signed a liquidity contract with Exane BNP Paribas to make a market for its shares on the Euronext Paris stock exchange. The contract complied with the AMAFI Code of Conduct as approved by the AMF on March 21, 2011. The Company terminated the contract on May 21, 2019.

During 2019, under the liquidity contract, the Company:

- purchased 40,574 shares at an average price of €32.94 per share, for a total outlay of €1,336,509; and
- sold 64,958 shares at an average price of €33.83 per share, for total proceeds of €2,197,663.

On May 29, 2019, the Company signed a liquidity contract with Kepler Cheuvreux to make a market for its shares on the Euronext Paris stock exchange. The contract complies with the regulations of the AMF, in particular decision no. 2018-01 of July 2, 2018.

During 2019, under the liquidity contract, the Company:

- purchased 573,218 shares at an average price of €43.85 per share, for a total outlay of €25,137,375; and
- sold 540,186 shares at an average price of €44.35 per share, for total proceeds of €23,957,802.

At December 31, 2019, the Company held 33,032 shares under this liquidity contract, acquired at an average price of €44.7 per share, for a total of €1,476,542 or 0.3% of the capital.

In addition, the Company's balance sheet at December 31, 2019 included €8,820,427 in marketable securities and cash held under the liquidity contract.

2.3.2.7 Financing

On September 3, 2019, Edenred announced that it had successfully placed bonds convertible into and/or exchangeable for new and/or existing shares ("OCEANEs") due 2024 for a nominal amount of €500 million by way of a placement to qualified investors only. The bonds bear no interest (zero coupon) and were issued with an issue premium of 8%, resulting in an issue premium of €40 million spread over the duration of the issue. Bonds that have not been converted, redeemed or retired and canceled will be redeemed at par on September 3, 2024.

2.3.2.8 Relations with subsidiaries

Edenred SA holds 50% and over direct interests in 54 companies. The most significant interests, in terms of value, are as follows:

- **Edenred France** (€464,966,992), a French company that issues meal vouchers and other prepaid service solutions to businesses in France.

  In 2019, it posted revenue of €187,080,287 versus €161,572,025 in 2018, and recurring profit before tax of €77,463,011 compared with €58,256,347 for the previous year.
- **Edenred Italy** (€5,958,823), an Italian company that issues meal vouchers and other prepaid service solutions to businesses in Italy.

  In 2019, it posted revenue of €1,771,943,607 versus €1,404,660,921 in 2018, and recurring profit before tax of €252,391,771 compared with €108,288,933 for the previous year.
- **Edenred Belgium** (€36,608,000), a Belgian company that issues meal vouchers and other prepaid service solutions to businesses in Belgium.

  In 2019, it posted revenue of €47,608,244 versus €45,179,537 in 2018, and recurring profit before tax of €74,075,118 compared with €45,418,451 for the previous year.

The table below presents subsidiaries and affiliates whose carrying amount in Edenred SA's balance sheet exceeds 1% of the Company's share capital:

SUBSIDIARIES AND AFFILIATES	CURRENCY	% INTEREST
Subsidiaries and affiliates with a carrying amount in excess of 1% of Edenred SA's capital		
Subsidiaries (at least 50% owned by Edenred SA)		
a) French subsidiaries		
Edenred France	EUR	100%
ASM	EUR	100%
Edenred Fleet & Mobility	EUR	100%
Veninvest Quattro	EUR	100%
Veninvest Cinq	EUR	100%
Veninvest Huit	EUR	100%
Saminvest	EUR	60%
Veninvest Neuf	EUR	100%
Veninvest Onze	EUR	100%
Veninvest Douze	EUR	100%
Veninvest Seize	EUR	100%
b) Foreign subsidiaries		
Edenred Portugal	EUR	50%
Vouchers Services	EUR	51%
Cestaticket Services C.A. (Venezuela)	VEF	57%
Edenred Italy	EUR	57.71%
Edenred España SA (Spain)	EUR	99.99%
Edenred (India) PVT Ltd (India)	INR	94.90%
Accentiv Turkey (Turkey)	TRY	99.99%
Edenred Poland	PLN	99.99%
Edenred Kurumsal (Turkey)	TRY	99.99%
Edenred Slovakia	EUR	99.89%
Edenred Magyarorszag (Hungary)	HUF	100%
Big Pass (Colombia)	COP	100%
Edenred North America Inc.	USD	100%
Edenred Sweden	SEK	100%
Edenred Romania	RON	100%
Edenred Luxembourg	EUR	100%
Edenred Finland	EUR	100%
Edenred UK	GBP	100%
Edenred Japan Ltd	JPY	100%
Surgold India PVT ltd (Singapore)	INR	100%
Edenred Pte Ltd (Singapore)	SGD	100%
Edenred Belgium	EUR	100%
Edenred Deutschland GmbH (Germany)	EUR	100%
Inversiones Dix Venezuela, SA	VEF	100%

The other subsidiaries and affiliates are presented in Note 24 to the parent company financial statements.

2.3.2.9 Ratios

None.

2.3.2.10 Risk factors

Risk factors are described in section 2 of the Registration Document.

2.3.2.11 Research and development activities

None.

2.3.2.12 Subsequent events

Syndicated credit facility

On February 12, 2020, the syndicated credit facility was renegotiated. The amount has been increased to €750 million and the maturity extended by five years to February 2025, with two new one-year extension options. New non-financial performance covenants have been added to the facility agreement in exchange for a reduction in the interest rate. The two performance criteria – promoting balanced nutrition and reducing greenhouse gas (GHG) emissions intensity – are aligned with the three pillars of the Group's ESG strategy (Planet, Progress, People).

ICSID dispute

ICSID dispute The Courts' ruling has been received by the Group on March, 9, 2020. Following reception of these conclusions, Edenred views the application as having no basis in law and has thus not revised its assessment of the risk at December 31, 2019.

2.3.2.13 Developments and outlook

Edenred SA will pursue its holding company activities in the coming years.

2.3.2.14 Change in investments in subsidiaries and affiliates

Investments in subsidiaries and affiliates are presented in Note 6 to the parent company financial statements in section 4.4.

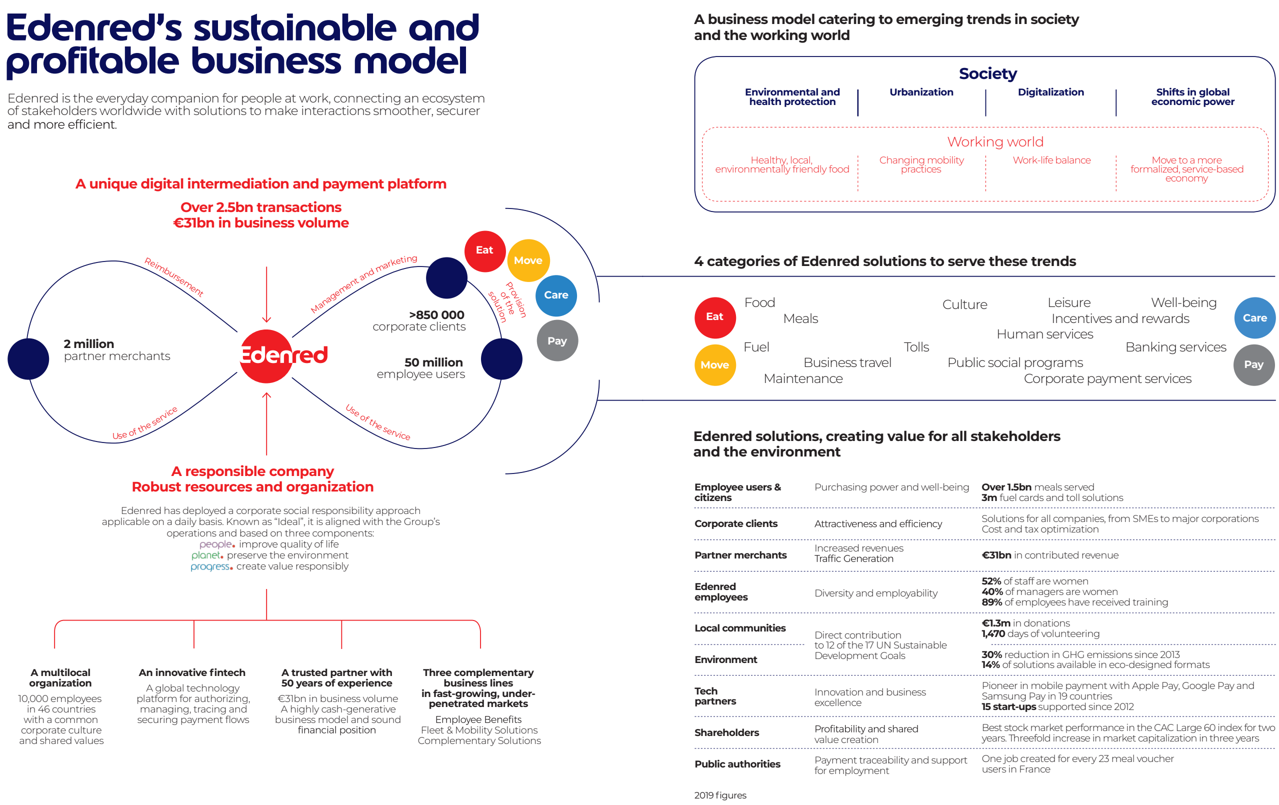
2.4 CSR report DNFI

By inventing the *Ticket Restaurant* meal voucher in 1962, Edenred helped to spread the practice of taking a lunch break to all employees. The *Ticket Restaurant* solution was designed to address a social issue by encouraging French employees to take a lunch break, thereby improving sanitary conditions and limiting the use of lunchboxes in the workplace. Since then, the Group has contributed to social progress with solutions that make life easier for both employees and consumers.

Edenred's operations and solutions place it at the center of an ecosystem connecting employees, merchants and public and private organizations. It reconciles their diverse needs as part of a virtuous cycle that benefits everyone involved. This position requires Edenred to closely monitor economic, social and societal trends so that it can adapt to new practices and thereby meet the needs and expectations of businesses and users. Edenred has deployed a Corporate Social Responsibility (CSR) approach applicable on a daily basis. Known as "Ideal", it is aligned with the Group's operations and based on three components: People (improve quality of life), Planet (preserve the environment) and Progress (create value responsibly).

In accordance with the European directive of October 22, 2014 on disclosure of non-financial information, this section includes a non-financial statement which contains information on the Group's business model, an analysis of its principal risks, a description of the policies and measures taken to manage these risks, the outcomes of these policies, and key performance indicators.

Edenred's business model and its Corporate Social Responsibility objectives are intrinsically related. As demonstrated through its business model fully described in section 1.1, page 6, Edenred believes in the importance of creating value for all its stakeholders in each of these areas (People, Planet and Progress).



2.4.1 An organizational structure in line with a new strategy

2.4.1.1 Governance

Edenred has created an effective organization and governance system to disseminate its CSR approach throughout all levels of the Group.

This organization leverages two global networks: the Human Resources (HR) correspondents network and the CSR correspondents network. These networks are tasked with deploying HR and CSR policies and leading local action plans.

Coordination is centralized by the Human Resources and Corporate Social Responsibility Departments. HR and CSR roadmaps are developed in collaboration with the subsidiaries to apply global objectives to each subsidiary and to meet each country's specific needs.

The HR and CSR networks operate in a collaborative approach, in line with Edenred's multi-local culture. This approach includes:

- regularly scheduled sessions to share best country practices and to develop procedures and tools that apply to the entire Group;
- an internal collaborative web platform. The CSR and HR networks each have their own virtual community in which members can communicate directly, share best practices, tools and methodologies and organize events;
- regular internal communication based on a shared approach.

In addition to the HR and CSR correspondent networks, Edenred's social, societal and environmental policy, as validated by the Executive Committee, is cascaded to:

- key managers, mainly through presentations given at Group events, during regional or support function seminars, or *via* the managers' newsletter;
- all employees, through information published Group-wide or on the collaborative intranet, or *via* events, newsletters or blogs;
- external stakeholders, who receive information on Edenred's social, societal and environmental policy and main projects *via* the Group's website, Registration Document, Integrated Report, annual brochure and press releases.

2.4.1.2 Methodology

Social, societal and environmental indicators

To comply with the European directive of October 22, 2014 on disclosure of non-financial information, Edenred presents its social, societal and environmental indicators in the form of a non-financial statement.

The indicators used by Edenred since 2012 to meet the obligations set out in France's Grenelle II and Warsmann IV Acts, but which are not included in the non-financial statement, will be provided in section 2.4.5.

The indicators cover the period from January 1 to December 31, 2019 and are based to a great extent on the Global Reporting Initiative (GRI) and the United Nations Global Compact, signed in 2016. A cross-reference table with the GRI indicators and the ten principles of the United Nations Global Compact is available in section 6.11, page 368.

Reporting scope

The scope of reporting for social data is exactly the same as the scope of consolidation for financial data. Reported data cover every subsidiary, regardless of legal form, host country or size.

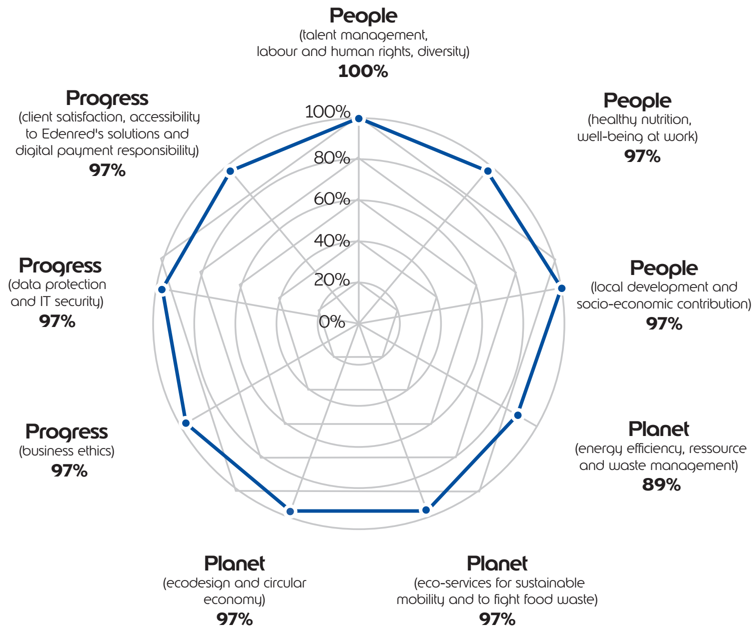
In the case of societal and environmental data, the number of reporting subsidiaries has increased over the years, to a total of 39 of the Group's **46 host countries** in 2019. The seven remaining countries are either too small to provide meaningful environmental and societal data (with fewer than five employees each) or joined or left the Group after January 1, 2019. Environmental consumption data (water, energy and waste) were collected and consolidated for the main sites (subsidiary headquarters, production site and branches with more than 50 employees).

Joint ventures in which Edenred has a majority interest are fully consolidated, with the exception of those that were formed during the year.

Coverage of 2019 social, societal and environmental reporting

The scope of reporting for social information covers the Group's total workforce. Fully **89%** of the employees are covered in the scope of reporting of environmental data consolidated for the main sites in the Planet pillar and **97%** for other environmental data (resources, paper, plastic, etc.) and societal data under the Progress and People pillar as presented below.

% of average annual workforce covered in 2019



Collection and reporting of HR and CSR data

The HR and CSR data collection and reporting process has become more reliable and secure thanks to its integration into the information system used for financial consolidation. Under the current process, every year data are collected by a local HR and/or CSR correspondent and then inputted and validated locally in FIRST, the financial information system used to prepare the consolidated financial statements. They are then consolidated and checked for consistency by the HR Department (social data) and CSR Department (societal and environmental data). The reported data are used in the feedback webinars designed for the networks of HR and CSR correspondents.

2.4.1.3 Materiality assessment

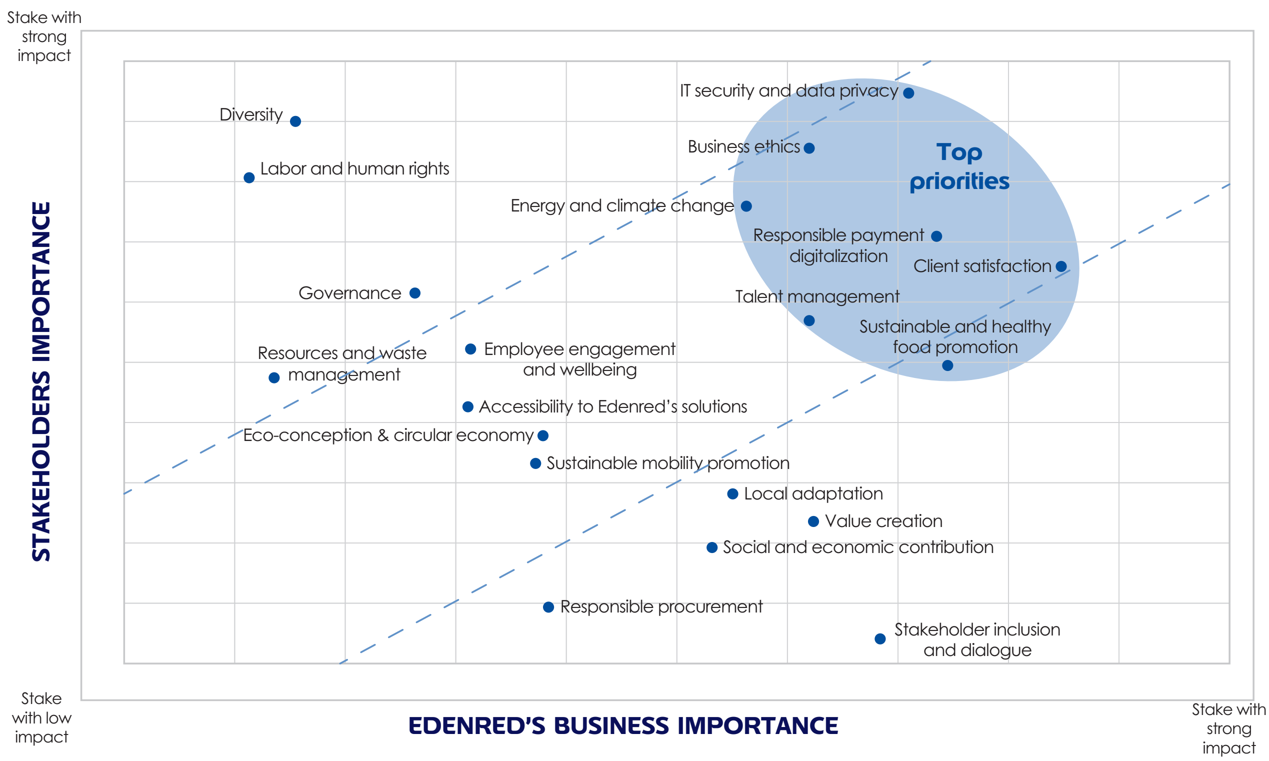
In late 2017, a materiality assessment was performed in order to redefine the pathways to improving Edenred's social responsibility practices.

It identified and prioritized the issues facing the Group, depending on their relevance to stakeholders and their impact on corporate performance. In particular, it identified the social, economic and environmental issues over which the Group exercises responsibility.

Led by an outside firm, the assessment was conducted in two stages:

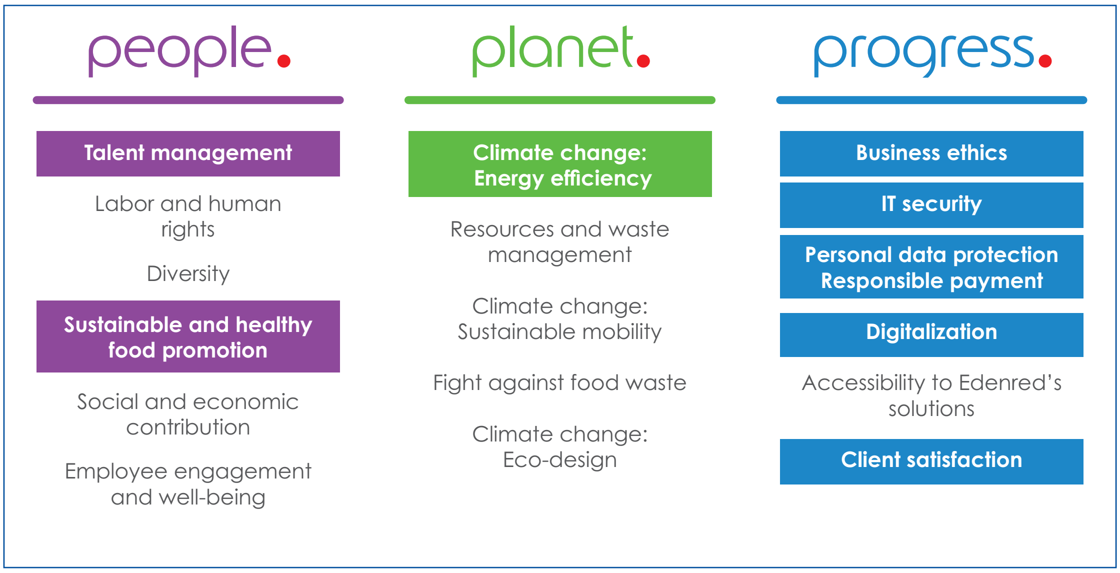
- the first was a desktop review of industry and regional literature, so as to identify all of the Group's issues and to select the most relevant;
- the second involved qualitative interviews with the main internal and external stakeholders, in order to measure the importance of each of the selected issues.

Based on the ranking, these CSR issues were positioned on a matrix whose x-axis represents their importance for Edenred and the y-axis their importance for stakeholders.



The materiality assessment pointed to seven priority issues: IT security and data privacy, business ethics, energy and climate change, responsible payment digitization, client satisfaction, talent management and sustainable and healthy food promotion.

The materiality exercise helped the Group to develop a new social responsibility strategy built around its three pillars – People, Planet and Progress – and aligned with stakeholder expectations and its two strategic plans, Fast Forward (2016-2019) followed by Next Frontier (2020-2022).



2.4.1.4 Risk analysis

In 2018, the Group CSR Department conducted an analysis of the non-financial risks to which the Group is exposed based on international standards such as the Global Reporting Initiative (GRI) and the Task Force on Climate-related Financial Disclosures (TCFD) as well as external benchmarks, the materiality assessment carried out in 2017, and the expertise of the networks of HR and CSR correspondents throughout the 46 countries in which the Group operates. This analysis was led by the Executive Vice President of Human Resources and Corporate Social Responsibility

Five categories of non-financial risks were assessed using the Group's risk identification and management guidelines to determine the impact, probability of occurrence, handling and recovery period for these risks:

- social risks;
- risks related to human rights;
- environmental and climate-related risks;
- risks related to business ethics;
- risks related to corruption and tax evasion.

This analysis identified eight non-financial risks that could impact the Group or its stakeholders: risks related to talent acquisition and retention, transition risks associated with climate change, risks associated with regulatory compliance and business ethics, including risks related to competition law, money laundering and corruption risks, personal data protection risks, information system risks and risks associated with meeting stakeholder expectations through client satisfaction and digitization.

In addition, some of these non-financial risks, particularly those related to competition law, money laundering and corruption, personal data protection and information system, are presented in the review of the Group's main risks in section 2.2 "Risk factors and management" page 43 and detailed in section 2.2.1.2 "Legal risks" and section 2.2.1.3 "Information systems and cybercrime risks".

This risk analysis, as well as the materiality assessment carried out in 2017, identify the major issues to which the Group is exposed. These issues, presented in the table below, refer to major extra-financial risks, secondary extra-financial risks and opportunities considered significant for Edenred, its stakeholders and society in general. For each of these issues, quantified commitments and voluntary action plans are implemented.

PRIORITY ISSUES	RELATED RISKS AND/OR OPPORTUNITIES	DESCRIPTION	COMMITMENTS AND POLICIES IMPLEMENTED	PERFORMANCE INDICATORS	2022 TARGET	2030 TARGET
Talent management	Risks related to talent attraction and retention Risks related to skills development	Edenred's employees are an asset to the Group's success. Certain employees, either due to the duties they perform or to specialized expertise they possess, occupy key positions. Retaining the highest performing employees and providing opportunities for both their individual and career development are essential in achieving the ambitious goals set out in the Next Frontier strategic plan. On top of retaining talent, the Group must constantly gain new expertise and skills to support the Group's growth.	2.4.2.1 Being an employer of choice by providing a favorable environment for professional development, respecting human rights and encouraging diversity	Percentage of Edenred employees who attended at least one training course in the year Percentage of women in executive positions	80% 25%	85% 40%
Sustainable and healthy food promotion	Opportunity to differentiate from the viewpoint of employee users and partner merchants	Promoting healthy, sustainable eating habits is a central focus in the Group's strategy through its Employee Benefits Solutions. This is both a key issue in differentiating its business and a tool for supporting and educating its stakeholders.	2.4.2.2 Promoting well-being through healthy and sustainable nutrition	Merchants and users made aware about balanced nutrition	50%	85%
Energy and climate change	Physical risks related to climate change Climate-related opportunities to improve energy efficiency	Climate change is a major challenge for organizations. A significant increase in the frequency and severity of extreme weather events could trigger service interruption and/or imperil Edenred employees. Managing its carbon footprint and setting a trajectory to reduce greenhouse gas emissions are essential, and Edenred has made a long-term commitment to contribute to limiting the rise in global temperatures.	2.4.3.1 Reducing the carbon footprint, the consumption of energy and natural resources and waste production	Reduction in greenhouse gas (GHG) emissions intensity compared with 2013	26%	52%
Sustainable mobility	Transition risks related to climate change Opportunities to develop low-carbon solutions	Service business are relatively unexposed to climate change risk. However, the shift towards a low-carbon economy or the introduction of carbon tax policies to regulate emissions could have an impact on some of the Group Fleet and Mobility Solutions. The Group supports the ecological transition through its business activity by bringing its customers environmental-friendly services and solutions.	2.4.3.2 Designing eco-services for mobility and food waste	Number of eco-services for sustainable mobility and fight food waste	20	1/country

PRIORITY ISSUES	RELATED RISKS AND/OR OPPORTUNITIES	DESCRIPTION	COMMITMENTS AND POLICIES IMPLEMENTED	PERFORMANCE INDICATORS	2022 TARGET	2030 TARGET
Eco-design and circular economy	Transition risks related to climate change Opportunities to develop environmentally friendly products and services	Optimizing the use of natural and energy resources is now a key strategy in protecting the planet. By transitioning towards eco-designed solutions, Edenred can limit the use of resources during the production and use of its products.	2.4.3.3 Managing the impact of solutions during their lifetime	Percentage of Edenred's solutions that are eco-designed or recycled (in business volume)	35%	70%
Business ethics	Risks associated with regulatory compliance and business ethics	As a digital platform providing payment solutions and services for people at work, Edenred need to act as a trusted partner, especially when working within a government regulated framework. This is one of the main reasons why strict application of business ethics rules must be guaranteed throughout the value chain.	2.4.4.1 Ethically developing activities and partnerships all throughout the value chain	Percentage of employees who approved the Charter of Ethics	100%	Recognition as one of the World's Most Ethical Companies
IT security and personal data privacy	Risks related to personal data protection regulations Risks related to information sytem	In the normal course of business, the Group and/or its stakeholders use IT tools and information systems to manage payment systems and digital services in particular. If the IT infrastructure, network or applications were to fail, or data centers or network security were to be breached, or data were lost accidentally or otherwise, this could disrupt the Group's business operations.	2.4.4.2 Ensuring IT security and data protection	Subsidiaries compliant with personal data protection standards	All Group subsidiaries	Certification and common rules
Responsible payment digitization and client satisfaction	Risks related to stakeholder expectations	Edenred develops solutions to meet the needs of the working world. The digital transition is not only a challenge for the Group but also an opportunity to adapt its solutions in order to meet the needs of its stakeholders and support them in this transformation. For more than 50 years, Edenred has worked with companies, employees and merchants every day to understand and anticipate their needs. The Group pledges to engage in a continuous improvement approach with the aim of being recommended by all of its customers.	2.4.4.3 Meeting the expectations of stakeholders while involving them in Edenred's digital transformation	Sites covered by quality management certification (*e.g.*, ISO 9001)	50%	85%

2.4.1.5 CSR strategy

A sustainable development approach

The Group's Sustainable Development policy is based on three groups of commitments, each with a dedicated action plan to ensure proper implementation. The three axis are:

PEOPLE: improve quality of life

One of Edenred's objectives is to improve the quality of life of its stakeholders based on three goals: be a leading employer by providing a favorable environment for professional development and respecting diversity and human rights, promote well-being through healthy and sustainable nutrition, and contribute to local development by becoming personally involved and sharing the benefits of growth with local groups.

PLANET: preserve the environment

Edenred works to protect the environment by reducing its carbon footprint, consumption of resources and waste, designing eco-services for mobility and food waste and managing the impact of its solutions during their lifetime.

PROGRESS: create value responsibly

Edenred is committed to creating value by developing its activities and partnerships ethically throughout its value chain, ensuring IT security and data protection and meeting the expectations of its stakeholders while involving them in its the digitalization of its solutions.

Edenred has also formally articulated its involvement by setting quantitative targets for each of its medium- and long-term commitments. These ten annual targets have been disclosed and will be monitored over the years to come. They are presented in the sections below.

Shared values

Edenred's values form the basis of its corporate culture and encourage everyone to give the best of themselves and thereby strive for excellence in services to stakeholders. In the Group's transformation, HR and CSR policies, along with the managerial approach, are powerful tools for providing structure and driving engagement and motivation.

- **Passion for customers**

"Employers do not pay the wages, customers do. The more we engage with companies, employees and merchants, the clearer their needs become, and the simpler it is to determine the changes we should be making. We will not stop improving every last detail of everything we do until 100% of our customers insist that their friends do business with us."

- **Respect**

"True business excellence can only be achieved with respect. We are respectful toward our customers, by being pro-active, accountable, and honest; to our colleagues, by expressing gratitude and recognition; to our shareholders, by using the resources they put at our disposal efficiently; and to society, by promoting products and services that create value for all stakeholders."

- **Imagination**

"Imagination stimulates the desire for innovation, and gives rise to progress. We recognize this, and so we put our own imagination to work, generating inspirational ways to connect companies, employees and merchants, for the working world of today and tomorrow."

- **Simplicity**

"Our customers want their interactions with us to be simple and easy. We know that it is hard to make things simple. This is why we always make sure to promote simplicity in everything we do, and transparency in everything we say."

- **Entrepreneurial spirit**

"Our entrepreneurial spirit drives growth, instills our pioneering soul in the new business territories we want to explore, strengthens our local empowerment, and makes us focus relentlessly on operational excellence."

2.4.1.6 Alignment with the UN's Sustainable Development Goals

Edenred continues to comply with the principles of the United Nations Global Compact and contributes to the Sustainable Development Goals (SDGs) set by the United Nations for 2030.

With its societal commitments, Edenred is working toward 12 of these global goals, which are reflected in the Group's objectives through its business operations, solutions and partnerships.

SDG 1. End poverty by developing adapted solutions to support the most vulnerable individuals and boost their purchasing power.

SDG 2. End hunger, achieve food security and improved nutrition by raising the awareness of partner merchants, employee users and Edenred employees about sustainable and healthy nutrition, and by providing easier access to a balanced diet through customized payment methods.

SDG 3. Promote well-being for all at all ages through an ambitious policy to support well-being at work and by developing healthy solutions and health and nutrition awareness for employee users.

SDG 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all through partnerships with institutions that promote the development of education and professional training.

SDG 5. Achieve gender equality by committing to an ambitious diversity policy within the Group.

SDG 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all with the development of solutions that support financial, technological and social inclusion, as well as local development.

SDG 10. Reduce inequality within countries by contributing financially to general interest projects and by ensuring equal opportunity in the hiring process and employee development.

SDG 11. Make cities inclusive and sustainable by supporting the transition towards more sustainable mobility through customized solutions.

SDG 12. Ensure sustainable consumption and production patterns by committing to product eco-design and the development of responsible solutions for sustainable mobility and fighting food waste.

SDG 13. Take action to combat climate change by controlling and reducing greenhouse gas emissions and by promoting low-carbon solutions.

SDG 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels by promoting and developing ethical practices throughout the value chain and by developing solutions fighting informal economy.

SDG 17. Strengthen the means of implementation and revitalize the global partnership for sustainable development by actively contributing to development programs with organizations and governments and by developing real-world solutions to societal needs, which contribute to meeting the objectives of public policy, whether on a national, European or global level.

people.

- BE AN EMPLOYER OF CHOICE
- PROMOTE WELL-BEING THROUGH HEALTHY AND SUSTAINABLE NUTRITION
- CONTRIBUTE TO LOCAL DEVELOPMENT

planet.

- REDUCE THE CARBON FOOTPRINT, THE CONSUMPTION OF ENERGY AND NATURAL RESOURCES, AND WASTE PRODUCTION
- DESIGN ECO-SERVICES FOR MOBILITY AND FOOD WASTE
- MANAGE THE IMPACT OF SOLUTIONS DURING THEIR LIFETIME

progress.

- ETHICALLY DEVELOP ACTIVITIES AND PARTNERSHIPS
- ENSURE IT SECURITY AND DATA PROTECTION
- INVOLVE STAKEHOLDERS IN EDENRED'S DIGITAL TRANSFORMATION

2.4.1.7 Measuring and rating performance

2.4.1.7.1 Socially responsible investing indices

FTSE4Good

In recognition of its commitment to CSR, Edenred has been included in the FTSE4Good Index series since 2010. An evaluation by an independent organization demonstrated that Edenred fulfilled the requirements for inclusion. The FTSE4Good Index series has been designed to facilitate investment in companies that meet globally recognized CSR standards.

Dow Jones Sustainability Indices

For the seventh consecutive year, the Dow Jones Sustainability Index (DJSI) acknowledged Edenred's commitment to CSR. Edenred has been included in the DJSI Europe in the Commercial & Professional Services industry group since 2013. The index assesses companies on economic, social and environmental aspects, covering specific criteria such as governance, Human Resources policy, human rights and environmental impact.

Vigeo Eiris

In 2018, Edenred was included in the Europe 120 and Eurozone 120 socially responsible investing (SRI) indexes managed by Vigeo Eiris. This European agency evaluates and ranks organizations based on environmental, social and governance criteria.

Ethibel

In 2019, Edenred was selected to be included in the Ethibel Sustainability Index (ESI) Excellence Europe developed by the non-profit Forum Ethibel. The index includes 200 European companies with the best Corporate Social Responsibility performance.

2.4.1.7.2 Standards

United Nations Global Compact

In 2015, following the publication of its Charter of Ethics, Edenred officially joined the 12,000 organizations around the world that have pledged to support the United Nations Global Compact, an initiative that calls on companies to adopt a common stance on human rights, labor, the environment, and anti-corruption. Launched in July 2000 with the goal of creating a sustainable, inclusive global economy, the Compact is one of the world's foremost CSR initiatives.

> "For four years, Edenred has upheld the United Nations Global Compact by aligning its strategy and operations with the ten principles. We have submitted our fourth Communication on Progress describing our performance in human rights, labor, environment and anti-corruption, and achieved Advanced Level status."
>
> Bertrand Dumazy, Chairman and Chief Executive Officer of Edenred

In 2019, Edenred submitted its fourth Communication on Progress report, which is available on the Global Compact website. Since 2018, the Group has qualified for the "Advanced" level based on its actions dealing with human rights, labor, environment and anti-corruption.

A cross-reference table with the ten principles of United Nations Global Compact is available in section 6.11, page 368.

GRI

The CSR report has been prepared in line with the Global Reporting Initiative (GRI) standards. A cross-reference table with criteria from the GRi Standards is available in section 6.11, page 368.

Edenred's goal is to soon provide cross references with the Sustainability Accounting Standards Board (SASB) standard for the "software and IT services" category.

2.4.2 PEOPLE: improve quality of life

2.4.2.1 Being an employer of choice by providing a favorable environment for professional development, respecting human rights and encouraging diversity

HR policies are designed to support the Group's operating strategy and ongoing transformation. Each policy is applied locally, taking each subsidiary's size, history, culture, circumstances and regulatory environment into account. The Group HR Department ensures the sharing and application of best practices by relying day-to-day on the network of HR correspondents.

This pragmatic approach is designed to develop a consistent global set of principles that support the Group's business operations. It also maintains the subsidiaries' independence, while reinforcing the co-construction approach with the Group.

In line with the risk analysis performed at the Group level, HR initiatives and policies primarily focus on the following issues:

- attraction: implementing talent acquisition programs, reviewing the Edenred employer brand and improving hiring and new employee onboarding processes;
- development: onboarding, training and appraising employees;
- retention: managing careers, implementing an *ad hoc* recognition program and reviewing compensation policy, mobility policy and the work environment.

Country HR teams are responsible for locally implementing HR principles and complying with national labor practices and legislation.

2.4.2.1.1 Priority issue: talent management

Attraction

The goal of the Attraction pillar is to attract talent with the skills – or the ability to acquire the skills – that Edenred needs to continue to grow. The related HR policies are designed to attract talents among young graduates and more experienced professionals alike.

Hiring for the long term

In 2019, Edenred hired a total of 2,107 employees on permanent contracts Group-wide to support its business development. The hiring of new employees is seen as an important process and is managed rigorously. Internal policies ensure compliance with the principles of non-discrimination and diversity so that the recruitment process takes place without any form of discrimination.

Before starting an external search, country organizations first look at internal mobility paths.

To attract the right people and minimize vacancies, subsidiaries with the highest recruitment needs invested heavily in optimizing their recruitment tools in 2019, improving the user experience for both Edenred and the applicant.

For example, Edenred Brazil invested in resources including an artificial intelligence program to manage the hiring process. UK subsidiaries developed an online recruitment platform and management software to cover a range of tasks from defining needs to setting up interviews. In 2018, Edenred France launched a new recruitment system and a tool for managing video interviews.

Local subsidiaries have redesigned and streamlined the hiring process in growth markets where unemployment rates are sometimes historically low. For example, Edenred in the Czech Republic makes applicants an offer within two weeks following initial contact.

Lastly, a special collective approval process has been introduced for in-house promotions and recruiting people outside the organization who are likely to be appointed to a management committee.

Leveraging the employer brand

One of the ways Edenred works to attract talent is by leveraging the employer brand from the global to the local level. On top of Group-level and local communication initiatives, some subsidiaries work with specialist recruitment agencies, primarily to fill executive positions and job vacancies for which qualified people are hard to find.

Employees understand Edenred and its needs best. For this reason, referral programs have been introduced in countries such as India, Sweden, Finland and Hong Kong. These programs encourage employees to recommend or sponsor applicants who fit with the Group's values and requirements. In the Czech Republic, 20% of new hires were found through internal recommendations

Developing hiring programs

At the Group level, the Edenstep graduate program was launched in 2017 to attract young talent looking for a rewarding experience abroad. Members of this program are given the opportunity to take two job positions back-to-back in two different host countries, spending one year in each position. Each graduating class has about ten students from a variety of academic backgrounds, such as engineering, sales, digital technology and finance. The program aims to identify and develop future talent at the Group level.

Local hiring programs are often aimed at young graduates, one of the Group's key resources. Two such programs were launched in Brazil in 2018, aimed at students and young graduates in the Fleet & Mobility Solutions and IT segments. Similarly, Edenred Mexico launched the Jovenes Construyendo el Futuro program with the Mexican government to hire and train young talent. In Taiwan, students are invited to visit Edenred Taiwan's offices to discuss the Company's values and products.

Development

The Development pillar aims to provide employees with the opportunity to develop the knowledge they need to deliver quality work every day, as well as skills to enhance their employability in a fast-changing job market.

Onboarding new employees and helping them find their place

The first steps in a new company are key for any new hire. For this reason, Edenred subsidiaries pay particularly close attention to welcoming new employees into their teams. Most of them have set up onboarding programs that help new employees quickly find their way within the organization and discover the corporate culture.

Depending on the position and the subsidiary's local environment, several onboarding programs are available, including:

- collective onboarding sessions that give several new employees the opportunity to learn about the Group's history and strategy, the host country's specific features and Edenred's operating procedures;
- one-on-one meetings with key people related to the employee's position.

Other initiatives may be organized before or after these onboarding days:

- welcome booklets, to offer new hires practical information and on-the-job guidance. A Group welcome booklet was updated in 2019 and distributed in every country;
- the announcement of new arrivals to all employees by email;
- feedback sessions with Human Resources and/or the immediate supervisor after a few months (*e.g.*, in Mexico, Finland, Portugal and Slovakia);
- mentoring programs that team a newcomer with a more experienced employee for example in Germany, Portugal and Venezuela, or in the case of interns hired by Edenred International under France's Volunteering for International Experience (VIE) program;
- immersion programs that offer new hires the opportunity to get to know Edenred better by spending time in an operations department, for example in Belgium or Finland, where the onboarding program includes a session to introduce new employees to their coworkers, along with an immersion session in the after-sales service department.

Offering high-quality training programs while meeting the Group's organizational and operational needs

Supporting employees' growth and skills enhancement is crucial for:

- promoting the Group's strategy, notably in the stepped-up digital transition and in the development of new solutions;
- improving team members' employability, by developing their expertise and fostering their personal growth.

Training is a key part of every HR initiative at Edenred. In 2019, 7,913 employees (or **89%** of the workforce) participated in at least one training course during the year. Every employee on payroll at December 31 had attended nearly 19 hours of training on average in 2019. Complete data on training are provided on page 96.

All Edenred employees may participate in training, provided that the courses correspond to their unit's strategy and needs and match their personal development objectives. Most of the subsidiaries have a structured training plan, aligned with the Group's key training principles and growth strategy, and tailored to the local situation.

Training is generally managed at the local level, in keeping with Edenred's multi-local culture, while responding to the key issues identified at the Group level. Additionally, some specific training programs are managed or launched at the Group level.

Annual training plans are designed by HR teams based on needs compiled from one-on-one meetings held at least once a year between managers and their team members.

Group training programs

To provide access to training for every Group employee, Edenred launched an e-learning tool in late 2018 with the goal of rolling it out across all subsidiaries by 2020. The solution, called Edenred Digital University (EDU), is a platform designed to provide employees with training content to develop their interpersonal and technical skills.

In 2019, the platform was made available to more than 4,000 Group employees. The range of online training courses was also expanded month after month to enable managers to more effectively take ownership of the issues in the Next Frontier strategic plan. Within the Business Excellence program, four made-to-measure training modules are now available to raise awareness of our SME targets' sales and marketing issues, improvements to our value proposition for merchants and the effectiveness of our sales forces. The Group's digital training catalogue will continue to expand, for example with multilingual training modules on interpersonal skills, and with access to a platform for English, French and Spanish lessons for all.

Local training programs

Subsidiaries' training programs draw on the Group's strategic focuses and are adapted to the local needs of subsidiaries and business lines and on short- and medium-term objectives. The priorities in 2019 were to:

- enhance marketing, technological and functional expertise, with:
  - training for sales and marketing teams, with special programs in many subsidiaries, such as Belgium, Turkey and Malaysia. In addition to responding to local issues, these courses focus on the notions and techniques of add-on selling and up-selling,
  - product training, for example in Mexico, to accelerate the upskilling of sales teams,
  - IT training on new Group tools, such as in Colombia, and other specific IT topics, such as in Singapore;
- strengthen managerial capabilities, teamwork, cooperation and change management;
- provide language training, particularly in English, to improve and increase dialogue and communication between Group subsidiaries;
- raise employee awareness about best practices with respect to compliance, risk management, information security, long-term viability and operational continuity. In Europe, key people at Group subsidiaries have received training on the General Data Protection Regulation (GDPR) and its resulting requirements. In Brazil, for example, such training programs are mandatory for all new hires and can be accessed *via* the subsidiary's online platform;

- inform and educate employees about sustainable development: in Brazil, a new mandatory training module for all employees was implemented in 2019 on the Group's People, Planet, Progress social commitments and on sustainable development issues. The goal is to encourage good habits that foster responsible consumption and energy efficiency, and to communicate the importance of these issues for Edenred's business. Over a thousand employees have taken the training since its launch on the Group online platform;
- encourage knowledge sharing, with dedicated seminars at Edenred International and other subsidiaries;
- improve understanding of internal processes, as is the case in Greece, where special training courses have been implemented to teach and help managers in preparing performance reviews.

Programs may be conducted by internal experts or by outside organizations, using a variety of methods, including classroom teaching, knowledge sharing and e-learning modules.

Retention

The purpose of the Retention pillar is to take the necessary steps to create the environment that enables employees to realize their full potential.

Offering motivating career paths

At Edenred, there are no standard career paths. Employees' career development is managed by both the subsidiary and the Group. In keeping with Edenred's entrepreneurial spirit, each employee is encouraged to actively manage his or her personal growth and career development. The Group's ongoing transformation and agile organization are constantly offering employees new opportunities. In many countries, especially ones with small, fast-growing organizations, employees are given many responsibilities on different areas thereby enhancing their versatility.

Whenever the required skills are available in-house, promoting from within is preferred to outside recruitment. Vacancies are advertised internally at several subsidiaries – namely in Chile, Belgium, Finland and at Edenred International, including corporate headquarters – a practice that is now being extended to other subsidiaries. At several other subsidiaries, such as the United Kingdom, an Internal Recruitment Charter is helping to ensure that employees have the same chances of being hired as outside candidates.

Other initiatives have been developed to present Edenred's new businesses and build pathways into them for employees. For example, Edenred International's Internal Audit Department runs a "Guest" program that gives Group employees the opportunity to participate in short-term audit assignments that let them discover new professions and new working environments, while learning about internal control best practices in place across the Group. In addition, countries such as India, Romania and the United Kingdom have facilitated pathways between jobs for some functions, particularly for IT and sales teams. These pathways provide openings for potential moves from one level or type of position to another.

To encourage employee mobility, Edenred International has been listing vacancies potentially suitable for international candidates online since 2017.

International mobility management is handled at the corporate level. An international mobility policy was updated in 2018 to set clearer guidelines for managing these international transfers. Employees benefiting from the international mobility program are closely monitored by the Executive Committee.

Managing talent and preparing the future

Since 2018, a talent review process has been in place at the Group level to enhance Edenred's ability to identify and monitor key and high-potential employees. A guide was prepared to be used as a shared evaluation framework by subsidiary chief executives, regional directors and the HR community. Employee reviews focused on subsidiary management committees.

All members of the Executive Committee were involved in supporting this new Group talent identification program.

In addition, two programs for high-potential employees exist at the Group level:

- Talent Week, which is aimed at Group employees with between five and ten years of professional experience and recognized commitment and potential. It gives participants a better understanding of Edenred's strategy, instills a shared knowledge base and helps them build an international network;
- Edenred Executive Academy, for employees with over ten years of experience. Co-designed with HEC Executive Education, this one-week training program welcomes some 25 participants a year. Edenred Executive Academy provides a way for participating employees to prepare for the Group's future professional opportunities. The program covers topics such as leadership, business development and personal development.

The Executive Committee is involved in preparing and leading these programs.

Employee recognition at the Group level

Each year, two types of awards are handed out to recognize the achievements and contributions made by individual employees and by teams. Ewards single out employees whose outstanding work has made a significant impact, while Value Awards honor teams that have perfectly embodied the Group's values. Eward and Value Award winners are selected from among all Group subsidiaries up to the executive level. The Group Executive Committee makes the final selection for the Ewards, attesting to the importance the Group places on individuals. Projects in the running for Value Awards are subject to direct vote at the Group's executive management seminar.

In all, 14 employees received Ewards and five teams received Value Awards in 2019.

Employee recognition at the regional or local level

In Latin America, Asia and Europe, employee recognition programs have been in place for many years. By rewarding exceptional individual and team achievements, they help improve client relations, drive innovation and foster internal cooperation. For example, every year in Portugal, two employees are given awards for their dedication to representing the Group's values. In addition, some subsidiaries make a point of recognizing employees who have given five, ten and fifteen or more years of service to the Group. Local ceremonies are organized to celebrate these individuals, who receive monetary awards or Edenred solutions depending on their seniority.

Compensation

Both global and local compensation policies are designed to recognize employees for their individual engagement and contribution to the Company's growth. They are structured to ensure that individual and collective objectives are effectively aligned with the Group's strategy and support its deployment.

Fixed pay rises are mostly determined in light of the local environment (job market and applicable labor legislation). The principles shared across the Group are based on individual performance, taking into account:

- proficiency and level of responsibility for a given job classification;
- the job's positioning as compared with the employment market.

Depending on the managerial level or type of position, employees may be eligible for an incentive bonus, whose target amount is set according to the job grading. The amount granted is determined on the basis of the employee's performance during the year, as measured against the objectives mutually agreed upon with the employee during the prior year's performance interview.

Edenred solutions and services

Employees are our main ambassadors and promoters. As such, they benefit from solutions and services offered in their country of employment, in compliance with local legislation and within locally defined limits.

These services and solutions, which vary from country to country, aim to:

- make life easier: *Ticket Restaurant*, *Ticket CESU*, *Ticket Alimentación*, *Ticket Car*, *Childcare Vouchers* and *Wellness Benefits*;
- incentivize and reward: *Shopping Card*, *Ticket Kadéos*, *Ticket Compliments*, Delicard;
- manage fleets and mobility: in the course of their duties, some managers and sales employees use Edenred's Fleet & Mobility Solutions. In Mexico, thanks to *Ticket Empresarial*, managers no longer have to pay business expenses upfront (within a certain limit).

In some countries, such as the United Kingdom, Finland and Portugal, employees can select the benefits that best suit their needs *via* a dedicated web platform. These so-called "flex" or "cafeteria" systems offer the opportunity to save, invest in retirement funds, and use Edenred solutions or travel allowances.

Profit-sharing programs

Employees are given a stake in consolidated net profit in different ways depending on the local environment. For example, in France, employees of Edenred France and Edenred International have the option of joining the Group's statutory profit-sharing plan. The funds, calculated on the basis of the Company's net profit, are set aside in the Special Employee Profit-sharing Reserve for deferred payment.

To strengthen cohesion beyond the unit level and enhance the sense of co-destiny among employees of the two French subsidiaries, an agreement was signed in November 2010 and renewed in 2013 to create a single, pooled Special Employee Profit-sharing Reserve. The amount of profit-sharing bonuses varies on the basis of net profit, equity, wages and value added.

Independently of this shared agreement, Edenred France and Edenred International have each signed discretionary profit-sharing agreements aimed at giving employees a stake in their company's performance by rewarding them with a collective bonus, based on the achievement of the performance laid down in the agreement. A new three-year agreement was signed in June 2019.

Share-based payments

Performance shares are awarded annually to key executives and top talents, representing around 325 grantees worldwide in 2019.

The plan period is three years.

Performance criteria are measured over three years for each of the three indicators: growth in business volume, funds from operations before other income and expenses (FFO) and Edenred's total shareholder return (TSR) compared with the TSR of SBF 120 companies (see section 2.1.2.2 2019 financial year and beginning of 2020 financial year, on page 34).

Employee savings plans

Edenred supports employee savings with a number of plans.

Two schemes have been available to Edenred France and Edenred International employees since 2011:

- the Group Savings Plan, under which they can invest in securities and money market instruments;
- the PERCO retirement savings plan.

Edenred encourages this type of saving by offering a matching contribution.

Similar plans with employer contributions have been set up to supplement mandatory pension systems in some countries including Brazil.

Edenred Solidarity Fund

Some subsidiaries have set up a solidarity fund to help their employees experiencing financial hardship.

In early 2015, the management and employee representatives of Edenred France and Edenred International signed an agreement setting up a Solidarity Fund to provide financial assistance to employees of the two units who find themselves in need. Eligible employees may receive support in the form of donations or loans, depending on the situation. Each case is reviewed by a committee comprising an employee representative and a management representative from each unit, who must decide unanimously to grant or reject the requested support.

2.4.2.1.2 Promoting diversity

Diversity is a source of value and performance. The Group's Charter of Ethics reaffirms its commitment to forbidding any form of discrimination with regard to gender, age, family situation, origin, sexual orientation, physical ability, or membership of a political, religious or labor organization.

Aware that the diversity of its employees is a strength and valuable asset, Edenred launched a global diversity action plan in 2019. The Group's objective is to guarantee that each of its employees have the same access to growth opportunities. The action plan is supported and coordinated at the highest level within the Group and includes a set of individual and collective commitments. Priority is on gender diversity, but other forms of diversity – such as multiculturalism and disability – remain an important focus of Edenred's commitments.

Commitments to diversity

Edenred demonstrates its commitment by implementing concrete actions:

- Develop a diversity training module for managers that will be adapted and rolled out to all employees.
- Adapt HR processes, particularly recruitment and promotion for management positions.
- Sign the Diversity Charter at Group level and encourage implementing similar actions locally.
- Monitor women's representation in Human Resources development programs and top management.
- Launch a diversity network and internal mentoring network primarily aimed at women.

Diversity Charter

France

On International Women's Day in 2019, the Group officially announced its commitment by signing the Diversity Charter. Under this Charter, company pledge to go beyond regulatory requirements. The Diversity Charter was initiated in 2004 by a network of companies taking action to promote diversity. Today, it rallies together almost 3,800 actors across six commitments to apply and enforce within their organizations:

1. Raise awareness amongst and train our executives and managers who are involved in recruitment, training and career management in issues of non-discrimination and diversity, gradually rolling this out to all colleagues.
2. Promote the application of the principle of non-discrimination in all its forms in all actions undertaken by our management and decisions made by the company or organization, particularly in all stages of human resource management.
3. Encourage representation of the diversity of French society in all its variety and riches, including without limitation, cultural, ethnic and social aspects, within the workforce and at all levels of responsibility.
4. Communicate our commitment to all colleagues as well as our customers, partners and suppliers, to encourage compliance and dissemination of these principles.
5. Develop and implement the diversity policy as a subject of social dialogue with staff representatives.
6. Regularly evaluate the progress made, share the practical results of the commitments implemented both internally and externally.

With the signature of Edenred International and Edenred France to the Charter, the Group reaffirms its commitment to combat all forms of discrimination.

Other Group countries

Edenred Romania officially signed the Romanian Diversity Charter in July 2019, strengthening and confirming the values firmly upheld by the Group: diversity, non-discrimination and equal opportunity. In doing so, the subsidiary has joined Edenred Italy and Edenred Germany, which signed similar charters in their respective countries several years ago.

Promoting and raising awareness about diversity

Somos DI program in Mexico

After organizing its first diversity week in November 2018, the Mexican subsidiary created its annual Somos DI (We are Diversity and Inclusion) program. The event is held to highlight the principles of inclusion, equality and non-discrimination prevailing within the company and to emphasize the importance of diversity as a way to better understand clients' needs.

A total of 750 employees were taught about non-discrimination, and over half participated in workshops and talks on a range of topics including gender equality, cultural diversity, intergenerational interaction and understanding disability. Edenred Mexico was also recognized as a "Great Place to Work" for LGBT+ communities in 2019.

Diversity Day in Germany

In 2012, Edenred Germany signed the Diversity Charter and has celebrated this pledge every year since 2016 in the two cities where the Company operates, Munich and Berlin, as part of Germany's nationwide Diversity day.

A picnic has been organized for the past three years in honor of the event. In 2019, 130 guests participated, bringing a typical dish from their native region or country.

Internal and external action in Brazil

Edenred Brazil has developed a set of initiatives to evolve its organizational practices relating to diversity. These actions include for example in 2019 a remote training program about unconscious bias, which was taken by 69% of employees, two workshops attended by over 70 women to study career strategies and leadership, along with diversity awareness events to celebrate International Women's Day and Idealday.

Edenred Brazil has also signed the WEPs (Women's Empowerment Principles) established by the United Nations. The WEPs set out seven principles offering guidance to businesses on how to promote gender equality within their operating environment and act to support equality. The subsidiary is also a member of the Movimento Mulher 360° organization, a business movement for the economic development of women.

A diverse workforce

Fully embracing its multicultural diversity while aware that its subsidiaries operate in very different and complex markets, Edenred wants the diversity of the workforce to reflect the geographic diversity of its subsidiaries' locations. In the United Kingdom, for example, Edenred has developed a policy designed to ensure that employees are hired, promoted, trained and generally treated on the basis of their skills and aptitudes alone, without regard to gender, country of origin/nationality, religion, age or any other factor. As a major stakeholder in this policy, management is responsible for combating all forms of discrimination on a daily basis and raising employee awareness about the seriousness of discriminatory behavior, which can lead to disciplinary action.

Identifying new talent in France

Edenred has been implementing innovative programs for several years to promote skills development for all employees and support equal opportunity. To multiply its recruitment channels, Edenred France has been assisting job seekers since April 2018 by steering them toward the field of client care, even if they have never worked in this area before. The recruitment program involves:

- diversifying profiles in the sourcing process;
- a simulation-based assessment as part of prior training in partnership with France's employment agency;
- onboarding at the Company's offices.

Hiring

Decisions with regard to hiring, promotion, training and compensation are based solely on the individual's capabilities, skills and experience. In December 2018, the Group introduced a rule for hiring new employees. If two candidates for a position are equally qualified, the choice will go to the individual with the least representation in the organizational unit.

Gender equality

At end-2019, women accounted for 52% of employees worldwide and held 40% of management positions. Different types of initiatives have been taken to promote gender equality, including:

- formal policies to eradicate discrimination and promote gender equality, implemented for example in the United Kingdom and Mexico;
- an agreement on gender equality, which reaffirms the principles of respect for equal opportunity between men and women at all stages of their careers in France. It includes initiatives to eliminate roadblocks for women at Edenred, as well as measures to facilitate more equal sharing of childcare responsibilities. The intergenerational contract, which came into force in early 2014, was abolished by the French government during the year. However, Edenred International has decided to honor its existing commitments and remains committed to ensuring a gender balance and maintaining current employment levels for young people and older workers.

Integrating and retaining people with disabilities

Edenred took an assertive stance in this area by signing an initial agreement in 2012 (applicable in the subsidiaries Edenred France and Edenred International) to hire and retain people with disabilities. At the end of 2018, it reaffirmed its commitment by signing a new three-year agreement that includes not only a plan to hire people *via* a variety of recruitment channels but also a plan to keep people in employment, as well as training, communication and awareness initiatives. The agreement also includes a plan to strengthen collaboration with sheltered workshops, under which Edenred will work with more people recognized as having disabilities.

More broadly, the subsidiaries demonstrate their commitment to integrating and retaining people with disabilities in a number of ways, aligned with each country's specific characteristics, such as:

- the direct hiring of **141 people** with disabilities, in a large number of subsidiaries. For example, the Belgian subsidiary has established a partnership with a dedicated job training center;
- the indirect hiring of people with disabilities, for example in the Czech Republic for various services, and in Italy, in accordance with an agreement signed with the Milan province to integrate employees with disabilities through an outside company;
- the design and/or upgrading of workplaces to make them accessible to people with disabilities;
- a dedicated team set up for the French subsidiaries with identified internal correspondents, who are responsible for developing partnerships with recruitment organizations and sheltered workshops, creating a purchasing policy, ensuring the continued employment of employees recognized as having disabilities, and organizing employee information and awareness sessions on disability issues;
- the plan to retain disabled Edenred France employees by upgrading their workstations with hearing devices, ZoomText magnifiers for the visually impaired, and a number of other ergonomic adjustments;

- the plan to support corporate clients, employee users, partner merchants and other stakeholders in France, with the introduction of an innovative system for making all Group solutions accessible to the hearing impaired;
- training for Edenred France sales people in the subsidiary's disability policy;
- communication and educational initiatives for Edenred France employees focused on digital accessibility, for example through the update of the customer relationship platform to make it accessible to people who are deaf and hard of hearing.

Older employees

Edenred International made a commitment in late 2010 to promote the hiring and retention of older employees. In 2014, employee representatives from the Edenred France and Edenred International subsidiaries signed a new intergenerational contract. Despite the decision of the French government to abolish the obligation at the national level, Edenred decided to honor its commitments in 2018. Under the agreement, the subsidiary commits to increasing the hiring rate of people under 26 by two percentage points and to preserving the proportion of employees aged over 45. Special programs have been implemented to scale back the number of hours worked per week for employees aged 55 and over.

2.4.2.1.3 Labor and human rights

At Edenred, social dialogue comes in different forms, such as negotiation and consultation procedures, as well as the simple exchange of information between employee representatives and management. All of the social advances achieved since July 2010 demonstrate the importance of social dialogue as a key success factor. Representative bodies have been set up in most Edenred subsidiaries (except small units), providing a crucial foundation for the social dialogue process. Three levels of social dialogue are in place within the Group.

Fostering social dialogue

At the national level

The Group believes in the importance of developing constructive and innovative social dialogue. In all, **52%** of employees work in subsidiaries with employee representative bodies and **61%** are currently covered by a collective agreement.

In 2019, **78** such agreements were signed in subsidiaries on a wide variety of issues, including wages, profit sharing, intergenerational agreements, working hours and workplace health and safety. Among those agreements, **three** focus specifically on health and safety.

France

Because Edenred France and Edenred International employees work so closely together, management and employee representatives have agreed on the need for a Group Works Council on the basis of the various works councils in place within each subsidiary. Its role is to address all of the issues pertaining to the Group's operations and its financial, business and labor situation, as well as its strategic vision and objectives. It met once in 2019. The Group Works Council's role is not the same as that of the works councils of the Edenred France and Edenred International subsidiaries, which have their own specific objectives and resources.

At the European level

Employee representation at the national level varies from country to country. As the Group is convinced that quality dialogue at the European level will help develop a shared sense of belonging, a European Works Council was created in 2014. Its mission is to address all cross-border issues (*i.e.*, concerning at least two countries) in an even-handed spirit of discussion and dialogue. It meets once a year, most recently in October 2019.

Promoting workplace health and safety

In line with Edenred's ambition to be a "Best Place to Work", on-the-job risks – including psychosocial risks – are integrated in the development plans. The guiding principle is to ensure that employees have a safe, healthy workplace in which they can perform effectively. The subsidiaries adapt this principle in accordance with their needs, local practices and legal and regulatory framework. Local initiatives focus on three key areas: preventing occupational risks, preventing psychosocial risks and providing healthcare coverage.

Complete data on health and safety are provided on page 96. Note in addition that in 2019, Group-wide, there were six cases of certified occupational illness, 24 occupational accidents and 25 commuting accidents, all resulting in at least one day of lost time.

Preventing occupational risks

Edenred works closely with employee representatives and encourages the implementation of training and employee awareness initiatives. Experts also visit sites to verify their compliance and provide employees with health advice.

France

Edenred France and Edenred International have both set up Social and Economic Councils, which cover the roles of the Health, Safety and Working Conditions Committee (CHSCT). All occupational risks are listed in a single document so that they can be reduced or eliminated with effective action plans.

Brazil

In accordance with legislation, the Internal Accident Prevention Committee (CIPA) meets once a year. Made up of elected representatives, the Committee maps identified risks in each work unit in a specific, regularly updated document and implements prevention policies and awareness initiatives. A regular newsletter provides information on such topics as occupational health, ergonomics and road safety. Workplace rescue and first-aid staff are also regularly trained.

Health coverage and other health benefits

With mandatory cover varying significantly from one country to the next, each unit selects the level of additional cover it wishes to provide, depending on the local situation, its business plan and its funding capabilities. Additional local health cover is also offered:

- In France, Edenred France and Edenred International signed an insurance agreement in November 2010, followed by company agreements for each subsidiary to ensure that employees and their families are covered in the event of illness, accident or death.
- Edenred Austria introduced a program to help employees who want to have a flu vaccination or to stop smoking. In the United Kingdom, there is a program offering employees additional benefits (coverage for spouses, bikes, discount coupons, etc.).

In some countries, the Group's commitment is also demonstrated through a number of initiatives to promote employee health and well-being as well as awareness about maintaining a balanced diet.

- Several countries – including Romania, Mexico, Brazil, India, Poland and Colombia – have implemented health and well-being programs that provide benefits for employees, such as free medical exams, health and nutrition awareness sessions, free medical tests, and discounts for medical exams or for physical and sports activities. In fact, Edenred Mexico was recognized for its health care performance, and was recently awarded Responsible Health Organization certification by Mexico's Workplace Wellness Council (WWC).
- The subsidiary in Brazil has set up a dedicated health area, Espaço Saúde, for any in-company medical exams. Over 8,000 visits took place in 2019. Lastly, the personalized Edenred na Medida program offers services with exclusive deals and benefits for employees who want to improve their health. Around 20 employees have already taken part in the program with medical checkups and follow-up, personalized counseling, health coaching and physical activity sessions.
- Edenred France also organizes campaigns to raise awareness about health and safety issues, such as a workplace health and safety day and a one-day event to fight hepatitis with the non-profit organization "Santé en Entreprise". A nurse and a social worker are based full-time on the French site to see employees when required.
- In Venezuela, a program was put in place to provide employees with food packages every month for access to healthier meals.

Organization of working hours

In every host country, Edenred operations comply with local legislation on maximum weekly working hours.

In 2019, **95%** of Group employees had permanent contracts and **93%** worked full time.

Supporting human rights

Edenred is committed to respecting human rights as defined in the Universal Declaration of Human Rights and adheres to the UN Guiding Principles on Business and Human Rights. The actions taken by the Group and its performance in areas covered by these guidelines are published every year in its "Communication on Progress" report, available on the United Nations Global Compact website.

The Group also reaffirms its commitment to complying with the principles and fundamental rights outlined in the International Labour Organization's fundamental conventions, which cover:

- freedom of association and the effective recognition of the right to collective bargaining;
- elimination of all forms of forced or compulsory labor;
- effective abolition of child labor;
- elimination of discrimination in respect of employment and occupation.

The resources deployed in relation to Edenred's business segments are described in sections 2.4.2.1.2 and 2.4.2.1.3, starting on pages 90.

As a result of these commitments, the Group avoids any negative impact on human rights. In 2016, it updated its Charter of Ethics, which defines the conduct expected from its employees, partners and suppliers. At the end of 2019, **96%** of Edenred employees had approved the Charter of Ethics.

Non-financial risks, including risks relating to human rights, were assessed in 2018 in 46 countries where the Group operates. This analysis did not identify any significant risks relating to human rights.

Several countries have also developed initiatives to prevent any negative impact while raising the awareness among employees about these principles.

Examples of initiatives around the world

Portugal

The subsidiary implemented a local code of conduct applicable to all employees, which sets out the guidelines for professional conduct to prevent and combat workplace harassment, therefore creating and maintaining a work environment in which all individuals are treated with dignity, decency and respect. The code also includes the disciplinary action applicable if these guidelines are not respected.

United Kingdom

Edenred introduced in 2018 a Modern Slavery Transparency Statement, which describes the measures taken by the subsidiary to prevent slavery and confirms its compliance with anti-slavery laws.

Mexico

As a recognition for its advanced commitment to social responsibility, Edenred earned a certification under the Mexican standard on equal employment opportunities and non-discrimination. This certification is awarded by the National Institute for Women (INMUJERES), the National Council to Prevent Discrimination (CONAPRED), and the Secretariat of Labor.

2.4.2.1.4 Workplace environment

Our Best Place to Work ambition

High performance and well-being are part of Edenred's commitment toward both clients and employees. Improving quality of life in the workplace and employee engagement is therefore a key challenge for the Group. In line with this, the shared goal of the country organizations is to be committed to a Best Place to Work initiative, or, in other words, "to make Edenred a great place to work". To achieve this, the Group has made workplace health, safety and well-being a key priority.

In 2018, the Group implemented a survey, prepared in partnership with AON, to measure employee engagement at the global level. It garnered a response rate of **86%**. The survey will be conducted every two years to monitor engagement levels and progress on action plans.

Recognition at the local level

Again in 2019, the Mexican subsidiary was recognized as a company committed to health, earning the Empresa Saludablemente Responsable label. Delivered by the council of Workplace Well-being, this award placed Edenred at a growth level of 2.0. This category highlights the initiatives developed by the Company to support the well-being of its employees. In 2019, Edenred was also listed as one of the top 200 companies in Mexico with the best Corporate Social Responsibility policies. This certification is awarded by Tops Mexico, an organization made up of companies based on their participation in the main rankings of Corporate Social Responsibility, well-being and inclusion.

Promoting a satisfactory work-life balance

Edenred is committed to developing a positive work-life balance through a number of initiatives that vary by region, including:

- flexible working hours, as in Sweden, Finland and the United Kingdom. In Germany, the subsidiary offers significant flexibility with 22 different worktime arrangements. At PrePay Solutions, policies are in place to manage flextime and home-working arrangements;
- part-time work, which is encouraged in Austria (especially for employees with young children) and in Slovakia;
- concierge services that can handle certain private tasks for employees during their working hours to save them time;
- benefits to promote employee well-being, such as gym and dance classes, healthy eating and balanced diet workshops, availability of fruit baskets and other healthy snacks especially in France, Belgium, Portugal, Mexico, Colombia, India, Romania, Venezuela and Germany;
- support for parents:
  - at the birth of a child, with new baby bonuses in Austria, incentives to take paid parental leave beyond the legal minimum at PrePay Solutions, the "Keep in Touch Days" program in the United Kingdom, and the "Future Mom" program in Brazil,
  - for childcare, with:
    - the distribution of Edenred childcare solutions to employees (such as *Childcare Vouchers* in the United Kingdom, Ticket Junior in the Czech Republic, *Ticket CESU* in France, Euroticket Creche and Euroticket Estudante in Portugal),
    - offices designed with an area to welcome employees' children when they are ill or need temporary childcare (Mexico and Germany),
    - a "Moms and Dads" program in Italy to support women returning from maternity leave and expert help in identifying the most appropriate childcare solution.

2.4.2.1.5 Key progress indicators

Calculation method

Edenred's progress on this commitment will be measured annually based on two indicators:

- the percentage of employees who attended at least one training course during the year. The figure represents a five-year average;
- the percentage of women in executive positions at the Group. This refers to the executive managers in Group-level management positions or on subsidiary management committees.

Performance monitoring

In **2019**, **82%** of employees had taken one training course on average over the previous five years, thereby exceeding target of **80%** by 2022. The Group pursue its actions to reach the target of **85%** by **2030**.

The percentage of women in executive positions at the Group stood at **24%** in **2019**, with a target of **25%** by **2022** and **40%** by **2030**.

2.4.2.1.6 Key figures

Human Resources data at December 31, 2019

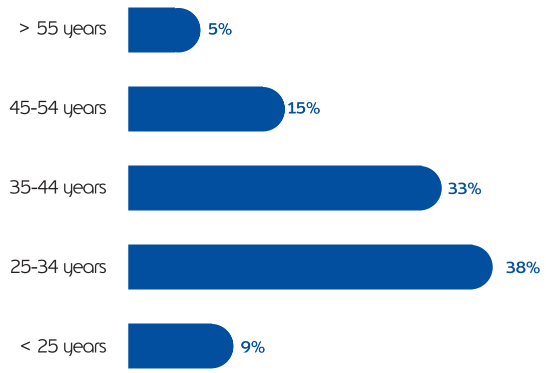
At December 31, 2019, Edenred employed **8,861** [(1)] people in its host countries around the world, representing an increase of 6% from December 31, 2018 (current scope).

Workforce by region

The diversity of geographical locations reflects the Group's internationalization – **84%** of employees worked outside France at the end of 2019.

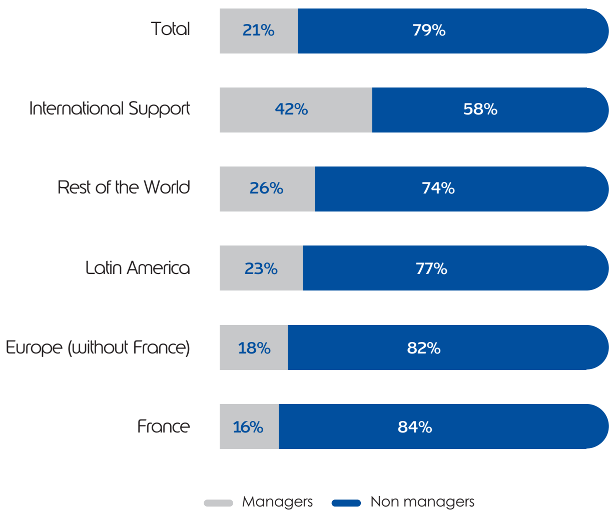
Workforce by age

A total of **47%** of Edenred employees are under 35.



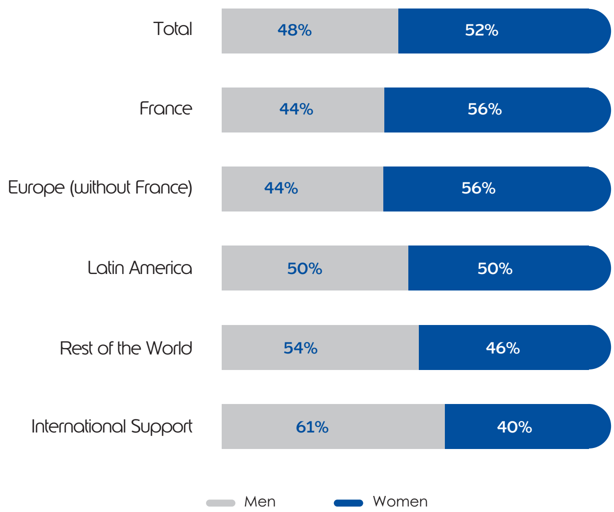
Workforce by job category

A manager is defined as an employee who manages others and/or has a high level of responsibility within the organization.
At December 31, 2019, managers accounted for **21%** of the workforce, as follows:



Workforce by gender

At December 31, 2019, women accounted for **52%** of Edenred's workforce, as follows:



Hires and departures in 2019

In 2019, the Group hired **2,811 new employees** [(2)], of whom 34% were in Latin America, 34% in Europe (excluding France), 13% in France, 16% in the Rest of the World and 3% in Holding and others. Of these people, 74% were recruited from outside the Group on a permanent contract, while 10% came onboard as part of a transfer of business following the acquisition of external entities.

Over the same period, **2,360 people** [(3)] left the various subsidiaries, mostly (62%) due to resignation, expiration of fixed-term contracts, uncompleted trial periods and retirement. Terminations for any reason whatsoever accounted for 30% of the total, and 88% of those were not collective redundancies.

(1) Number of individuals on the payroll at December 31, 2019.

(2) Excluding internal promotions and transfers, merged subsidiaries and conversions of temporary contracts into permanent contracts.

(3) Does not include promotions or transfers, conversions of temporary contracts into permanent contracts or any long-term leave that may cause a work contract to be suspended but not terminated.

	FRANCE	EUROPE (EXCL. FRANCE)	LATIN AMERICA	REST OF THE WORLD	HOLDING AND OTHERS	TOTAL 2019	TOTAL 2018
NUMBER OF EMPLOYEES	**1,226**	**2,921**	**3,411**	**1,089**	**214**	**8,861**	**8,402**
% under permanent contracts	89%	92%	99%	96%	98%	95%	95%
% women	56%	56%	49%	45%	39%	52%	51%
% men	44%	44%	51%	55%	61%	48%	49%
Number of interns	42	51	127	16	10	246	254
Full-time equivalent	1,161	2,851	3,440	1,062	298	8,812	8,390
MANAGEMENT							
% managers (1)	16%	19%	23%	26%	42%	21%	21%
% women managers	45%	41%	39%	41%	30%	40%	39%
% men managers	55%	59%	61%	59%	70%	60%	61%
TRAINING							
Number of hours of training	10,781	44,004	91,191	9,535	2,102	157,613	164,886
Number of hours of training for managers	1,494	11,239	24,608	2,802	437	40,580	54,734
Number of hours of training for non-managers	9,287	32,765	66,583	6,733	1,665	117,033	110,152
Number of employees having attended at least one training course	864	2,334	3,790	850	75	7,913	6,991
Number of managers having attended at least one training course	149	490	804	238	19	1,700	1,780
Number of non-managers having attended at least one training course	715	1,844	2,986	612	56	6,213	5,211
HEALTH AND SAFETY							

	FRANCE	EUROPE (EXCL. FRANCE)	LATIN AMERICA	REST OF THE WORLD	HOLDING AND OTHERS	TOTAL 2019	TOTAL 2018
Lost-time incident frequency rate (LTIF) (2)	12.4	5.0	0.8	0.0	3.0	3.3	3.5
Severity rate (3)	0.2	0.1	0.1	0.0	0.2	0.1	0.1
Absenteeism rate (4)	3.9	3.5	0.6	1.8	1.5	2.1	2.2
Number of fatal accidents in the workplace	0	0	0	0	0	0	0
Number of occupational illnesses resulting in at least one day of lost time	0	5	1	0	0	6	2

Note on reported information:

Employee numbers correspond to the number of individuals on the payroll on December 31 and the number of full-time equivalent employees.

The concept of number of employees is designed to quantify the number of individuals under permanent and fixed-term contracts (this excludes interns, service providers and subcontractors), regardless of the actual time spent on site or their contractual working hours. Total number of employees is used to calculate several other indicators.

The concept of full-time equivalent is designed to quantify the workforce on a comparable basis, i.e., the standard full-time contract applied in each unit. The purpose is to measure the organization's operational workforce, taking into account work week duration and contractual working hours. The figures also include interns and temporary employees.

(1) A manager is defined as an employee who manages others and/or has a high level of responsibility within the organization.

(2) Occupational accidents: non-fatal and fatal accidents occurring during or because of work, including commuting accidents, and involving salaried employees and all other persons working for the Edenred Group in any capacity and at any location and resulting in at least one day of absence. The lost-time incident frequency rate corresponds to the number of lost-time accidents per million hours worked.

(3) Severity rate: number of days of lost time following an occupational accident multiplied by 1,000 and divided by the total number of hours worked by the entire workforce over the calendar year.

(4) Absenteeism rate: total number of person-days lost to absenteeism in the period divided by the number of person-days available in the period. This includes absenteeism due to occupational accidents, commuting accidents, occupational illnesses and non-occupational illnesses.

2.4.2.2 Promoting well-being through healthy and sustainable nutrition

As a promoter of good eating habits and fighting obesity, Edenred tries to find pragmatic ways of addressing a serious public health issue: in 2016, close to 2 billion adults were considered obese or overweight according to the World Health Organization (WHO). This has led to a sharp increase in the number of people suffering from certain types of cancer, diabetes, strokes and heart attacks, which in turn is putting significant strain on public health systems.

In addition, through its *Ticket Restaurant* and *Ticket Alimentation* solutions, Edenred is in direct contact with partner merchants, employee users and corporate clients who make daily food choices that are important for their health. With 850,000 corporate clients, 2 million partner merchants and 50 million employee users, Edenred can take tangible action to promote healthy food choices.

Each subsidiary is encouraged to deploy its own projects with direct stakeholders – corporate clients, employee users, partner merchants and Edenred employees – to facilitate balanced nutrition. While these projects are tailored to the local situation and nutritional issues in each country, they are all designed to make a meaningful impact on stakeholder eating habits, as measured by dedicated indicators.

2.4.2.2.1 Priority issue: sustainable and healthy food promotion

Building on more than ten years of experience promoting healthy eating habits and fighting obesity, Edenred is working to step up its action in this area by developing solutions for well-being through a healthy diet. This priority issue has become a market differentiation opportunity for Edenred and a new way of developing products and services. Examples include the FOOD program, which houses the majority of the Group's initiatives in Europe, as well as the *Ticket Fit* solution in Brazil.

Edenred, FOOD program coordinator in Europe

Origin of the European project

The FOOD (Fighting Obesity through Offer and Demand) program was developed by Edenred and public-sector partners in six countries (Belgium, Czech Republic, France, Italy, Spain and Sweden) to support a balanced diet during the working day.

Launched in 2009 in response to alarming obesity rates in Europe, the campaign began as a test project co-financed by the European Commission, enabling partners to develop innovative recommendations and communication tools to address employees and restaurants.

Bolstered by the encouraging results of the test project, and thanks to the enthusiasm of its partners, the FOOD partnership continued to thrive and became a long-term program in 2012. It has since expanded to Slovakia, Portugal, Austria and more recently Romania.

As coordinator of the FOOD program, Edenred uses its *Ticket Restaurant* network to raise awareness about a well-balanced diet to employees users and partner restaurants.

Since 2009, nearly 500 communication tools have reached 7.4 million employees, 251,000 companies and 500,000 restaurants in the program's ten member countries. A network of restaurants, today with over 4,350 members, has pledged to meet FOOD recommendations by offering balanced meals.

Under the program, European-wide barometer surveys are also carried out each year to better understand and analyze the needs of employee users and restaurants in terms of healthy eating. The 2019 FOOD barometer survey highlighted several trends, including rising demand for healthy and balanced food, restaurants' efforts to adapt and offer balanced meals, and the interest generated by new technologies that support balanced nutrition.

In 2019, the program celebrated its 10th anniversary and received two official honors:

- a best practice certificate awarded by the European Commission for the program's contribution to promoting healthy lifestyles;
- an award from the United Nations in recognition of the program's contribution to meeting the UN's Sustainable Development Goals (in reference to noncommunicable diseases).

Examples of local initiatives

Czech Republic: a purpose-desined program for companies

After piloting a program in-house in 2015, the teams launched "Firm on the Plate", a set of hands-on workshops for companies to help their employees eat healthy and balanced meals during the workday. The program effectively builds corporate awareness of how balanced eating habits can positively impact employee health and productivity while reducing work-related accidents. It offers employees recommendations about nutrition in order to improve their diet and also listening skills, concentration and motivation.

A mobile app was launched in 2018 in collaboration with Czech partner STOB. It encourages employees to adopt better eating habits through daily messages, such as tips.

Cooking workshops were also organized with partner restaurants in 2019 to teach them how to prepare balanced meals while reducing food waste.

Spain: employees educated about balanced nutrition at the workplace

In 2019, Edenred Spain, working with the Spanish partner "La Academia", have organized six workshops to educate employees on balanced nutrition. The workshops took place at the Company site and drew nearly 200 participants. Each workshop was also streamed live by videoconference to reach an even larger number of employees.

In addition, two FOOD guides on balanced nutrition and cooking – one for restaurants and one for employees – were reissued in 2019. They are freely available and full of simple tips to improve everyday eating habits.

The *Ticket Fit* solution in Brazil

Ticket Fit is an application that helps corporate clients, partner merchants and employee users improve the health of all users and encourage good habits when it comes to healthy eating, exercise and well-being.

Available to all, the platform provides a range of services tailored to individual needs, including tips for well-being at work. For example, the employee user platform contains recipes and exercises to do at home or at work. Meanwhile, content for corporate clients and merchants offers menu suggestions for restaurants and companies. The platform also provides access to services from Ticket partners, such as gym entry, nutritional awareness workshops and psychological and social support.

Other actions to promote sustainable and healthy nutrition

Since its creation, Edenred has launched many initiatives worldwide to promote sustainable and healthy nutrition. As of end-2019, a total of 23 subsidiaries were already involved in healthy and sustainable eating projects.

The Nutritional Balance program in Latin America

Since 2005, the Nutritional Balance program has been deployed to promote healthy eating habits, by enabling *Ticket Restaurant* employee users to easily identify menu items at partner restaurants that meet the criteria of a varied and balanced diet. Represented by the "Gustino" mascot, the program was developed in partnership with expert nutritionists, local public partners and restaurant industry representatives, whose involvement ensures the initiative's validity. The program is active in Edenred's Latin American host countries, notably Uruguay.

Awareness-raising about health and well-being

Many subsidiaries, including Germany, Belgium, Mexico, Argentina, Portugal, Colombia, Finland, Brazil and Uruguay, work to raise awareness about well-being through a balanced diet, exercise, sleep and mental relaxation.

All of Edenred Germany's teams can access Gesundheit | bewegt, a platform dedicated to well-being, fitness and health, with tips and physical exercises available online. This initiative is taken a step further by educating employees about well-being and healthy eating on a regular basis. Fruit, salad and meals are delivered to the workplace every day to encourage healthy eating.

In Finland, for example, raising awareness on this comprehensive view on well-being has been developed for both Edenred staff and employee users. They learn about well-being *via* a blog, email newsletter and social media. The subsidiary has offered a well-being program since 2018 to educate, train and coach its employees about nutrition, rest and sleep. More recently, this program was extended to subsidiary corporate clients.

To celebrate International Children's Day, the Colombian subsidiary offered its employees flour and healthy recipe kits to make pancakes with their families.

In Brazil, several communication actions to promote healthy eating and combat food waste were developed throughout the year, including tips for recipes and ideas for combining healthy foods. A food pyramid was also published, with foods to avoid.

Impact on neighbors and local communities

Ticket Alimentación vouchers are one of Edenred's flagship food-based products. They can be used by employees and their families to purchase groceries in convenience stores or supermarkets. In many emerging markets, the vouchers are a way to ensure access to a balanced diet, not only for employees of corporate clients but also for a larger ecosystem. Launched by Edenred in 1983 in Mexico, the product has since been rolled out to other Latin American countries, including Brazil, and to certain countries in Central Europe, such as Austria and Bulgaria.

In Brazil, the Ticket Alimentação Natal solution offers additional service to young people. Every time the ticket is used, Edenred donates 0.10 Brazilian reais per transaction to the Arrastão da Gastronomia, an organization that provides young people from the catering industry with technical training to help them find a job. The program has raised more than €26,000 in 2019, with 240 students expected to receive support over a period of 24 months.

2.4.2.2.2 Key progress indicators

Calculation method

Edenred's progress on this commitment will be measured annually based on the percentage of employee users of "food" solutions and partner "food" merchants who have been made aware of balanced nutrition by the Group. "Made aware" in this context means that they have been reached at least once in the year through a communication action, such as a newsletter, letter, visit, presentation or communication in the meal voucher booklet (for employee users).

Performance monitoring

This percentage stood at **35%** in **2019**, with a target of **50%** by **2022** and **85%** by **2030**.

2.4.2.3 Contributing to local development by becoming personally involved and sharing the benefits of growth

In every host country, Edenred forges strong ties with local communities and non-profit organizations to assist people in difficult circumstances.

Edenred employees are the driving force behind these initiatives, which take the form of donations, skills support and social welfare programs, very often deployed in association with corporate clients, partner merchants, employee users and other stakeholders.

The focus is on long-term partnerships with the supported organizations. Chosen on the basis of each subsidiary's local situation, the projects cover a wide range of areas, including food aid through collections and voucher donations, support for education and professional integration.

2.4.2.3.1 Social and economic contribution

Idealday, a day of action to support local communities

For many years, Edenred has organized international awareness days concerning each commitment of its CSR approach for its employees, corporate clients, partner merchants and employee users.

To heighten the impact of these initiatives, the Group decided in 2017 to organize a dedicated day of action to support local communities. The idea is to give them a valuable asset employees have – their time.

On June 19, 2019, around 4,000 Group employees in 42 countries worldwide participated in the day of action through some 80 different initiatives related to Edenred's three pillars (People, Planet and Progress).

As a result, 88 non-profit organizations were supported by nearly 5,000 people, including close to 1,000 external stakeholders who took part in the event.

Edenraid, the connected solidarity challenge

Since 2017, Edenred has organized the Edenraid sporting challenge to raise funds for the Make-A-Wish® foundation. Over the course of two months, employees take part in this connected challenge to make the dreams of seriously-ill children come true.

Between September 16 and November 10, 2019, more than 4,000 Edenred employees ran, walked, cycled or swam a total of 627,245 kilometers. Taking part was simple: users could register using the online platform and their physical activity was tracked when they logged on using their smartphone or connected bracelet or watch.

For every 10 kilometers covered, Edenred donated €1 to the foundation. On top of that, employees were also asked to make a financial contribution to Make-A-Wish®, with Edenred matching each donation. A total of more than €35,000 was collected.

Edenred and Make-A-Wish® thereby helped several dozen sick children have an unforgettable experience with their families.

Sponsorship of Le Projet Imagine and Edenred Heroes Challenge

In June 2019, Edenred established a worldwide partnership with *Le Projet Imagine*, an information NGO created by Frédérique Bedos. Driven by the firm belief that action comes from inspiration, this one-of-a-kind organization shines a spotlight on "Humble Heroes" from around the world. The idea is to harness the power of media to inspire people to act on a large scale and therefore bring about a vast movement of civic engagement. As part of this collaboration, Edenred will provide financial support to the organization and raise employee awareness about civic engagement, mainly through an internal competition of charity projects.

This competition took the form of a call for projects, the Edenred Heroes Challenge. Group employees were asked to present charity projects inspired by Edenred's three pillars – People, Planet and Progress – in which they would be personally involved. More than 70 projects were submitted, and 15 qualified after a selection process, first through local management committees, then the international HR management team, and finally the Group Executive Committee with the support of Frédérique Bedos. Each of the 15 selected organizations received a €5,000 donation from the Group.

Sailing Project in France and Brazil

As part of its sponsorship of the sailboat skippered by Emmanuel Le Roch and Basile Bourgnon in the Transat Jacques Vabre transatlantic race, Edenred wanted to introduce sailing to young people from disadvantaged neighborhoods in both France and Brazil. This initiative was coordinated in 2019 with the local non-profit organizations Sport Dans la Ville in France and Forças no Esporte (PROFESP) in Brazil. For 20 years, Sport Dans la Ville has been operating in France to promote the professional integration of young people from priority urban neighborhoods through sports. Around 6,500 youths are enrolled in the organization's 40 sports centers. PROFESP is a Brazilian government program that supports social inclusion through sports. Some 29,000 children and teens throughout Brazil, of which 200 in Salvador da Bahia, the finishing point of the Transat race, benefit from the program's services.

In France, Edenred first teamed up with Sport dans la Ville in April for a sailing event to present the profession of navigator. Around 20 kids from disavantagd neighborhoods had the privilege of spending the day alongside Emmanuel Le Roch, skipper of the Edenred Class40, and participating in a beginner's class at the Cergy-Pontoise sports and recreation park. In July, seven young people also had the opportunity to take a trip to Trinité-sur-Mer in northwestern France. The weekend-long program included meeting with a variety of professionals and engaging in a range of water sports activities. The highlight was an outing hosted by Emmanuel Le Roch and Basile Bourgnon aboard the Edenred Class40.

Then in Brazil in October, 160 children from the PROFESP program came together to hear about the adventures of Edenred's two skippers during the Transat Jacques Vabre race. The sustainable development team from Edenred Brazil took the opportunity to organize a game to teach the children about the environment, waste recycling and sorting, and good habits to adopt. On their arrival from their transatlantic crossing in November, Emmanuel Le Roch and Basile Bourgnon met eight of the children from the program, who were able to ask them questions and tour the sailboat.

The entire event allowed these children to discover new worlds that are often far from their daily reality, spark their curiosity and cultivate hope for the future.

Other outreach initiatives

Edenred commits to many community outreach initiatives being led by employees throughout the year in partnership with local non-profit organizations. In all, **206 non-profits** in host countries around the world are being supported, with **1,470 eight-hour days** devoted to volunteering activities.

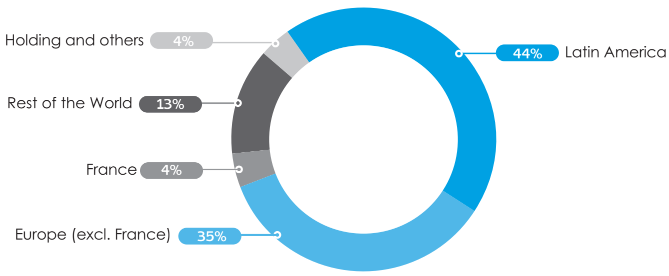
Financial donations to non-profits fall into several categories:

- direct donations by the Group: €1,325,885;
- indirect donations through campaigns to encourage employee users of Group solutions to donate their vouchers, in France, Spain, Austria, the Czech Republic, Slovakia and Lebanon: €1,396,536;
- time donations representing volunteering activities. This indicator is calculated by dividing total payroll costs by the number of employees over the year to determine the average hourly cost of an employee. That figure is then multiplied by the number of hours devoted to volunteering activities: €364,198.

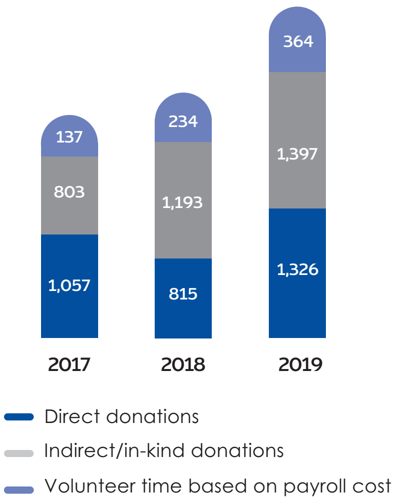
Together, these totaled **€3,086,619** in donated funds in 2019.

In addition to financing, Edenred provides support through in-kind donations (equipment that can be used or sold to raise money, advertising space, gifts and food).

TIME DEVOTED TO VOLUNTEERING ACTIVITIES BY REGION IN 2019



DIRECT, INDIRECT AND TIME DONATIONS FROM 2017 TO 2019



Employee initiatives

Mexico

For the past 11 years, Edenred Mexico has partnered with TECHO, an NGO that provides emergency housing for families living in extreme poverty. In 2019, Edenred donated five homes to families living in precarious conditions, representing a donation of €18,866. In addition, employees worked in rotation on October 11 and 12 to help communities in several regions around Mexico City.

In all, over the years, Edenred Mexico's commitment has given 83 families a new home and 668 volunteers have donated a combined total of more than 14,000 hours of their time.

United Kingdom

Since 2013, the entire staff of Edenred UK has made donations to the local food bank. In 2019, more than 280 kilograms of food were given to food banks to help people in need in Edenred's two host counties of London and Chester.

A total of over 2 metric tons of goods have been collected over the past five years.

Brazil

The Pescar project initiated by *Ticket Log* in Brazil supports 16 to 19-year-olds in difficulty by offering them vocational training through courses held every day at the subsidiary, from 2:00 pm to 6:00 pm. In 2019, it trained 18 volunteers, who attended at least 900 hours of classes in two main curricula:

- personal development and citizenship (60%);
- technical and vocational skills development (40%).

In the second half of the year, the young people discover several corporate functions, supported by 30 Edenred volunteers. In addition to supports young people development, *Ticket Log*'s objective is to identify promising young talents and to keep them in the Company. At the end of 2019, 33% of the young people were hired by *Ticket Log*. To date, 155 young people have been trained *via* the Pescar project since 2009.

Initiatives carried out with other stakeholders

In many countries, the Group leverages its unique positioning with employee users and partner merchants to publicize and support non-profit organizations.

France

For more than 15 years, Edenred France has worked closely with the French Red Cross and supported its food aid initiatives. As first French issuer to suggest donating vouchers, Edenred takes part in the "Restaurons la solidarité" campaign accessible to *Ticket Restaurant* employee card users, who can make donations to the French Red Cross throughout the year, securely and in just a few clicks on the www.croix-rouge.fr website.

In 2019, the campaign raised a record-breaking €1.33 million, of which €1 million *via* the *Ticket Restaurant* card. In total, more than €6 million has been raised for the organization since 2002.

Edenred also involves employees in its commitment to the French Red Cross through a garage sale organized every year.

More recently, Edenred became partner to "Jardins de Cocagne" to support the "100,000 paniers solidaires" campaign. This program provides low-income families with access to food baskets full of healthy, organic products grown by "Jardins de Cocagne"'s Gardens at discounted prices, while consolidating local food production and distribution systems.

Spain

Edenred has partnered with "Acción contra el Hambre" for more than 20 years, letting employee users donate meal vouchers to play their part in combating child malnutrition worldwide. Over 70 Edenred corporate clients have taken part in this program since 2007, donating more than €185,000.

In 2019, €32,000 was collected, of which €2,800 during the Idealday event, when Edenred employees went around to corporate clients with payment terminals to collect funds.

Sweden

Each year, Edenred Sweden employees are asked to donate clothes, toys and small appliances to a local organization that distributes the items to the city's homeless population. In 2019, ten boxes of toys, furniture, books and clothes were collected during the Idealday event, at which Edenred volunteers also distributed homemade meals and desserts to people in need.

Edenred Sweden's Delicard gift card lets employee users make direct donations to charity organizations. In 2019, €38,265 was allocated to various projects, including solar lamps for children in India, beekeeping kits in Burkina Faso, solar panels for a bookshop in Cambodia, training in sheep farming in Ethiopia, and planting of fruit trees in Kenya. Through Delicard, Edenred Sweden also matched €13,000 in donations from clients for a children's cancer foundation.

Lastly, Edenred has been providing assistance to refugees since September 2019 through a new partnership with the United Nations High Commissioner for Refugees (UNHCR). The Swedish subsidiary makes a donation to UNHCR every time the Edenred meal voucher is used at a partner restaurant. Almost €15,000 was donated to refugees in 2019. The long-term target is to generate 200 meals a day, for a total of 50,000 meals a year.

Austria

Since 2006, Edenred has partnered with the Austrian Red Cross to collect all of the paper vouchers donated by employee users in special boxes installed in the offices of certain corporate clients and certain partner merchants each year. Thanks to the partnership, €12,000 was raised in 2019 to help families in emergency situations not covered by government assistance, in particular by paying their bills, enabling them to buy groceries and offering them long-term support. In all, €104,000 has been raised for the Austrian Red Cross in 13 years. In 2019, Edenred also received the organization's humanitarian award for outstanding achievement *(Humanitätspreis der Heinrich-Treichl-Stiftung)*.

Brazil

Since 2013, Repom has been developing its Clube da Estrada service areas at service stations on Brazilian roads. In 2019, 18 clubs set up different initiatives on social inclusion, education, health and financial inclusion to improve the lives of all truck drivers across Brazil. The clubs receive 184,000 visits a year, providing 28,000 healthcare service procedures.

In November, these 18 clubs took part in Blue November to raise awareness about health and cancer prevention, by organizing conferences, workshops and a thousand free medical visits.

Edenred more recently became a partner of Nestlé's Needs Youth program, to support young professionals in their transition from school to work. The program relies on its partner companies to expand the network, create new initiatives and promote the employability of younger generations. As an example of these initiatives, each partner forms working groups that prepare young professionals for the job market.

Finland

To meet the demand for more sustainable and ethical solutions, Edenred launched a new Delicard called Sydämellä. The program supports and promotes small local businesses and national producers that practice eco-friendly production and use sustainable materials. As for all Edenred products, this new Delicard gift card gives users the option to donate to a national children's charity instead of using the card towards a product. The subsidiary has also participated for several years in the Christmas Tree donation campaign that brings gifts to children from low-income families.

2.4.2.3.2 Key progress indicators

Calculation method

Edenred's progress on this commitment will be measured annually based on the number of days of volunteering over the year by all Group employees. In 2019, 80% of the volunteering took place on Idealday, the day of action to support local communities. Each day of volunteering is counted based on eight hours worked. Volunteering activities vary based on local needs in each country, such as the construction of emergency housing in Mexico, or professional reintegration assistance in France and Brazil.

Performance monitoring

With high employee participation in Idealday and the involvement of different country organizations, the Group recorded **1,470 days** of volunteering in **2019**. The initial target of **1,000 days** by **2022** has therefore been reached thanks to this outstanding action, and the Group continues its efforts to log **5,000 volunteering days by 2030**.

2.4.3 PLANET: preserve the environment

The main environmental issues faced by the Group are related to climate change, as shown in the materiality assessment. The Group is encouraged to meet the expectations of its stakeholders to support the ecological transition and develop new solutions with a reduced impact on the environment. To tackle the challenges of climate change, the Group has launched a number of initiatives to reduce the impact of its business activities and its solutions, including:

- reducing its carbon footprint, consumption of resources and waste production by improving the energy efficiency of its operations and solutions. The Group works toward this goal by operating a global environmental management system and by monitoring its greenhouse gas (GHG) emissions. It also takes the necessary steps to comply with local environmental regulations and international environmental standards;
- developing low-carbon fleet and mobility solutions for its stakeholders and combating food waste through its network of partner merchants and employee users;
- managing the footprint of its solutions throughout their life cycle to reduce the use of natural resources and work toward the circular economy.

2.4.3.1 Reducing the carbon footprint, the consumption of energy and natural resources and waste production

Although it has a limited impact on the environment because its operations are service-related, improving the environmental footprint of its business activity is a significant issue that emerged from the materiality assessment conducted with stakeholders.

2.4.3.1.1 Priority issue: energy efficiency

Since 2012, the Group has been committed to reducing and managing its impacts by operating an environmental management system and monitoring its greenhouse gas (GHG) emissions worldwide. Medium- and long-term targets were recently set under its new strategic plan to monitor progress toward the objectives of the Paris Agreement on climate change while keeping in line with the GHG emissions reduction trajectory.

At the "Rencontre des Entrepreneurs de France" (La REF), an annual conference bringing together French businesses from all industries, held on August 29, 2019, Edenred joined 98 other French companies working to drastically reduce the planet's GHG emissions. Signatory companies have made this commitment as part of a European and global strategy to make France and Europe more attractive and more competitive in their respective arenas.

Environmental management

Edenred has established an environmental management system based on the principles of ISO 14001.

Six countries – France, Brazil, Italy, the United Kingdom, Romania and Chile – are already certified locally. Subsidiaries in Mexico and in the Czech Republic have also obtained other local environmental certifications. As a result, 51% of Edenred employees now work in a subsidiary that has received environmental certification.

In 2019, the Brazilian Ticket Serviços and *Ticket Log* subsidiaries earned their maintenance certificate for the eighth straight year, reflecting Bureau Veritas' recognition of the maturity of the Group's environmental management process.

To encourage other countries to seek local certification, best practices were exchanged between countries in 2019 to present the challenges and advantages of local CSR initiatives. Action plans based on the principles of an environmental management system have already been implemented in Argentina and Colombia.

At the global level, the Group has implemented a reporting process to consolidate the environmental management program in all countries. It monitors the annual performance of about 20 indicators measuring Edenred's environmental impact, covering:

- direct and indirect greenhouse gas emissions;
- energy use;
- use of resources (paper, plastic, water);
- waste production;
- compliance with local environmental regulations and international environmental standards.

Changes in the indicators are calculated at current scope.

Regarding compliance with environmental regulations, Edenred did not set aside any material provisions for environmental risks in 2019 and was not subject to any court rulings on environmental claims during the year.

Managing greenhouse gas emissions

The Group committed to a process of continuous improvement in 2012 by officially developing an environmental policy to reduce GHG emissions, especially those associated with energy use. A global system to manage emissions across all Group countries was implemented to monitor business operations and material sources of GHG.

Edenred's main sources of emissions:

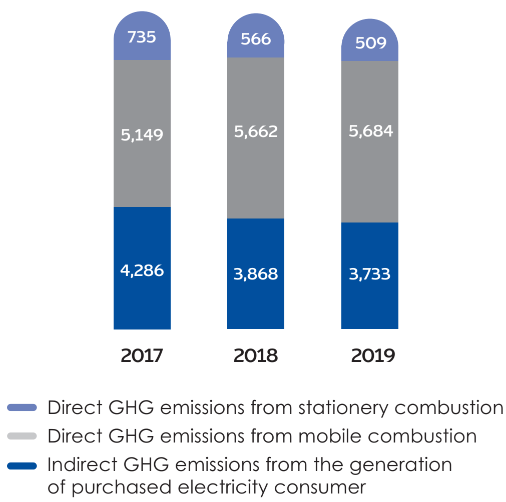
- **Direct emissions (scope 1):**
  - energy used at the main facilities and production units (natural gas and domestic fuel oil);
  - fuel consumption of company vehicles.
- **Indirect emissions resulting from the use of electricity, heating and steam (scope 2):**
  - electricity used at the main facilities and production units.
- **Other indirect emissions (scope 3):**
  - inputs (paper, plastic);
  - business travel;
  - fixed assets and IT system;
  - product use and end of life.

Some Edenred countries, notably Brazil, Chile and France, measure their GHG emissions locally to find new ways to reduce their environmental footprint. These assessments are verified by independent organizations in line with different standards adapted to local concerns. The two Brazil-based subsidiaries, Ticket Serviços and *Ticket Log*, were awarded a gold medal by the country's Greenhouse Gas Protocol program in recognition for their greenhouse gas (GHG) emissions inventory initiatives. Both companies have been inventorying their greenhouse gas emissions since 2010. This medal is awarded only to companies whose inventories have been audited by an independent third party. In 2018, Edenred Chile was also recognized for its inventory initiatives regarding direct and indirect greenhouse gas emissions by HuellaChile, a Chilean carbon emissions management program run in partnership with the Ministry of the Environment. An action plan was launched at the subsidiary to reduce its main sources of emissions. In Brazil, all scope 1 and 2 emissions were offset in 2019 through its Carbon Credit program, generating carbon credits.

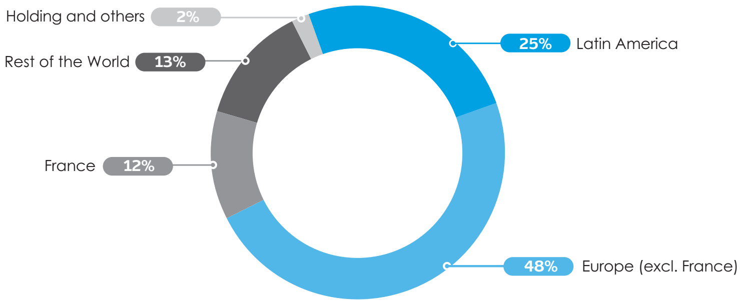
The greenhouse gas emissions presented below are calculated based on country energy use data, as follows:

- direct emissions from point sources correspond to the natural gas and fuel oil burned in Group facilities;
- direct emissions from mobile sources correspond to the diesel, gasoline used by company vehicles;
- indirect emissions correspond to electricity used by Group facilities.

TOTAL GHG EMISSIONS *(in TCO_2 EQ)*



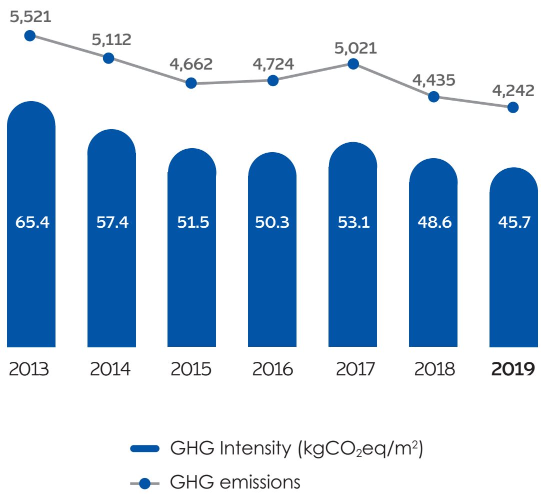
GHG EMISSIONS (SCOPES 1 AND 2) BY REGION IN 2019 *(in TCO_2 EQ)*



Edenred also records CO2 emissions from biomass-based fuel due to the ethanol used by its company vehicles. Biogenic CO2 emissions totaled 965 metric tons in 2019.

GHG emissions from point sources (energy use in buildings) are inventoried using the French "Bilan Carbone" database methodology. International GHG Protocol guidelines were used to calculate direct emissions from mobile sources (use of diesel, gasoline, ethanol and natural gas in vehicles).

GHG EMISSIONS (POINT SOURCES) SINCE 2013 *(in TCO_2 EQ)*



Emission reduction initiatives

Edenred has been committed to reducing its GHG emissions since it created its first Sustainable Development strategic plan. Due to its steady growth, the Group has had to come up with ways to control the carbon footprint of its operations and solutions. In 2018, an emissions reduction trajectory was determined to tackle climate change and reduce scopes 1 and 2 GHG emissions from point sources. Using the Science Based Target sector-based methodology, medium- and long-term GHG emissions reduction targets were set per unit of surface area occupied. With the 2013 level as a base year, these targets aim for a 26% reduction by 2022 and a 52% reduction by 2030.

Reduction measures were taken to meet this target, especially through Edenred's environmental management program.

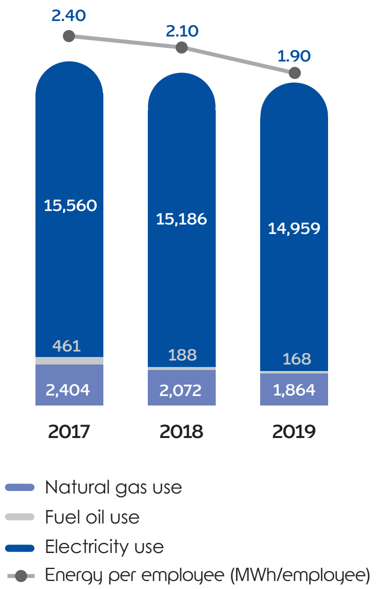
Energy use, measures taken to improve energy efficiency and use of renewable energies

Initiatives to reduce energy use included in Edenred's environmental management program mainly involve measures to raise employee awareness and promote the use of renewable energy.

Subsidiaries are encouraged to operate out of more responsible and environmentally friendly buildings to improve energy efficiency and reduce energy use. Several subsidiaries have already relocated some offices to buildings that meet the latest environmental standards. For example, in 2019 Edenred International moved into a new positive-energy office building that has the "Bepos Effinergie 2013" Label and High Environmental Quality (HQE®) certification. These labels are awarded based on criteria covering environmentally friendly construction methods, which enable the building to produce more energy than the amount of energy used to operate it.

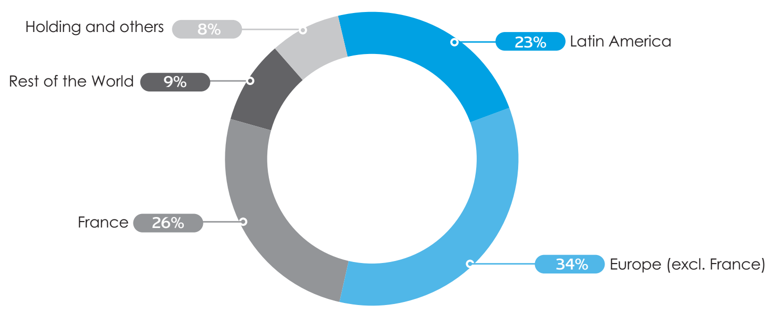
Lastly, in addition to ISO 14001, Edenred Chile implemented energy management measures and obtained ISO 50001 certification in November 2017 to ensure better energy management. The table shows the total amount of energy used worldwide and by region.

TOTAL ENERGY USED (ELECTRICITY, FUEL OIL AND NATURAL GAS) IN 2019 *(in MWh, LHV)*



LHV: lower heating value
Excluding heating systems

ENERGY USED BY REGION IN 2019 *(in MWh, LHV)*



LHV: lower heating value

Use and consumption of products (paper, plastic)

To move to the next level in reducing the impact of its products, Edenred worked with an outside firm to conduct the industry's first comparative study of the environmental impact of its *Ticket Restaurant* paper vouchers and cards in France and published the results in 2017. The lifecycle assessment (LCA) was the method used to measure the impacts of each medium on climate change so that priority actions could be identified to reduce the card's environmental impact. The conclusion was that the card has a more positive impact on the climate as it reduced greenhouse gas emissions by almost two-thirds (64%) compared with paper vouchers. This is due to the fact that the card is manufactured and sent to the user once every two years on average, which means that energy use and greenhouse gas emissions are significantly reduced in the production and distribution stages.

Furthermore, one of Edenred's projects involves promoting its eco-design approach to significantly reduce its use of paper and plastic and to improve its environmental footprint by developing products with more eco-friendly paper and plastic materials. The approach is described in full in section 2.4.3.3.1, page 110.

Business travel and commuting

Other local programs have been implemented to reduce the most significant sources of emissions, such as business travel and commuting.

In Brazil, GHG emissions from commuting are measured regularly to identify new opportunities to reduce the use of private cars. Other measures have been taken for commuting, such as the incentives used by Edenred in the United Kingdom and Germany to encourage employees to cycle to work. Edenred France has also made bicycles a means of commuting eligible for the annual transportation bonus distributed to employees. For Edenred France and Edenred International employees, a car-pooling site is available and parking spaces for electric vehicles have also been put in place. In Mexico, an awareness campaign was launched in 2019 to promote sustainable mobility. Edenred Mexico partnered with a startup to provide its employees with access to a carpooling platform. Several bikes have also been distributed to Mexican employees to help reduce the environmental impact of commuting. Lastly, at Edenred International and Edenred Sweden, the GHG footprint and related information are included in vehicle selection and monitoring processes to limit emissions from company cars.

IT system and measures to develop green IT in France

New information and communication technology accounts for up to 7% of GHG emissions. It also produces a significant amount of waste that impacts ecosystems and biodiversity. In 2018, Edenred France along with 23 companies from across all industries participated in a pioneering study led by WWF and Club Green IT to measure the impact of its entire information system.

The study aimed to:

- encourage initiatives to create more sustainable digital technology;
- estimate the footprint, environmental performance and maturity of organizations;
- share best practices for each business sector.

To move to the next level, Edenred France issued a formal commitment to improve the environmental or social profile of its products and solutions. The Company also signed the responsible digital charter.

2.4.3.1.2 Other issues

Employee training and information

Because employee commitment is a key success factor for Edenred's environmental policy, a variety of resources have been deployed to raise awareness and offer training to employees about environmentally friendly practices. In 2019, a total of 70% employees were made aware of environmental issues, such as:

- climate change and environmental commitments taken by the Group. For example, in Brazil, a sustainable development training course was launched on the EDU e-learning platform in 2019;
- green IT, an increasingly important challenge for the Group as its business and solutions become digitalized. In France, the FBI *(Faites Bonne Impression)* program, implemented by the IT Department, makes employees aware of the environmental impact of printing and provides them with a scorecard to measure individual use;
- mobility, such as in Colombia, where employees learned more about mobility solutions during a car-free day;
- recycling and food waste in several Group countries including Austria and Argentina.

Measures to prevent, recycle, reuse and otherwise reclaim and eliminate waste

Edenred's environmental management program comprises measures to manage waste and recycling. Edenred's eco-design approach also helps limit waste production. Given the nature of the Group's business, most waste is office refuse and voucher customization process waste, such as print cartridges and paper.

Most subsidiaries have deployed internal recycling systems for office paper, plastic cups, aluminum cans and printer cartridges. Most of the redeemed vouchers processed by the subsidiaries are shredded and recycled by an outside contractor. Electronic waste recycling and reuse initiatives have also been taken in France, Belgium and Sweden.

At the Argentinian subsidiary, awareness-raising campaigns were organized on waste disposal issues, with a focus on waste classification and the full waste life cycle. Employees throw organic waste into containers that are stored in a suitable location until collection by city waste disposal services. Any recyclable waste is collected by an organization that works with a children's hospital.

Several subsidiaries have also implemented actions to raise awareness about single-use plastic. In Brazil, almost 4 metric tons of plastic were saved in 2019.

In total, the Group generated 1,186 tons of waste, of which 227 tons were recycled and including 1 ton of dangerous waste.

Water use and supply in relation to local constraints

Edenred's offices, most of which are located in cities, are connected to municipal sewage systems.

In 2019, 60,056 cubic meters of water was used, a slight decrease at the Group level compared with 2018. This decrease, which came despite the great rise in the Group's workforce, demonstrates the efficiency of the environmental management approach.

Resources devoted to preventing environmental risks and pollution

The Group's operations do not result in any soil or water pollution or significant air pollution. Subsidiaries are encouraged to use environmentally friendly inks for the voucher customization process. Edenred France, for example, uses non-toxic water-based inks that do not emit any volatile organic compounds (VOCs). Production sites are equipped with aeration systems to ensure that process dust is quickly removed from the air.

Environmental management program helps prevent environmental risks and pollution. The environmental budget of Edenred's subsidiaries amounted to €678,816 in 2019, and covered organizing Idealday, earning ISO 14001 certification, conducting environmental communication campaigns, purchasing recycled paper to print preloaded vouchers, catalogues and office documents, and implementing other similar measures.

Measures to protect biodiversity

Animal welfare is not a material issue in the Group's business operations. However, some Edenred subsidiaries have taken measures to protect biodiversity and contribute to some extent to animal welfare. For example, during Idealday in Germany, Edenred pledged to promote the protection of a green space by providing financial support and building a social center within the park. Meanwhile, for Idealday in Mexico, Edenred teams took part in turtle conservation efforts on the Tecolutla coast to help hatchlings turtles reach the sea. This event was in partnership with the non-profit "Vida Milenaria". In France, Edenred is a partner to Reforest'Action, a non-profit organization committed to reforestation. Further information on this initiative is available in section 2.4.3.2.1.

2.4.3.1.3 Key progress indicators

Calculation method

Edenred's progress on this commitment will be measured annually based on the percentage reduction in greenhouse gas emissions compared with 2013. GHG intensity is assessed for all Group countries that report their use of resources and measure the sum of scopes 1 and 2 from point sources per unit of surface area occupied. The methodology used is the French "Bilan Carbone" method, compatible with GHG Protocol Guidelines and provides energy emission factors associated with each country, for a precise calculation of the Group's emissions. This global assessment also measures progress made on targets set using the Science Based Target initiative (SBTi) sector-based approach, which defines an emissions reduction trajectory to meet the commitments in the Paris Agreement and keep the rise in global temperatures.

Performance monitoring

With the development of environmental management practices and the ongoing campaign to raise the awareness of the Group's employees and stakeholders, GHG emissions were reduced by **30%** in **2019**, thereby achieving the total reduction target of **26%** set for **2022**. Edenred can now work towards a **52%** reduction target between now and **2030**.

2.4.3.2 Designing eco-services for mobility and food waste

Edenred's businesses, whether Employee Benefits, Fleet & Mobility Solutions or Complementary Solutions, do not have a significant direct impact on the environment.

However, if its responsibility is extended upstream and downstream of the use of its solutions, Edenred could be considered to be facing an environmental issue due to the GHG emissions produced by its mobility solutions and the food waste resulting from its meal vouchers.

2.4.3.2.1 Priority issue: sustainable mobility

Mobility is an increasingly important issue for companies. Employee business travel generates costs and causes pollution. Corporate clients and employee users therefore have to find ways to optimize their travel in order to move toward a low-carbon economy. As a supplier of Fleet & Mobility Solutions and Employee Benefits, Edenred offers its stakeholders eco-friendly services and encourages new forms of mobility either through dedicated solutions or in a form of support.

Eco-friendly Fleet and Mobility Solutions

Some Edenred subsidiaries have developed services to add environmental value to their mobility programs.

Brazil

Ticket Log's Carbon Credit program enables clients to generate carbon credits by replacing traditional fuel with ethanol in flexible-fuel vehicles. Ten corporate clients of the subsidiary currently employ this unique solution, which has generated 34,861 metric tons of CO_2 equivalent in carbon credits since 2012.

In 2019, *Ticket Log* launched another service to bring more environmental added value to the Fleet & Mobility Solutions portfolio. Compense Platform provides a way to buy and sell carbon credits on the voluntary market. Corporate clients can buy carbon credits from certified projects in Brazil managed by one of the subsidiary's partners to offset their fleet and greenhouse gas emissions. Over 6,500 metric tons of CO_2 has been offset for the subsidiary's customers since the program's launch.

Also in Brazil, the Log & Go payment solution dedicated to business travel provides *Ticket Car* employee card users with access to a single payment system for a wide range of vehicle services (car washing, vehicle assistance) and modes of transport, such as taxis, public transportation and carpooling. By facilitating payment for these services, Log & Go encourages smart mobility by adapting use to different lifestyles. The solution should be extended to other alternatives, including access to payment for bikesharing and carsharing programs.

Mexico

Ticket Car developed the *Ticket Car*bon Control program in Mexico in 2012, which gives some 50 clients detailed, precise information about their vehicles' fuel-related CO_2 emissions.

These emissions are calculated based on the type of fuel, the vehicle's technical features, distance traveled. The data are sourced from either the car's GPS or payment terminals.

Germany

An increasing number of shipping companies are adding electric or hybrid vehicles to their fleet. In 2018, the UTA subsidiary introduced an electric vehicle charge card in partnership with NewMotion. Employee users can apply for a UTA eCharge card through their customer service provider. They can then activate the card *via* NewMotion to use it at the 125,000 charging stations across Europe.

France

In March 2018, to mark International Day of Forests, LCCC introduced a new carbon neutrality service for fuel card corporate clients. With this card, users can offset all of their CO_2 emissions from this solution by buying certified carbon credits.

Client users receive an offset statement every month and an official offset certificate at the end of the year. A newsletter is also sent with tips on how to reduce their emissions, for example through eco-driving techniques.

At the same time, its partner, Reforest'Action, plants a tree in the client's region for every 200 liters of fuel purchased. This program therefore has a double positive impact on the climate, both reducing and offsetting emissions. Plantation projects can be followed in real time on the organization's website [1].

Around 500 clients, representing 2,500 cards, had signed up at the end of 2019, attesting to their interest in protecting the environment. More than 50,000 trees have been planted since the program's launch.

Employee benefit programs to encourage sustainable mobility

Finland

To promote the use of public transportation, which has a reduced environmental impact, and encourage employees to use it instead of their car, Edenred introduced the Ticket Transport, a *commuter benefits* card that can be used with most modes of public transportation (769 points of sale).

At the end of 2019, more than 250 corporate clients and 5,500 employee users had chosen this solution to limit GHG emissions and promote physical exercise between the different means of transportation.

United States

The *commuter benefits* card offered by Edenred USA lets corporate clients help their employees cover transportation costs through a subsidy or tax-free salary contribution. Employee users who benefit from subsidies can therefore qualify for an income tax exemption by replacing the use of their private car with other forms of transportation, such as bus, subway, bicycle and taxi, since 2017.

At the end of 2019, 7,325 corporate clients and 331,000 employee users had opted for this solution. Close to 39,000 bicycle vouchers were issued in 2019 to encourage employees to use them for business travel. Each participant saves an estimated 7 liters of gas a day by using this service.

United Kingdom

Cycle to Work is a service integrated into the employee benefits program devised by Edenred UK. It allows employers to reduce their payroll costs by subsidizing the purchase of bikes and safety equipment for their employees. Employees who choose to ride to work benefit from a discount of up to 48% to buy the bicycle and can pay in installments over a year.

Belgium

Edenred created *Ticket EcoCheque* in 2009 at the request of the Belgian authorities. These eco-vouchers are now recognized at the European level as a model for promoting responsible, sustainable consumption. The solution promotes environmentally friendly products and services and increases the purchasing power of employee users. More than 1.7 million users already receive *Ticket EcoCheque* vouchers, which are intended solely for the purchase of environmentally friendly goods and services. An exhaustive list has been drawn up by the National Labor Council and includes many alternative means of mobility.

Eco-vouchers are an innovative tool that reconciles greater purchasing power with an environmentally responsible approach. According to a study by the University of Hasselt and Indiville commissioned by VIA, the Belgian association of meal and eco-voucher issuers, in 2019, over half of employees who used eco-vouchers reported paying greater attention to the environment.

This system also helps reduce the GHG impact of users. A CO_2logic study commissioned by VIA in 2018 reported that purchases made using eco-vouchers saved 229,797 metric tons of CO_2 emissions in 2018. In other words, every €1 spent on eco-vouchers leads to a 1-kilogram decrease in CO_2 emissions.

Since March 2019, Belgian employee users have access to the *Mobility Edenred* card. This solution gives them freedom, flexibility and a selection of transportation choices adapted to their needs in line with Belgium's new Mobility Budget legislation. Employees can now trade in their company car for a mobility budget to pay for their business and personal travel regardless of the mode of transportation used (train, bicycles, carpooling, buses, taxis…). The *Mobility Edenred* platform features a simulator that employees can use to calculate the potential amount they could receive. Several criteria are factored in, such as mileage, CO_2 emissions and the vehicle's age.

(1) https://www.reforestaction.com/en/la-compagnie-des-cartes-carburant

2.4.3.2.2 Fight against food waste

In line with its long-standing commitments to sustainable eating habits, Edenred pays special attention to food waste as part of several initiatives.

The very nature of its *Ticket Restaurant* program and the shift to a digital system reflect this commitment. As the issuer of the *Ticket Restaurant* solution, Edenred naturally encourages its own employees to use the vouchers to pay for their lunch, since only the largest subsidiaries have staff restaurants. Using meal vouchers is in itself an effective way for people to purchase only just what they can eat. Moreover, as vouchers go increasingly digital in every host country, *Ticket Restaurant* is helping to fight even more against food waste. Because giving change from a paper voucher is prohibited, it cannot be redeemed for less than its face value. This prompts employee users to order another dish to reach or exceed the amount of their voucher. With digital media, on the other hand, the balance on the card, mobile app or other paperless solution can be spent in the exact amount.

Edenred also campaigns to raise awareness among its employees and external stakeholders, especially partner merchants, about food waste. In 2019, nine subsidiaries, carried out at least one awareness initiative related to food waste, including:

Raising awareness among partner merchants and employee users

Partnership with restaurant owners in Italy

The Italian subsidiary and the National Consortium for the Recovery and Recycling of Cellulose-based Packaging (COMIECO) have formed a partnership to produce special meal voucher booklet covers with recommendations for avoiding waste. By offering a few simple waste-avoidance tips, such as asking restaurants for a container to bring uneaten food back home, these COMIECO recommendations will give more than one million employee users of Edenred meal vouchers greater awareness of the need to nurture a sustainable food culture, sort garbage and prevent the waste of natural resources. At the same time, Edenred Italy offers partner restaurants free doggy bags for their customers to use during their lunch breaks.

In 2019, Edenred also organized a roadshow to raise restaurant owners' awareness and teach them about various topics, including food waste, allergen control, and healthy, sustainable cooking. A chef also presented recipes to improve lunch menu options followed by a co-creation workshop where the restaurant owners were challenged to design dishes made with food waste.

Anti-Gaspi® 2019, France's anti-food waste label

In late 2018, Edenred France and its partner Framheim defined eligibility criteria for the "Restaurants Engagés Anti-Gaspi®" 2019 Label, awarded to restaurants committed to combating food waste. Framheim, a startup specialized in the fight against food waste, sent a questionnaire to some 180,000 Edenred partner restaurant owners in France to find out more about their anti-food waste practices and commitments. Following this survey, 100 establishments were awarded the label in 2019.

Partnering with an app to fight food waste

The Austrian subsidiary and the organization Too Good To Go launched a partnership in April 2019 to capitalize on Edenred's network of partner merchants. The French startup, Too Good To Go, connects shops and restaurants with citizens through its app to offer unsold food at reduced prices. Active in several European countries, the app is now a leader in the anti-food waste movement and has provided 10 million meals since its launch. Its cooperation with Edenred aims to encourage partner merchants and employee users to join one of the largest European communities of merchants in fighting food waste together.

Promoting organic waste composting in Chile

In 2019, Edenred Chile formed a new partnership with Karübag, a company that uses vermicomposting to treat and recover organic waste from offices, homes, restaurants and others. All the fertilizer recovered from composting waste is either sent back to customers or given to a reforestation organization. Edenred communicates with its network of corporate clients, partner merchants and employee users to encourage them to use this novel solution, offering discounted prices for the first months of service. Since its launch, over 25 of Edenred's corporate clients have joined the Karübag initiative.

Other initiatives

Partnership with the food bank in the Czech Republic

In 2019 in the Czech Republic, Edenred became a partner to Potravinová Banka, which has been taking action to prevent waste for the past eight years. This food bank collects unsold and unsellable food from producers, which it stores and then distributes to those in need. A total of 2,100 metric tons of food was donated to 160 homes, shelters and other organizations, feeding 30,000 people.

As a major player in the meal voucher market in the Czech Republic, Edenred has a responsibility in the fight against food waste. For this reason, it decided to collect expired meal vouchers from users and donate an amount equal to twice the value of the vouchers to the food bank. Edenred also supports the food bank by organizing regular workshops and anti-food waste cooking classes for the bank's users.

2.4.3.2.3 Key progress indicators

Calculation method

Edenred's progress on this commitment will be measured annually based on the number of eco-services developed Group-wide to address the issues of mobility and food waste.

Performance monitoring

The figure stood at **15** in **2019**, with a target to reach **20** by **2022** and to have at least **one per country** by **2030**.

2.4.3.3 Managing the impact of solutions during their lifetime

Most of Edenred's impacts on the environment stem from the production of paper vouchers and plastic cards. Edenred has made it a priority to migrate existing paper solutions and cards toward sustainable formats.

2.4.3.3.1 Priority issue: eco-design and circular economy

Eco-designed solutions

Edenred increasingly develops paperless formats for its payment solutions available to employee users. Taking an eco-design approach to these solutions, whether physical or digital, is one of the key priorities of Edenred's environmental policy.

Using eco-friendly paper

As part of the Group's commitment to eco-design, subsidiaries are encouraged to use recycled paper or paper certified to the standards of the Forest Stewardship Council (FSC), both for voucher production and everyday office use.

In 2019, **17 subsidiaries** – representing 70% of the workforce and 70% of business volume of subsidiaries that produce paper vouchers – used recycled or FSC-certified paper for voucher production. This limited the Group's contribution to logging.

In France, for example, Edenred was the first meal voucher issuer to use fully recycled security paper and to earn FSC certification.

Comparing the impacts of vouchers and cards

Working with an outside firm, Edenred conducted the industry's first comparative study of the environmental impact of its *Ticket Restaurant* paper vouchers and cards in France and published the findings in 2017. The lifecycle assessment (LCA) measured the impacts of each medium using three indicators – climate change, resource depletion and water use – so that priority actions could be identified to reduce the environmental impact.

The primary conclusion was that the card has a more positive impact in terms of climate change and use of natural resources.

For the first two indicators, the *Ticket Restaurant* card emerged as more effective in driving improvement than the paper voucher. It cuts GHG emissions by nearly two-thirds (64%) and reduces resource use by 86% across the product lifecycle. This is because the card is manufactured and sent to the user once every two years, which means that energy use and greenhouse gas emissions are significantly reduced in the production and distribution stages. The card is more energy efficient and produces fewer GHG emissions.

However, paper vouchers use less water than cards: for two reasons:

- in 2012, Edenred France opted to use only 100% recycled paper in its voucher production and to recycle all redeemed vouchers, which significantly attenuated their impact;
- the *Ticket Restaurant* card uses more water in the utilization phase because the lifecycle assessment takes into account the non-recyclable thermal paper receipt issued with each payment.

The assessment helped identify tangible ways to reduce the environmental footprint of payment vouchers, both at Edenred and across the entire industry.

Recycling cards

The French subsidiary was a pioneer in the introduction of a system to encourage users to recycle their *Ticket Restaurant* cards. When their card expires, users receive a new one with instructions on how to return the old one for recycling. The card is then shredded by a specialized service provider, using an entirely mechanical (and environmentally friendly) process. The resulting plastic (98.4%) and metal (1.6%) is reclaimed to make new cards.

This service was honored in France at the 2016 CSR Awards, as a possible recycling solution for the entire industry. Since 2017, Edenred France also gives its corporate clients kits to encourage waste collection, including special boxes and tools for building awareness about eco-friendly gestures among employees who use *Ticket Restaurant* cards.

Using eco-friendly cards

Certain subsidiaries are looking at using more environmentally friendly materials than recycled PVC for card production.

2.4.3.3.2 Improving and reducing the use of raw materials

The Group is actively engaged in transitioning its solutions to digital media in the form of cards, mobile applications and online platforms. This approach considerably reduces the impact of Edenred's business on paper resources.

Although card production is outsourced, the amount of plastic used in marketing these media is monitored.

Edenred's environmental management program is designed to promote the responsible use of raw materials.

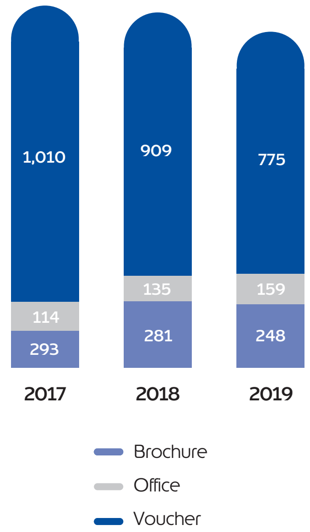
Paper use

Wood is one of the main raw materials used to make the paper for vouchers.

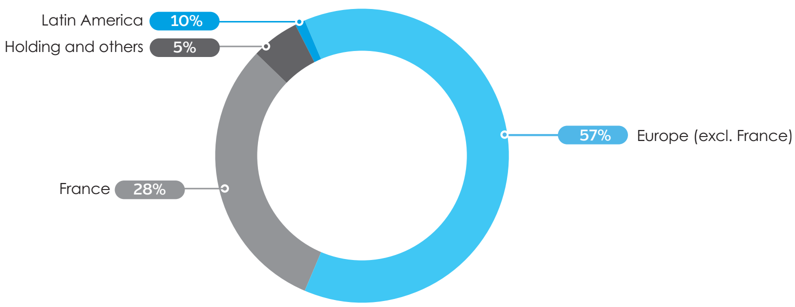
Vouchers are printed on pre-printed backgrounds sourced from third parties. These backgrounds are also used by some of the subsidiaries to customize their own vouchers at Edenred production facilities using specialized printers. This means that paper represents one of the leading impacts of Edenred's business.

The table below shows the total volume of paper used worldwide and by region. Total paper used across the Group is tracked by three indicators: office paper used, paper used to print marketing brochures and the amount of process paper used in the vouchers sold during the year.

TOTAL PAPER USED IN 2019 *(in metric tons)*



PROCESS PAPER USED IN THE PRODUCTION OF ISSUED VOUCHERS BY REGION IN 2019 *(in metric tons)*

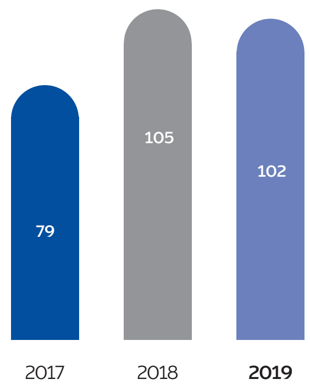


Total paper consumption fell by 11% in 2019, despite the increase in the workforce. The reduction in consumption is mainly due to the transition to paperless vouchers and the introduction of environmental management practices in a growing number of subsidiaries.

Plastics

In 2019, a total of **102 metric tons** of plastic was used in the Group's card production.

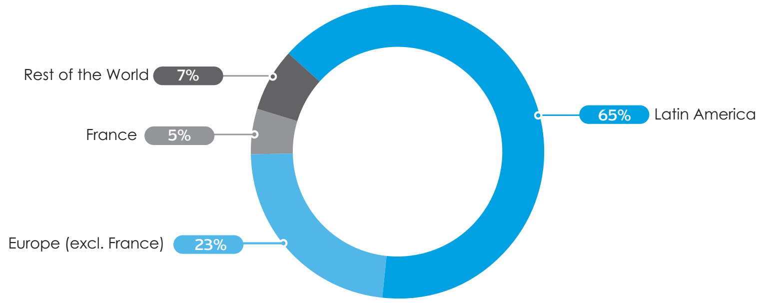
TOTAL PLASTIC CONSUMPTION FROM 2017 TO 2019 *(in metric tons)*



The amount of plastic used is calculated based on average weight[1] and the number of cards in use per country.

(1) *Average weight is calculated based on the reported weight of cards in 21 major countries. The average weight included the plastic material, as well as any chips and antenna, which represent less than 2% of a card's weight. The calculation method is expected to further change over the years to more accurately reflect the actual quantity of plastic consumed at the Group level.*

PLASTIC USED IN CARD PRODUCTION IN 2019 BY REGION *(in metric tons)*



2.4.3.3.3 Key progress indicators

Calculation method

Edenred's progress on this commitment to manage the impact of its solutions across their lifecycle will be measured annually based on the percentage of eco-designed or recycled solutions marketed by the Group. These solutions are either in the form of paper vouchers (recycled or FSC or PEFC-certified) for paper vouchers or plastic cards(recycled, organic PVC, PLA or other plastics).

Performance monitoring

This percentage stood at **14%** in **2019**, with a target of **35%** by **2022** and **70%** by **2030**.

2.4.4 PROGRESS: create value responsibly

Edenred is committed to creating value by developing its activities and partnerships ethically throughout its value chain, ensuring IT security and data protection while meeting the expectations of its stakeholders and involving them in its the digitalization of its solutions.

2.4.4.1 Ethically developing activities and partnerships all throughout the value chain

2.4.4.1.1 Priority issue: business ethics

With its top-level intermediation platform, Edenred is the everyday companion for people at work. It is therefore Edenred's duty to act as a trusted partner, especially when working with governments and institutions. Upholding fair business practices, such as ethical performance throughout its value chain, is crucial to its success. The Group's practices also include combating corruption and money laundering and complying with competition law in an industry in which it is a leader.

Fair practices

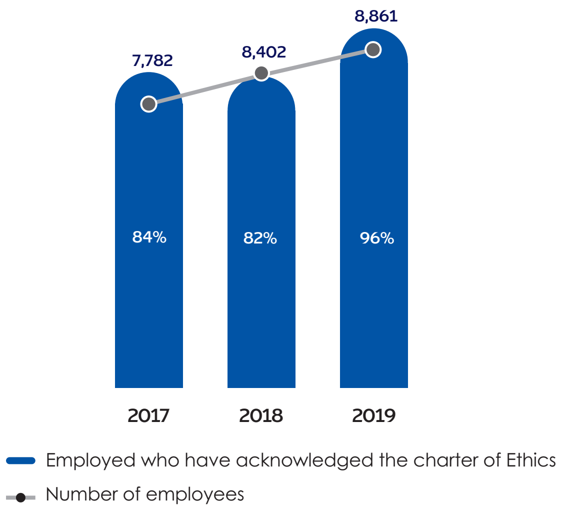
Charter of Ethics

Edenred's main ethical principles are presented in its Charter of Ethics, available on the corporate website[(1)]. The Charter covers 13 topics, including protection of company assets, IT security, personal data protection, compliance with competition law and non-discrimination.

The Charter also defines the behaviors and practices that every employee and every supplier is expected to demonstrate. Line managers cascade the Charter's fundamental guidelines to their teams and maintain constant awareness of their importance.

By end-2019, a total of **96%** of employees had approved the Charter and the majority of subsidiaries had introduced a clause requiring work contracts to comply with the Charter.

NUMBER OF EMPLOYEES WHO APPROVED THE CHARTER OF ETHICS



(1) https://www.edenred.com/en/discover-group/our-social-commitments, https://www.edenred.com/en/discover-group/governance

Preventing corruption and money laundering

In 2019, based on the updated risk map of corruption scenarios, the Group Compliance Department revised the best practices guide aimed at avoiding and fighting against corruption in every geography, in compliance with France's Sapin 2 Act concerning transparency, the fight against corruption and modernization of the economy. Available in several languages, the guide was supplemented with the launch of an online training module on corruption risks for all employees and strengthened anti-corruption processes. At the same time, the whistleblowing procedure was reviewed to enable reporting of any suspected case of bribery or corruption.

The Group Compliance Department is notably tasked with helping subsidiaries to ensure compliance with the laws and regulations designed to combat organized crime, money-laundering and/or the financing of terrorism.

The measures taken by Edenred to identify and manage corruption and money laundering risks are outlined in section 2.2.1.2.5, page 48.

Competition law

The Group Legal and Regulatory Affairs Department regularly leads campaigns to educate and raise awareness among executive managers from the Group's subsidiaries about competition law.

The measures taken by Edenred to identify and manage competition risks are outlined in section 2.2.1.2.2, page 46.

Tax liability

Through its tax policy, the Group pledges to comply with transparency requirements and with its obligations to report and pay taxes.

The Group's tax policy aims to protect the Group's interests in accordance with applicable local and international rules and standards.

Generally speaking, the Group does not engage in speculative activities that would incur a tax risk or structure its operations in such a way that does not reflect the economic reality of its business and its operations.

Subcontractors

Reliance on subcontracting

The majority of outside contractors used by Edenred are hired to provide IT services. The Group requires its subsidiaries to ensure that subcontractors are employed in strict observance of the applicable regulations and labor laws concerning, for example, work shifts, the basis for calculating hours worked, and encourages compliance through awareness measures with CSR correspondents. By virtue of its Charter of Ethics, Edenred is committed not to using forced or concealed labor, and to refusing to work or immediately stopping working with suppliers and service providers that use employees working under duress or threat, or that are not in compliance with the applicable regulations.

Inclusion of social and environmental issues in purchasing policy

Since 2016, Edenred has distributed a new version of its Charter of Ethics that applies to every business partner, subcontractor and supplier, enjoining them to abide by ethical, environmental and employee relations guidelines that comply with the Charter's values. The Charter plays a critical role in laying the foundations for dialogue with suppliers.

Purchasing policy is decentralized to the subsidiary level. However, a Group Purchasing Department was created in October 2017. The Group has a few suppliers identified as key partners with whom it has international framework agreements. Examples include contracts with the printers or card suppliers selected in local and international tenders. These agreements include clauses on compliance with labor laws in the country of production. The Group has a preference for environmentally friendly materials such as FSC-certified and/or recycled paper and vegetable-based inks without jeopardizing voucher security.

A clause on the Charter of Ethics was prepared in 2018 by the Group's Legal Department. It states, "The supplier acknowledges that it is aware of and understands the Edenred Charter of Ethics and the professional integrity and compliance rules it covers, and pledges to apply and uphold these principles. The supplier also ensures that its subcontractors, employees, agents and representatives fully comply with the Edenred Charter of Ethics in fulfilling their respective obligations under this agreement".

This clause is stipulated in documents for tender bids, to which the Charter of Ethics was attached.

Integrating ethics issues at subsidiaries

Ethics training and workshops

In 2019, several subsidiaries organized training and/or workshops on ethical issues:

- the Bulgarian subsidiary held a workshop on ethical behavior in the workplace and in conducting business with clients and prospects;
- in Taiwan, employees took training on anti-corruption and compliance;
- in Mexico, new employees receive mandatory training on anti-money laundering and take an online exam. The subsidiary is currently developing a comprehensive e-learning program tailored to local needs.

Action on compliance in Brazil

For the second year in a row, Edenred Brazil organized its compliance week event, drawing more than 700 participants. Experts were invited to discuss anti-money laundering, anti-corruption, personal data protection and Brazil's General Data Protection Law (LGPD), the importance of the ethics code, challenges of innovation, IT security and cybersecurity.

Employees took mandatory training throughout 2019 *via* e-learning modules on anti-money laundering and corruption. One of the modules covers the Charter of Ethics. This program was hailed for its performance by Exame magazine in Brazil.

In 2019, Edenred also produced six awareness videos for its customers, suppliers and other partners. The videos cover all these ethics issues and are available for viewing on Edenred Brazil's website.

Responsible Purchasing Charter in France

Edenred France introduced a Responsible Purchasing Charter in October 2014 to set out its expectations of suppliers in such areas as human rights, employment best practices and non-discrimination. The Charter has been signed by the subsidiary's main suppliers.

Italy – SA8000 certification

Edenred Italy has been SA8000 certified since 2015. This standard assess an organization's social accountability performance based on criteria of quality, compliance and respect for human rights, as defined in the International Labour Organization (ILO) conventions, United Nations Convention on the Rights of the Child and the Universal Declaration of Human Rights. In meeting SA8000, Edenred guarantees social performance based on these criteria at its production facilities and throughout its supply chain.

2.4.4.1.2 Key progress indicators

Calculation method

Edenred's progress on this commitment to create value responsibly will be measured annually based on the percentage of Group employees who have approved the Charter of Ethics.

Performance monitoring

This percentage stood at **96%** in **2019**, with a target of **100%** by **2022**. The longer-term objective is to be listed as one of the **World's Most Ethical Companies** by **2030**.

2.4.4.2 Ensuring IT security and data protection

Its very high proportion of digital solutions means that Edenred must work continuously to bolster the security of its IT systems.

In addition, as an employer and service provider, Edenred is subject to personal data protection rules governing individual identity, privacy and freedoms.

2.4.4.2.1 Priority issue: IT security

The Information Systems Security Department advises and assists Group management in defining its IT security policy. It is responsible for ensuring that the policy is properly implemented, applied and monitored by identifying, organizing, coordinating and leading security programs, prevention programs and corrective measures in all of the Group's host countries.

Given regulatory requirements and increased risk of cybercrime, cybersecurity has become a key issue for the Group. The current system includes a framework of guidelines that apply the Group's information security policy, a cybersecurity unit deployed worldwide to implement security measures, a structure and actionable technical solutions in the event of a crisis, as well as controls to assess the Group's security posture on a regular basis.

Edenred has obtained internationally recognized information security certifications in several countries, such as ISO/IEC 27001 and PCI DSS, which guarantee that these standards are applied within the organization. To date, seven subsidiaries – in the Czech Republic, Italy, Mexico, Singapore and the United Kingdom, along with Repom and PPS – have been certified.

2.4.4.2.2 Priority issue: personal data

Protecting the personal data of Edenred's clients, users and employees is a priority issue for the Group. This is especially true with the current shift of most of the Group's solutions toward digital formats, expansion and diversification of its businesses, and stricter regulations following the application of the General Data protection Regulation (GDPR) (see sections 2.2.1.2.3 Risks related to personal data protection regulations and 2.2.1.3.1 Information system risks, starting on page 47. Edenred has made compliance with this regulation a core priority as it is an opportunity to bolster the trust that corporate clients, employee users and staff members place in the Group.

Edenred launched a compliance project in 2017 to create tools, processes, governance and organizational structure that allow the Group to optimize the management of personal data and transparency for individuals whose personal data are processed.

A Group Data Protection Officer (DPO) was appointed at the end of 2017 to manage and coordinate the project. The DPO works with a network of representatives from each subsidiary in Europe, as well as subsidiaries from other regions.

A shared compliance tool was implemented to help subsidiaries, with the support of the DPO, meet their obligations of maintaining processing records and performing data protection impact assessments, and to enhance coordination between the Group DPO and local representatives.

Educational tools have also been designed for operational staff, to provide them with concrete support in developing projects that comply with regulations on personal data protection.

A data breach response plan was also disseminated so that swift and effective action can be taken in the event of an incident involving personal data. Tools have been implemented, with dedicated support, to aid staff in managing these incidents and meeting the requirements of the competent supervisory authorities.

The Group sets out recommendations to help subsidiaries better understand the purpose and consequences of data protection regulations. The recommendations also guide them in implementing the right processes and procedures to guarantee compliance and to be able to demonstrate its compliance with relevant legislation, in line with the accountability principle.

The Group also takes steps to ensure that subcontractors are held accountable and that any individual involved in processing personal data is provided with clear and available information in line with the requirements of these regulations.

Lastly, training and workshops on personal data issues were held in 2019 for key organizations working with subsidiaries operating in Europe.

2.4.4.2.3 Key progress indicators

Calculation method

Edenred has taken steps to build and strengthen its compliance with personal data protection regulations. Progress on these actions will be measured annually based on the number of subsidiaries that comply with data processing standards and have educated their employees about this issue.

Performance monitoring

In 2019, all subsidiaries were involved in a compliance program to meet personal data protection regulations. The standard applied was the GDPR. Compliance will be monitored through detailed questionnaires sent to subsidiaries and regular audits carried out at the local level. The target is to bring all Group subsidiaries in compliance with the main principles of personal data protection by 2022. In the longer term, Group-wide strict internal rules and certifications could be applied by 2030.

2.4.4.3 Meeting the expectations of stakeholders while involving them in Edenred's digital transformation

Edenred has a large number of external stakeholders, some of whom are directly involved in its business activity: corporate clients, employee users, and partner merchants. The Group has always sought to meet their needs. Its passion for its customers is one of its core values.

And it is this passion that drives Edenred to develop digital solutions responsibly.

2.4.4.3.1 Priority issue: guaranteeing responsible digitization of payment solutions and services, and their availability

Edenred develops and provides specific solutions to meet the needs of the working world. Social trends resulting from digitalization is both a challenge and an opportunity for Edenred. It also provides a way to meet new regulations in line with emerging standards applicable in the Group's different operating regions.

Guaranteeing transparency and compliance

Digitalization brings with it new standards. Whenever possible, Edenred launches certification processes to confirm the strength of its methodology, security systems and best practices, and its understanding of these issues.

Confianza Online label in Spain

Since 2013, the Spanish subsidiary has earned the "Confianza Online" (online trust) seal, Spain's leading national certification program to promote best online practices, used by over 2,700 websites.

Organizations seeking certification must comply with the Confianza Online Ethical Code in terms of digital advertising, e-commerce, personal data protection and protection of minors. The subsidiary's e-commerce site was assessed based on more than 30 criteria to qualify for the Trust Mark, which is officially recognized in Spain.

Contributing to financial inclusion

Edenred uses the digital technology applied to its solutions to promote financial, technological and social inclusion for its stakeholders.

Technological and financial inclusion in Dubai

Financial exclusion is a global issue that continues to affect large part of the world population, primarily in emerging economies. To help these people access basic financial services, Edenred developed the C3 digital solution in the United Arab Emirates.

C3 combines a card with a mobile app to enable unbanked or underbanked employees to receive their wages by wire transfer rather than in cash. Via the app, C3 users can withdraw money, shop online and transfer funds, notably enabling them to send money back home. In 2019, over 1.5 million employees were already using the C3 Card.

The solution constitutes an effective tool for combating the informal economy, protecting employees' rights and above all providing access to essential banking services.

Financial inclusion in Brazil

The subsidiary Repom develops prepaid cards for independent truck drivers who deliver goods as an outsourced service for major manufacturers and trucking companies. This solution can be used to receive wages and carry out secure transactions. Users can cover all their expenses with their card, including fuel, restaurants and tolls. These cards contribute to the economic integration of workers. With guaranteed traceability of their wages, they can, for example, apply for a mortgage.

In 2019, the service launched its mobile payment feature to facilitate transactions for nearly 1.5 million users, making it the leading digital wallet for truck drivers in Brazil.

Ensuring accessibility to its solutions

Edenred works to support its stakeholders by respecting everyone's needs and, in particular, guaranteeing digital solutions that are accessible in any circumstances.

People with disabilities

Edenred's technical staff actively work to improve the digital accessibility of its tools, especially for people with disabilities, so that they can access the services and solutions offered by Edenred as easily and independently as any other user.

Prior to the enactment of the French Act for a Digital Republic for All, as of the summer of 2016, Edenred France introduced the Elioz Connect platform for people who are deaf or hard of hearing, enabling them to contact customer service. Alongside its implementation, employee awareness-raising campaigns and training sessions for client relationship managers took place.

To further raise awareness among the various stakeholders about accessibility issues, a contest was organized in cooperation with Elioz to come up with a sign for the *Ticket Restaurant* brand in French sign language.

Fostering local, economic and social development

Supporting development through our solutions

Because of the nature of its business, Edenred has both a direct and an indirect positive impact on local employment and neighborhood merchants. The prepaid service vouchers marketed by Edenred are a significant source of revenue for partner merchants, including restaurants, supermarkets and service stations, as well as a powerful tool for stimulating local employment, notably for human services. The vouchers' traceability helps reduce off-the-books work in Edenred's host countries and thereby improves tax collection by the public authorities.

The Group's impact in this area can be measured by the number of partner merchants who accept all types of Edenred vouchers. There are 2 million partner merchants in its 46 host countries.

In Belgium, an Edenred study of its partner merchants and employee users reported that 90% of respondents prefer to use their *Ticket Restaurant* solution online. Convenience stores want to use digital technology especially to meet new consumer needs. Based on these findings, the Belgian subsidiary developed the new takeout meal platform My Order, to support convenience stores in their digital transformation. This platform is one way that Edenred aims to support the local economy by connecting employee users with local merchants.

Driving innovation

Edenred is the everyday companion for people at work. To respond to changes, the Group set up a unique Open Innovation program to explore solutions for the future and continue to drive innovation. As such, Edenred has formed several partnerships to promote economic development, including the creation of its own venture capital structure in 2012. The Group also encourages its employees in their entrepreneurial projects *via* its Edenred Factory program:

- its partnership with the Partech Ventures investment fund supports growing young companies focused on the digital economy and financial technologies; Edenred cemented this partnership in early 2018 by investing in Partech Africa.
- Edenred's in-house venture capital fund, Edenred Capital Partners, supports startups in areas related to its businesses while stimulating synergies to drive mutual value creation;
- in 2017, Edenred launched Edenred Factory to nurture employees' ideas. An indicator of the capacity for imagination among the Group's teams, this intrapreneurship program gives employees worldwide the opportunity to make their startup projects a reality.

2.4.4.3.2 Priority issue: client satisfaction

For more than 50 years, Edenred has worked with companies, employees and merchants every day to understand and better anticipate their needs. The Group pledges to improve every last detail of the partnerships it develops until 100% of its customers recommend Edenred.

Passion for Customers program

In 2018, Edenred launched its new Passion for Customers program worldwide. The Group will measure its Net Promoter Score for all its customers (company clients, employee users and partner merchants) around the world to engage Group employees in improving the customer experience. This program is built around three key objectives:

- listen to the voices of customers (*via* a SaaS platform and market study firm);
- improve the customer experience (reminders, operational excellence);
- shift to a more customer-centric corporate culture.

This program will be implemented at subsidiaries over four years, with the first implementations effective in 2020.

2019 highlights in client services

For the third consecutive year, Edenred Spain was voted "2020 Customer Service of the Year" in the "Company payment services" category. Over 200 customers anonymously participated in reviewing each candidate company across all contact channels (email, social media, phone calls, etc.), and a satisfaction survey was sent to 2,000 people.

National Customer Service Week

In Greece, Edenred participated for the second year in a row in National Customer Service Week, an event organized by the Hellenic Institute of Customer Service. Several Edenred representatives took the opportunity to meet with their customers to better understand their needs. Throughout the week, all calls received by Edenred's Customer Service were transformed into donations for the charity Flame, which helps finance healthcare for children with serious illnesses. In total, the Greek subsidiary raised €1,000 for the organization in 2019.

Satisfaction surveys

Greece

Following the recent socioeconomic crisis and its impacts on the work environment, Edenred conducted a survey in late 2019 in cooperation with a recognized organization, Greek People Management Association (GPMA), to understand the current situation in the workplace. The survey measures employee satisfaction and assesses their everyday needs and obstacles.

Approximately 1,300 questionnaires were completed in three weeks. The needs and suggestions that employees expressed in the survey were then shared with Human Resources Departments at an event in early December 2019. Edenred donated €1 to a rehabilitation center for children with disabilities for each questionnaire submitted. The total donation rounded out to €1,500.

Recognition for Edenred's CSR approach

EcoVadis assessment

Edenred has taken part in the EcoVadis questionnaire for several years. EcoVadis assesses more than 60,000 companies worldwide based on criteria in four categories: environment, fair labor and human rights, ethics, and sustainable procurement.

The Group scored 62 out of 100 in 2019. This ranked Edenred in the 93rd percentile, meaning that its score at the time of publication was equal to or higher than 93% of the companies assessed by EcoVadis.

This score placed Edenred in the Gold category of the EcoVadis rating system, which is used by many international clients as a reference in their tender bids.

Some subsidiaries, such as Edenred France, are assessed independently by EcoVadis. In 2019, Edenred France achieved a score of 68 out of 100, also assigning it to the Gold category.

Quality management

Through its commitment to satisfaction, the Group also pledges to provide quality service for its stakeholders. Every year, it extends its certifications and recognition for its quality management system, such as ISO 9001. This management approach represents all the measures taken to enhance the quality of the organization. To date, 14 subsidiaries – France, Belgium, Italy, Mexico, Greece, the Czech Republic, the United Kingdom, Brazil, Chile, India, Romania, Bulgaria, Spain and Turkey – hold these types of certifications.

2.4.4.3.3 Stakeholder dialogue

In working toward its objective to create value, Edenred seeks to establish relations with any individual or organization it engages with. The following table presents the conditions for dialogue with each stakeholder.

Table of stakeholders, actors, primary means of dialogue and issues addressed:

STAKEHOLDERS	KEY EDENRED ACTORS	PRIMARY MEANS OF DIALOGUE	ISSUES ADDRESSED
Corporate clients Key accounts, SMEs, public sector	• Sales and Marketing Department, subsidiary senior management; • Group HR and CSR Department.	• Customer surveys; • Client presentations; • Website and newsletters; • Theme workshops.	• Satisfaction; • Increasing attractiveness; • Supporting changing needs, in particular new forms of mobility and development of employee services; • Boosting efficiency.
Partner merchants Restaurants, foodservice outlets, service stations, dry-cleaners, etc.	• Subsidiary Affiliates and Marketing departments.	• Surveys; • Theme workshops and local CSR initiatives; • FOOD program affiliate questionnaires; • Targeted newsletters and email campaigns.	• Satisfaction; • New business development.
Employee users, citizens	• Subsidiary Marketing Department.	• Website, social media; • Targeted newsletters and email campaigns; • Dedicated events.	• Satisfaction; • Well-being, in particular awareness about healthy and sustainable eating; • Increasing purchasing power.
Employees Edenred employees and employee representative organizations, job applicants	• Group HR and CSR Department; • Subsidiary senior management and HR manager.	• Special committees (Social and Economic Council, Group Committee, European Works Council); • Employee satisfaction surveys; • Internal communication; • Internal CSR events.	• Well-being; • Diversity and social dialogue; • Employability and loyalty programs.
Shareholders Institutions, individuals, the financial community, SRI rating agencies, the French financial markets regulator (AMF)	• Group executive management; • Investor Relations Department; • Group HR and CSR Department.	• Universal Registration Document and Integrated Report; • Roadshows and conferences; • Meetings with investors; • Meetings with shareholders; • Newsletters; • Website, specific emails and toll-free number.	• Educational material about Edenred's businesses and the unique features of its key indicators; • Creating shared value; • Business ethics; • Corporate governance; Transparency.
Public authorities	• Group Institutional Relations Department; • Subsidiary senior management.	• Meetings; • Working groups; • Economic research.	• Contributions to public health solutions; • Supporting employment; • Traceability of payment flows.
Society Associations, NGOs, local communities	• Subsidiary CSR correspondents; • Group CSR Department.	• Financing, donations in-kind or in person-hours; • Website and social media; • Meetings; • Dedicated events.	• Contribution to global social challenges; • Respect for the environment; • Visibility given to a cause or non-profit.

2.4.4.3.4 Key progress indicators

Calculation method

Edenred's progress on this commitment to support its stakeholders will be measured annually based on the percentage of its subsidiaries certified for quality management, based on ISO 9001.

Performance monitoring

This percentage stood at **41%** in **2019**, with a target of **50%** by **2022** and **85%** by **2030**.

2.4.5 Monitoring key performance indicators

PEOPLE

KEY INDICATORS	2019	2018	2017
Percentage of women in executive positions	24%	21%	21%
Percentage of Edenred employees, on average over the previous five years, who attended at least one training course in the year	82%	79%	78%
Merchants and users made aware about healthy, sustainable eating	35%	30%	29%
Number of days devoted to volunteering	1,470	1,008	586

OTHER INDICATORS	2019	2017	2017
Number of employees	8,861	8,402	7,782
% under permanent contracts	95%	95%	95%
% women	52%	51%	50%
% men	48%	49%	50%
Number of interns	246	254	240
Full-time equivalent	8,812	8,390	7,674
% managers (1)	21%	21%	19%
% women managers	40%	39%	38%
% men managers	60%	61%	62%
Employees who attended one training course during the year	89%	83%	84%
Number of hours of training (2)	157,613	164,886	130,596
Number of hours of training for managers	40,580	54,734	32,781
Number of hours of training for non-managers	117,033	110,152	97,815
Number of employees having attended at least one training course	7,913	6,991	6,507
Number of managers having attended at least one training course	1,700	1,780	1,238
Number of non-managers having attended at least one training course	6,213	5,211	5,269
Lost-time incident frequency rate (LTIF) *(%)* (3)	3.3	3.5	4.7
Severity rate *(%)* (4)	0.1	0.1	0.1
Absenteeism rate *(%)* (5)	2.1	2.2	2.7
Number of fatal accidents in the workplace	0	0	1
Number of occupational illnesses resulting in at least one day of lost time	6	2	5
Direct donations *(in €)*	1,325,885	815,221	1,057,386
Indirect donations *(in €)*	1,396,536	1,192,981	802,712
Volunteer time based on payroll cost *(in €)*	364,198	234,352	137,103
Total donations *(in €)*	3,086,619	2,242,555	1,997,201
Employees made aware about community outreach	82%	86%	72%

Note on reported information:

Employee numbers correspond to the number of individuals on the payroll on December 31 and the number of full-time equivalent employees.

The concept of number of employees is designed to quantify the number of individuals under permanent and fixed-term contracts (this excludes interns, service providers and subcontractors), regardless of the actual time spent on site or their contractual working hours. Total number of employees is used to calculate several other indicators.

The concept of full-time equivalent is designed to quantify the workforce on a comparable basis, i.e., the standard full-time contract applied in each unit. The purpose is to measure the organization's operational workforce, taking into account work week duration and contractual working hours. The figures also include interns and temporary employees.

(1) A manager is defined as an employee who manages others and/or has a high level of responsibility within the organization.

(2) Hours of training corresponds to the total hours of training (classroom and online) undertaken by employees in all Group subsidiaries.

(3) Lost-time incidents: non-fatal and fatal accidents occurring during or because of work, including commuting accidents, and involving salaried employees and all other persons working for the Edenred Group in any capacity and at any location and resulting in at least one day of absence. Days of lost time are counted in business days and not in calendar days.

(4) Severity rate: number of days of lost time following an occupational accident multiplied by 1,000 and divided by the total number of hours worked by the entire workforce over the calendar year. Days of lost time are counted in business days and not in calendar days.

(5) Absenteeism rate: total number of person-days lost to absenteeism in the period divided by the number of person-days available in the period. This includes absenteeism due to occupational accidents, commuting accidents, occupational illnesses and non-occupational illnesses.

PLANET

KEY INDICATORS	2019	2018	2017
Reduction in GHG intensity *(in tCO_2 eq/sqm)* [1]	30%	26%	18%
Number of eco-services for sustainable mobility and to fight food waste	15	10	9
% of eco-designed solutions (in business volume)	14%	16%	27%

OTHER INDICATORS	2019	2018	2017
Number of subsidiaries with an environmental management system	11	11	10
Environmental certification coverage (in number of employees)	51%	50%	48%
Number of environmental non-compliance incidents	0	0	0
Employees made aware about environmental issues	70%	65%	69%
Annual natural gas use *(in MWh, LHV)*	1,864	2,072	2,404
Annual fuel oil use *(in MWh, LHV)*	168	188	461
Annual electricity use *(in MWh)*	14,959	15,186	15,560
Total energy use (natural gas, fuel oil and electricity) *(in MWh)*	16,992	17,445	18,426
Direct GHG emissions from point sources *(in tCO_2 eq)*	509	566	735
Direct GHG emissions from mobile sources *(in tCO_2 eq)*	5,684	5,662	5,149
Indirect GHG emissions resulting from electricity use *(tCO_2 eq)*	3,733	3,868	4,286
Total GHG emissions from point sources *(in tCO_2 eq)*	4,242	4,435	5,021
Total GHG emissions (scopes 1 and 2) *(in tCO_2 eq)*	9,926	10,096	10,170
GHG intensity of point sources *(in kg CO_2 eq/sqm)* [2]	45.7	48.6	53.1
Annual water use *(in cubic meters)*	60,056	61,606	62,401
Waste *(in metric tons)*	1,186	1,012	912
Brochure paper use *(in metric tons)*	248	281	293
Office paper use *(in metric tons)*	159	135	114
Voucher process paper use *(in metric tons)*	775	909	1,010
Total paper use *(in metric tons)*	1,182	1,324	1,417
Percentage of subsidiaries (in business volume) that use environmentally friendly paper out of total subsidiaries producing paper vouchers	70%	79%	86%
Annual plastic consumption for card production *(in metric tons)*	102	105	79

Note on reported information:

The scope of environmental indicators is detailed in section 2.4.1.2, starting on page 78.

(1) The reduction in GHG intensity refers to the effective reduction in greenhouse gas (GHG) emissions per unit of surface area for point sources (scopes 1 and 2) compared with 2013.

(2) GHG intensity of point sources refers to GHG emissions (scopes 1 and 2) from point sources per unit of surface area occupied.

PROGRESS

KEY INDICATORS	2019	2018	2017
Employees who approved the Charter of Ethics	96%	82%	84%
Subsidiaries compliant with data protection standards	European subsidiaries	European subsidiaries	
ISO 9001 certification coverage (in number of employees)	41%	41%	39%

OTHER INDICATORS	2019	2018	2017
Number of subsidiaries with ISO 27001 certification and other IT security certifications	7	7	6
Number of subsidiaries with ISO 9001 certification	14	14	16

2.4.6 CSR Independent third party verification report

Report of one of the Statutory Auditors, appointed as independent third party, on the consolidated non financial statement

This is a free translation into English of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

For the year ended December 31, 2019

To the Shareholders,

In our capacity as Statutory Auditor of Edenred SA, appointed as independent third party and accredited by COFRAC under number 3-1048 (scope of accreditation available at www.cofrac.fr), we hereby report to you on the consolidated non financial statement for the year ended December 31, 2019 (hereinafter the "Statement"), presented in the Group Management Report pursuant to the legal and regulatory provisions of Articles L.225-102-1, R.225-105 and R.225-105-1 of the French Commercial Code (Code de commerce).

Company's responsibility

The Board of Directors is responsible for preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main extra-financial risks, a presentation of the policies implemented with respect to these risks as well as the results of these policies, including key performance indicators. The Statement has been prepared by applying the company's procedures (hereinafter the "Guidelines"), summarized in the Statement and available on the company's website or on request from its headquarters.

Independence and quality control

Our independence is defined by the requirements of article L.822-11-3 of the French Commercial Code and the French Code of ethics for Statutory Auditors *(Code de déontologie)*. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional standards and applicable legal and regulatory requirements.

Responsibility of the statutory auditor appointed as independent third party

Based on our work, our responsibility is to express a limited assurance conclusion on:

- the compliance of the Statement with the requirements of article R.225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to part 3 of sections I and II of Article R.225-105 of the French Commercial Code, *i.e.* the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information."

However, it is not our responsibility to provide any conclusion on the company's compliance with other applicable legal and regulatory provisions, particularly with regard to the anti-corruption and taxation nor on the compliance of products and services with the applicable regulations.

Nature and scope of procedures

We performed our work in accordance with Articles A. 225-1 *et seq.* of the French Commercial Code defining the conditions under which the independent third party performs its engagement and the professional guidance issued by the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) relating to this engagement and with ISAE 3000 (Assurance engagements other than audits or reviews of historical financial information).

We conducted procedures in order to assess the Statement's compliance with regulatory provisions, and the fairness of the Information:

- We familiarized ourselves with the Group's business activity and the description of the principal risks associated;
- We assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, neutrality and clarity, taking into account, where appropriate, best practices within the sector;
- We verified that the Statement covers each category of information stipulated in section III of Article L.225-102-1 governing social and environmental affairs, the respect for human rights and the fight against corruption and tax evasion;
- We verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L.225-102-1 III, paragraph 2 of the French Commercial Code;
- We verified that the Statement presents the business model and a description of principal risks associated with all the entity's activities, including where relevant and proportionate, the risks associated with its business relationships, its products or services, as well as its policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks.
- we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important[1] ; concerning certain risks (personal data protection, security of information), our work was carried out on the consolidating entity, for the others risks, our work was carried out on the consolidating entity and on a selection of entities;

(1) Qualitative information selected: Climate change and sustainable mobility; Climate change and energy efficiency, IT security and personal data protection (DPO and compliance tool).

- We verified that the Statement covers the consolidated scope, *i.e.* all companies within the consolidation scope in accordance with Article L.233-16, with the limits specified in the Statement;
- We obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- We carried out, for the key performance indicators and other quantitative outcomes(1) that in our judgment were of most significance:
  - analytical procedures that consisted in verifying the correct consolidation of collected data as well as the consistency of changes thereto,
  - substantive tests, on a sampling basis, that consisted in verifying the proper application of definitions and procedures and reconciling data with supporting documents. These procedures were conducted for a selection of contributing entities(2) and covered 20% of the headcount and between 15% and 33% of the consolidated data for the key performance indicators and outcomes selected for these tests,

We assessed the overall consistency of the Statement in relation to our knowledge of the company;

We believe that the procedures we have performed, based on our professional judgment, are sufficient to provide a basis for a limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our work engaged the skills of eight people between October 2019 and March 2020.

To assist us in conducting our work, we referred to our Corporate Social Responsibility and sustainable development experts. We conducted around ten interviews with people responsible for preparing the Statement.

Conclusion

Based on our work, nothing has come to our attention that cause us to believe that the non financial statement does not comply with the applicable regulatory provisions and that the Information, taken as a whole, is not fairly presented in accordance with the Guidelines.

Paris-La Défense, March 11, 2020

One of the Statutory Auditors,

Deloitte & Associés

Patrick E. Suissa	Julien Rivals
Partner	Partner, Sustainability Services

(1) Quantitative information selected: Total headcount; Percentage of women in management positions; Total number of hires and departures; Absenteeism rate; Frequency rate; Severity rate; Number of employees having attended at least one training course; Business volume of subsidiaries using recycled or FSC certified paper for voucher production; Voucher process paper use; Plastic consumption for card production; Total energy use; Direct GHG emissions from point sources and indirect GHG emissions resulting from electricity use; Number of days devoted to volunteering; Number of merchants and users made aware about balanced nutrition; Percentage of employees who have approved the Charter of Ethics; Percentage of subsidiaries with ISO 9001 certification (quality management).

(2) Entities selected: Ticket Log (Brazil), UTA (Germany), Edenred Romania, Edenred Mexico, Edenred Italy.

3

Board of Directors' report on corporate governance

The Board of Directors' report on corporate governance has been prepared in accordance with the provisions of Articles L.225-37-2 to L.225-37-5 of the French Commercial Code *(Code de commerce)*.

3.1 Corporate governance

Edenred's system of corporate governance is based on the AFEP-MEDEF Corporate Governance Code for listed companies (the "AFEP-MEDEF Code"), which was updated in January 2020. The code is available on the website of the High Committee for Corporate Governance (https://hcge.fr), from the issuing organizations or at the Company's registered office.

The Company's practices comply with the recommendations contained in the AFEP-MEDEF Code, with the exception of part of Article 18.1, which recommends that an employee director be a member of the compensation committee.

The Board does not plan to appoint an employee-representative director to the Compensation and Appointments Committee. Indeed, the Company is required to appoint a second employee-representative director by the end of 2020 pursuant to the provisions of the French Pacte Law. Following this appointment, the Board of Directors and the Compensation and Appointments Committee will discuss the possibility of appointing them to one of the Board Committees. This subject will therefore be part of the future discussions of the Board of Directors and the said committee on the membership of the committees. It should also be noted that the meetings of the Compensation and Appointments Committee are the subject of a detailed report systematically given to the directors before each Board meeting. The employee-representative director is therefore informed of the issues raised in a precise manner and has the possibility of expressing his or her views on the subjects discussed during the Board meeting.

Since April 9, 2010, Edenred has been organized as a société anonyme (public limited company) administered by a Board of Directors.

As provided for in the applicable regulations, on June 29, 2010, the Board of Directors decided to combine the functions of Chairman of the Board of Directors and Chief Executive Officer and confirmed this decision on September 10, 2015 when Mr Bertrand Dumazy was appointed Chairman and Chief Executive Officer. The Board considers that this governance structure is best aligned with the Company's needs, because it ensures the high level of strategic and operational responsiveness required by a young organization whose business is undergoing radical technological transformation. The Chairman and Chief Executive Officer does not receive any compensation in his capacity as a director and Chairman of the Board.

Article 14 of the Company's bylaws allows for the appointment by the Board of one or two Vice-Chairmen to lead Board meetings in the Chairman's absence. Furthermore, under Article I.5 of the Board of Directors' Internal Regulations, the Vice-Chairman may also act as Lead Independent Director provided he or she qualifies as an independent director in accordance with the criteria disclosed by the Company. In addition, the Board of Directors must appoint a Vice-Chairman if the Chairman is also the Chief Executive Officer, in which case the Vice-Chairman will also serve as Lead Independent Director. In light of its decision to combine the functions of Chairman and Chief Executive Officer, the Board has appointed an independent director as Vice-Chairman of the Board and Lead Independent Director.

3.1.1 The Board of Directors

Excerpt from Article 12 of the bylaws:

The Company is managed by a Board of Directors composed of a minimum of three members and a maximum of eighteen, subject to the dispensations provided for by law, including in the event of a merger.

No individual exceeding the age of 75 may be appointed as director. If a director in office exceeds the age limit of 75, the latter, at the close of the first General Meeting following his or her birthday, will be deemed to have automatically resigned.

The number of directors who are over 70 years of age may not represent more than a third of the directors in office.

If the above-mentioned proportion is exceeded as a result of a director turning over 70, the eldest director is deemed to have automatically resigned from office at that date.

These provisions also apply to the permanent representatives of any legal entity that has been appointed director.

Directors, including employee-representative directors, are appointed under legal conditions by the Ordinary General Meeting for a four-year term. They may be re-elected.

However, the Ordinary General Meeting can exceptionally appoint one or several directors for a term of less than four years. This is only for the regular renewal of the Board of Directors by rotation, so that such renewal applies to a different portion of its members each time.

In the event of a vacancy of one or several seats of directors appointed by the Ordinary General Meeting, the Board of Directors can carry out, pursuant to legal conditions, provisional appointments that will be subject to the ratification of the Ordinary General Meeting pursuant to the conditions provided for by law.

Failing ratification, the decisions made and the actions completed beforehand remain valid.

The director appointed pursuant to such conditions to replace another remains in office for the duration of his or her predecessor's remaining term of office.

As long as the Company's shares are admitted to trading on a regulated market, each director, with the exception of the employee-representative directors, must hold 500 of the Company's registered shares.

As the Company falls within the scope of application of Article L.225-27-1 of the French Commercial Code, the Board of Directors includes one or two employee-representative directors.

Article I.1 of the Board of Directors' Internal Regulations stipulates that at least half of the directors on the Board must be independent within the meaning of the criteria set forth in the AFEP-MEDEF Code.

The framework for the preparation and organization of Board meetings results from French company law and the related regulations, from the Company's bylaws and from the Board of Directors' Internal Regulations, which also describe the procedures of the Board Committees (see the relevant section of the Universal Registration Document).

3.1.1.1 Presentation of the Board of Directors

Membership of the Board of Directors at December 31, 2019

The table below summarizes the membership of the Board of Directors at December 31, 2019. Details on each of the directors are provided thereafter.

	AGE (1)	GENDER	NATIONALITY	NUMBER OF SHARES	NUMBER OF DIRECTORSHIPS IN LISTED COMPANIES (2)	INDEPENDENCE	YEAR FIRST APPOINTED	END OF TERM	NUMBER OF YEARS ON BOARD (3)	MEMBER OF A BOARD COMMITTEE
Bertrand Dumazy (4)	48	M	French	201,027	1	No	2015	2022 GM	5	
Jean-Paul Bailly	73	M	French	622	2	Yes	2010	2020 GM	10	ARC (6) Chairman of CC (7)
Anne Bouverot	53	F	French	1,021	3	Yes	2010	2021 GM	10	CC
Sylvia Coutinho	58	F	Brazilian	500	0	Yes	2016	2021 GM	4	CAC (8)
Dominique D'Hinnin	60	M	French	511	3	Yes	2017	2020 GM	3	Chairman of ARC
Gabriele Galateri di Genola	72	M	Italian	513	2	Yes	2010	2022 GM	10	CAC
Maëlle Gavet	41	F	French	500	0	Yes	2014	2022 GM	6	CC
Françoise Gri	62	F	French	1,947	2	Yes	2010	2021 GM	10	Chairman of CAC
Jean-Bernard Hamel (5)	58	M	French	8,000	0	No	2018	2022 GM	2	
Jean-Romain Lhomme	44	M	French	500	0	Yes	2013	2022 GM	7	ARC
Bertrand Meheut	68	M	French	500	1	Yes	2010	2020 GM	10	CC

(1) Age at December, 31 2019.
(2) Excluding Edenred.
(3) As at the next General Meeting, scheduled to take place on May 7, 2020.
(4) Chairman and Chief Executive Officer.
(5) Employee-representative director.
(6) Audit and Risks Committee.
(7) Commitments Committee.
(8) Compensation and Appointments Committee.

Changes in the membership of the Board of Directors and the Board Committees in 2019

	DEPARTURE	ARRIVAL	RENEWAL
COMMITMENTS COMMITTEE			
Maëlle Gavet		May 14, 2019	

The membership of the Board of Directors, the Audit and Risks Committee and the Commitments Committee is unchanged.

Diversity of the membership of the Board of Directors

The Board of Directors strives to ensure that its membership and that of its committees is balanced in terms of independence, experience, skills, professional expertise, international exposure, age and gender.

Complementarity of experience, skills and professional expertise

Experience, skills and professional expertise are fundamental criteria in the selection of directors, particularly in the fields of B2B2C relationships, digital technology, international experience, finance and CSR. The profiles of the directors selected must be complementary, so that the combination of their individual skills and expertise covers all of the Group's operations.

In order to support the Group's international dimension, the Board of Directors ensures that it includes international profiles (nationality, experience). As of December 31, 2019, the Board of Directors includes one Italian citizen, one Brazilian citizen and seven members with extensive international experience.

The table below shows the main areas of skills and expertise of the directors; their detailed biographies, starting on page 129, present their experience. Moreover, as of December 31, 2019, all directors appointed by the General Meeting (excluding the Chairman and Chief Executive Officer) are members of at least one committee of the Board of Directors.

Director skills matrix
(excluding the Chairman and Chief Executive Officer)

	B2B2C RELATIONS	DIGITAL	INTERNATIONAL	GENERAL MANAGEMENT	FINANCE / M&A	CSR	STRATEGY
	80%	60%	70%	70%	70%	50%	70%
Jean-Paul BAILLY	●			●	●	●	●
Anne BOUVEROT		●	●	●	●		●
Sylvia COUTINHO	●		●	●	●	●	
Dominique D'HINNIN		●	●		●	●	●
Gabriele GALATERI DI GENOLA	●		●	●		●	●
Maëlle GAVET	●	●	●	●			●
Françoise GRI	●	●		●		●	●
Jean-Bernard HAMEL	●	●	●		●		
Jean-Romain LHOMME	●	●	●		●		
Bertrand MEHEUT	●			●	●		●

Gender balance

The Board of Directors ensures balanced representation of women and men among the directors appointed by the General Meeting.

As of December 31, 2019, the Board of Directors has four women and six men, *i.e.*, 40% women (the employee-representative director is not taken into account for the calculation of the gender balance). Moreover, a woman serves as Lead Independent Director and Vice-Chairman of the Board.

The Board also ensures a balanced representation of women and men in the membership of its committees.

As of December 31, 2019, two of the three committees include at least one person of each sex, and one of the three committees is chaired by a woman.

High level of independence

The Board of Directors ensures that it includes a large proportion of independent directors.

As of December 31, 2019, 90% of the members of the Board of Directors are independent (the employee-representative director is not taken into account for the calculation of independence). See below for more details.

Independence

Article II.2 of the Internal Regulations of the Board of Directors:

The qualification of independent directors is discussed each year by the Compensation and Appointments Committee, which draws up a report for the Board of Directors on this subject. Every year, in view of this report, the Board of Directors assesses each director's independence with regard to these criteria.

The Board of Directors must inform shareholders of the conclusions of this review in the Annual Report. In its analysis, it must specifically mention that it considered the question of material business relations that the members of the Board of Directors may have with the Company and the criteria adopted to reach these conclusions.

Once again this year, the Board of Directors therefore concluded that none of the directors had a relationship of any kind whatsoever with the Company, its Group or the management of either that could color their judgment.

Pursuant to the independence criteria approved by the Board of Directors, to be qualified as independent, directors cannot:

- have been at any time in the past five years an employee or an executive corporate officer of the Company, or an employee or an executive corporate officer or a director of a company that it consolidates;
- be an executive corporate officer of a company in which the Company directly or indirectly holds a directorship, or in which an employee appointed as such or an executive corporate officer of the Company (current or in the past five years) holds a directorship;
- be a customer, supplier, investment banker, commercial banker or consultant:
  - that is material for the Company or its Group, or
  - for which the Company or its Group represents a material proportion of the activity;
- have any close family ties with a corporate officer;
- have been a Statutory Auditor of the Company at any time in the last five years;
- have been a director of the Company for more than 12 years;
- be or represent a shareholder owning more than 10% of the capital or voting rights of the Company.

The Board of Directors may decide that a director meeting these criteria does not qualify as independent given his or her situation or the Company's situation due to its shareholding structure or for any other reason. Conversely, the Board of Directors may, based on the recommendation of the Compensation and Appointments Committee, decide that a director who does not meet these criteria is independent.

As of December 31, 2019, the Board of Directors had 11 members, nine of whom were qualified by the Board as independent directors.

The table below summarizes the independence criteria for each director as of December 31, 2019:

	IS NOT/HAS NOT BEEN AN EMPLOYEE OR CORPORATE OFFICER	NO CROSS DIRECTORSHIPS	NO MATERIAL BUSINESS RELATIONSHIPS	NO FAMILY TIES	IS NOT/HAS NOT BEEN A STATUTORY AUDITOR	NOT A DIRECTOR FOR MORE THAN 12 YEARS	IS NOT/DOES NOT REPRESENT A SHAREHOLDER OWNING MORE THAN 10%	INDEPENDENT
Bertrand Dumazy	×	✓	✓	✓	✓	✓	✓	**NO**
Jean-Paul Bailly	✓	✓	✓	✓	✓	✓	✓	YES
Anne Bouverot	✓	✓	✓	✓	✓	✓	✓	YES
Sylvia Coutinho	✓	✓	✓	✓	✓	✓	✓	YES
Dominique D'Hinnin	✓	✓	✓	✓	✓	✓	✓	YES
Gabriele Galateri di Genola	✓	✓	✓	✓	✓	✓	✓	YES
Maëlle Gavet	✓	✓	✓	✓	✓	✓	✓	YES
Françoise Gri	✓	✓	✓	✓	✓	✓	✓	YES
Jean-Bernard Hamel	×	✓	✓	✓	✓	✓	✓	**NO**
Jean-Romain Lhomme	✓	✓	✓	✓	✓	✓	✓	YES
Bertrand Meheut	✓	✓	✓	✓	✓	✓	✓	YES

Key: represents an independence criterion satisfied and represents and independence criterion not satisfied.

Directors' profiles, experience and expertise

As of December 31, 2019, the membership of the Board of Directors was as follows [1]:

Jean-Paul Bailly

DATE OF BIRTH:
November 29, 1946
NATIONALITY:
French
BUSINESS ADDRESS:
38 rue Gay Lussac, 75005 Paris, France
FIRST APPOINTED:
June 29, 2010
RE-APPOINTED:
May 4, 2016
CURRENT TERM ENDS:
General Meeting to approve the financial statements for the financial year ended December 31, 2019
NUMBER OF EDENRED SHARES HELD AT DECEMBER 31, 2019:
622

MAIN POSITION:
Chairman of RATP

EXPERIENCE AND EXPERTISE:
A graduate of École polytechnique and the Massachusetts Institute of Technology (MIT), Jean-Paul Bailly has held various positions with the Paris Transit Authority (RATP), including Manager of the Paris Metro and RER suburban rail system, Human Resources Director, Deputy Chief Executive Officer and then Chairman and Chief Executive Officer.
He was Chairman of the French Post Office (La Poste Group) from 2002 to 2013 and Chairman of the Supervisory Board of La Banque Postale from 2006 to 2013. Since then, he has been Honorary Chairman of La Poste Group.

INDEPENDENT WITH REGARD TO AFEP-MEDEF CODE:
Yes

PARTICIPATION IN BOARD COMMITTEES:
Chairman of the Commitments Committee
Member of the Audit and Risks Committee

OTHER DIRECTORSHIPS AND POSITIONS HELD AS OF DECEMBER 31, 2019:
- Chairman of the Supervisory Board – Europcar (listed company) – France

FORMER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS:
- Director – Accor SA (listed company) – France

3

(1) Directorships shown in italics do not fall within Article L.225-21 of the French Commercial Code on multiple directorships.

Anne Bouverot

DATE OF BIRTH:
March 21, 1966
NATIONALITY:
French
BUSINESS ADDRESS:
8-10 rue du Renard, 75004 Paris, France
FIRST APPOINTED:
June 29, 2010
RE-APPOINTED:
May 4, 2017
CURRENT TERM ENDS:
General Meeting to approve the financial statements for the financial year ended December 31, 2020
NUMBER OF EDENRED SHARES HELD AT DECEMBER 31, 2019:
1,021

MAIN POSITION:

Chairperson of the Board of Directors of Technicolor

EXPERIENCE AND EXPERTISE:

A graduate of École Normale Supérieure and of Télécom Paris, Anne Bouverot was the Presales Operations Manager of Global One from 1996 to 2002. In August 2004, she became Chief of Staff for the Chief Executive Officer of Orange Group and then, in November 2006, Executive Vice-President, International Business Development, at France Telecom. She has also been a director of Groupama SA since October 2008. In September 2011, she became Director General and Member of the Board of GSMA, the international association of mobile network operators. She was Chair of Safran Identity & Security (formerly Morpho) from 2015 to June 2017. Since June 2019, she has been Chairperson of Technicolor's Board of Directors.

INDEPENDENT WITH REGARD TO AFEP-MEDEF CODE:

Yes

PARTICIPATION IN BOARD COMMITTEES:

Member of the Commitments Committee

OTHER DIRECTORSHIPS AND POSITIONS HELD AS OF DECEMBER 31, 2019:

- Chairperson of the Board of Directors – Technicolor (listed company) – France
- Director – CapGemini SA (listed company) – France
- Director – Cellnex Telecom (listed company) – Spain
- Chair – Fondation Abeona – France
- Director – Ledger – France

FORMER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS:

- Corporate Secretary – CICS – Conseil des Industries, de la Confiance et de la Sécurité – France
- Vice-Chair – FIEEC – Fédération des Industries Électriques, Électroniques et de Communication – France
- Director – Euveka – France
- Chair – Morpho Trak, LLC – USA
- Chair of the Board of Directors – Morpho Detection International, LLC – USA
- Member of the Supervisory Board – Morpho Cards GmbH – Germany
- Chair – Morpho USA, Inc. – USA
- Chair – Morpho SAS – France
- Member of the Board of Directors – GSMA (international association of mobile network operators) – United Kingdom
- Director General – GSMA SV – Switzerland
- Member of the Board of Directors – GSMA Ltd – USA

Sylvia Coutinho

DATE OF BIRTH:
December 1, 1961
NATIONALITY:
Brazilian
BUSINESS ADDRESS:
Av. Faria Lima, 4440-9 Andar, São Paulo, Brazil
FIRST APPOINTED:
March 23, 2016
RE-APPOINTED:
May 4, 2017
CURRENT TERM ENDS:
General Meeting to approve the financial statements for the financial year ended December 31, 2020
NUMBER OF EDENRED SHARES HELD AT DECEMBER 31, 2019:
500

MAIN POSITION:
Country Head of UBS Group Brazil and Head of UBS Global Wealth Management Latin America

EXPERIENCE AND EXPERTISE:
Sylvia Coutinho holds a degree in engineering and a post-graduate degree in economics from the University of São Paulo, as well as an MBA from Columbia University in New York. She started her career in 1984 at the banking group Citigroup, where she held several high-responsibility positions in Brazil and the United States. In 2003, she joined HSBC where she held senior positions in the wealth and asset management divisions, and notably became Head of Retail Banking and Wealth Management for Latin America and Head of Global Wealth Management for the Americas.
Since 2013, Sylvia Coutinho has served as the Country Head of the banking group UBS in Brazil and chaired UBS' Brazilian Executive Committee.

INDEPENDENT WITH REGARD TO AFEP-MEDEF CODE:
Yes

PARTICIPATION IN BOARD COMMITTEES:
Member of the Compensation and Appointments Committee

OTHER DIRECTORSHIPS AND POSITIONS HELD AS OF DECEMBER 31, 2019:
- Country Head – UBS Group Brazil – Brazil
- Head – UBS Global Wealth Management Latin America – Brazil

FORMER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS:
- Regional Director – HSBC Bank – Brazil and USA

Dominique D'Hinnin

DATE OF BIRTH:
August 4, 1959
NATIONALITY:
French
BUSINESS ADDRESS:
70 rue Balard, 75502 Paris Cedex 15, France
FIRST APPOINTED:
June 8, 2017
RE-APPOINTED:
N/A
CURRENT TERM ENDS:
General Meeting to approve the financial statements for the financial year ended December 31, 2019
NUMBER OF EDENRED SHARES HELD AT DECEMBER 31, 2019:
511

MAIN POSITION:
Chairman of the Board of Directors of Eutelsat Communications SA

EXPERIENCE AND EXPERTISE:
Dominique D'Hinnin is a graduate of École Normale Supérieure and École Nationale d'Administration. He began his career in 1986 with France's Inspection des Finances before joining Lagardère as Chief Internal Auditor in 1990. In 1993, he became Executive Vice-President, Finance of Hachette Livre and in 1994 Executive Vice-President of Grolier Inc. (Connecticut, USA). In 1998, he was appointed Executive Vice-President, Finance of the Lagardère Group, where he also held the position of Co-Managing Partner between 2009 and 2016.

INDEPENDENT WITH REGARD TO AFEP-MEDEF CODE:
Yes

PARTICIPATION IN BOARD COMMITTEES:
Chairman of the Audit and Risks Committee

OTHER DIRECTORSHIPS AND POSITIONS HELD AS OF DECEMBER 31, 2019:
- Chairman of the Board of Directors – Eutelsat Communications SA (listed company) – France
- Member of the Board of Directors and Chairman of the Audit Committee – PRISA (listed company) – Spain
- Member of the Board of Directors – Louis Delhaize SA – Belgium
- Member of the Board of Directors – Technicolor (listed company) – France

FORMER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS:
- Member of the Board of Directors – Marie-Claire Album – France
- Member of the Board of Directors – Holding Evelyne Prouvost – France

Bertrand Dumazy

DATE OF BIRTH:
July 10, 1971
NATIONALITY:
French
BUSINESS ADDRESS:
14-16 boulevard Garibaldi, 92130 Issy-les-Moulineaux, France
FIRST APPOINTED:
October 26, 2015
RE-APPOINTED:
May 3, 2018
CURRENT TERM ENDS:
General Meeting to approve the financial statements for the financial year ended December 31, 2021
NUMBER OF EDENRED SHARES HELD AT DECEMBER 31, 2019:
201,027

MAIN POSITION:

Chairman and Chief Executive Officer of Edenred

EXPERIENCE AND EXPERTISE:

Bertrand Dumazy is a graduate of ESCP Europe with an MBA from Harvard Business School. He started his career in 1994 as a consultant with Bain & Company, first in Paris and later in Los Angeles. He then worked as an Investment Director of BC Partners in 1999 before founding Constructeo. In 2002, he joined the Neopost Group. Initially Head of Marketing and Strategy, he was appointed Chairman and Chief Executive Officer of Neopost France in 2005 and then Executive Vice-President, Finance for the Neopost Group in 2008. In 2011, he became President and CEO of Deutsch, a world leader in high performance connectors, a position he held until the group was acquired by TE Connectivity. In 2012, he joined Materis as Executive Vice-President then CEO and eventually President and CEO of Cromology. In October 2015, he was appointed Chairman and CEO of the Edenred Group. He also became the Chairman of the Supervisory Board of UTA in November 2015.

INDEPENDENT WITH REGARD TO AFEP-MEDEF CODE:

No

PARTICIPATION IN BOARD COMMITTEES:

None

OTHER DIRECTORSHIPS AND POSITIONS HELD AS OF DECEMBER 31, 2019:

- Director – Neoen SA (listed company) – France
- Chairman of the Supervisory Board – *Union Tank Eckstein GmbH & Co. KG* – Germany (Edenred Group company)
- Chairman – *PWCE Participations SAS* – France (Edenred Group company)
- Director – Terreal SAS – France

FORMER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS:

- President – Cromology (formerly Materis Paints) – France
- President – Cromology Services (formerly Materis Peintures) – France
- President – Materis SAS – France
- President – Materis Corporate Services – France
- Chairman of the Board of Directors – Cromology SL (formerly Materis Paint Espana SL) – Permanent representative of Cromology Services – Spain
- Chairman of the Board of Directors – International Coating Products (UK) Limited – United Kingdom
- Director – Vernis Claessens – Switzerland
- Director – Cromology Italia S.p.A (formerly Materis Paints Italia S.p.A) – Italy
- Director – Innovcoat Nanoteknolojik Boya Ve Yüsey Urunleri Sanayi Ticaret Ve Arge A.S – Turkey

Gabriele Galateri Di Genola

DATE OF BIRTH:
January 11, 1947
NATIONALITY:
Italian
BUSINESS ADDRESS:
Assicurazioni Generali Spa, Piazza Tre Torri 1, 20145 Milan, Italy
FIRST APPOINTED:
June 29, 2010
RE-APPOINTED:
May 3, 2018
CURRENT TERM ENDS:
General Meeting to approve the financial statements for the financial year ended December 31, 2021
NUMBER OF EDENRED SHARES HELD AT DECEMBER 31, 2019:
513

MAIN POSITION:

Chairman of Assicurazioni Generali S.p.A.

EXPERIENCE AND EXPERTISE:

Gabriele Galateri di Genola, who has an MBA from Columbia University (New York), held various positions at Saint-Gobain, then at Fiat beginning in 1977. He was appointed Chief Executive Officer of IFIL in 1986 and General Manager of IFI in 1993. He was Chairman of Mediobanca until June 2007, then Chairman of Telecom Italia SpA until 2011. He then became Chairman of Generali Group.

INDEPENDENT WITH REGARD TO AFEP-MEDEF CODE:

Yes

PARTICIPATION IN BOARD COMMITTEES:

Member of the Compensation and Appointments Committee

OTHER DIRECTORSHIPS AND POSITIONS HELD AS OF DECEMBER 31, 2019:

- Chairman – Assicurazioni Generali SpA (listed company) – Italy
- Chairman – Istituto Italiano di Tecnologia (IIT) – Italy
- Director – Lavazza SpA – Italy
- Director – FAI – Fondo per l'Ambiente Italiano – Italy
- Director – Assonime – Italy
- Director – Moncler Italia SpA (listed company) – Italy
- Member of the General Board and Executive Committee – Fondazione Giorgio Cini – Italy
- Member of the International Advisory Board – Columbia Business School – USA
- Member of the International Advisory Board – Bank of America Merrill Lynch – USA
- Member of the International Advisory Board – Temasek – Singapore

FORMER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS:

- Member of the Management Board – Associazione De Sono – Italy
- Director – Accor Hospitality Italia Srl – Italy
- Director – Italmobiliare SpA (listed company) – Italy
- Director – Azimut – Benetti SpA – Italy
- Director – Saipem SpA (listed company) – Italy
- Director – Accor SA (listed company) – France
- Director – Fondazione Rosselli – Italy
- Director – Banca Esperia SpA – Italy
- Director – Istituto Europeo di Oncologia (IEO) – Italy
- Director – Fondazione Nuovi Mecenati – Italy
- Director – Fondazione Ravello – Italy
- Director – Fiera di Genova SpA – Italy
- Director – Utet SpA – Italy
- Director – Fondazione R&I – Italy
- Director – Cassa di Risparmio di Savigliano (CRS) – Italy
- Director – Banca Carige (listed company) – Italy
- Director – Fondazione Santa Cecilia – Italy
- Director – TIM Participaçoes SA – Brazil
- Director – Confindustria – Italy
- Member of the Central Advisory Board – Commerzbank AG – Germany
- Chairman – TIM Brazil S&P SA (listed company) – Brazil
- Chairman – TIM Participacoes SA – Brazil
- Chairman – Telecom Italia SpA (listed company) – Italy
- Vice-Chairman – RCS Mediagroup SpA (listed company) – Italy
- Member of the Supervisory Board – San Faustin NV – Luxembourg
- Member of the Compensation Committee – TIM Participaçoes SA – Brazil
- Member of the Management and/or Executive Board – Confindustria – Italy
- Member of the Management and/or Executive Board – Unione Industriali Napoli – Vice-Chairman of the Banda Larga Project – Italy
- Member of the Management and/or Executive Board – Assolombarda – Italy

Maëlle Gavet

DATE OF BIRTH:
May 22, 1978
NATIONALITY:
French
BUSINESS ADDRESS:
14-16 boulevard Garibaldi, 92130 Issy-les-Moulineaux, France
FIRST APPOINTED:
May 13, 2014
RE-APPOINTED:
May 3, 2018
CURRENT TERM ENDS:
General Meeting to approve the financial statements for the financial year ended December 31, 2021
NUMBER OF EDENRED SHARES HELD AT DECEMBER 31, 2019:
500

MAIN POSITION:
Member of the Board of Director of Edenred
EXPERIENCE AND EXPERTISE:
A graduate of Sorbonne University, École Normale Supérieure de Fontenay-Saint-Cloud and IEP de Paris, in 2001 Maëlle Gavet set up Predstavitelskij.dom, a Russian corporate events company, before joining the Boston Consulting Group as a partner in 2003. In 2010, she joined Ozon.ru as Sales and Marketing Director, becoming Chief Executive Officer in April 2011. In 2015, she was appointed Executive Vice-President of Global Operations for Priceline Group and became Chief Operating Officer of Compass in January 2017.
INDEPENDENT WITH REGARD TO AFEP-MEDEF CODE:
Yes
PARTICIPATION IN BOARD COMMITTEES:
Member of the Commitments Committee

OTHER DIRECTORSHIPS AND POSITIONS HELD AS OF DECEMBER 31, 2019:
None
FORMER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS:
- Chief Operating Officer – Compass – USA
- Chief Executive Officer – LLC Internet Solutions (Ozon.ru) - Russia
- Partner – The Boston Consulting Group
- Executive Vice-President of Global Operations – Priceline Group – Netherlands
- Chief Executive Officer – Ozon Holdings – Russia

Françoise Gri

DATE OF BIRTH:
December 21, 1957
NATIONALITY:
French
BUSINESS ADDRESS:
14-16 boulevard Garibaldi, 92130 Issy-les-Moulineaux, France
FIRST APPOINTED:
June 29, 2010
RE-APPOINTED:
May 4, 2017
CURRENT TERM ENDS:
General Meeting to approve the financial statements for the financial year ended December 31, 2020
NUMBER OF EDENRED SHARES HELD AT DECEMBER 31, 2019:
1,947

MAIN POSITION:
Independent director
EXPERIENCE AND EXPERTISE:
A graduate of Ensimag, Françoise Gri joined the IBM Group in 1981. She was appointed Director of the E-business Solutions Marketing and Sales division of IBM EMEA in 1996, and then Director of Sales Operations for IBM EMEA in 2000. After serving as Chairman and Chief Executive Officer of IBM France from 2001 to 2007, Françoise Gri was Chairman of ManpowerGroup France and Southern Europe from 2007 to 2012, before joining the Pierre & Vacances-Center Parcs Group in 2013, then serving as Chief Executive Officer until 2014. In 2015, she became CEO of Françoise Gri Conseil and in 2016 she was Chairman of the Board of Directors of Viadeo.
INDEPENDENT WITH REGARD TO AFEP-MEDEF CODE:
Yes
PARTICIPATION IN BOARD COMMITTEES:
Chairman of the Compensation and Appointments Committee

OTHER DIRECTORSHIPS AND POSITIONS HELD AS OF DECEMBER 31, 2019:
- Chairman of the Supervisory Board – INSEEC U. – France
- Chief Executive Officer – Françoise Gri Conseil – France
- Director – Crédit Agricole SA (listed company) – France
- Director – WNS Services (listed company, NYSE) – India
- Director – 21 Centrale Partners – France
- Director – CACIB (Crédit Agricole SA subsidiary) – France

FORMER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS:
- Director – Audencia (business school) – France
- Chairman of the Board of Directors – Viadeo – France
- Director – STX Europe – Norway
- Chief Executive Officer – Pierre & Vacances-Center Parcs (listed company) – France
- Member of the Supervisory Board – Rexel (listed company) – France
- Member of the Ethics Committee – MEDEF – France
- Member – High Committee for Corporate Governance – France
- Member – Institut Français du Tourisme – France

Jean-Bernard Hamel

DATE OF BIRTH:
March 25, 1961
NATIONALITY:
French
BUSINESS ADDRESS:
14-16 boulevard Garibaldi, 92130 Issy-les-Moulineaux, France
FIRST APPOINTED:
June 26, 2018
RE-APPOINTED:
N/A
CURRENT TERM ENDS:
General Meeting to approve the financial statements for the financial year ended December 31, 2021
NUMBER OF EDENRED SHARES HELD AT DECEMBER 31, 2019:
8,000

MAIN POSITION:
Senior Vice-President, Treasury and Financing, Edenred

EXPERIENCE AND EXPERTISE:
Jean-Bernard Hamel is a graduate of the ESC Amiens business school in France. He began his career in 1985 at Volkswagen, where he held various positions within the finance team before being appointed Corporate Treasurer in 1990. He went on to hold similar positions in a number of other companies, including Group Treasurer at Europcar, International Treasurer at Accor and Head of Treasury and Financing at Louis Delhaize. He joined Edenred in 2010 as Senior Vice-President, Treasury and Financing and was designated employee-representative director by Edenred's Social and Economic Council in June 2018.

INDEPENDENT WITH REGARD TO AFEP-MEDEF CODE:
No

PARTICIPATION IN BOARD COMMITTEES:
None

OTHER DIRECTORSHIPS AND POSITIONS HELD AS OF DECEMBER 31, 2019:
None

FORMER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS:
None

Jean-Romain Lhomme

DATE OF BIRTH:
August 22, 1975
NATIONALITY:
French
BUSINESS ADDRESS:
Lake Invest Sarl – 22 rue Marie Adelaïde – L 2128, Luxembourg
FIRST APPOINTED:
October 3, 2013
RE-APPOINTED:
May 3, 2018
CURRENT TERM ENDS:
General Meeting to approve the financial statements for the financial year ended December 31, 2021
NUMBER OF EDENRED SHARES HELD AT DECEMBER 31, 2019:
500

MAIN POSITION:

Founder and Manager – Lake Invest Sarl – venture capital

EXPERIENCE AND EXPERTISE:

Jean-Romain Lhomme graduated with a degree in business administration and finance from HEC Business School in Paris and minored in international business at ESADE (Barcelona). He started his career as an analyst in New York and Brazil for the Latin American privatization team of Paribas and for Mercer Management Consulting (Oliver Wyman) as an analyst in Paris. He then worked for the Strategic Director of PPR, mostly focusing on acquisitions and new retail formats. He joined Colony Capital in 2000 where, until 2015, he was Executive Director, responsible for the identification, evaluation, consummation and management of new European investments. Jean-Romain Lhomme is currently Managing Director of Lake Invest Sarl, a company that invests in innovative businesses.

INDEPENDENT WITH REGARD TO AFEP-MEDEF CODE:

Yes

PARTICIPATION IN BOARD COMMITTEES:

Member of the Audit and Risks Committee

OTHER DIRECTORSHIPS AND POSITIONS HELD AS OF DECEMBER 31, 2019:

- Founder and Manager – Lake Invest Sarl – venture capital – Luxembourg
- Chairman of the Board of Directors – Comet Group SAS – France

FORMER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS:

- Co-Founder – PJX10 – United Kingdom
- Legal Manager – Des Garçons SCI – France
- Director – BrickVest Ltd. – United Kingdom
- Member of the Supervisory Board – Colfilm SAS – France
- Director – Holding Sports & Événements SAS – France
- Legal Manager – Colony Luxembourg Sarl – Luxembourg
- Legal Manager – Fair Sponsors Sarl – Luxembourg
- Legal Manager – Fair Zero Sarl – Luxembourg
- Legal Manager – New Finco – Luxembourg
- Legal Manager – 30GV Genpar – Luxembourg
- Legal Manager – 30GV Master Genpar I – Luxembourg
- Legal Manager – 30GV Master Genpar II – Luxembourg
- Legal Manager – ColMassyRedLux Genpar – Luxembourg
- Executive Director – Colony Capital SAS – France
- Director – Clinique de Carouge CMCC SA – Switzerland
- Director – Permanence de la Clinique de Carouge – Switzerland
- Director – La Tour Sarl – Switzerland
- Director – La Tour Réseau de Soins – Switzerland
- Chairman of the Supervisory Board – BUT SAS – France
- Chairman of the Supervisory Board – Decomeubles Partners SAS – France
- Legal Manager – Fair Finance Sarl – Luxembourg
- Legal Manager – Fair Partners Sarl – Luxembourg
- Director – CDSR Burlington House Developments Limited – Ireland
- Director and CEO – Colyzeo Investment Management – United Kingdom

Bertrand Meheut

DATE OF BIRTH:
September 22, 1951
NATIONALITY:
French
BUSINESS ADDRESS:
14-16 boulevard Garibaldi, 92130 Issy-les-Moulineaux, France
FIRST APPOINTED:
June 29, 2010
RE-APPOINTED:
May 4, 2016
CURRENT TERM ENDS:
General Meeting to approve the financial statements for the financial year ended December 31, 2019
NUMBER OF EDENRED SHARES HELD AT DECEMBER 31, 2019:
500

MAIN POSITION:

Chairman of PMU

EXPERIENCE AND EXPERTISE:

A graduate of École des Mines de Paris, Bertrand Meheut spent most of his career with Rhône-Poulenc and later Aventis CropScience, serving as Deputy Chief Operating Officer, Europe, in charge of corporate services for the "Agro" division, and then successively as Chief Executive Officer of the German subsidiary, Deputy Chief Executive Officer of Rhône-Poulenc Agro and Executive Vice-President and Chief Operating Officer Europe. Following the merger of Rhône-Poulenc and Hoechst to form Aventis, Bertrand Meheut was appointed Chief Executive Officer of Aventis CropScience. He joined Canal+ Group in 2002 and was Chairman of the Executive Board until 2015. He now holds directorships with several companies.

INDEPENDENT WITH REGARD TO AFEP-MEDEF CODE:

Yes

PARTICIPATION IN BOARD COMMITTEES:

Member of the Commitments Committee

OTHER DIRECTORSHIPS AND POSITIONS HELD AS OF DECEMBER 31, 2019:

- Chairman of the Board of Directors – PMU – France
- Director – Pierre & Vacances group (listed company) – France
- Director – Aquarelle.com – France

FORMER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS:

- Director – Lylo – France
- Director – Accor SA (listed company) – France
- Vice-Chairman of the Board of Directors – SFR Group – France
- Director – SFR – France
- Director – Canal+ Finance SA – Permanent representative of Canal+ Group – France
- Director – Sport+ SA – Permanent representative of Canal+ Group – France
- Director – Cinémathèque – France
- Chairman of the Board of Directors – Société d'Édition de Canal Plus SA (listed company) – France
- Chairman of the Board of Directors – Canal+ International Development SA – France
- Chairman of the Executive Board – Canal+ France SA – France
- Chairman of the Executive Board – Canal+ Group – France
- Member of the Executive Board – Vivendi SA (listed company) - France
- Chairman of the Management Board – Canal+ Régie SA – France
- Chairman of the Management Board – Canal+ Overseas SAS – France
- Chairman – Kiosque Sport SAS – France
- Chairman – Canal+ Régie SAS – France
- Co-Legal Manager – Canal+ Éditions SNC – Permanent representative of Canal+ Group – France
- Managing Partner – Kiosque SNC – Permanent representative of Canal+ France SA – France
- Chairman of the Supervisory Board – Studio Canal SA – France
- Member of the Supervisory Board – TVN – Poland

Attendance

	BOARD OF DIRECTORS		AUDIT AND RISKS COMMITTEE		COMPENSATION AND APPOINTMENTS COMMITTEE		COMMITMENTS COMMITTEE	
ATTENDANCE IN 2019	NUMBER OF MEETINGS	ATTENDANCE RATE	NUMBER OF MEETINGS	ATTENDANCE RATE	NUMBER OF MEETINGS	ATTENDANCE RATE	NUMBER OF MEETINGS	ATTENDANCE RATE
Bertrand Dumazy	5	100%						
Jean-Paul Bailly	5	100%	4	100%			2	100%
Anne Bouverot	5	100%						
Sylvia Coutinho	5	100%			4	100%		
Dominique D'Hinnin	5	100%	4	100%			2	100%
Gabriele Galateri di Genola	5	100%			4	100%		
Maëlle Gavet (1)	5	100%					1	100%
Françoise Gri	5	100%			4	100%		
Jean-Bernard Hamel	5	100%						
Jean-Romain Lhomme	5	100%	4	100%			2	100%
Bertrand Meheut	4	80%						
AVERAGE ATTENDANCE RATE	**98.2%**		**100%**		**100%**		**100%**	

(1) Member of the Commitments Committee since May 14, 2019.

Chairman of the Board of Directors

Excerpt from Article 14 of the bylaws:

The Board of Directors elects amongst its members a Chairman, a natural person, who is appointed for the duration of his or her term of office as director. The Chairman may be re-elected.

No individual exceeding the age of 70 may be appointed as Chairman. If a Chairman in office exceeds the age limit of 70, the latter, at the close of the first Shareholders Meeting held after his or her birthday, shall be deemed to have automatically resigned.

The Chairman performs the assignments and duties that are conferred upon him or her by the law and the bylaws.

He or she chairs all the Board meetings, organizes and conducts all the works and meetings, of which he or she gives an account to the General Meeting.

He or she supervises the effective performance of the Company's bodies and ensures in particular that the directors are capable of carrying out their assignment.

The Chairman chairs the General Meetings and establishes reports provided for by law. The Chairman can also take on the Company's executive management in his or her capacity as Chief Executive Officer if the Board of Directors elected to combine both functions at the time of his or her appointment or at any other date. In such case, the provisions relating to the Chief Executive Officer apply to the Chairman.

As referred to in the introduction to section 3.1 "Corporate governance", on June 29, 2010 the Board of Directors decided to combine the functions of Chairman of the Board of Directors and Chief Executive Officer. The Chairman and Chief Executive Officer's powers are described in section 3.1.2 on Executive Management.

Lead Independent Director and Vice-Chairman of the Board of Directors

Excerpt from Article 14 of the bylaws:

The Board of Directors may appoint amongst its members one or two Vice-Chairmen who can chair the Board meetings in the absence of the Chairman.

Excerpt from Article I.5 of the Internal Regulations of the Board of Directors:

The Board of Directors may appoint one or two Vice-Chairmen among its members pursuant to Article 14 of the Company's bylaws, for the duration of the term of their directorship.

The Vice-Chairman may also perform the duties of Lead Independent Director. The Vice-Chairman/Lead Independent Director must be an independent member with respect to the criteria published by the Company.

The appointment of a Vice-Chairman is mandatory if the duties of Chairman of the Board of Directors and Chief Executive Officer are performed by the same person; in this case, the Vice-Chairman shall also perform the duties of Lead Independent Director.

In addition to the role conferred upon him or her by the Company's bylaws, the Vice-Chairman, when he or she is the Lead Independent Director, is the preferred point of contact for other independent directors. When he or she deems appropriate and at least once a year, he or she shall convene, at the Company's expense, a meeting reserved exclusively for independent directors, during which such directors may discuss matters that they wish to discuss outside a plenary Board meeting. He or she sets the agenda of these meetings and chairs them. During these meetings, each independent director may ask any question that is not on the agenda. Following these meetings, the Lead Independent Director may take the initiative to meet the Chairman or the Chief Executive Officer to communicate all or some of the comments or wishes expressed by the independent directors. If required, he or she may also decide to comment on the work of independent directors at the plenary Board meetings.

Mrs Françoise Gri has held the position of Lead Independent Director and Vice-Chairman of the Board since May 4, 2017.

As well as participating in the assessment of the Board's practices and procedures, Françoise Gri, in her capacity as Lead Independent Director and Vice-Chairman of the Board, organizes meetings of the independent directors to discuss various issues, such as how to protect the interests of shareholders not represented on the Board of Directors, how shareholders are represented by the independent directors, the Group's results and dividend policy, and its growth outlook. During the 2019 financial year, this meeting took place on February 20, 2019.

The Lead Independent Director and Vice-Chairman of the Board was not called upon to deal with any conflicts of interest within the Board of Directors during the 2019 financial year.

As Lead Independent Director and Vice-Chairman of the Board, Mrs Françoise Gri has a specific email address (françoise.gri@edenred.com) that may be used by anyone wishing to send her their comments or ask questions. She informs the Board of Directors of any such contact with shareholders.

Board Observer(s)

Article 21 of the bylaws:

The Board of Directors, upon the Chairman's proposal, can appoint, up to a limit of a quarter of the number of directors in office, natural persons as observers *(censeurs)*. The latter attend Board meetings where they can cast an advisory vote.

Their role is fixed by the Board of Directors pursuant to the law and the bylaws.

Each observer *(censeur)* is appointed for a fixed term which is determined by the Board of Directors. The latter can however put an end to their duties at any time.

The observers (*censeurs*) can, in consideration for services rendered, receive compensation that is determined by the Board of Directors.

On May 4, 2017, the Board of Directors appointed Mr Philippe Citerne as Board Observer for a term of two years, on the recommendation of the Chairman and Chief Executive Officer.

Mr Philippe Citerne is a graduate of École Centrale de Paris. After holding a number of positions in the French Finance Ministry, he joined Société Générale in 1979, where he served as Vice-President of Economic Research, Vice-President Finance and Vice-President Human Relations, prior to becoming Director, Deputy Chief Executive Officer and Chief Operating Officer from 1997 to April 2009. He was Vice-Chairman of the Board of Directors of Accor until July 2016, after which he was appointed Board Observer. He was Vice-Chairman of Edenred's Board of Directors and Chairman of the Audit and Risks Committee from June 29, 2010 to May 4, 2017.

During the 2019 financial year, he therefore continued to provide the Board with the benefit of his financial expertise and his knowledge of the Group. He attended all Board meetings and all Audit and Risks Committee meetings in an advisory capacity. The Board Observer ended his term on December 31, 2019 on a mutually agreed basis.

Board Secretary

Excerpt from Article 14 of the bylaws:

The Board of Directors appoints a Secretary who can be chosen from outside its members.

Excerpt from Article I.8 of the Internal Regulations of the Board of Directors:

The Board Secretary calls members to meetings of the Board of Directors on behalf of the Chairman of the Board and draws up the minutes of Board meetings, which are then submitted to the Board for approval.

He or she sends the meeting files to the directors on behalf of the Chairman of the Board of Directors or Chief Executive Officer in compliance with the procedures described in Article I.3 of these Internal Regulations, and generally responds to requests from directors for information about their rights and obligations, the Board's practices or the life of the Company.

His or her duties also include obtaining up-to-date copies of the documents disclosing directors' potential conflicts of interests as described in the section entitled "Transparency and prevention of conflicts of interests" of the Director's Charter.

Lastly, the Board Secretary attends the meetings of the Board Committees as needed, at the request of the Chairman or Chief Executive Officer or with the agreement of the committees' Chairmen, and may also be given the task of sending meeting files to the committees' members.

Philippe Relland-Bernard was named Board Secretary at the Board meeting of June 29, 2010.

3.1.1.2 Absence of conflicts of interest and convictions

Absence of conflicts of interest

To the best of the Company's knowledge, in the past five years:

- there have been no potential conflicts of interest between the duties of the Chairman and Chief Executive Officer or the members of the Board of Directors with regard to the Company and their other duties or private interests. Where necessary, the "Transparency and prevention of conflicts of interests" section of the Director's Charter governs the prevention of conflicts of interest for all members of the Board of Directors;
- there have been no family ties between the aforementioned persons;
- no arrangements or understandings have been entered into with a shareholder, customer, supplier or other party under which one of the aforementioned persons was selected;
- no restriction other than legal has been accepted by any of the aforementioned persons concerning the disposal of their interest in the Company's capital;
- no loan or guarantee has been granted or made by the Company in favor of the aforementioned persons. No asset necessary for operations belongs to one of the aforementioned persons or to their family.

Absence of convictions

To the best of the Company's knowledge, in the past five years:

- no conviction for fraud has been handed down against the Chairman and Chief Executive Officer or any of the members of the Board of Directors;
- none of the aforementioned persons has been involved in any bankruptcy, receivership, liquidation or company put into administration proceedings;
- none of the aforementioned persons has been the subject of an official public incrimination or sanction handed down by statutory or regulatory authorities;
- none of the aforementioned persons has been disqualified by a court from acting as member of an administrative, management or supervisory body of an issuer, or from acting in the management or conduct of business of an issuer.

3.1.1.3 Powers of the Board of Directors

Excerpt from Article 13 of the bylaws:

The Board of Directors determines the Company's business activities and ensures their implementation. Subject to powers that are expressly granted to the General Meetings and within the limit of the corporate purpose, it takes charge of any question relating to the running of the Company and addresses by way of its decisions the matters that concern it.

In addition to the decisions referred to by law that require the Board of Directors' prior approval, the Internal Regulations referred to in Article 16 hereunder [...] define the decisions of the Chief Executive Officer or of the Deputy Chief Executive Officers for which an approval by the Board of Directors is required.

To this end, Article I.4.2 of the Board of Directors' Internal Regulations lists the operations subject to the prior approval of the Board of Directors, within the framework of the internal organization of the Company and the Group (see section 3.1.2.3 "Restrictions on the powers of the Chief Executive Officer", p. 150-151).

Excerpt from Article I.4.1 of the Internal Regulations of the Board of Directors:

The Board of Directors deals with all matters falling within the powers assigned to it under the applicable laws and regulations. In particular and without being limited to the following, the Board of Directors:

- has the power to call the Company's Annual Shareholders Meeting and set its agenda;
- approves the Group's annual budget, including the annual financing plan, and the multi-annual plan submitted by the Chief Executive Officer and any changes to this budget;
- draws up the parent company and consolidated financial statements and the annual management report;
- authorizes agreements and commitments mentioned under Articles L.225-38 *et seq*. of the French Commercial Code;
- selects the methods for exercising general management in the Company, pursuant to Article 17 of the bylaws;
- appoints or dismisses the Chairman of the Board of Directors and where required, the Vice-Chairman of the Board of Directors, the Chief Executive Officer or Deputy Chief Executive Officers;
- fixes the Chief Executive Officer's powers and, where required, in agreement with the latter, fixes the powers of the Deputy Chief Executive Officers;
- may appoint a director on a provisional basis between Shareholders Meetings;
- fixes the compensation of the Chairman of the Board of Directors, Chief Executive Officer and, where appropriate, the Deputy Chief Executive Officers;
- appoints the members of the committees created in accordance with the law, bylaws and these Internal Regulations of the Board of Directors;
- allocates [the annual fixed amount allocated to compensation] among the directors as specified in these Internal Regulations;

[...]

- in accordance with Article L.228-40 of the French Commercial Code, may decide on the issue of non-equity debt securities;
- decides on the allocation of compensation to the Observer(s) *(censeur(s))*, if any;
- authorizes the Company's Chief Executive Officer, with the option to delegate, to grant undertakings, avals and

guarantees pursuant to Article L.225-35 of the French Commercial Code;

- annually discusses the Company's policy in terms of professional and pay equality pursuant to Article L.225-37-1 of the French Commercial Code.

Furthermore, the Board of Directors carries out the required audits and verifications.

In general, the Board of Directors:

- ensures that the shareholders are given the correct information, specifically by verifying the information communicated to it by the Company managers; and
- ensures that the Company has identification, evaluation and follow-up procedures for its liabilities and risks, including off-balance sheet items, and appropriate internal control.

Excerpt from Article I.4.2 of the Internal Regulations of the Board of Directors:

[...] the Board of Directors:

- reviews and approves the Group's overall strategy, at least once a year, in accordance with Article I.2 of these Internal Regulations;
- reviews the half-year financial statements and approves the half-year business report in accordance with Article L.451-1-2 of the French Monetary and Financial Code;

[...]

- determines, each year, the total amount up to which the Chairman is authorized to issue undertakings, avals and guarantees, which may not exceed two hundred and fifty million (€250,000,000) euros per year, with the Chairman and Chief Executive Officer being required to report to the Board of Directors each year on the amount and nature of undertakings, avals and guarantees issued under the authorization. These items must be listed in the appendix to the minutes of the Board of Director's decision. However, the Board of Directors may, without any amount limitations, authorize its Chief Executive Officer to grant undertakings, avals and guarantees for the tax and customs administration under the conditions provided by law.

Excerpt from Article 13 of the bylaws:

The Board of Directors may decide whether to issue bonds pursuant to the provisions provided for by law, with the faculty to delegate the necessary powers for the issue of the bonds within a one-year time limit and to decide on the terms and conditions, to one or several of its members, to the Chief Executive Officer or with the latter's approval to one or several Deputy Chief Executive Officers.

The Board of Directors may confer to one or several of its members or to all the persons chosen outside the Board permanent or temporary assignments that it defines.

It may decide to create committees in charge of examining and giving recommendations on matters put forward to them by the Board or by its Chairman.

The Board decides the membership and powers of the committees that exercise their activity under its responsibility.

On June 29, 2010, the Board set up an Audit and Risks Committee, a Commitments Committee and a Compensation and Appointments Committee (see section 3.1.1.10 "Committees of the Board of Directors", starting on page 145) whose practices are described in the Board of Directors' Internal Regulations.

3.1.1.4 Quorum and majority

Excerpt from Article 15 of the bylaws:

It [the Board of Directors] also meets when at least a third of its members or the Chief Executive Officer requests the Chairman to convene a meeting on a specific agenda. [...]

The Board of Directors only validly deliberates if at least half of its members are present.

The Board may decide that, for the calculation of the quorum and the majority, the directors who take part in the Board meeting by videoconference or by any other suitable means of telecommunication under the conditions provided for by the law and regulations, are deemed to be presentard meeting.

Any director can give proxy, in writing, to another director to represent him or her at one of the Board's meetings, each director only being authorized one proxy vote per meeting.

[...]

Decisions are made by a majority vote of the members who are present or represented by proxy.

In the event of a tied vote, the Chairman of the meeting has a casting vote.

3.1.1.5 Board meetings

Excerpt from Article 15 of the bylaws:

The Board of Directors meets whenever it is in the interest of the Company, upon the convocation of its Chairman.

The meeting takes place either at the registered office or in another place specified in the convening notice.

The convening notice can be given by any means, even orally, by the Chairman or by the Secretary of the Board of the Directors upon the Chairman's request.

It also meets when at least a third of its members or the Chief Executive Officer requests the Chairman to convene a meeting on a specific agenda.

In the event of the inability of the Chairman to perform his or her duties, the convening notice can be given by the director to whom the Chairman's duties have been temporarily delegated, by the Vice-Chairman/Chairmen or by the Chief Executive Officer if the latter is also a director.

[...]

The meetings are chaired by the Chairman of the Board of Directors or, failing that, by the Vice-Chairman/Chairmen or by any other director designated by the Board.

At the Chairman's initiative, the Chief Executive Officer, the Deputy Chief Executive Officers, the members of Management, the Statutory Auditors or other persons having particular expertise regarding items on the agenda can be present during all or part of a Board meeting.

[...]

The directors as well as any person called to attend the Board meeting are required to treat the information given during the discussions as strictly confidential and generally to act with discretion.

Excerpt from Article I.2 of the Internal Regulations of the Board of Directors:

The Board of Directors will meet as often as required in the interest of the Company, upon receiving the notice to attend issued by its Chairman. It generally holds at least five meetings a year, including one to review the budget and one to conduct a strategic review of the Group's operations. The proposed dates of each year's meetings are sent to the directors no later than November 30 of the previous year. Meetings are called by mail, email or fax, or verbally. Notices may be sent by the Secretary of the Board.

The draft minutes of each meeting are sent to the directors with the notice of the following meeting. They are approved at that meeting.

At least once a year, an item of the meeting agenda is devoted to assessing the Board's efficiency and effectiveness, to identify possible areas for improvement. In addition, the Board of Directors conducts a formal self-assessment at least once every three years.

The Board of Directors met five times during the 2019 financial year. The Board meetings lasted five hours on average.

Calls to meeting are sent by email and/or by mail, with the agenda, generally eight days before the meeting date.

3.1.1.6 Information given to the Board

Excerpt from Article I.3 of the Internal Regulations of the Board of Directors:

The directors are provided with all the documents and information they consider necessary to fulfil their duties.

Before each meeting, directors are sent a meeting file containing background information on all agenda items that need to be examined in advance, unless this is impossible for confidentiality or practical reasons.

The Board is kept regularly informed, and it periodically discusses the financial situation, cash-flow situation and commitments of the Company and the Group. It is also informed of the broad guidelines of the Group's policy in terms of Human Resources, organization and information systems. The Board is also informed on a regular basis about the Company's financial communications strategy. Whenever necessary, commented presentations are given by Group senior management and additional documents are submitted.

Furthermore, the directors are kept regularly informed, between meetings, of all significant events or transactions in the life of the Group. In particular, they receive copies of all press releases issued by the Company and a periodic summary of financial analysts' research reports on the Group and, when necessary, the actual reports.

The directors can ask the Chairman and Chief Executive Officer for copies of any additional documents that they consider necessary to make an informed contribution to Board discussions. The Chairman and Chief Executive Officer may ask the Board for its opinion before supplying the documents concerned.

The directors can ask the Chairman and Chief Executive Officer to arrange for them to meet with members of the Group senior management, with or without the Executive Director(s) being present.

The directors receive all necessary information on a timely basis to enable them to fulfill their duties. Background information about agenda items are sent to them sufficiently well in advance to allow them to make an informed contribution to the Board's discussions.

3.1.1.7 Work carried out by the Board during the 2019 financial year

At the Board meetings held during the 2019 financial year, the Board of Directors dealt with the following matters:

- **Accounts and financial communication:** approval of the annual accounts for the financial year ended December 31, 2018, the financial communication process, the 2019 budget (including the annual financing plan), the review of the interim financial statements and the preparation of the interim management report, threshold disclosures and monitoring of changes in the shareholding structure;

- **Strategy:** the Group's strategic goals, and in particular the preparation of the Next Frontier strategic plan, and the preparation of the Capital Markets Day;
- **General Meeting of May 14, 2019:** preparation of the General Meeting of May 14, 2019, and in particular the proposed resolutions, and implementation of the share buyback program;
- **Compensation and governance:** the compensation of the Chairman and Chief Executive Officer, the allocation of performance shares, the assessment of the level of achievement of the performance conditions, the breakdown of the compensation of directors, the membership of the committees, the independence criteria applied to directors and the specific financial expertise of the members of the Audit and Risks Committee, the annual assessment of the practices of the Board of Directors and Board Committees, the succession plans of the Executive Management and senior executives, the review of related-party agreements that remained in effect during the year, reductions and increases in the Company's share capital pursuant to the 2011 and 2012 stock option plans and the free allocation of performance shares to non-French tax residents under the 2014 and 2016 plans;
- **Social and environmental responsibility:** drafting of the "People, Planet, Progress" CSR strategy and objectives, and monitoring of their implementation;
- **Edenred's external growth plans:** acquisitions such as CSI (USA), The Right Fuel Card (United Kingdom), Roadaccount (Germany) and Easywelfare (Italy);
- **Financing:** the issuance of bonds convertible into and/or exchangeable for new and/or existing ordinary shares (OCEANEs).

3.1.1.8 Director's Charter

Each member of the Board is required to comply with the principles of proper conduct outlined in the Director's Charter.

Under Article I.6 of the Board of Directors' Internal Regulations, the Board of Directors, a collegial body, must act at all times in the Company's interest.

Directors perform their duties with loyalty and professionalism in accordance with the Director's Charter adopted by the Board of Directors at its meeting of June 29, 2010 to comply with the best practices of corporate governance. The Director's Charter, which describes the ethical principles applicable to directors, in accordance with the applicable laws and regulations and the Company's bylaws, applies to all directors regardless of whether they meet the independence criteria set out in the AFEP-MEDEF Code.

Duty of due care

Except from the Director's Charter:

Directors must carry out their duties as they see fit in the best interests of the Company. They must be committed to constantly improving their knowledge of the Group and its businesses, and they have a duty of care that includes reporting any problems of which they may become aware.

They must devote the necessary time and attention to their duties as a director, making every effort to attend all meetings of the committees to which they belong, meetings of the Board of Directors and Shareholders Meetings.

In addition to complying with the legal and regulatory provisions related to multiple directorships, directors must make sure that their duties as director of the Company are compatible with the directorships or positions that they hold in other companies, in particular as regards the workload. Directors are required to disclose periodically to the Company the directorships that they hold in any other company in order to enable the Company to comply with its statutory disclosure obligations in this regard.

Duty of information

Except from the Director's Charter:

Directors have a duty to request the information that they consider necessary to carry out their duties from the Company's management via the Chairman and Chief Executive Officer or the Board Secretary. They can ask the Chairman and Chief Executive Officer to arrange meetings for them with members of the Group's senior management, to be held with or without the Chairman and Chief Executive Officer being present.

When a new director takes up office, the Board Secretary provides him or her with an information pack containing the Company's bylaws, the Board of Directors' Internal Regulations, the Director's Charter, as well as the principal laws and regulations dealing with directors' responsibilities.

Directors may ask the Board Secretary at any time for explanations of the scope of these laws and regulations and their resulting rights and obligations.

Transparency and preventing conflicts of interests

Except from the Director's Charter:

Directors are expected to demonstrate a high level of independence in all circumstances, in terms of their analyses, judgments, decisions and actions.

They agree not to solicit or accept any benefit that would be likely to affect their independence.

Any director that is directly or indirectly in a position of a conflict of interest – even potentially – with respect to the interest of the Company because of the positions that he or she holds, and/or any interests that he or she has elsewhere, must inform the Chairman and Chief Executive Officer or any individual designated by the Chairman and Chief Executive Officer. A director in a position of a conflict of interest may not take part in the discussion of the matter concerned or the related vote and may therefore be asked to leave the room while the discussion and vote are taking place.

When they are first elected and every year thereafter, no later than January 31, directors are required to disclose in writing all ties that they have with Group companies, their managers, suppliers, customers, partners or competitors. The disclosure document is sent to the Chairman and Chief Executive Officer with a copy to the Board Secretary.

Duty of discretion and confidentiality

Except from the Director's Charter:

Pursuant to Article 15 of the Company's bylaws, directors shall be bound by a duty of discretion and confidentiality in the interest of the Company. To that end, they undertake that they shall be responsible for maintaining the professional secrecy of all the confidential information to which they have access, the resolutions and the operation of the Board of Directors and of any committees to which they may belong, as well as the content of the opinions issued or votes cast during Board or Committee meetings.

When requested by the Chairman and Chief Executive Officer, each director agrees to return or destroy immediately any document in his or her possession containing confidential information.

In addition, directors shall be required to consult with the Chairman and Chief Executive Officer prior to any personal disclosure that they may make in the media on matters involving or likely to affect the Group, the Company and/or its governing bodies. This provision shall not apply to directors who concurrently hold the position of Chief Executive Officer or Deputy Chief Executive Officer and who may have to make disclosures in that capacity in the name of the Company.

Trading in Company securities by the directors

Except from the Director's Charter:

Members of the Board of Directors have access to inside information which, if made public, could affect the price of the Company's shares or any other securities issued by the Company.

Consequently, in accordance with the applicable laws and regulations, directors must not:

- use inside information to trade in the Company's securities either directly or through an intermediary;
- knowingly allow a third party to carry out transactions in the Company's securities based on inside information;
- disclose inside information to third parties, deliberately or through indiscretion.

In addition, without prejudice to the laws and regulations on insider trading, periods known as "negative windows" are determined each year, during which directors may not trade in the Company's shares or any other securities issued by the Company (including exercising stock options), either directly or through an intermediary, even *via* the trading of derivatives. The negative windows correspond to (i) the 30 calendar days preceding the date of publication of the annual and interim consolidated financial statements and the day of publication [...], and (ii) the 15 calendar days preceding the date of publication of quarterly revenue figures and the day of publication [...].

Directors are given details of the negative windows each year by the Board Secretary. In addition, they are notified immediately by the Board Secretary of any specific negative windows that will apply due to financial or strategic transactions planned by the Group.

Directors may not hedge the risk of losses on their Company shares or stock options.

Directors are required to report to France's financial markets regulator (Autorité des marchés financiers – AMF) and to the Company (through the Board Secretary) any transactions in the Company's shares or any other securities issued by the Company carried out by them or any persons closely associated with them.

Directors may consult the Board Secretary at any time regarding the implications of the negative windows system and the conditions of its application to any specific case.

Assessment

Pursuant to Article 10 of the AFEP-MEDEF Code, the Board is required to assess its ability to meet the needs of shareholders, which have entrusted it with the Company's management. This self-assessment entails a regular review of its membership, organization, practices and procedures. In accordance with Article I.2 of the Internal Regulations, the Board of Directors conducts a self-assessment of its procedures with a view to identifying opportunities to improve its efficiency at least once a year, and a formal self-assessment with the assistance of an outside consultant at least once every three years.

Accordingly, a formal self-assessment with the assistance of an outside consulting firm, Spencer Stuart, was performed in 2019, based on one-on-one interviews with directors conducted by the outside firm using a questionnaire compliant with the recommendations of the AFEP-MEDEF Code and approved by the Chairman of the Compensation and Appointments Committee.

The discussions allowed the directors to share their observations and to note that the Board of Directors functioned very well and had improved since the last external assessment. The directors highlighted the open and productive dialogue and efficient decision-making mechanisms. They also pointed out the need for the Board to prepare for change in its membership in order to best support Edenred in its ambitions.

Among areas for improvement, directors would like even more synthetic presentations on certain technical subjects and greater flexibility in the management of items on the agenda to allow more time for discussing strategic issues.

Director training

New directors have access to a program to learn about the Company and its governance, and are invited to visit the Group's operational facilities. Employee-representative directors benefit from a training program allowing them to acquire or improve skills specific to the role of director.

3.1.1.9 Related-party agreements

Related-party agreements entered into with the Company's subsidiaries during the 2019 financial year

In accordance with the provisions of Article L.225-37-4 of the French Commercial Code, it is specified that no agreements have been entered into during the 2019 financial year, either directly or through an intermediary, between (i) one of the corporate officers or one of the shareholders owning more than 10% of the Company's voting rights and (ii) a subsidiary of the Company (within the meaning of Article L.233-3 of the French Commercial Code). In accordance with the said Article, agreements entered into in the normal course of business on arm's length terms are excluded from this assessment.

Procedure for identifying related-party agreements and assessing agreements entered into in the normal course of business and on arm's length terms

In accordance with the provisions of Article L.225-39 of the French Commercial Code, the Board of Directors, at its meeting of February 25, 2020, adopted an internal procedure relating to the identification of related-party agreements at the Company level, and providing for regularly assessments of agreements entered into in the normal course of business and on arm's length terms in order to obtain assurance that they indeed meet these conditions.

The first section reviews the legal and regulatory provisions in this area, setting out the identification criteria and the control procedure applicable to related-party agreements, and the disclosure obligations for related-party agreements, as well as other agreements (*conventions dites libres*) for which the said control procedure does not apply (in particular when the agreement in question is entered into the normal course of business and on arm's length terms).

The second section deals with the internal information process relating to any prospective agreement liable to constitute a related-party agreement or another agreement (*convention dite libre*) and its assessment by the relevant departments, in particular the Group Legal Department and the Group Finance Department, for classification purposes. People with a direct or indirect interest in the agreement do not participate in the assessment process.

Lastly, it is planned that an item on the agenda of the Board of Directors will regularly (at least once a year) be devoted to the implementation of this procedure. A report will be given of the agreements classified as agreements entered into in the normal course of business and on arm's length terms, and how the procedure was applied. Any difficulties encountered and, if necessary, the updating of this procedure will also be discussed.

3.1.1.10 Committees of the Board of Director

Article III.1 of the Internal Regulations of the Board of Directors:

Board discussions and decisions for specific issues are prepared by specialized Board Committees composed of directors appointed by the Board for the duration of their term of office as director. These committees examine matters falling within their terms of reference, or where applicable, any matters referred to them by the Chairman of the Board of Directors, and report regularly to the Board on their work and inform the Board of their observations, opinions, proposals or recommendations.

To assist them in their work, the Board Committees may commission technical reports from Company management or external consultants (at Company expense). In both cases, the Chairman of the Board of Directors or the Board of Directors must be informed beforehand. The committees shall be responsible for reporting to the Board. The committees may also arrange meetings with members of Company management responsible for the areas under review, without the Executive Directors being present, subject to prior notification to the Chairman of the Board of Directors or the Chief Executive Officer.

There are three standing committees of the Board:

- Audit and Risks Committee;
- Commitments Committee; and
- Compensation and Appointments Committee.

The Board of Directors may also create one or more *ad hoc* committees.

The Board of Directors appoints a Chairman for each committee from among the committee members, on a proposal by the Compensation and Appointments Committee.

The committees may invite the Chief Executive Officer to attend their meetings, apart from the meetings of the Compensation and Appointments Committee that evoke points concerning him or her personally.

The Chairman of each committee appoints a person (who is required to be a committee member or a director) to act as Secretary, after consulting the Board of Directors.

The Chairman of each committee may ask for the committee to be consulted on any matters falling within its terms of reference that have not been referred to it.

Each committee is required to periodically review its rules of procedure and propose to the Board any changes that may seem necessary or likely to improve its operating procedures.

The Board Committees do not have decision-making powers and cannot in any case stand in for the Board, which alone has the legal authority to make decisions.

Audit and Risks Committee

Members

As of December 31, 2019, the members of the Audit and Risks Committee were Mr Jean-Paul Bailly, Mr Dominique D'Hinnin and Mr Jean-Romain Lhomme. The committee is chaired by Mr Dominique D'Hinnin.

All of its members have the expert knowledge of financial and accounting matters required to fulfill their duty of due care and are considered by the Board to be independent directors based on the criteria set out in the AFEP-MEDEF Code.

Terms of reference

Article III.2.1 of the Internal Regulations of the Board of Directors:

The Audit and Risks Committee is responsible for ensuring that the accounting policies applied for the preparation of the financial statements of the Company and the Group are appropriate and applied consistently from one period to the next. Its terms of reference also include checking that internal reporting and control procedures provide adequate assurance concerning the reliability and completeness of financial information and the control of Group risk exposure. It helps the Board of Directors to check whether the financial statements of the Company and the Group are true and fair and whether the reported information is accurate.

For this purpose, it submits recommendations or suggestions to the Board of Directors on all matters described below and specifically carries out the following tasks:

- it reviews the half-year and annual consolidated financial statements and the annual financial statements of the Company, prior to their examination by the Board of Directors. In this regard, it monitors the processes used to prepare these financial statements and evaluates the validity of the methods selected to treat material transactions;
- it reviews the procedures used to prepare disclosures to shareholders and to the market and draft press releases and opinions on accounting and financial matters meant to be published by the Company;
- it reviews the Group's scope of consolidation, and, where applicable, the reasons for excluding any entities;
- it reviews the Group's risk management policy and the efficiency of the risk management systems;
- it assesses the Group's risk exposures and material off-balance sheet commitments, and receives a copy of the Chief Financial Officer's detailed report on these matters;
- it obtains assurance concerning the effectiveness of the Group's system of internal control by reviewing the methods used to identify risks and the organizational principles and procedures of the Internal Audit Department. It is also informed of the Internal Audit program and of the results of the Internal Audits carried out since the last presentation;
- it reviews the Statutory Auditors' audit plan and the results of their audits. It receives a copy of the Statutory Auditors' post-audit report setting out the main issues identified during their audit and describing the main accounting options selected;
- when the Statutory Auditors' appointment is due to expire, it oversees the auditor selection procedure and reviews the proposals submitted by the various candidates, expresses an opinion on the proposed fee budgets for statutory audit work and makes recommendations to the Board of Directors on the choice of auditor;
- it ensures that the Statutory Auditors comply with the rules governing their independence;
- it reviews the categories of additional audit-related work that the Statutory Auditors and the members of their networks may be asked to perform in accordance with the applicable laws and regulations;
- it is informed, at the end of each financial year, of the fees paid by the Group companies to the Statutory Auditors and the members of their networks during the year, including a detailed breakdown by type of engagement, and reports to the Board of Directors on these fees.

Meetings

Article III.2.3 of the Internal Regulations of the Board of Directors:

The Audit and Risks Committee meets at least three times a year, whenever it deems it necessary to do so, and prior to the meetings of the Board of Directors, which are supposed to review matters relating to its duties. One meeting – attended by the Head of Internal Audit – is devoted to reviewing the effectiveness of the internal control system.

In accordance with its duties, the Audit and Risks Committee may make enquires of directors, the Chief Executive Officer, and also the Head of Internal Audit, the Statutory Auditors and executives of the Group (particularly those responsible for drawing up the financial statements of the Company and the Group, risk management, internal control, legal matters, fiscal matters, cash-flow and financing), outside the presence of Executive Directors after first notifying the Chairman of the Board of Directors or the Chief Executive Officer.

Notices for meetings shall be issued by the committee Chairman and include the meeting agenda.

Meetings to review the half-year and annual financial statements are held at least three days before the meeting of the Board of Directors. The members of the Audit and Risks Committee receive all necessary documents on a timely basis. When members are first appointed to the committee, they are given detailed information about accounting, financial and operational issues that are specific to the Group.

The Chairman of the Board, Chief Executive Officer, Chief Financial Officer and Statutory Auditors may attend meetings of the Audit and Risks Committee as guests.

Work carried out by the Audit and Risks Committee during the 2019 financial year

The Audit and Risks Committee met four times during the 2019 financial year. Meetings lasted two hours and ten minutes on average and the attendance rate was 100%.

During its meetings in 2019, the committee notably prepared the Board's decisions relating to:

- the review of the Company's annual accounts and the consolidated annual and interim accounts and the annual budget;
- the proper application of accounting principles;
- the financial communication process;
- Internal Audit and control work;
- legal and tax risks;
- investments and debt;
- the estimated impacts of the implementation of IFRS 16;
- risk mapping;
- protection of personal data work;
- the development and implementation of the Group's anti-corruption policy; and
- compliance and cybersecurity issues, in particular monitoring the cyberattack and the associated response plan.

Audit and Risks Committee meetings were attended not only by its members but also by the Chairman and Chief Executive Officer, the Head of Group Finance, the Statutory Auditors and the Board Observer. The Board Secretary, the Head of Group Financial Control, the Head of Group Internal Audit, the Head of Group IT, the Head of Performance and the Head of Treasury and Financing were also invited to attend, as appropriate.

Commitments Committee

Members

As of December 31, 2019, the members of the Commitments Committee were Mr Jean-Paul Bailly, Mrs Anne Bouverot, Mrs Maëlle Gavet and Mr Bertrand Meheut. The committee is chaired by Mr Jean-Paul Bailly.

All of its members are considered by the Board to be independent directors based on the criteria set out in the AFEP-MEDEF Code.

Terms of reference

Article III.3.2 of the Internal Regulations of the Board of Directors:

The Commitments Committee is responsible for preparing Board of Directors' meetings and making recommendations to the Board on the following matters:

- any and all transactions likely to affect the Group's strategy or resulting in a material change in the Group's business scope (mainly entry in a new business or withdrawal from an existing business), regardless of the amount of the commitment;
- any mergers, demergers or significant asset transfers of the Company;
- any change in the Company's corporate purpose;
- any and all (immediate or deferred) financial commitments made by the Company or one of the Group companies, representing more than fifty million (€50,000,000) euros per transaction. "Financial commitments" are defined as:
  - any and all acquisition or disposals of business lines or assets or majority or minority interests in other companies not controlled by the Company as defined by Article L.233-3 I and II of the French Commercial Code. The amount of the commitment is considered as being equal to the entity's enterprise value;
  - any and all direct investments (creation of an activity, business line, subsidiary or expenditure on technological developments);
  - rental and lease commitments, the amount for determining the commitment corresponds to the market value of the leased asset;
  - any and all loans, or shareholder loans to entities not controlled by the Company as defined in Article L.233-3 I and II of the French Commercial Code;
  - any and all bilateral or syndicated bank credit facilities, that are not consistent with or are not taken in accordance with the Group's annual financing policy as previously approved by the Board of Directors.

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In all cases, the committee gives an opinion on the taking of bilateral or syndicated bank credit facilities for an amount of over two hundred and fifty million (€250,000,000) euros per year. It is specified that credit facilities for a duration of less than one year, irrespective of the amount, are not submitted to the Commitments Committee.

Meetings

Article III.3.1 of the Internal Regulations of the Board of Directors:

The Commitments Committee is composed of a maximum of five members. The meetings of the Commitments Committee may be called by its Chairman at any time, in writing or verbally. Notices are sent together with the meeting agenda.

The Commitments Committee meets whenever it deems it necessary to do so, and prior to meetings of the Board of Directors scheduled to discuss matters relating to its duties.

The committee's recommendations must be endorsed by the Board of Directors before the related commitments are entered into by the Group.

Work carried out by the Commitments Committee during the 2019 financial year

The Commitments Committee met twice during the 2019 financial year. Meetings lasted one hour and thirty minutes on average and the attendance rate was 100%.

During its meetings in 2019, the committee notably prepared the Board's decisions relating to:

- the review of transactions carried out in 2018 and 2019 (*post mortem*), in particular the acquisitions of CSI (United States), The Right Fuel Card (United Kingdom) and Roadaccount (Germany);
- the acquisition of Easy Welfare (Italy);
- the partnership with Itaú (Brazil);
- the investment in EBV (Lithuania); and
- transactions currently under review.

Compensation and Appointments Committee

Members

As of December 31, 2019, the members of the Compensation and Appointments Committee were Mrs Sylvia Coutinho, Mr Gabriele Galateri di Genola and Mrs Françoise Gri. The committee is chaired by Mrs Françoise Gri.

All of its members are considered by the Board to be independent directors based on the criteria set out in the AFEP-MEDEF Code.

Executive corporate officers cannot be members of the Compensation and Appointments Committee. However, the Chief Executive Officer works with the committee to review candidates for election as directors or the executive corporate officers' succession plans. The Chief Executive Officer also participates in the committee's review of the compensation policy for members of the Group Executive Committee.

Terms of reference

Article III.4.1 of the Internal Regulations of the Board of Directors:

The Compensation and Appointments Committee prepares the Board of Directors' decisions concerning the Executive Directors' compensation and benefits and the policy of allocation of stock options plans or performance share plans. It also participates in preparing senior management succession plans. For this purpose, it makes recommendations or suggestions to the Board of Directors on all matters described below and specifically carries out the following tasks:

- Regarding appointments:
  - it issues recommendations, along with the Chief Executive Officer, on appointments, dismissals and reappointments of directors, Chairman of the Board of Directors and Vice-Chairman and organizes the selection of new directors while taking into account the need for balance in the Board's membership and ensures that each candidate not only has the required capabilities but is also in a position to devote sufficient time to the Board's business. The objective is for directors to have the range of experience and skills necessary to enable the Board to carry out its duties effectively with the required objectivity and independence vis-à-vis both the executive management and any shareholder or group of shareholders,
  - it gives its opinion on the appointment or reappointment of members of the Audit Committee, Chairman of the Audit Committee, and members of other committees,
  - it draws up a succession plan for Executive Directors, in order to be able to submit to the Board of Directors solutions for replacement in the event of an unforeseen vacancy,
  - it suggests the qualification of independent directors for the concerned directors, checks for compliance with the independence criteria provided in the AFEP-MEDEF Code, proposes criteria to be defined by the Board, and advises the Chairman of the Board of Directors on the number of independent directors
  - it is informed of the succession plan concerning members of the Group's Executive Committee;
- Concerning compensation and benefits:
  - it examines the Executive Directors' compensation (fixed pay and bonus), incentive plans such as performance shares and stock options, and pension arrangements and all other benefits, and makes recommendations on these issues,

- it proposes and supervises the implementation of rules for setting the Executive Directors' bonus, while ensuring that the rules are consistent with the annual appraisal of the Executive Directors' performance and with the Group's medium-term strategy,
- it advises the Board on the general policy for the award of stock options and performance shares,
- it is informed, and gives its opinion on, the compensation policy for members of the Group's Executive Committee,
- it issues a recommendation to the Board on the overall amount of Directors' fees to be submitted to the Annual Shareholders Meeting. It proposes to the Board, rules for allocating these Directors' fees and the individual amounts of payments to be made in this regard to the directors, based on their attendance at Board and Committee meetings in accordance with Article I.7 of these Internal Regulations,
- it reviews the policy and drafts proposed by the Chief Executive Officer regarding employee share issues,
- it reviews the liability insurance cover taken by the Company on behalf of the Executive Directors,
- it gives its opinion on the information provided to shareholders in the Annual Report regarding the Executive Directors' compensation, the principles and methods used to set such compensation, and the grant of performance shares or stock options to the Executive Directors.

Meetings

Article III.4.2 of the Internal Regulations of the Board of Directors:

The Compensation and Appointments Committee must not include any Executive Director. However, the Executive Director is associated with the work of the committee, when reviewing the selection of new directors or the succession plan for Executive Directors. Similarly, the committee invites the Executive Directors during its review of the compensation policy for members of the Group's Executive Committee.

The Compensation and Appointments Committee meets at least twice a year and whenever it deems it necessary, and prior to the Board meetings convened to review matters relating to its duties.

Notices to attend are issued by the Chairman of the committee and include the meeting agenda.

Work carried out by the Compensation and Appointments Committee during the 2019 financial year

The Compensation and Appointments Committee met four times in 2019. Meetings lasted two hours and twenty minutes on average and the attendance rate was 100%.

During its meetings in 2019, the committee notably prepared the Board's decisions relating to:

- the determination of the compensation and benefits of the Chairman and Chief Executive Officer, namely in particular the variable portion of his 2018 compensation, the fixed portion and the performance conditions of the variable portion of his 2019 compensation, as well as the allocation of performance shares;
- the breakdown of directors' compensation (formerly "directors' fees") for the 2018 financial year and the review of the distribution method as from 2020;
- the performance share allocation policy;
- the Group's "People, Planet, Progress" Corporate Social Responsibility policy, in particular as regards diversity issues;
- the re-appointment of directors at the 2020 General Meeting;
- the Human Resources policy, particularly as regards training issues and the HR information system;
- the move from a defined benefit pension plan to a defined contribution plan for certain senior executives and the Chairman and Chief Executive Officer;
- the membership of the Board of Directors, in particular as regards independence and gender balance;
- the annual review of the specific financial expertise of the members of the Audit and Risks Committee.

It also discussed the succession plans of Executive Management and senior executives. The plans make a distinction between reappointments and vacancies.

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3.1.2 Executive Management

Article 17 of the bylaws:

Pursuant to legal provisions, executive management is taken on either by the Chairman of the Board or by another natural person appointed by the Board of Directors and bearing the title of Chief Executive Officer.

Based on a majority of votes cast by directors who are present or represented by proxy, the Board of Directors chooses one of the two different ways of exercising executive management.

The Board of Directors has the faculty to decide that the chosen option will be effective until the Board votes otherwise, under the same quorum and majority conditions.

When the Company's executive management is taken on by the Chairman of the Board, the following provisions, relating to the Chief Executive Officer, apply.

On June 29, 2010, the Board of Directors decided to combine the functions of Chairman of the Board of Directors and Chief Executive Officer and confirmed this decision on September 10, 2015 when Mr Bertrand Dumazy was appointed Chairman and Chief Executive Officer (see section 3.1 "Corporate governance", page 124).

3.1.2.1 Appointment of the Chief Executive Officer

Excerpt from Article 18 of the bylaws:

No individual exceeding the age of 65 may be appointed as Chief Executive Officer. If a Chief Executive Officer in office exceeds the age limit of 65, the latter, at the first Shareholders Meeting held after his or her birthday, shall be deemed to have automatically resigned.

3.1.2.2 Powers of the Chief Executive Officer

Excerpt from Article 18 of the bylaws:

The Chief Executive Officer is invested with extensive powers enabling him or her to act in all circumstances on behalf of the Company. The Chief Executive Officer exercises his or her powers within the limits of the corporate purpose and subject to the powers that the law expressly confers to the General Meetings and to the Board of Directors.

He or she represents the Company in its relationships with third parties.

The Company is bound even by the actions of the Chief Executive Officer that do not fall within the corporate purpose, unless it proves that the third party knew that such actions did not fall within the corporate purpose or that it could not ignore such fact given the circumstances, it being excluded that the publication of the bylaws alone would be sufficient to constitute such proof.

The Board of Directors can, within the limit of a certain amount that the latter fixes, authorize the Chief Executive Officer to grant undertakings, avals or guarantees on behalf of the Company. The duration of this authorization cannot exceed one year, whatever the duration of the guaranteed commitments may be.

The Chief Executive Officer and Deputy Chief Executive Officers can grant, with or without the faculty to substitute, all delegations to all representatives that they elect, subject to the restrictions provided for by law.

3.1.2.3 Restrictions on the powers of the Chief Executive Officer

Neither the bylaws nor the Board of Directors provide for any particular restrictions on the Chief Executive Officer's powers, which are exercised in accordance with the laws and regulations in force, the bylaws, the Internal Regulations and the guidelines adopted by the Board of Directors. Article I.4.2 of the Board of Directors' Internal Regulations lays down the cases in which prior approval by the Board of Directors is required:

Excerpt from Article I.4.2 of the Internal Regulations of the Board of Directors:

[The Board of Directors] systematically gives prior authorizations to each one of the following decisions or transactions:

- any and all (immediate or deferred) financial commitments made by the Company or one of the Group companies, representing more than fifty million (€50,000,000) euros per transaction. "Financial commitments" are defined as:
  - any and all acquisitions or disposals of business lines or assets or majority or minority interests in other companies not controlled by the Company as defined by Article L.233-3 I and II of the French Commercial Code. The amount of the commitment is considered as being equal to the entity's enterprise value,
  - any and all direct investments (creation of an activity, business line, subsidiary or expenditure on technological developments),
  - rental and lease commitments, the amount for determining the commitment corresponds to the market value of the leased asset,
  - any and all loans, or shareholder loans to entities not controlled by the Company as defined in Article L.233-3 I and II of the French Commercial Code,
  - any and all bilateral or syndicated bank credit facilities.

However, credit facilities for amounts less than or equal to two hundred and fifty million (€250,000,000) euros per year do not require authorization, provided that such a financial commitment is consistent with, and undertaken in accordance with, the Group's annual financial policy previously approved by the Board of Directors. In such a case, the Board of Directors is subsequently informed by the Chief Executive Officer of the commitments underwritten.

Similarly, the Board's prior approval is not required for credit facilities granted for a period of less than one year, regardless of the amount borrowed;

- any and all transactions, regardless of the amount, affecting the Group's strategy or resulting in a material change in the Group's business scope (mainly entry in a new business or withdrawal from an existing business) or outside the scope of the Company's declared strategy.

The material nature of the transactions concerned is assessed by the Chief Executive Officer or any other person duly appointed to implement said transactions.

3.1.2.4 Deputy Chief Executive Officers

Excerpt from Article 19 of the bylaws:

Upon the Chief Executive Officer's proposal, the Boards of Directors can appoint one or several natural persons in charge of assisting the Chief Executive Officer with the title of deputy Chief Executive Officer.

The maximum number of deputy Chief Executive Officers is 5.

The Board of Directors has not appointed a Deputy Chief Executive Officer. The Chairman and Chief Executive Officer carries out his duties with the help of an Executive Committee.

3.1.2.5 Executive Committee

Edenred's Executive Committee is made up of the Chairman and Chief Executive Officer together with the heads of the key corporate and operational functions. When selecting members of the governing bodies of the Group and its subsidiaries, and in particular the Executive Committee, the guiding principle is to promote or hire the candidate of the least represented gender, subject to suitable performance and aptitude. In this context, internal promotion is a priority; external firms are only commissioned in the absence of a suitable profile. These firms are required to systematically present candidates of each gender so as to ensure a balanced representation of women and men within the governing bodies of the Group and its subsidiaries.

As at December 31, 2019, the members of the Executive Committee are:

- **Bertrand Dumazy** Chairman and Chief Executive Officer;
- **Jacques Adoue** Executive Vice-President, Human Resources and Corporate Social Responsibility;
- **Patrick Bataillard** Executive Vice-President, Finance;
- **Marie-Laurence Bouchon** Vice-President, Communications;
- **Gilles Coccoli** Chief Operating Officer, Americas;
- **Philippe Dufour** Executive Vice-President, Alternative Investments;
- **Antoine Dumurgier** Chief Operating Officer, Fleet & Mobility Solutions;
- **Elie du Pré de Saint Maur** Executive Vice-President, Marketing and Strategy, and Chief Operating Officer, Corporate Payment;
- **Arnaud Erulin** Chief Operating Officer, Europe, Middle East and Africa;
- **Diego Frutos** Chief Operating Officer, Northern Hispanic America and Americas Business Solutions Rollout;
- **Graziella Gavezotti** Chief Operating Officer, Southern Europe and Africa;
- **Laurent Pellet** Chief Operating Officer, Asia-Pacific;
- **Philippe Relland-Bernard** Executive Vice-President, Legal and Regulatory Affairs; and
- **Dave Ubachs** Executive Vice-President, Digital and IT.

3.1.3 General Meetings

3.1.3.1 Notice of meeting

Article 23 of the bylaws:

Shareholders Meetings are convened under the conditions set by law.

Pursuant to the regulatory provisions in force, any shareholder has the right to attend General Meetings and to take part in the resolutions or to be represented by proxy, irrespective of the amount of shares it holds, if, under the legal and regulatory conditions, it justifies the registration of shares in its name – or as long as the Company's shares are admitted to trading on a regulated market, in the name of the intermediary registered on the shareholder's behalf pursuant to paragraph seven of Article L.228-1 of the French Commercial Code – on the second business day prior to the date on which the Meeting is held, at 12:00 am, Paris time, either in registered share accounts held by the Company, or, as long as the Company's shares are admitted to trading on a regulated market, in bearer share accounts held by one of the authorized intermediaries, referred to in paragraphs 2 to 7 of Article L.542-1 of the French Monetary and Financial Code.

The registration or accounting entry of shares in the bearer share accounts held by the authorized intermediary is recorded by a share ownership certificate issued, electronically if necessary, by the latter under the legal and regulatory conditions in force.

The meetings are held at the registered office or at any other place specified in the notice of meeting.

3.1.3.2 Conduct of General Meetings and conditions and procedures for participating

Article 24 of the bylaws:

Any shareholder has the right to take part in the Shareholders Meetings or to be represented by proxy under the conditions determined by law.

Shareholders can cast their vote by post pursuant to Article L.225-107 of the French Commercial Code. The proxy/postal voting form may be sent to the Company or to the Company's registrar in paper form or, by decision of the Board of Directors published in the notice of meeting, by electronic mail in accordance with the applicable laws and regulations.

If the Board of Directors so decides when the General Meeting is convened, shareholders may also participate in and vote at the Meeting by videoconference or by any other means of electronic telecommunication or remote transmission that allows them to be identified in accordance with the current laws and regulations.

In addition, and if the Board of Directors so decides when the General Meeting is convened, shareholders may also request an admission card electronically.

Are deemed present, for the calculation of the quorum and the majority, the shareholders who take part in the General Meeting by videoconference or by any other means of electronic telecommunication or remote transmission that allow them to be identified, and the nature and conditions of application of which are determined by the law and regulations in force.

If the Board of Directors so decides when the General Meeting is convened, the entire Meeting may be publicly broadcast by videoconference or any other means of telecommunication or remote transmission, including *via* the Internet.

In the event of an electronic signature of the postal voting form by the shareholder or its legal representative or in the event of an electronic signature of the proxy form by the shareholder, thus enabling it to be represented at a Meeting, such signature will have to:

- either take the form of a secured electronic signature pursuant to the conditions determined by the laws and regulations in force;
- or take the form of a registration by the shareholder *via* an access code and a unique password on the Company's website, if such website exists, pursuant to the laws and regulations in force; such procedure will be considered to be a reliable and secure identification procedure guaranteeing the shareholder's link with the instrument that contains the electronic signature, within the meaning of the first sentence of the second paragraph of Article 1316-4 of the French Civil Code.

Each share gives right to one vote, except in the case where the voting right is regulated by law. A voting right that is double that of a right attached to the other shares, regarding the proportion of the share capital that they represent, is attributed to all the shares that are fully paid up and for which proof can be provided of registration of at least two years in the name of the same shareholder.

In addition, in case of an increase in the capital following the incorporation of reserves, profits or issue premiums, a double voting right applies to registered shares, as soon as they have been issued, that are allocated to a shareholder for free on the basis of old shares for which it benefits from said right.

Any share that has been converted into a bearer share or that has seen its ownership changed loses the double voting right. However, the transfer following an inheritance, a liquidation of joint ownership between spouses or a donation between living persons for the benefit of a spouse or a parent entitling one to inherit does not result in the loss of the acquired right and does not interrupt the two-year period provided for in this Article. The merger of the Company has no effect on the double voting right, which can be exercised within the absorbing company, if this is established in its bylaws.

When shares are held by a beneficial and non-beneficial owner, the voting right attached to these shares belongs to the beneficial owner in the Ordinary and Extraordinary General Meeting, subject to the non-beneficial owner's right to vote in person when a unanimous shareholders vote is required by law.

The General Meetings are chaired by the Chairman of the Board of Directors or, failing that, by a director who has been appointed especially for such purpose by the Board. Failing that, the General Meeting appoints its Chairman itself.

The duties of the Scrutineer (*scrutateur*) are carried out by the two present and consenting members of the General Meeting, who by themselves or as representatives have the largest number of votes. The General Meeting Committee (*Bureau*) that has so been constituted appoints the Secretary, who can be appointed from outside the shareholders.

An attendance sheet is kept under the conditions provided for by law.

Copies or extracts of the minutes of Meetings are validly certified by the Chairman of the Board of Directors, by the Chairman of the meeting or by the Secretary of the Meeting.

Ordinary and Extraordinary General Meetings fulfilling the conditions of quorum and majority required by the provisions that respectively govern them, exercise the powers that have been granted to them by law.

3.1.3.3 Summary table of delegations in force granted by the General Meeting and their utilization in 2019 and early 2020 (until February 25, 2020)

Pursuant to Articles L.225-129-1 and L.225-129-2 of the French Commercial Code, the General Meeting may grant delegations to the Board of Directors regards capital increases.

On that basis, the General Meetings of May 3, 2018 and May 14, 2019 granted the Board of Directors the financial authorizations set out in the table below.

It is further noted that in addition to these authorizations in the area of capital increases, the General Meeting authorized the Board of Directors to proceed with share buybacks as well as share capital reductions by cancelling shares bought back and that these authorizations were used by the Board of Directors in 2019 (see section "(c) Utilization of authorizations granted by the General Meeting" in section 2.1.2.3 of the Universal Registration Document, page 36).

The renewal of all financial authorizations will be put to the General Meeting of May 7, 2020 (see section 5 "General Meeting" of the Universal Registration Document, starting on page 303).

TYPE OF AUTHORIZATION	DATE OF AUTHORIZATION	AUTHORIZED AMOUNT	DURATION AND EXPIRY DATE	UTILIZATION IN 2019	UTILIZATION IN 2020 (UNTIL FEBRUARY 25)
INCREASE OF SHARE CAPITAL					
Issuance with pre-emptive subscription rights	General Meeting of May 3, 2018 (21st resolution)	**Equity securities:** €155,366,138 **Debt securities:** €1,553,661,380	**Duration:** 26 months **Expiry date:** July 3, 2020	None	None
Issuance by public offer without pre-emptive subscription rights	General Meeting of May 3, 2018 (22nd resolution)	**Equity securities:** €23,540,324 (1) **Debt securities:** €235,403,240 (2) *These ceilings count towards the ceilings set in the 21st resolution of the General Meeting of May 3, 2018*	**Duration:** 26 months **Early termination:** May 14, 2019	None	None
	General Meeting of May 14, 2019 (10th resolution)	**Equity securities:** €23,540,324 (3) **Debt securities:** €500,000,000 (3) *These ceilings count towards the ceilings set in the 21st and 22nd resolutions of the General Meeting of May 3, 2018*	**Duration:** 26 months as from the General Meeting of May 3, 2018 **Expiry date:** July 3, 2020	None	None
Private placement without pre-emptive subscription rights	General Meeting of May 3, 2018 (23rd resolution)	**Equity securities:** €23,540,324 (1) **Debt securities:** €235,403,240 (2) *These ceilings count towards the ceilings set in the 21st resolution of the General Meeting of May 3, 2018*	**Duration:** 26 months **Early termination:** May 14, 2019	None	None
	General Meeting of May 14, 2019 (11th resolution)	**Equity securities:** €23,540,324 (3) **Debt securities:** €500,000,000 (3) These ceilings count towards the ceilings set in the 21st and 23rd resolutions of the Shareholders Meeting of May 3, 2018	**Duration:** 26 months as from the General Meeting of May 3, 2018 **Expiry date:** July 3, 2020	**Equity securities:** none **Debt securities:** issue of bonds convertible into and/or exchangeable for new and/or existing shares (OCEANEs) due 2024 for a nominal amount of €499,999,998 (the "Issuance"), representing 8,179,290 underlying shares (*i.e.*, a maximum dilution of 3.36% of the capital) on the day of issuance (September 6, 2019)	None

TYPE OF AUTHORIZATION	DATE OF AUTHORIZATION	AUTHORIZED AMOUNT	DURATION AND EXPIRY DATE	UTILIZATION IN 2019	UTILIZATION IN 2020 (UNTIL FEBRUARY 25)
Increase in the amount of issuances that are oversubscribed	General Meeting of May 3, 2018 (24th resolution)	15% of the amount of the initial issuance *This ceiling counts towards the ceilings set in the 21st resolution of the General Meeting of May 3, 2018 and in the 10th resolution of the General Meeting of May 14, 2019*	**Duration:** 26 months **Expiry date:** July 3, 2020	None	None
Issuance to remunerate contibutions in kind	General Meeting of May 3, 2018 (25th resolution)	**Equity securities:** €47,000,000 [1] **Debt securities:** €500,000,000 [2] *These ceilings count towards the ceilings set in the 21st resolution of the General Meeting of May 3, 2018 and in the 10th resolution of the General Meeting of May 14, 2019*	**Duration:** 26 months **Expiry date:** July 3, 2020	None	None
Capitalization of reserves, profit, premiums or other	General Meeting of May 3, 2018 (26th resolution)	**Equity securities:** €155,366,138 *This ceiling counts towards the ceiling set in the 21st resolution of the General Meeting of May 3, 2018*	**Duration:** 26 months **Expiry date:** July 3, 2020	None	None
EMPLOYEE SAVINGS					
Issuance reserved for members of a savings plan with cancellation of pre-emptive subscription rights	General Meeting of May 3, 2018 (27th resolution)	2% of the share capital as at the close of the General Meeting of May 3, 2018 *This ceiling counts towards the ceilings set in the 21st and 22nd resolutions of the General Meeting of May 3, 2018*	**Duration:** 26 months **Early termination:** May 14, 2019	None	None
	General Meeting of May 14, 2019 (12th resolution)	2% of the share capital as at the close of the General Meeting of May 14, 2019 *This ceiling counts towards the ceilings set in the 21st and 27th resolutions of the General Meeting of May 3, 2018 and in the 10th resolution of the General Meeting of May 14, 2019*	**Duration:** 26 months from the General Meeting of May 3, 2018 **Expiry date:** July 3, 2020	None	None

TYPE OF AUTHORIZATION	DATE OF AUTHORIZATION	AUTHORIZED AMOUNT	DURATION AND EXPIRY DATE	UTILIZATION IN 2019	UTILIZATION IN 2020 (UNTIL FEBRUARY 25)
PERFORMANCE SHARE PLANS					
Free allocation of performance shares	General Meeting of May 3, 2018 (28th resolution)	1.5% of the share capital as at the allocation date (of which 0.1% for the Chief Executive Officer) *This ceiling counts towards the ceilings set in the 21st and 22nd resolutions of the General Meeting of May 3, 2018 and in the 10th resolution of the General Meeting of May 14, 2019*	**Duration:** 26 months **Expiry date:** July 3, 2020	597,220 performance shares allocated on February 20, 2019 (*i.e.*, 0.25% of the share capital as at the allocation date)	502,551 performance shares allocated on February 25, 2020 (*i.e.*, 0.21% of the share capital as at the allocation date)

(1) Common ceiling applicable to the 22nd, 23rd and 25th resolutions of the General Meeting of May 3, 2018.
(2) Common ceiling applicable to the 22nd and 23rd resolutions of the General Meeting of May 3, 2018.
(3) Common ceiling applicable to the 10th and 11th resolutions of the General Meeting of May 14, 2019.

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3.2 Corporate officers' compensation

French Law 2019-486 dated May 22, 2019 on corporate growth and transformation ("PACTE Law") and the related enabling legislation adopted in November 2019 have introduced certain changes concerning corporate officers' compensation. The new requirements of the PACTE Law and its enabling legislation are reflected in the information below, which presents the compensation of the corporate officers as follows:

- the first sub-section (3.2.1) presents the compensation policy of the corporate officers to be submitted to shareholders for approval (*ex ante* vote) at the General Meeting of May 7, 2020, in the 8th resolution (Chairman and Chief Executive Officer) and 9th resolution (members of the Board of Directors other than the Chairman and Chief Executive Officer), pursuant to Article L.225-37-2 of the French Commercial Code;
- the second sub-section (3.2.2) presents the disclosures referred to in Article L.225-37-3 (I.) of the Commercial Code, concerning the total compensation paid during, or awarded for, the 2019 financial year to the corporate officers for their services in this capacity. The said disclosures will be submitted to shareholders for approval (global *ex post* vote) at the General Meeting of May 7, 2020, in the 11th resolution, pursuant to Article L.225-100 (II.) of the French Commercial Code;
- the third sub-section (3.2.3) presents the fixed, variable and exceptional components of the total compensation and the benefits of any kind paid during, or awarded for, the 2019 financial year to Mr Bertrand Dumazy, Chairman and Chief Executive Officer, and which will be submitted to shareholders for approval (specific *ex post* vote) at the General Meeting of May 7, 2020, in the 12th resolution, pursuant to Article L.225-100 (III.) of the French Commercial Code;
- the fourth and final sub-section (3.2.4) presents additional disclosures concerning corporate officers' compensation not submitted to shareholders for approval.

3.2.1 Corporate officers' compensation policy (ex ante vote by shareholders)

Decision-making process

The compensation policy is set by the Board of Directors based on a recommendation by the Compensation and Appointments Committee. The Board considers the compensaton policy as a whole and take into account each of its components, which are as follows:

- **for members of the Board of Directors:** annual compensation, comprising a fixed and a variable portion (previously referred to as "directors' fees");
- **for the Chairman and Chief Executive Officer:** annual fixed compensation, annual variable compensation, long-term incentive, other commitments and benefits.

The Compensation and Appointments Committee meets several times a year to discuss relevant subjects and performs preparatory work conducted under the supervision of the committee's Chairman. This work includes:

- reviewing corporate officers' compensation data from similar companies;
- monitoring changes in corporate governance best practices, guidelines and codes;
- and, regarding the Chairman and Chief Executive Officer, analyzing his performance and the Company's one and ensuring that objectives are in line with Group strategy and shareholders' interests. This work is used as a basis to assess the prior year's performance and set targets and compensation for the following year.

The Compensation and Appointments Committee regularly retains external compensation consultants, in particular the firm Mercer, to perform a benchmark study of the corporate officers' compensation.

This study is based on a peer group of French companies from a variety of sectors included in the SBF 120 index with similar characteristics to the Group, selected based on the following four criteria: market capitalization, operating income, total number of employees and percentage of employees located abroad.

The compensation policy is reviewed at least once a year, giving due consideration in particular to changes in compensation-related laws and regulations, best practices, guidelines and corporate governance codes, as well as the votes cast by shareholders and, as the case may be, any opinions expressed during the General Meeting.

The Board of Directors and the Compensation and Appointments Committee pay close attention to preventing and managing any conflicts of interest that may arise during the decision-making process, in accordance with the policy on the prevention of conflicts of interest set out in the Director's Charter.

Concerning the components of the corporate officers' compensation:

- the Chairman and Chief Executive Officer's annual fixed compensation is revised periodically (at fairly long intervals or when his appointment is due to be renewed), taking into account his performance and market practices. However, it may be revised earlier than that in the event of a significant change in the scope of his responsibilities or if there is a wide gap as to his positioning on the market. In these specific circumstances, the revised annual fixed compensation and the reasons for its revision will be disclosed;
- the Chairman and Chief Executive Officer's annual variable compensation and long-term incentive are reviewed annually;

- the compensation of the members of the Board of Directors is revised periodically, taking into account market practices.

In this regard, and considering the Company's dialogue with its shareholders, the main changes compared with the compensation policy approved by the General Meeting of May 14, 2019 (apart from the inclusion of the members of the Board of Directors in application of the PACTE Law) concern the criteria used to determine the Chairman and Chief Executive Officer's annual variable compensation and long-term incentive as well as the introduction of a cap on the amount, in cash and shares, of any exceptional compensation. Furthermore, certain changes have also been made to the pension plan covering the Chairman and Chief Executive Officer.

This compensation policy was set by the Board of Directors at its meeting on February 25, 2020, based on the recommendations of the Compensation and Appointments Committee. In accordance with Article L.225-37-2 (II.) of the French Commercial Code, it will be submitted to shareholders for approval at the upcoming General Meeting, in the 8th and 9th resolutions.

Philosophy

The corporate officers' compensation policy is determined based on an assessment of the level and difficulty of their function, their experience, and observed practices in companies or groups of a comparable size to Edenred.

All of the components of the corporate officers' compensation comply with the applicable laws and regulations, the AFEP-MEDEF Code and the "comply or explain" principle.

The corporate officers' compensation policy:

- **is aligned with the corporate interest**, because it is both useful and appropriate for the Company, considering the challenges associated with the new Next Frontier strategic plan, which follows a period of radical transformation under the Fast Forward strategic plan (2016-2018);
- **contributes to the Company's long-term sustainability,** because the long-term compensation represented by the performance share plan offers a long-term incentive by rewarding performance over several years and increasing the sense of shared interest;
- **is part of the Company's growth strategy:** the new Next Frontier strategic plan referred to above is designed to unlock the potential of a unique platform model, leading to greater sustainable and profitable growth. The annual variable compensation notably includes quantifiable financial objectives aligned with the Company's new, more ambitious annual financial objectives for the period 2019-2022.

More specifically as regards to the Chairman and Chief Executive Officer, the Board has set diverse and demanding performance criteria, which are used to perform a complete analysis of his performance, in line with the Group's strategy and shareholders' interests. The performance assessment is based on a balance between financial and non-financial criteria as well as a balance between short-term and long-term performance.

Directors' compensation

Compensation structure

On the recommendation of the Compensation and Appointments Committee, the Board of Directors allocates the annual fixed amount awarded by the General Meeting [1] based in particular on each director's attendance rate at Board meetings and at meetings of any committee of which he or she is a member. The compensation allocation method must include a variable portion (representing the largest part of each director's compensation).

Allocation is based on the following principles:

- the duties of Board members are compensated with a fixed portion of a flat amount and with a variable portion based on the number of Board meetings attended in the previous nancial year, which will exceed the amount of the fixed portion;
- the duties of Vice-Chairman of the Board of Directors are compensated with an additional fixed portion of a flat amount;
- the duties of members of a Board Committee are compensated with a variable portion based on the number of Committee meetings attended the previous financial year, with Audit and Risks Committee members entitled to a larger variable portion than members of the other committees;
- the duties of committee Chairman are compensated with a fixed portion of a flat amount defined for each of the committees, with the Chair of the Audit and Risks Committee entitled to a larger fixed portion than that awarded to the other committee Chairmen;
- directors who also hold the position of Chairman of the Board, Chairman and Chief Executive Officer, Chief Executive Officer or Deputy Chief Executive Officer of the Company are not entitled to any compensation for their as members of the Board of Directors.

These allocation principles are aligned with AFEP-MEDEF Code guidelines, which are as follows:

- a variable portion (representing the largest part of each director's compensation) that takes into account directors' attendance at Board meetings;
- an additional amount allocated to members of the Board Committees;
- an amount that reflects the level of responsibility assumed and time spent in the role of director.

Subject to any changes in the membership of the Board of Directors during the financial year, the amounts would be set as follows:

- each member of the Board of Directors would receive a fixed portion of a flat amount of €15,000, plus a variable portion in an amount of €4,200 per Board meeting attended;

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(1) As of the date of this compensation policy, the total compensation budget amounts to €590,000 as set by the General Meeting of May 4, 2017. At the General Meeting of May 7, 2020, shareholders will be asked to increase this total amount to €700,000.

- the Vice-Chairman of the Board would receive an additional fixed portion of a flat amount of €15,000;
- each member of the Audit and Risks Committee would receive a variable portion of €6,500 per committee meeting attended, and each member of the other committees would receive a variable portion of €5,500 per committee meeting attended;
- in addition, the Chairman of the Audit and Risks Committee would receive a fixed portion of a flat amount of €17,000 and the other committee Chairmen would receive a fixed portion of a flat amount of €15,000.

Renewal of a director's term of office and appointment of a new director

The compensation and allocation principles described above will also apply to any director whose term of office is renewed or (on a prorated basis if appropriate) to any new director appointed during the application period of this compensation policy.

Chairman and Chief Executive Officer's compensation

The Chairman and Chief Executive Officer will not receive any compensation for his duties as member of the Board of Directors.

In addition, the Chairman and Chief Executive Officer may not have an employment contract while holding executive office.

Annual fixed compensation

The Chairman and Chief Executive Officer's annual fixed compensation is paid in 12 monthly installments and is based on:

- the complexity of his responsibilities;
- his professional experience and expertise;
- benchmark studies of comparable functions (external competitiveness).

Annual variable compensation

Structure of annual variable compensation

The Chairman and Chief Executive Officer will receive an annual variable compensation equal to 120% of his annual fixed compensation if the targets set are achieved ("target variable"). It will be based on:

- **quantifiable financial objectives, representing 65% of his annual fixed compensation**; based primarily on like-for-like EBITDA and, to a lesser extent, on earnings per share at constant exchange rates;
- **quantifiable business objectives, representing 30% of his annual fixed compensation**; linked to the Group's strategy and depending on its implementation; and
- **qualitative managerial and Corporate Social Responsibility (CSR) objectives, representing 25% of his annual fixed compensation**; aligned with the Group's strategy and based on its three-pronged sustainable development strategy – People (improve quality of life), Planet (protect the environment) and Progress (create value responsibly). The strategy has been built around ten long-term commitments that are regularly re-assessed. These commitments are supported by targets to be met in 2022 and 2030 concerning, for example, reductions in the Group's carbon footprint, staff training, initiatives to raise awareness among users and merchants of the need to observe a balanced diet, or the design and deployment of eco-responsible services. The Board of Directors monitors the improvements in these indicators delivered by the Chairman and Chief Executive Officer and all of the Group's teams.

The operating EBIT objective in the compensation policy approved by the General Meeting of May 14, 2019 has been replaced by the like-for-like EBITDA, which is better aligned with the aims of the Next Frontier strategic plan.

The targets for these criteria are clearly defined but are not disclosed for reasons of confidentiality in a highly competitive environment for all of the Group's product lines. Edenred's competitors are either not listed on the stock exchange or, if they are listed, derive only a limited proportion of their revenue from business lines that are equivalent to those of the Group. For these reasons, they disclose few details about the financial or business objectives of the businesses that compete with those of Edenred.

Ceiling

If the quantifiable objectives are outperformed, the Board of Directors may raise the annual variable compensation to a maximum of 180% of the Chairman and Chief Executive Officer's annual fixed compensation based on a balanced split between the said objectives.

Modalities in case of taking up office

If a new Chairman and Chief Executive Officer were to be appointed during the financial year, the same principles would apply, with the amount prorated to the period served. However, if the new appointment was made in the second half of the financial year, performance would be assessed by the Board of Directors on a discretionary basis, based on the recommendation of the Compensation and Appointments Committee.

Modalities in case of termination of office

If the Chairman and Chief Executive Officer were to stand down during the financial year, the amount of the variable part of compensation for that financial year would be based on:

- his performance as assessed by the Board of Directors on a discretionary basis, based on the recommendation of the Compensation and Appointments Committee; and
- the period served during the financial year concerned.

Long-term compensation

Long-term compensation structure

This mechanism, to which other key executives of the Group are also entitled, is particularly appropriate for the Chairman and Chief Executive Officer given the direct contribution he is expected to make to the Company's overall long-term performance. In line with market practices and the Company's strategy, this mechanism is based on the award of performance shares, which not only help to incentivize and retain the beneficiaries but also to align their interests with the interest of the Company and that of the shareholders.

The performance shares vest only if the Chairman and Chief Executive Officer is still in office at the end of the three-year vesting period and the following three performance conditions are met over that period:

- like-for-like operating revenue growth rate;
- like-for-like EBITDA growth rate; and
- Edenred's total shareholder return (TSR) compared with the average TSR for companies included in the CAC Large 60 index.

Measurements for these criteria are presented in this Universal Registration Document, p. 315-316.

Compared with the compensation policy approved by the General Meeting of May 14, 2019:

- growth in funds from operations (FFO) and operating EBIT growth rate on a like-for-like basis have been replaced by operating revenue growth rate and EBITDA growth rate on a like-for-like bases, as these new criteria are better aligned with the aims of the Next Frontier strategic plan; and
- SBF 120's TSR has been replaced by CAC Large 60's TSR, in line with Edenred's positioning within the SBF 120 index.

Ceiling

The award-date value of the performance share award may not exceed 120% of the annual fixed and target variable compensation of the Chief Executive Officer at the award date.

Modalities in case of termination of office

The Chairman and Chief Executive Officer will forfeit the right to all or some of the performance shares initially granted if he resigns during the vesting period, unless the Board of Directors decides otherwise.

If the Chairman and Chief Executive Officer is forced to stand down for any reason whatsoever during the vesting period, he will retain the right to one-third of the shares awarded for each year of presence during the three-year vesting period, unless the Board of Directors decides that the entire award may be retained. The performance conditions set at the award date must still be met in order for the performance shares to vest.

Exceptional compensation

The Board of Directors adopts the principle according to which the Chairman and Chief Executive Officer could receive an exceptional compensation in certain circumstances, which shall be disclosed in detail and substantiated, it being reminded that payment of an exceptional compensation is subject to approval by the shareholders in accordance with Article L.225-37-2 of the French Commercial Code. The exceptional compensation may be paid in cash and/or in performance shares; it may not exceed the equivalent of 100% of the Chairman and Chief Executive Officer's annual fixed and maximum variable compensation.

Multi-annual variable compensation

The Board of Directors has decided not to use this kind of cash-based long-term incentive, preferring to focus on share-based incentives to align the interests of the Chairman and Chief Executive Officer with those of the shareholders.

However, such a mechanism could be envisaged should regulatory developments or other circumstances make the use of share-based incentives ineffective, restrictive or impossible.

Other commitments and benefits

For information about the detailed terms of these other commitments and benefits, see the section entitled "Detailed presentation of other commitments and benefits" of this compensation policy in the Universal Registration Document, p. 160-161.

Compensation for loss of office

The Chairman and Chief Executive Officer will be entitled to compensation for loss of office, the terms and conditions of which will be adapted to his personal profile and will take into account the Company's economic and social environment.

For more information, see the final section of this compensation policy in the Universal Registration Document, page 160.

Unemployment insurance

The Chairman and Chief Executive Officer will benefit from an unemployment insurance plan that will pay unemployment benefits following loss of office for a maximum period of 24 months.

For more information, see the final section of this compensation policy in the Universal Registration Document, page 161.

Death/disability and health insurance

The Chairman and Chief Executive Officer will be covered by the death/disability and health insurance plan set up for employees, which has been extended to include the Chief Executive Director.

For more information, see the final section of this compensation policy in the Universal Registration Document, page 161.

Company car

The Chairman and Chief Executive Officer will be entitled to a company car.

Supplementary pension benefits

Up until December 31, 2019, the Chairman and Chief Executive Officer participated in the Group's supplementary pension scheme comprising an "Article 83" defined contribution plan and an "Article 39" defined benefit plan, as defined in France's General Tax Code (Code général des impôts).

Following changes in the applicable laws and regulations, the "Article 39" defined benefit plan has been replaced by an "Article 82" defined contribution plan, as defined in France's General Tax Code.

For more information, see the final section of this compensation policy in the Universal Registration Document, page 161.

Renewal of the Chairman and Chief Executive Officer's office and appointment of a new Chairman and Chief Executive Officer

The compensation components and structure described above will also apply to the Chairman and Chief Executive Officer following his re-appointment or (on a prorated basis if relevant) to any new Chairman and Chief Executive Officer appointed during the application period of this compensation policy.

If a person not previously employed by a Group entity were to be appointed as Chairman and Chief Executive Officer, he or she may be awarded a signing bonus, depending on the circumstances and the candidate. In order to immediately align the new Chairman and Chief Executive Officer's interests with those of the shareholders, and subject to ongoing authorizations granted by the General Meeting, the signing bonus may be composed partly or entirely of long-term incentives subject to presence and performance conditions, such as performance shares, stock options or any other incentives. The signing bonus may not exceed the amount of the benefits lost by the candidate upon leaving his or her previous function.

Detailed presentation of other commitments and benefits

Compensation for loss of office

The Chairman and Chief Executive Officer will be entitled to compensation for loss of office should he be forced to stand down for whatever reason. Said compensation may not exceed the equivalent of two years' fixed and annual compensation, as defined below, and payment will be contingent on the achievement of serious, challenging performance conditions. No compensation for loss of office will be payable if, within 12 months of his departure, the Chairman and Chief Executive Officer becomes eligible for the basic State pension and, consequently, for pension benefits under the Company's supplementary pension plan.

The compensation payable will not exceed the equivalent of two years' total gross annual compensation as Chairman and Chief Executive Officer, defined as:

- the fixed portion of the compensation on an annual basis as Chairman and Chief Executive Officer on the date of termination of his duties; and
- the average of the variable portion of annual compensation as Chairman and Chief Executive Officer paid in the last ended two financial years during which he served as Chairman and Chief Executive Officer, prior to the date of termination.

Payment of the compensation for loss of office is contingent on the achievement of certain serious, challenging performance criteria. The criteria selected by the Board concern the Company's business and financial performance – as measured by the key indicators on which the Group's financial communications to the market are based – and its stock market performance. Performance will be measured over a three-year period, taking into account the Company's long-term historical performance and the external risks to which it is exposed, as described in section 2.2 of the Universal Registration Document, page 43.

The performance conditions are as follows:

- 5% like-for-like growth in business volume compared with the previous financial year;
- 2% like-for-like growth in operating revenue compared with the previous financial year;
- 5% like-for-like growth in funds from operations (FFO) [(1)] compared with the previous financial year;
- increase in the Company's share price at least equal to 85% of the increase in the Euronext Paris SBF 120 index over the Reference Period or, if the index falls over the Reference Period, decline in the Company's share price of no more than 125% of that of the index over the Reference Period.

Achievement of each of these four criteria will be measured over the three financial years preceding the financial year in which his office as Chairman and Chief Executive Officer was terminated (the "Reference Period"). Each of the first three criteria will be deemed to have been met if the related objective was achieved in at least two of the three financial years in the Reference Period. In the event of departure before the third completed year, the index performance before the date on which he took up office will not be taken into account.

Payment of the maximum compensation for loss of office will depend on at least three of these four performance criteria being met, as observed by the Board of Directors on the basis prescribed by the laws in force when his office as Chairman and Chief Executive Officer is terminated. If only two of the criteria are met, 50% of the maximum compensation for loss of office will be paid; if one or none of the criteria are met, no benefits will be paid.

The compensation for loss of office paid to the Chairman and Chief Executive Officer may not, under any circumstances, exceed two years' total gross annual compensation.

(1) Before other income and expenses.

In addition, if the Chairman and Chief Executive Officer is forced to stand down and the variable compensation taken into account for calculating his compensation for loss of office is due in respect of a financial year during which he was not in office for the full twelve months, the compensation for loss of office will be based on two times the amount of the variable part paid in the financial year prior to the year in which he was forced to step down as Chairman and Chief Executive Officer.

Unemployment insurance

The Chairman and Chief Executive Officer is covered by a "GSC" insurance plan entitling him to unemployment benefits equal to 70% of his contractual income, capped at €17,140 per month, for a period of up to 24 months.

Death/disability and health insurance

The Chairman and Chief Executive Officer will be covered by the death/disability and health insurance plan set up for employees, which has been extended to include the Chief Executive Director.

Company car

The Chairman and Chief Executive Officer will be entitled to a company car.

Supplementary pension benefits

Up until December 31, 2019, certain senior executives of the Company, including the Chairmand and Chief Executive Officer, participated in the Group's supplementary pension scheme comprising an "Article 83" defined benefit plan in addition to an "Article 39" defined contribution plan, as defined in France's General Tax Code.

Recent regulatory changes, including the government order dated July 3, 2019 on defined benefit plans, made it impossible to continue the "Article 39" defined benefit plan.

The "Article 39" defined benefit plan was closed on December 31, 2019 and no rights have vested under the plan since that date.

The Group has chosen to set up a new "Article 82" funded defined contribution plan effective from June 2020 (under this plan, retirement savings are invested in an individually managed insurance policy) to replaces the "Article 39" defined benefit plan, which will then be canceled.

The vested rights under the defined benefit plan on the date the plan was closed will be transferred to the new defined contribution plan. The value of the vested rights has been calculated by an independent firm of actuaries. This amount reflects an individual discount compared with the liability recognized in the financial statements, due to the fact that the calculation takes into account the age of the plan participants, their turnover rate and mortality tables. The amount calculated for the Chairman and Chief Executive Officer is €2.2 million.

The contribution rate is determined as a percentage of the gross annual remuneration of the Chairman and Chief Executive Officer (fixed and variable annual remuneration), with progressive rates applied on multiples of the Annual Social Security Ceiling (PASS). Based on his 2020 fixed and target variable compensation, by way of illustration, an average rate of 21.02% would apply.

Unlike in the case of the defined benefit plan, under the defined contribution plan, tax is due immediately on the amounts invested in the plan directly by the beneficiary.

As was the case for the defined benefit plan, annual payments to the Chairman and Chief Executive Officer in respect of the defined contribution plan will be subject to the same performance condition which was applicable to the previous defined benefit plan, i.e. the achievement of at least 60% of his annual variable compensation targets.

3.2.2 Information referred to in Article L.225-37-3 (I.) of the French Commercial Code relating to all compensation paid during, or awarded for, the 2019 financial year to corporate officers in respect of their duties (global ex post vote by shareholders)

As mentioned in the introduction, Article L.225-100 (II.) of the French Commercial Code (as amended by the PACTE Law and its implementing legislation) has introduced a shareholder vote on the information referred to in Article L.225-37-3 (I.) of the Commercial Code relating to all compensation paid during, or awarded for, the 2019 financial year to corporate officers in respect of their duties.

As a result, this information will be submitted for approval at the General Meeting of May 7, 2020 under the 11th resolution. If the resolution is rejected by the General Meeting, the Board of Directors will submit a revised compensation policy, taking into account the shareholder vote, for approval at the next General Meeting. Payment of the amounts allocated to the directors for their duties for the current financial year would be suspended until the revised compensation policy has been approved. Once payment has been reinstated, it would include the arrears accumulated since the previous General Meeting.

If the revised compensation policy is not approved by shareholders, the suspended amount would not be paid, and the same conditions as those applied after the rejection of the initial resolution would be applied again.

Ii is specified that information relating to the 2018 financial year, or any other prior financial year, is given for information and comparison purposes only and is not subject to a shareholder vote at the General Meeting of May 7, 2020.

Information relating to the members of the Board of Directors (excluding the Chairman and Chief Executive Officer)

On the recommendation of the Compensation and Appointments Committee, at its meeting of February 25, 2020, the Board of Directors allocated the annual fixed amount of compensation awarded to directors by the General Meeting (formerly known as “directors’ fees”), based in particular on each director’s attendance rate at Board meetings and at meetings of any committee of which he or she is a member. The compensation allocation method must include a variable portion (representing the largest part of each director’s compensation). It is reminded that for the 2019 financial year, and in accordance with the recommendations of the AFEP-MEDEF Code, the principles governing allocation were as follows:

- the duties of Board member are compensated with a fixed portion of a flat amount defined by the Board of Directors and with a variable portion based on the number of Board meetings attended in the previous financial year, which will exceed the amount of the fixed portion;
- the duties of Vice-Chairman of the Board of Directors are compensated with a fixed portion of a flat amount defined by the Board of Directors;
- the duties of members of a Board Committee are compensated with a fixed portion of a flat amount defined by the Board of Directors and with a variable portion based on attendance at committee meetings, which will exceed the fixed portion;
- the duties of committee Chairman are compensated with a fixed portion of a flat amount defined by the Board of Directors for each committee;
- the duties of Board Observer, if any, are compensated with a fixed portion of a flat amount defined by the Board of Directors and with a variable portion based on attendance at Board meetings, which will exceed the fixed portion;
- no compensation is awarded for serving on the Board of Directors to directors of the Company who also hold the position of Chairman of the Board, Chairman and Chief Executive Officer, Chief Executive Officer or Deputy Chief Executive Officer within the Company.

The General Meeting of May 4, 2017 set the total annual compensation payable to directors for serving on the Board at €590,000.

In accordance with these principles:

- the Chairman and Chief Executive Officer does not receive any compensation for serving on the Board of Directors;
- the Vice-Chairman of the Board receives a flat amount of €15,000;
- all Board members receive a flat amount of €2,260 on average per meeting, plus an amount of €2,762 for each meeting attended during the financial year (including by videoconference);
- the Chairmen of board committees receive a flat amount of €7,500.

The employee-representative director has agreed to receive just 60% of the compensation awarded in his capacity as director, with the remaining 40% to be paid by the Company to the Social and Economic Council as an exceptional annual endowment.

Table on the compensation received by non-executive corporate officers (Table 3 of the AFEP-MEDEF Code)

	2019		2018	
Director [(1)] *(in €)*	AMOUNTS AWARDED IN RESPECT OF 2019	AMOUNTS PAID IN 2019 IN RESPECT OF 2018	AMOUNTS AWARDED IN RESPECT OF 2018	AMOUNTS PAID IN 2018 IN RESPECT OF 2017
Jean-Paul Bailly	80,267	85,321	85,321	69,182
Anne Bouverot	45,142	51,577	51,577	45,279
Philippe Citerne [(2)]	-	-	-	32,086
Sylvia Coutinho	57,803	53,994	53,994	50,041
Dominique D'Hinnin	60,239	59,077	59,077	35,354
Gabriele Galateri di Genola	57,803	51,577	51,577	66,300
Maëlle Gavet	41,343	23,952	23,952	27,941
Françoise Gri	80,303	74,077	74,077	83,800
Jean-Bernard Hamel [(3)]	15,068	7,534	7,534	-
Jean-Romain Lhomme	52,739	53,994	53,994	58,170
Bertrand Meheut	42,379	51,577	51,577	37,912
TOTAL	**533,086**	**512,680**	**512,680**	**527,837**[(4)]

(1) This table includes the fixed and variable compensation received by non-executive corporate officers. They do not receive any other compensation.
(2) Resigned from the Board on May 4, 2017 and then appointed Board Observer. Ceased to serve as Board Observer on December 31, 2019.
(3) Employee-representative director, appointed on June 23, 2018.
(4) Including the amount of €21,772, received by the company Colony Capital.

The Board Observer received a flat amount of €23,732 plus a variable amount of €29,007 for his active participation at all Board meetings and his assistance to the Chairman of the Audit and Risks Committee at all of the committee's meetings

Information relating to the Chairman and Chief Executive Officer

The components of compensation due or awarded for the year financial ended December 31, 2019 are described in detail below. These components were determined in accordance with the Chairman and Chief Executive Officer's compensation policy, which was approved by shareholders at the General Meeting of May 14, 2019 (5th resolution). They are based, in particular, on a complete analysis of the Chairman and Chief Executive Officer's performance, in line with the Group's strategy and shareholders' interests. The performance assessment was based on a balance between financial, operational, market and management criteria as well as a balance between short-term and long-term performance.

Fixed compensation

At its meeting of December 20, 2017, the Board of Directors set Mr Bertrand Dumazy's gross annual fixed pay at €825,000, based on the recommendation of the Compensation and Appointments Committee. This decision was made in light of Mr Bertrand Dumazy's re-appointment at the General Meeting of May 3, 2018. To determine the amount, the Compensation and Appointments Committee used a benchmark study conducted by Mercer of all other CAC Next 20 index companies.

Annual variable compensation

At its February 20, 2019 meeting, the Board of Directors defined the criteria for determining his variable compensation, which is capped at a certain percentage of the fixed compensation. The amount of the variable part may range from 0% to 120% of fixed compensation, and may be increased to a maximum of 180% of fixed compensation if certain targets are outperformed, *i.e.*:

- a variable part of up to 65% of the fixed compensation linked to financial objectives, including 50% based on budgeted operating EBIT, excluding financial income, and 15% based on recurring earnings per share at constant exchange rates, it being specified that the outperformance of these objectives acknowledged by the Board of Director may give rise to an additional payment which may reach 40% of the 2019 fixed compensation. With regard to the budgeted operating EBIT objective, the Board of Directors noted that the business excellence drivers, activated as part of the Fast Forward plan and amplified by the new Next Frontier plan, have been deployed across a large number of subsidiaries. This deployment has resulted in a significant, better-than-expected increase in the number of client contracts signed with SMEs, which have tripled in the past three years. Similarly, the increased digitalization of the solutions offered by the Group *via* numerous innovative channels, including mobile devices and payment APIs, have enabled the Group to create a significant edge over its competitors. With regard to earnings per share (EPS), the sound management of financial, fiscal and exceptional elements (beyond business excellence) made it possible to reach a record level of EPS in 2019.

For the 2019 financial year, the Board of Directors on February 25, 2020 acknowledged that these objectives were achieved and outperformed and may give rise to the payment of a variable compensation in the amount of €860,750 (i.e. 104.3% of the 2019 fixed compensation),

- a variable part of up to 30% of the fixed compensation linked to three operational objectives related to the Group's strategy (i.e. 10% per objective) as detailed below, it being specified that the outperformance of these objectives acknowledged by the Board of Directors may give rise to an additional payment which may reach 20% of the 2019 fixed compensation :
  - a variable compensation representing 10% of the fixed compensation based on the Group's transformation rate. The outperformance of this objective may give rise to an additional payment which may reach 10% of the fixed compensation. The Board of Directors set a target transformation rate to be achieved by Mr Bertrand Dumazy in 2019 within the context of the acceleration of the Fast Forward and Next Frontier strategy, particularly with regard to the shift to digital solutions, innovation and IT security. Despite implementing a vast technological innovation program representing an investment of around €250 million, the Group well achieved control over its costs, primarily recorded as operating expenses, thereby improving its operating margin.

    For the 2019 financial year, the Board of Directors on February 25, 2020 acknowledged that the achivement rate for this objective was 110% and may give rise to the payment of a variable compensation in the amount of €165,000 (i.e. 20% of the 2019 fixed compensation),
  - a variable compensation representing 10% of the fixed compensation based on like-for-like growth in Fleet & Mobility Solutions business volume. The outperformance of this objective may give rise to an additional payment which may reach 5% of the fixed compensation. The Board of Directors set Mr Bertrand Dumazy the target of delivering double-digit organic growth in Fleet & Mobility Solutions operating revenue in 2019, despite the high prior-year basis of comparison. The Board notes that Fleet & Mobility Solutions continued to record strong growth in 2019, thanks to the rapid expansion of the acceptance network for these solutions in Europe (integration of Timex), which enabled UTA's solutions to be rolled out in Europe more quickly than initially scheduled. The Board also notes that the portfolio of services offered in association with fuel cards has been significantly enhanced, in such areas as toll payment and vehicle servicing. Lastly, the Board of Directors notes the roll-out of an offering for light vehicle fleets, which has been particularly successful in several European countries, including Italy and Germany.

    For the 2019 financial year, the Board of Directors on February 25, 2020 acknowledged that the achivement rate for this objective was 131.7% and may give rise to the payment of a variable compensation in the amount of €123,750 (i.e. 15% of the 2019 fixed compensation),
  - a variable compensation representing 10% of the fixed compensation based on new sales of Employee Benefits and Fleet & Mobility Solutions *via* digital and telesales channels. The outperformance of this objective may give rise to an additional payment which may reach 5% of the fixed compensation. This objective reflects the Group's new strategy and particularly its focus on the SME market. It was defined in 2017 to leverage two main growth drivers: optimized incoming and outgoing sales call generation through specialized regional and global partners, and a revamped telesales organization (phone and digital channels). In addition, the Board of Directors notes that the Group has forged high-quality distribution partnerships with highly digitized operators like Itaú in Brazil. Besides, specific measures were taken in 2019 to improve the production of telesales teams, including the introduction and monitoring of key performance indicators.

    For the 2019 financial year, the Board of Directors on February 25, 2020 acknowledged that the achivement rate for this objective was 112.3% and may give rise to the payment of a variable compensation in the amount of €123,750 (i.e. 15% of the 2019 fixed compensation),
- a variable compensation representing 25% of the fixed compensation based on managerial objectives related to the Group's strategy, such as the deployment of the Fast Forward and Next Frontier strategic plans, the successful integration of Corporate Spending Innovations (CSI) in the USA and The Right Fuel Card in the United Kingdom, and the roll-out of the Corporate Social Responsibility plan "People, Planet, Progress". The Board of Directors has been particularly attentive to this last objective and has individually monitored the ten objectives set out in the People, Planet, Progress plan (see the Universal Registration Document, starting on page 76). The Board of Directors noted that the indicators had well improved compared to last year and are on track to meet the first series of targets set for 2022, particularly in relation to the reduction of greenhouse gases and the percentage of Employee Benefits users and merchants aware of and involved in promoting healthy and sustainable eating habits. The Board of Directors also noted such initiatives as the relocation of the Company's registered office to an environmentally responsible, positive-energy balance building and the refinancing of a syndicated credit facility that ties financing costs to environmental and social performance indicators. Lastly, the Board noted the successful integration of CSI and TRFC into the Group.

For the 2019 financial year, the Board of Directors on February 25, 2020 acknowledged that the achivement rate for these objectives was 100% and may give rise to the payment of a variable compensation in the amount of €206,250 (i.e. 25% of the 2019 fixed compensation),

Mr Bertrand Dumazy's 2019 recommended variable compensation was determined at the Board meeting held on February 25, 2020, based on the recommendation of the Compensation and Appointments Committee and after the relevant financial performance data had been validated by the Audit and Risks Committee. The total recommended variable compensation amounted to €1,479,500.

Lastly, the Company hereby specifies that the levels of achievement required for each of the quantitative financial and operational objectives underlying the variable compensation are measured and assessed each year by the Compensation and Appointments Committee and the Audit and Risks Committee, and then presented to the Board of Directors. The actual targets for these criteria are clearly defined but are not disclosed for confidentiality reasons, particularly in light of the high level of competition in all of the Group's product lines. Edenred's main competitors are either unlisted companies or listed companies that generate only a very limited portion of their revenue from business lines that are equivalent to the Group's. These companies therefore disclose very little information about the financial and business objectives set for their activities that compete with those of Edenred.

Long-term compensation

Mr Bertrand Dumazy was covered by the Group's long-term incentive plan in 2019 in the same way as the other beneficiaries of the plan (members of the Executive Committee and senior executives in some 40 countries). In this respect, on February 27, 2019, he was awarded 53,870 performance share rights valued at €1,815,000 [1]. The award represents 0.023% of the Company's share capital.

The performance shares will vest provided Bertrand Dumazy is still with the Group at the time and satisfies the performance conditions set for the following objectives and measured over three consecutive financial years, as follows:

- for 37.5% of the allocated shares, the operating EBIT organic growth rate;
- for 37.5% of the allocated shares, the organic growth rate in funds from operations (FFO); and
- for 25% of the allocated shares, a stock market criterion, corresponding to Edenred's total shareholder return (TSR) compared with the average TSR for companies included in the SBF 120 index.

Stock options allocated during the financial year to the executive corporate officer by the Company or any other Group company (Table 4 of the AFEP-MEDEF Code)

None.

Stock options exercised during the financial year by the executive corporate officer (Table 5 of the AFEP-MEDEF Code)

None.

Mr Bertrand Dumazy, in his capacity as Chairman and Chief Executive Officer, is required to hold 15% of his performance shares in registered form for as long as he remains in office.

Performance share rights allocated during the financial year to the executive corporate officer by the issuer or any other Group company (Table 6 of the AFEP-MEDEF Code)

EXECUTIVE CORPORATE OFFICER	PLAN NO. AND DATE	NUMBER OF PERFORMANCE SHARE RIGHTS ALLOCATED DURING THE YEAR	VALUE BASED ON THE METHOD USED IN THE CONSOLIDATED FINANCIAL STATEMENTS [1]	VESTING DATE	END OF LOCK-UP PERIOD	PERFORMANCE CONDITIONS
Bertrand Dumazy	2019 plan (no. 11) Feb. 27, 2019	53,870	1,815,000	Feb. 28, 2022	Feb. 28, 2022	Like-for-like operating EBIT growth and funds from operations (FFO) * and Edenred TSR vs. SBF 120 TSR

* *Before other income and expenses.*

(1) *Performance shares are measured at their theoretical value at the allocation date determined using the Black & Scholes option pricing model, in accordance with AFEP-MEDEF Code, rather than at the value of the compensation received. Performance share rights are forfeited if the grantee leaves the Group before the vesting date or if the performance conditions are not met.*

Other commitments given to the Chairman and Chief Executive Officer

Compensation for loss of office[1]

On the recommendation of the Compensation and Appointments Committee, the Board of Directors decided to entitle Mr Bertrand Dumazy to compensation for loss of office should he be forced to stand down for whatever reason. Said compensation may not exceed the equivalent of two years' fixed and variable compensation, as defined below, and payment will be contingent on the achievement of serious, challenging performance conditions. No compensation for loss of office will be payable if, within 12 months of his departure, Mr Bertrand Dumazy becomes eligible for the basic State pension and, consequently, for pension benefits under the Company's supplementary pension plan.

The compensation payable will not exceed the equivalent of two years' total gross annual compensation as Chairman and Chief Executive Officer, defined as:

- the fixed portion of the compensation on an annual basis as Chairman and Chief Executive Officer on the date of termination of his duties; and
- the average of the variable portion of annual compensation as Chairman and Chief Executive Officer paid during the last two financial years during which he served as Chairman and Chief Executive Officer, closed prior to the date of termination.

Payment of the compensation for loss of office is contingent on the achievement of certain serious, challenging performance criteria. The criteria selected by the Board concern the Company's business and financial performance – as measured by the key indicators on which the Group's financial communications to the market are based – and its stock market performance. Performance will be measured over a three-year period, taking into account the Company's long-term historical performance and the external risks to which it is exposed, as described in section 2.2 of the Universal Registration Document, page 43.

The performance conditions are as follows:

- 5% like-for-like growth in business volume compared with the previous financial year;
- 2% like-for-like growth in operating revenue compared with the previous financial year;
- 5% like-for-like growth in funds from operations (FFO) [2] compared with the previous financial year;
- increase in the Company's share price at least equal to 85% of the increase in the Euronext Paris SBF 120 index over the Reference Period or, if the index falls over the Reference Period, decline in the Company's share price of no more than 125% of that of the index over the Reference Period.

Achievement of each of these four criteria will be measured over the three financial years preceding the year in which his appointment as Chairman and Chief Executive Officer was terminated (the "Reference Period"). Each of the first three criteria will be deemed to have been met if the related objective was achieved in at least two of the three financial years in the Reference Period. In the event of departure before the third completed year, the index performance before the date on which he took up office will not be taken into account.

Payment of the maximum compensation for loss of office will depend on at least three of these four performance criteria being met, as observed by the Board of Directors on the basis prescribed by the laws in force when his appointment as Chairman and Chief Executive Officer is terminated. If only two of the criteria are met, 50% of the maximum compensation for loss of office will be paid; if one or none of the criteria are met, no benefits will be paid.

The compensation for loss of office paid to Mr Bertrand Dumazy may not, under any circumstances, exceed two years' total gross annual compensation.

In addition, if Mr Bertrand Dumazy is forced to stand down as Chairman and Chief Executive Officer and the variable compensation taken into account for calculating his compensation for loss of office is due in respect of a financial year during which he was not in office for the full twelve months, the compensation for loss of office will be based on two times the amount of the variable compensation paid in the financial year prior to the year in which he was forced to step down as Chairman and Chief Executive Officer.

Further to the General Meeting of May 3, 2018, the Board of Directors confirmed that the compensation for loss of office is relevant and fully compliant with the recommendations contained in the AFEP-MEDEF Code.

Unemployment insurance [3]

During the 2019 financial year, the Chairman and Chief Executive Officer was covered under an insurance plan set up with Association GSC, entitling him to unemployment benefits equal to 70% of his contractual income, capped at €17,140 per month, for a period of up to 24 months. The total annual cost of the plan for the Company in 2019 was €32,277.36.

Death/disability and health insurance [4]

Mr Bertrand Dumazy is covered by the death/disability and health insurance plan set up for employees, which has been extended to include the Chief Executive Officer. Premiums paid by the Company for this extended cover in 2019 amounted to €5,959.22.

(1) Related-party agreement authorized by the Board of Directors on September 10, 2015, February 10, 2016, and, pursuant to the re-appointment of the Chairman and Chief Executive Officer, on February 19, 2018, and approved by the General Meeting of May 4, 2016 and, pursuant to the re-appointment of the Chairman and Chief Executive Officer, of May 3, 2018.

(2) Before other income and expenses.

(3) Related-party agreement authorized by the Board of Directors on September 10, 2015, December 15, 2016, and, pursuant to the re-appointment of the Chairman and Chief Executive Officer, on February 19, 2018, and approved by the General Meeting of May 4, 2017 and, pursuant to the re-appointment of the Chairman and Chief Executive Officer, of May 3, 2018.

(4) Related-party agreement authorized by the Board of Directors on September 10, 2015 and, pursuant to the re-appointment of the Chairman and Chief Executive Officer, on February 19, 2018, and approved by the General Meeting of May 4, 2016 and, pursuant to the re-appointment of the Chairman and Chief Executive Officer, of May 3, 2018.

Supplementary pension benefits [1]

General supplementary pension plan

A supplementary pension plan has been set up for Group senior executives above certain grades whose compensation meets certain criteria. This plan is comprised of a defined contribution plan ("Article 83") and a defined benefit plan ("Article 39").

Under the Article 83 defined contribution plan, the Company pays an annual contribution representing up to 5% of eight times the annual ceiling for calculating Social Security contributions [2].

Under the Article 39 defined benefit plan (17 persons in 2019), the Company is committed to paying an annuity to plan participants when they retire, based on principles that comply with the recommendations contained in the AFEP-MEDEF Code.

To qualify for benefits under this top-hat plan, participants must end their career with the Group, have participated in the plan for at least five years or completed at least 15 years' service within the Group. The pension payable under the plan is reduced by the amount of the pension payable under the defined contribution plan referred to above:

- the reference period for the benefit calculations is the period of participation in the plan (*i.e.*, at least five years);
- rights to potential supplementary pension benefits are accumulated gradually by year of participation and are calculated each year based on the participants' gross annual compensation;
- the replacement rate may not exceed the following two thresholds:
  - the replacement rate of the supplementary plan (defined contribution and defined benefit plan) is limited to 30% of the last gross annual compensation [3],
  - if the final gross annual compensation represents more than 12 times the annual ceiling for calculating Social Security contributions, the overall replacement rate represented by all benefits paid under compulsory plans and Edenred supplementary pension plans is capped at 35% of the average reference compensation for the best three years out of the participant's last ten years before retirement.

Participants who leave the Group before claiming the pension under the general plan lose their rights under the defined benefit plan and retain only those relating to the defined contribution plan.

Application of the supplementary pension plan to the Chief Executive Officer

The Chairman and Chief Executive Officer participates in the supplementary pension plan in the same way as the other plan participants, as described above. However, in accordance with the provisions of Article L.225-42-1 of the French Commercial Code (prior to amendment), the Board of Directors' meeting of February 10, 2016 indirectly made payment of the "Article 39" pension contingent on the achievement of the targets set to determine the Chairman and Chief Executive Officer's variable compensation. He will receive 100% of the "Article 39" pension benefit if the targets set for determining his variable compensation are at least 60% met. If they are not 60% met, he will not receive any "Article 39" pension benefit in respect of that year. For 2019, the Board noted that the performance condition had been achieved because the targets have been met.

The supplementary pension entitlement is taken into account in determining his overall compensation package.

Under the defined contribution plan ("Article 83"), the Company paid €25,932 in 2019.

Closure of the "Article 39" defined benefit pension plan

As indicated in the section on the compensation policy for corporate officers, recent changes to French regulations – including those imposed by the July 3, 2019 government order on defined benefit pension plans – made it impossible to continue the "Article 39" defined benefit plan.

The "Article 39" plan was closed on December 31, 2019 and no rights have vested under the plan since that date.

The Group has chosen to set up a new "Article 82" funded defined contribution plan effective from 2020. Under this plan, retirement savings are invested in a managed insurance policy. This plan replaces the defined benefit plan, which will be canceled when the defined contribution plan comes into effect.

For further details, see section 3.2.1 of the Universal Registration Document, page 161.

3

(1) Related-party agreement authorized by the Board of Directors on September 10, 2015, February 10, 2016, and, pursuant to the re-appointment of the Chairman and Chief Executive Officer, on February 19, 2018, and approved by the General Meeting of May 4, 2016 and, pursuant to the re-appointment of the Chairman and Chief Executive Officer, of May 3, 2018.

(2) The annual ceiling for calculating Social Security contributions represented €41,136 in 2020.

(3) Gross annual compensation corresponds to the participant's fixed and compensation, excluding any exceptional bonuses.

Summary table as to compensation, stock options and performance share rights awarded to the executive corporate officer *(in €)* **(Table 1 of the AFEP-MEDEF Code)**

BERTRAND DUMAZY CHAIRMAN AND CHIEF EXECUTIVE OFFICER	2019	2018
Compensation awarded for the financial year (see Table 2 below for details)	2,308,280	2,290,955
Value of multi-annual variable compensation awarded during the financial year	0	0
Value of stock options allocated during the financial year (see Table 4 above for details)	0	0
Value of performance share rights allocated during the financial year (see Table 6 above for details)	1,815,000	1,980,000
Value of other long-term incentive plans	0	0
TOTAL	**4,123,280**	**4,270,955**

Summary table as to executive corporate officer's compensation *(in €)* **(Table 2 of the AFEP-MEDEF Code)**

	2019		2018	
BERTRAND DUMAZY CHAIRMAN AND CHIEF EXECUTIVE OFFICER	AMOUNT AWARDED	AMOUNT PAID	AMOUNT AWARDED	AMOUNT PAID
Fixed compensation	825,000	825,000 (1)	825,000	825,000 (2)
Annual variable compensation	1,479,500	1,462,175 (3)	1,462,175	1,346,600 (4)
Exceptional compensation	0	0	0	0
Compensation for serving on the Board of Directors	0	0	0	0
Benefits-in-kind*	3,780	3,780 (5)	3,780	3,780 (6)
TOTAL	**2,308,280**	**2,290,955**	**2,290,955**	**2,175,380**

(1) In respect of the 2019 financial year.
(2) In respect of the 2018 financial year.
(3) In respect of the 2018 financial year, as approved by the Combined General Meeting of May 14, 2019.
(4) In respect of the 2017 financial year, as approved by the Combined General Meeting of May 3, 2018.
(5) In respect of the 2019 financial year.
(6) In respect of the 2018 financial year.
** Company car.*

Information relating to the ratios between the Chairman and Chief Executive Officer's compensation and the mean and median compensation of employees

The ratios between the Chairman and Chief Executive Officer's compensation and (i) the mean compensation of employees on a full-time equivalent basis, excluding corporate officers, and (ii) the median compensation of employees on a full-time equivalent basis, excluding corporate officers, are presented below in application of the provisions of Article L.225-37-3 of the French Commercial Code, as amended by the PACTE Law and its implementing legislation.

The ratios were calculated on the basis of the gross compensation paid or awarded during the year in question. The scope used is the Edenred company, and the employees on which the calculations are based are all Company employees present for the whole calendar year.

	2015	2016	2017	2018	2019
Ratio of Chairman and Chief Executive Officer's compensation (1) to mean employee compensation (2)	N/A	17.10	22.14	28.79	26.19
Ratio of Chairman and Chief Executive Officer's compensation (1) to median employee compensation (2)	N/A	26.45	38.09	52.51	49.05

(1) The Chairman and Chief Executive Officer's compensation includes the following components: fixed compensation, annual variable part paid during the financial year in respect of the prior financial year, performance shares allocated during the financial year and valued in accordance with IFRS, and benefits in kind.

(2) Employee compensation includes the following components: fixed compensation, annual variable part paid during the financial year in respect of the prior financial year, performance shares allocated during the financial year and valued in accordance with IFRS, benefits in kind and employee savings. For both the Chairman and Chief Executive Officer and employees, the compensation considered does not include any signing bonus, severance pay, non-compete indemnity or supplementary pension plans, since these components either represent a benefit that is subsequent to the beneficiary's term of office or employment within the Company or do not constitute recurring compensation.

	2016 VS. 2015	2017 VS. 2016	2018 VS. 2017	2019 VS. 2018
Operating EBIT Like-for-like change	+17.3%	+16.0%	+23.5%	+15.3%

It has been chosen to publish the ratios for the 2016-2019 period to coincide with the term of office of the current Chairman and Chief Executive Officer, Mr Bertrand Dumazy, who joined the Company on October 26, 2015, whereas in 2015, the term of office of Mr Jacques Stern ended in August, followed by the interim period of Mr Nadra Moussalem, before the beginning of the term of office of Mr Bertrand Dumazy.

The 2016 ratios are lower than the following years because the annual variable compensation awarded to the Chairman and Chief Executive Officer in respect of 2015 was calculated on a prorated basis.

The increase in the 2018 ratios reflects the introduction of the Chairman and Chief Executive Officer's new compensation structure, comprising a higher fixed compensation (€825,000 in 2018 versus €750,000 in 2017) and an increase in the portion of compensation awarded in the form of performance shares.

The decrease in the 2019 ratios is primarily linked to the increase in the mean and median compensation of the Company's employees. This increase is notably explained by the performance shares allocated as part of the launch of the Group's new strategic plan (Next Frontier) and by the new types of profiles being recruited by the Company (niche expertise and digital skills, hard to find and highly valued in the employment market) to support the Group's digitalization and its positioning on the fintech market. Finally, 2019 was also the first year that an additional "outperformance" variable compensation was paid to employees, considering the very good results of the Company.

3.2.3 Fixed, variable and exceptional components comprising the total compensation and the benefits of any kind paid during, or awarded for, the 2019 financial year to Mr Bertrand Dumazy, as Chairman and Chief Executive Officer (specific ex post vote by shareholders)

In application of Article L.225-100 (III.) of the French Commercial Code, the fixed, variable and exceptional components comprising the total compensation and the benefits of any kind paid during, or awarded for, the 2019 financial year to Mr Bertrand Dumazy for his role as Chairman and Chief Executive Officer will be submitted for approval at the Combined General Meeting of May 7, 2020, under the 12th resolution.

The variable and exceptional components awarded to Mr Bertrand Dumazy, Chairman and Chief Executive Officer, for the 2019 financial year may only be paid out after approval by the Combined General Meeting of May 7, 2020.

Fixed, variable and exceptional components composing the total compensation and the benefits of any kind paid during or awarded for the 2019 financial year to Bertrand Dumazy, Chairman and Chief Executive Officer, subject to shareholder vote

Compensation compliant with the compensation policy approved by the Combined General Meeting of May 14, 2019

COMPENSATION COMPONENTS TO BE SUBMITTED TO A VOTE	AMOUNTS AWARDED FOR THE 2019 FINANCIAL YEAR	DESCRIPTION
Fixed compensation	€825,000	Gross annual fixed compensation of €825,000 set by the Board of Directors on December 20, 2017 based on the recommendation of the Compensation and Appointments Committee.
Annual variable compensation	€1,479,500	***General principle*** The annual variable compensation may range from 0% to 120% of the fixed compensation and may be increased to a maximum of 180% if the financial and operational targets are exceeded, as follows: • a variable part of up to 65% of annual fixed compensation linked to financial targets, including 50% based on budgeted operating EBIT [(1)] and 15% based on recurring earnings per share at constant exchange rates. In the event that the financial targets are exceeded, as acknowledged by the Board of Directors, the variable compensation may reach 105% of fixed compensation; • a variable part of up to 30% of fixed compensation linked to three operational targets related to the Group's strategy, each representing 10% of annual fixed compensation. The targets are to the Group's transformation rate, the like-for-like growth rate of business volume from Fleet & Mobility Solutions and the in sales volume in the Employee Benefits and Fleet & Mobility Solutions businesses carried out *via* digital and telesales channels. In the event that the operational targets are outperformed, as acknowledged by the Board of Directors, the variable compensation may reach 50% of fixed compensation; • a variable part of up to 25% of fixed compensation based on managerial targets related to the Group's strategy, such as the deployment of the Fast Forward strategic plan, the roll-out of the Corporate and Social Responsibility plan "People, Planet, Progress", the successful integration of Corporate Spending Innovations (CSI) in the United States and The Right Fuel Card in the United Kingdom. ***Amount awarded for the 2019 financial year*** Bertrand Dumazy's 2019 variable compensation was determined during the Board meeting held on February 25, 2020, based on the recommendation of the Compensation and Appointments Committee and after the relevant financial performance data had been validated by the Audit and Risks Committee, as follows: • the part based on financial targets amounted to 104.3% of 2019 fixed compensation (*i.e.*, €860,750); • the part based on operational targets related to the Group's strategy amounted to 50% of 2019 fixed compensation (*i.e.*, €412,500); • the part based on managerial targets related to the Group's strategy amounted to 25% of 2019 fixed compensation (*i.e.*, €206,250); This makes a total of €1,479,500. For more details, see section 3.2.2 of the Universal Registration Document, p. 163-165.
		Amount paid during the 2019 financiayl year (awarded for the 2018 financial year and approved by the General Meeting of May 14, 2019) Bertrand Dumazy's 2018 variable compensation of €1,462,175 was paid during the 2019 financial year, following the approval of the General Meeting of May 14, 2019 (6th resolution).

(1) Operating profit before other income and expenses.

COMPENSATION COMPONENTS TO BE SUBMITTED TO A VOTE	AMOUNTS AWARDED FOR THE 2019 FINANCIAL YEAR	DESCRIPTION
Deferred compensation	Not applicable	Bertrand Dumazy was not awarded any deferred compensation.
Multi-annual variable compensation	Not applicable	Bertrand Dumazy was not awarded any mutli-annual variable compensation.
Exceptional variable compensation	Not applicable	Bertrand Dumazy was not awarded any exceptional variable compensation.
Compensation for the director's term of office	Not applicable	Bertrand Dumazy does not receive any compensation for his director's term of office.
Stock options and/or performance shares	53,870 performance shares awarded, valued at €1,815,000 (2)	Bertrand Dumazy was covered by the Group's long-term incentive plan in 2019 in the same way as the other beneficiaries of the plan (members of the Executive Committee and senior executives in some 40 countries). On February 27, 2019, the Board of Directors used the authorization granted at the General Meeting of May 3, 2018 (28th resolution) to award Bertrand Dumazy 53,870 performance shares, representing 0.023% of the Company's capital. The performance shares freely allocated will vest provided Bertrand Dumazy is still within the Group at the time and satisfies the performance conditions set for the following objectives over a three-year measurement period, as follows: • for 37.5% of the performance shares allocated, the organic growth rate of operating EBIT; • for 37.5% of the performance shares allocated, the organic growth rate in funds from operations (FFO); and • for 25% of the performance shares allocated, a stock market performance criterion, corresponding to Edenred's total shareholder return (TSR) compared with the average TSR for companies included in the SBF 120 index. No stock options were granted to Bertrand Dumazy during 2019.
Signing bonus	Not applicable	Bertrand Dumazy did not receive a signing bonus during the financial year.
Benefits of any kind	€3,780	Bertrand Dumazy is entitled to a company car.

(2) Performance shares are measured at their theoretical value at the allocation date determined using the Black & Scholes option pricing model, in accordance with the AFEP-MEDEF Code, rather than at the value of the compensation received.

COMPENSATION COMPONENT THAT HAS ALREADY BEEN PUT TO THE VOTE AT THE GENERAL MEETING IN ACCORDANCE WITH THE PROCEDURE GOVERNING RELATED-PARTY AGREEMENTS AND COMMITMENTS	AMOUNTS	DESCRIPTION
Compensation for loss of office	No compensation due or paid	Compensation for loss of office would be payable to Bertrand Dumazy should he be forced to stand down for any reason whatsoever. This compensation would not exceed two years' total gross annual compensation * and would be subject to performance criteria measured over a three-year period. For further details, see section 3.2.2 of the Universal Registration Document, page 166. In accordance with the procedure governing related-party agreements and commitments, this commitment was authorized by the Board of Directors on September 10, 2015, February 10, 2016, and, pursuant to the renewal of the Chairman and Chief Executive Officer, on February 19, 2018, and approved by the General Meeting of May 4, 2016 and, pursuant to the renewal of the Chairman and Chief Executive Officer, of May 3, 2018.
Non-compete indemnity	Not applicable	Bertrand Dumazy has not signed a non-compete clause.
Supplementary pension plan	No compensation due or paid	Bertrand Dumazy participates in the Edenred defined contribution and defined benefit pension plans on the same basis as other senior executives of the Company. Under the defined benefit plan, the Company is committed to paying an annuity to plan participants when they retire, provided that they are still on the Company's payroll at that date and the performance criteria related to the achievement of targets for the calculation of variable compensation are met. For further details, see section 3.2.2 of the Universal Registration Document, page 167. For the defined contribution plan, Edenred's annual contribution on Bertrand Dumazy's behalf represented 3.14% of his gross annual compensation for 2019, *i.e.*, €25,932. Benefits paid under the two plans may not represent a replacement rate of more than 30% of the final gross annual compensation. The overall replacement rate represented by all benefits paid under compulsory plans and Edenred supplementary pension plans is capped at 35% of the average reference compensation for the highest paid three years out of Bertrand Dumazy's last ten years before retirement. In accordance with the procedure governing related-party agreements and commitments, these commitments were authorized by the Board of Directors on September 10, 2015, February 10, 2016, and, pursuant to the renewal of the Chairman and Chief Executive Officer, on February 19, 2018, and approved by the General Meeting of May 4, 2016 and, pursuant to the renewal of the Chairman and Chief Executive Officer, of May 3, 2018. Recent changes to French regulations – including those imposed by the July 3, 2019 government order on defined benefit pension plans, which prohibits plans that require beneficiaries to remain with the same company until retirement – have led Edenred to consider introducing a new supplementary pension plan to replace the current "Article 39" plan. As a result, the "Article 39" plan was closed on December 31, 2019 and no rights have vested under the plan since that date. The Company has chosen to set up a new "Article 82" funded defined contribution plan effective from 2020. Under this plan, retirement savings are invested in a managed insurance policy. This "Article 82" plan replaces the "Article 39" defined benefit plan, which will be canceled when the "Article 82" plan comes into effect. For further details, see section 3.2.1 of the Universal Registration Document, page 161.
Death/disability and health insurance plan	No compensation due or paid	Bertrand Dumazy is covered by the death/disability and health insurance plan set up for employees, which has been extended to include the chief executive officer. Premiums paid by the Company for this extended cover in 2019 amounted to €5,959.22. In accordance with the procedure governing related-party agreements and commitments, this commitment was authorized by the Board of Directors on September 10, 2015 and, pursuant to the renewal of the Chairman and Chief Executive Officer, on February 19, 2018, and approved by the General Meeting of May 4, 2016 and, pursuant to the renewal of the Chairman and Chief Executive Officer, of May 3, 2018.
Unemployment insurance	No compensation due or paid	In 2019, Bertrand Dumazy was covered under an insurance plan set up with Association GSC, entitling him to unemployment benefits equal to 70% of his contractual income for a period of up to 24 months. The annual cost of the plan billed to Edenred in 2019 was €32,277.36. In accordance with the procedure governing related-party agreements and commitments, this commitment was authorized by the Board of Directors on September 10, 2015, December 15, 2016, and, pursuant to the renewal of the Chairman and Chief Executive Officer, on February 19, 2018, and approved by the General Meeting of May 4, 2016, May 4, 2017 and, pursuant to the renewal of the Chairman and Chief Executive Officer, of May 3, 2018.

* Gross annual compensation corresponds to fixed and variable compensation, excluding any exceptional bonuses.

3.2.4 Additional information relating to corporate officers' compensation (not subject to a shareholder vote)

Mr Bertrand Dumazy held 201,027 Edenred shares at December 31, 2019, representing 0.08% of the share capital.

Hedging instruments

It is reminded that the Company does not allow corporate officers and Executive Committee members who receive performance shares to hedge the related equity risk until the end of the holding period set by the Board of Directors. They therefore declared that they had not used hedging instruments and committed not to use them in the future.

Holding requirement

Mr Bertrand Dumazy, in his capacity as Chairman and Chief Executive Officer, is required to hold 15% of his performance shares in registered form for as long as he remains in office.

Performance shares held by the executive corporate officer that vested during the financial year (Table 7 of the AFEP-MEDEF Code)

EXECUTIVE CORPORATE OFFICER	PLAN NO. AND DATE	NUMBER OF PERFORMANCE SHARES THAT VESTED DURING THE FINANCIAL YEAR	PERFORMANCE CONDITIONS
Bertrand Dumazy	2016 plan (no. 8) May 4, 2016	149,600	Like-for-like growth in issue volume and funds from operations (FFO) and Edenred TSR vs. SBF 120 TSR

Details of ongoing stock option plans during the financial year (Table 8 of the AFEP-MEDEF Code)

	2012 PLAN	2011 PLAN
Grant date	Feb. 27, 2012 (1)	Mar. 11, 2011 (2)
Total options which may be exercised, of which options granted to	382,800	611,700
Jacques Stern (3)	66,000	72,000
Nadra Moussalem (4)	n/a	n/a
Bertrand Dumazy (5)	n/a	n/a
Start of exercise period	Feb. 28, 2016	Mar. 12, 2015
Expiry date	Feb. 27, 2020	Mar. 11, 2019
Exercise price *(in €)*	19.03	18.81
Options exercised as of December 31, 2019	340,650	591,350
Cumulative number of options canceled or forfeited	12,000	20,350
Options outstanding at the year-end	30,150	0
TOTAL	**382,800**	**611,700**

(1) Decision of the Chairman and Chief Executive Officer pursuant to the Board authorization of February 22, 2012.
(2) Decision of the Chairman and Chief Executive Officer pursuant to the Board authorization of February 23, 2011.
(3) Chairman and Chief Executive Officer until July 31, 2015.
(4) Chairman and Chief Executive from August 1 to October 25, 2015.
(5) Chairman and Chief Executive Officer since October 26, 2015.

Details of ongoing performance share plans during the financial year (Table 9 of the AFEP-MEDEF Code)

	2020 PLAN	2019 PLAN	2018 PLAN	2017 PLAN	2016 PLAN	2015 PLAN (CEO)	2015 PLAN	2014 PLAN
Grant date	Mar. 10, 2020 (1)	Feb. 27, 2019 (2)	Feb. 21, 2018 (3)	Mar. 8, 2017 (4)	May 4, 2016	Dec. 9, 2015	Feb. 20, 2015 (5)	Feb. 17, 2014 (6)
Total number of performance shares awarded, of which shares awarded to:	502,551	597,220	685,706	794,985	990,080	137,363	800,000	824,000
• Jacques Stern (7)	-	-	-	-	-	-	64,000	66,000
• Bertrand Dumazy (8)	48,031	53,870	81,616	61,355	149,600	137,363	-	-
Vesting date	Mar. 11, 2023	Feb. 28, 2022	Feb. 22, 2021	Mar. 9, 2020	May 5, 2019	Dec. 10, 2018	Feb. 21, 2018 or Feb. 21, 2020 (9)	Feb. 18, 2017 or Feb. 18, 2019 (9)
End of lock-up period	-	-	-	-	-	Dec. 10, 2020(10)	Feb. 21, 2020(10)	Feb. 18, 2019(10)
Performance conditions	Like-for-like operating EBIT growth and funds from operations (FFO) * and Edenred TSR ** vs. SBF 120 TS	Like-for-like operating EBIT growth and funds from operations (FFO) * and Edenred TSR ** vs. SBF 120 TS	Like-for-like growth in business volume and funds from operations (FFO) * and Edenred TSR ** vs. SBF 120 TSR	Like-for-like growth in business volume and funds from operations (FFO) * and Edenred TSR ** vs. SBF 120 TSR	Like-for-like growth in business volume and funds from operations (FFO) * and Edenred TSR ** vs. SBF 120 TSR	Like-for-like growth in business volume and funds from operations (FFO) * and Edenred TSR ** vs. SBF 120 TSR	Like-for-like growth in business volume and funds from operations (FFO) * and Edenred TSR ** vs. SBF 120 TSR	Like-for-like growth in business volume and funds from operations (FFO) * and Edenred TSR ** vs. SBF 120 TSR
Number of vested shares at Dec. 31, 2019	-	0	0	0	902,821	125,916	176,420	578,141
Cumulative number of canceled and forfeited performance shares	-	11,770	52,628	92,544	87,259	11,447	241,650	245,859
Performance shares outstanding at Dec. 31, 2019	-	585,450	633,078	702,441	0	0	381,930	0
TOTAL	**502,551**	**597,220**	**685,706**	**794,985**	**990,080**	**137,363**	**800,000**	**824,000**

* *Before other income and expenses.*
** *Total shareholder return.*
(1) Decision of the Chairman and Chief Executive Officer pursuant to the Board authorization of February 25, 2020.
(2) Decision of the Chairman and Chief Executive Officer pursuant to the Board authorization of February 20, 2019.
(3) Decision of the Chairman and Chief Executive Officer pursuant to the Board authorization of February 19, 2018.
(4) Decision of the Chairman and Chief Executive Officer pursuant to the Board authorization of February 23, 2017.
(5) Decision of the Chairman and Chief Executive Officer pursuant to the Board authorization of February 11, 2015.
(6) Decision of the Chairman and Chief Executive Officer pursuant to the Board authorization of February 11, 2014.
(7) Chairman and Chief Executive Officer until July 31, 2015.
(8) Chairman and Chief Executive Officer since October 26, 2015.
(9) Three-year vesting period for French tax residents and non-residents subject to the French social security system and five-year vesting period for tax residents of other countries who are not subject to the French social security system.
(10) The lock-up period only applies to French tax residents and non-residents subject to the French social security system.

Summary table as to multi-annual variable compensation of the executive corporate officer (Table 10 of the AFEP-MEDEF Code)

None.

Employment contract

Bertrand Dumazy does not have an employment contract with Edenred or any of its subsidiaries or companies in which it has an equity interest.

Commitments given to the executive corporate officer (Table 11 of the AFEP-MEDEF Code)

EXECUTIVE CORPORATE OFFICER	EMPLOYMENT CONTRACT		SUPPLEMENTARY PENSION PLAN		COMPENSATION OR BENEFIT PAYABLE IN THE CASE OF TERMINATION OR CHANGE OF OFFICE		NON-COMPETE INDEMNITY	
	YES	NO	YES	NO	YES	NO	YES	NO
Bertrand Dumazy Chairman and Chief Executive Officer **In office since**: October 26, 2015 **Current term ends:** General Meeting to approve the financial statements for the year ended December 31, 2021		X	X		X			X

3.3 Information about the Company's share capital

3.3.1 Description of the Company's shares

3.3.1.1 Type, class and listing – ISIN

At December 31, 2019, the Company's share capital was made up of 243,204,857 shares with a par value of €2 each, all fully paid.

The 243,204,857 shares are ordinary shares with rights to all distributions of interim and final dividends, reserves or equivalent amounts.

All of the shares are listed on Euronext Paris (Compartment A).

The shares are listed under ISIN FR0010908533 (ticker symbol: EDEN).

3.3.1.2 Governing law and competent courts

The Company's shares are governed by the laws of France.

The courts of the district where the Company has its registered office have jurisdiction over disputes where the Company is defendant. In disputes where the Company is plaintiff, the court of jurisdiction will be designated depending on the type of dispute, unless otherwise specified in France's Civil Procedure Code *(Code de procédure civile)*.

3.3.1.3 Form of the shares and procedures for recognizing ownership

The Company's shares may be held in registered or bearer form, at the choice of the shareholder.

In application of Article L.211-3 of the French Monetary and Financial Code, ownership of the Company's shares is not evidenced by certificates but by an entry in a securities account kept by the Company or an authorized intermediary. The rights of shareholders are evidenced by an entry in their name in the books kept by:

- the Company's registrar, Société Générale Securities Services (32 rue du Champ-de-Tir, CS 30812, 44308 Nantes Cedex 3, France), for registered shares;
- a bank or broker chosen by the shareholder and recognized by the Company's registrar, Société Générale Securities Services (32 rue du Champ-de-Tir, CS 30812, 44308 Nantes Cedex 3, France), for administered registered shares;
- a bank or broker chosen by the shareholder, for bearer shares.

Settlement/delivery of transactions in the Company's shares is carried out through Euroclear France, as a central securities depository.

Shares are transferred by book entry and the transfer of title results from their being recorded in the buyer's securities account, in accordance with Articles L.211-15 and L.211-17 of the French Monetary and Financial Code.

Securities services are provided by the Company's registrar, Société Générale Securities Services (32 rue du Champ-de-Tir, CS 30812, 44308 Nantes Cedex 3, France).

3.3.1.4 Rights attached to the shares

From the time of issuance, the Company's shares are subject to all of the provisions of the Company's bylaws. Based on current French laws and regulations and the Company's bylaws, the main rights attached to the shares are described below.

Dividend rights

Each year, at least 5% of profit for the financial year, less any losses brought forward from prior years, is transferred to the legal reserve until such time as the legal reserve represents one-tenth (10%) of the share capital. The process resumes if, for whatever reason, the legal reserve subsequently falls to below one-tenth of the share capital.

The balance, plus any retained earnings brought forward from prior years, is available for distribution to shareholders in the form of dividends, in accordance with the applicable laws and regulations.

The General Meeting of shareholders called to approve the financial year's accounts may decide to pay a dividend to all shareholders.

The General Meeting of shareholders may decide to offer shareholders the option of reinvesting all or part of any interim or final dividend in shares of the Company, in accordance with the applicable laws and regulations. Dividends not claimed within five years of the payment date will be time-barred and will be paid over to the French State.

The General Meeting may decide, before paying a dividend, to deduct from distributable profit any amounts that it thinks fit to be credited to retained earnings or to one or more general or special reserve accounts to be used for any purposes decided by shareholders.

The General Meeting may also decide to distribute unrestricted reserves, as allowed by the applicable laws and regulations, in which case the related resolution will specify the reserve accounts from which the dividend is to be deducted.

However, except in the case of a capital reduction, no such distribution may be made to shareholders if the Company's equity represents less than the sum of its share capital and restricted reserves, or would represent less than that amount as a result of the distribution.

Dividends paid to non-residents are subject to French withholding tax.

Voting rights

The voting rights attached to shares are proportionate to the portion of capital they represent. All shares have the same par value and therefore one voting right is attached to each share.

However, Article 24 of the Company's bylaws states that, under certain circumstances, shares may be attributed double voting rights. As a result, paid-up shares registered in the name of the same holder for at least two years have double voting rights.

In the case of a share capital increase through capitalization of reserves, profits or premium, the new shares allocated in respect of shares with double voting rights also have double voting rights from the time of issuance.

Registered shares converted into bearer shares or sold to a different shareholder lose their double voting rights. However, transfers through inheritance, liquidation of marital assets or an *inter vivos* transfer to a spouse or to an eligible relative do not result in the loss of double voting rights or a break in the above-mentioned qualifying period. The merger of the Company has no impact on double voting rights, provided that the bylaws of the surviving company allow for their exercise.

Article 24 of the Company's bylaws stipulates that voting rights attached to shares held by beneficial and non-beneficial owners are exercisable at Ordinary and Extraordinary General Meetings by the beneficial owner, except that the non-beneficial owner may also vote in his or her own name when the resolution requires a unanimous vote of all of the shareholders.

Details of the number of voting rights at December 31, 2019 are presented in section 2.1.2.1 of the Universal Registration Document, page 30.

Pre-emptive right to subscribe for securities in the same class

Under current French laws and regulations, shareholders have a pre-emptive right to subscribe for any new shares issued for cash (including shares issued upon exercise of rights), proportionately to their stake in the Company's share capital.

The General Meeting of shareholders that decides or authorizes a share capital increase may decide to cancel shareholders' pre-emptive rights for the entire increase or for one or several tranches of the increase, in which case the meeting may decide as an alternative to set a fixed period during which shareholders may subscribe on a priority basis. When the issuance is carried out by way of a public offer addressed exclusively to a restricted circle of investors acting for their proprietary portfolio or to qualified investors referred to in paragraph 1° of Article L.411-2 of the French Monetary and Financial Code, without pre-emptive rights, within the limit of 20% of the share capital per year, the issuance price must be set in accordance with the provisions of Article L.225-136 of the French Commercial Code.

The General Meeting may decide to reserve a share capital increase for certain named persons or certain categories of persons with specified characteristics, in accordance with Article L.225-138 of the French Commercial Code.

The General Meeting of shareholders that decides or authorizes a share capital increase may also decide to restrict participation to the shareholders of another company that is the target of a public exchange offer initiated by the Company in application of Article L.225-148 of the French Commercial Code. Shares issued in payment for contributed assets are subject to the specific procedure provided for in Article L.225-147 of the French Commercial Code.

During the subscription period, the pre-emptive subscription rights may be stripped from the underlying shares and traded separately. Alternatively, they may be sold with and on the same terms as the underlying shares. Shareholders may individually waive their pre-emptive subscription rights in application of Articles L.225-132 and L.228-91 of the French Commercial Code.

Right to a share of the Company's profits

Shareholders are entitled to a share of the Company's profits on the basis defined in Article L.232-10 *et seq*. of the French Commercial Code.

Right to a share of any liquidation surplus

Shares in all classes entitle their holders to a share of the Company's net assets and, if applicable, the liquidation surplus equal to the portion of the share capital that they represent, taking into account any returns of capital and any unpaid portion of the par value.

From the Company's point of view, all shares are indivisible.

Buyback clause – conversion clause

The bylaws do not include any share buyback or conversion clauses.

Identification of shareholders

The Company keeps informed of the composition of its shareholding within the conditions provided by applicable laws and regulations. In this respect, the Company uses the methods provided for by applicable laws and regulations to obtain information about the identity of holders of current or future rights to vote at General Meetings.

Disclosure thresholds

Any shareholder, acting alone or in concert with other shareholders, that becomes the owner of (or ceases to own) a number of shares representing a percentage of the capital or voting rights corresponding to a legal disclosure threshold is required to notify the Company on the basis required by the applicable laws and regulations.

In addition to the legal disclosure thresholds, Article 9 of the Company's bylaws requires any shareholder or any group of shareholders, acting alone or in concert, that acquires or raises its interest to 1% of the capital or voting rights to disclose its interest to the Company by registered letter with return receipt requested sent to the registered office, within four trading days of the transaction date or the signature of any agreement resulting in the disclosure threshold being crossed, whatever the date on which the shares are recorded in the holder's account. The notification must include details of the total number of shares and/or share equivalents held and the number of voting rights held.

The same disclosure rules apply to any increase in a shareholder's interest by any multiple of 0.50% of the capital or voting rights beyond 1% and to any reduction in a shareholder's interest by any multiple of 1% of the capital or voting rights. In the case of failure to comply with the applicable disclosure rules and at the request of one or several shareholders representing at least 3% of the Company's capital or voting rights, as duly recorded in the minutes of the General Meeting, the undisclosed shares will be stripped of voting rights at all General Meetings held until the expiry of a period of two years following the date when the omission is remedied.

For the application of the above disclosure provisions of the bylaws, disclosable interests include the shares or voting rights referred to in Article L.233-9 (I.) of the French Commercial Code.

3.3.1.5 Restrictions on the sale of the shares

The bylaws do not include any restrictions on the sale of the Company's shares. A detailed description of the commitments given by the Company and some of its shareholders is provided in section 2.1.2.1 of the Universal Registration Document, page 33.

3.3.1.6 French regulations governing public tender offers

The Company is subject to French applicable laws and regulations governing mandatory public tender offers, public buyout offers and squeeze-out procedures.

Mandatory public tender offers

The situations in which a public tender offer must be made for all of the shares and share equivalents of a company listed on a regulated market are specified in Article L.433-3 of the French Monetary and Financial Code and Article 234-1 *et seq.* of the General Regulations of the French Financial Markets Authority (AMF).

Public buyout offer and squeeze-out procedure

The procedure for filing a buyout offer and the compulsory buyout of minority shareholders in a company whose shares are listed on a regulated market is specified in Article L.433-4 of the French Monetary and Financial Code, and Articles 236-1 *et seq.* (public buyout offer) and 237-1 *et seq.* (squeeze-out procedure) of the AMF's General Regulations.

3.3.1.7 Public offer for the Company's shares initiated by a third party during the current or previous financial year and items that could have an impact in the event of a public tender offer

No public offer for the Company's shares has been initiated by a third party during the current or previous financial year.

The following items could have an impact in the event of a public tender offer for the Company's shares (information disclosed in application of Article L.225-37-5 of the French Commercial Code):

- **capital structure:** see section 2.1.2.1 of the Universal Registration Document, starting on page 30, showing the ownership of the capital and voting rights and the percentages held by the main shareholders;
- **restrictions on the exercise of voting rights and share transfers in the bylaws:** see section 3.3.1.4 of the Universal Registration Document, p. 177-178, concerning the crossing of thresholds set in the bylaws, and section 3.3.1.5 of the Universal Registration Document, starting on page 178, concerning share transfers;
- **direct or indirect equity interests in the Company of which the Company is aware:** see section 2.1.2.1 of the Universal Registration Document, p. 31-32;
- **list of holders of any securities carrying special control rights and a description thereof:** there are no special control rights within the Company;
- **control mechanisms provided for in any employee share ownership system when the employee does not exercise the control rights:** in accordance with Article L.214-40 of the French Monetary and Financial Code, the decision to tender to a public purchase or exchange offer for Edenred shares held in a corporate mutual fund set up in connection with an employee share ownership system is made by the fund's Supervisory Board;
- **agreements between shareholders of which the Company is aware that could give rise to restrictions on the transfer of shares and the exercise of voting rights:** the Company is not aware of any such agreements;
- **rules for appointing and replacing members of the Board of Directors and amending the Company's bylaws:** see section 3.1.1 of the Universal Registration Document, starting on page 124, for detail about the rules applicables for appointing and replacing members of the Board of Directors. No specific rules apply to amending the bylaws outside the applicable laws and regulations;

- **powers of the Board of Directors, in particular as regards share issuances and buybacks:** see sections 2.1.2.3 and 3.1.3.3 of the Universal Registration Document, pages 36 and 153-155, for the list of delegations granted by the General Meeting to the Board of Directors in these areas, and section 3.1.1.3, which sets out the powers of the Board of Directors;
- **agreements entered into by the Company that would change or terminate in the event of a change of control of the Company, except where this disclosure, other than in the case of legal disclosure requirements, would seriously harm its interests:** bond debt for a total of €1,975 million (including several transactions, liable to be redeemed early in the event of a change of control at the individual initiative of a bondholder (Article 4 c – Redemption at the option of the Bond Holders – of the prospectuses of outstanding bonds)) and bonds convertible into and/or exchangeable for new and/or existing shares (OCEANEs) for a nominal amount of approximately €500 million (Article 1.9.1.5 – Redemption at the option of the Bond Holders – of the "Notice to investors – Terms & conditions" issued on September 3, 2019);
- **agreements providing for the payment of compensation for loss of office or other termination benefits to members of the Board of Directors or to employees if they stand down, resign, are removed from office or terminated other than for gross misconduct or if their employment ends due to a public offer:** see section 3.2 of the Universal Registration Document, page 166, which provides information on compensation paid to corporate officers.

3.3.2 Securities giving access to the share capital

Pursuant to the delegation granted by the General Meeting of May 14, 2019 (11th resolution), the Board of Directors, at its meeting of July 22, 2019, decided to authorize an issuance of bonds convertible into and/or exchangeable for new and/or existing shares (OCEANEs) for a maximum amount of €500,000,000, and sub-delegated to the Chairman and Chief Executive Officer the power to carry out this issuance. Making use of this sub-delegation, the Chairman and Chief Executive Officer decided, pursuant to the terms of a decision dated September 3, 2019, to launch an issuance of OCEANEs. On September 3, 2019, the OCEANEs were placed in accordance with paragraph II.2 of Article L.411-2 of the French Monetary and Financial Code with qualified investors in France and outside France (with the exception of the USA, Canada, Australia and Japan). The nominal amount of the issuance was €499,999,997.70, divided into 8,179,290 OCEANEs.

As an indication, in the event that only new Edenred ordinary shares are delivered on conversion of the OCEANEs, the resulting conversion would represent a maximum dilution of 3.36% of the Company's current capital, on the basis of 8,179,290 ordinary shares outstanding as of the date of the Universal Registration Document.

The terms of this issuance appear in the Universal Registration Document, pages 66 and 274.

Reports have been drawn up by the Board of Directors and the Statutory Auditors on the use of this delegation in accordance with applicable laws and regulations.

It is also specified that the maximum number of new or existing shares that may be awarded under performance share plans for which the vesting period is still in progress amounts to 1,721,079 at the date of the Universal Registration Document. A description of the performance share plans appears in the Universal Registration Document, starting on page 174.

The Company has not issued any other securities giving access to the share capital.

3.3.3 Shares not representing capital

The Company has not issued any shares not representing capital. There is no other form of potential capital.

3.3.4 Changes in share capital

The table below shows how the Company's share capital has changed in the nine years to December 31, 2019:

		AMOUNT OF THE CHANGE IN CAPITAL				
TRANSACTION DATE	TRANSACTION	NUMBER OF SHARES	PAR VALUE *(in €)*	PREMIUM *(in €)*	NEW CAPITAL *(in €)*	TOTAL NUMBER OF SHARES
Dec. 14, 2006	Initial capital	370	37,000		37,000	370
Apr. 9, 2010	Cancellation of shares	119	11,900		25,100	251
Apr. 9, 2010	Issues of shares	119	11,900	100	37,000	370
Apr. 9, 2010	50-for-l stock-split	18,500	37,000		37,000	18,500
May 11, 2010	Shares issued in payment for assets contributed by Accor SA	225,878,896	451,757,792	647,427,593.63	451,794,792	225,897,396
Jul. 23, 2013	Cancellation of shares	259,066	518,132	4,149,941	451,276,660	225,638,330
Aug. 7, 2013	Issue of shares after vesting of shares granted	259,066	518,132	(518,132)	451,794,792	225,897,396
Jun. 16, 2014	Issue of shares after dividend reinvestment	2,914,150	5,828,300	55,223,142	457,623,092	228,811,546
Dec. 16, 2014	Issue of shares after exercise of stock options	1,622,871	3,245,742	18,971,362	454,377,350	227,188,675
Dec. 16, 2014	Cancellation of shares	1,622,871	3,245,742	(33,990,695)	457,623,092	228,811,546
Feb. 11, 2015	Issue of shares after exercise of stock options	52,975	105,950	619,278	457,729,042	228,864,521
Jun. 4, 2015	Issue of shares after dividend reinvestment	2,005,302	4,010,604	38,040,578	461,739,646	230,869,823
Jul. 23, 2015	Cancellation of shares	1,532,905	3,065,810	(30,222,379.86)	458,673,836	229,336,918
Aug. 7, 2015	Issue of shares after vesting of shares granted	602,422	1,204,844	(1,204,844)	459,878,680	229,939,340
Aug. 7, 2015	Issue of shares after exercise of stock options	877,508	1,755,016	10,708,628	461,633,696	230,816,848
Dec. 18, 2015	Issue of shares after exercise of stock options	79,778	159,556	1,026,300.82	461,793,249	230,896,626
Dec. 18, 2015	Cancellation of shares	79,778	159,556	(1,557,421.93)	461,633,696	230,816,848
Feb. 10, 2016	Issue of shares after exercise of stock options	2,400	4,800	28,056	461,638,496	230,819,248
Feb. 10, 2016	Cancellation of shares	503,913	1,007,826	(9,215,133.48)	460,630,670	230,315,335
Mar. 12, 2016	Issue of shares after vesting of shares granted	501,513	1,003,026	(1,003,026)	461,633,696	230,816,848
Jun. 15, 2016	Issue of shares after dividend reinvestment	2,862,997	5,725,994	37,619,780.58	467,359,690	233,679,845
Jul. 21, 2016	Issue of shares after exercise of stock options	45,886	91,772	536,407.34	467,451,462	233,725,731

TRANSACTION DATE	TRANSACTION	AMOUNT OF THE CHANGE IN CAPITAL NUMBER OF SHARES	PAR VALUE *(in €)*	PREMIUM *(in €)*	NEW CAPITAL *(in €)*	TOTAL NUMBER OF SHARES
Jul. 21, 2016	Cancellation of shares	45,886	91,772	(741,882.29)	467,359,690	233,679,845
Dec. 15, 2016	Issue of shares after exercise of stock options	260,731	521,462	3,357,717.39	467,881,152	233,940,576
Dec. 15, 2016	Cancellation of shares	260,731	521,462	(4,253,357.94)	467,359,690	233,679,845
Feb. 22, 2017	Issue of shares after exercise of stock options	8,500	17,000	99,365	467,376,690	233,688,345
Feb. 22, 2017	Cancellation of shares	535,298	1,070,596	(8,504,081.62)	466,306,094	233,153,047
Feb. 28, 2017	Issue of shares after vesting of shares granted	526,798	1,053,596	(1,053,596)	467,359,690	233,679,845
Jun. 13, 2017	Issue of shares after dividend reinvestment	1,722,895	3,445,790	31,322,231.10	470,805,480	235,402,740
Jul. 24, 2017	Issue of shares after exercise of stock options	720,326	1,440,652	9,781,939.74	472,246,132	236,123,066
Jul. 24, 2017	Cancellation of shares	720,326	1,440,652	(14,530,974.53)	470,805,480	235,402,740
Dec. 20, 2017	Issue of shares after exercise of stock options	234,510	469,020	3,342,369.10	471,274,500	235,637,250
Dec. 20, 2017	Cancellation of shares	234,510	469,020	(4,807,177.14)	470,805,480	235,402,740
Dec. 31, 2017	Issue of shares after exercise of stock options	500	1,000	5,845	470,806,480	235,403,240
Feb. 19, 2018	Issue of shares after vesting of shares granted	381,970	763,940	(763,940)	471,570,420	235,785,210
Feb. 19, 2018	Cancellation of shares	382,470	764,940	(6,554,678.40)	470,805,480	235,402,740
Jun. 8, 2018	Issue of shares after dividend reinvestment	3,863,610	7,727,220	88,399,396.80	478,532,700	239,266,350
Jul. 23, 2018	Issue of shares after exercise of stock options	501,565	1,003,130	6,917,734.85	479,535,830	236,123,066
Jul. 23, 2018	Cancellation of shares	501,565	1,003,130	(1,003,130)	478,532,700	239,266,350
Dec. 18, 2018	Issue of shares after exercise of stock options	144,950	289,900	2,008,041.50	478,822,600	239,411,300
Dec. 18, 2018	Cancellation of shares	144,950	289,900	(289,900)	478,532,700	239,266,350
Feb. 18, 2019	Issue of shares after vesting of shares granted	406,406	812,812	(812,812)	479,345,512	239,672,756
Feb. 20, 2019	Cancellation of shares	406,406	812,812	(8,582,434)	478,532,700	239,266,350
May 3, 2019	Issue of shares after vesting of shares granted	487,951	975,902	(975,902)	479,508,602	239,754,301
May 14, 2019	Cancellation of shares	487,951	975,902	(13,343,201)	478,532,700	239,266,350

		AMOUNT OF THE CHANGE IN CAPITAL				
TRANSACTION DATE	TRANSACTION	NUMBER OF SHARES	PAR VALUE *(in €)*	PREMIUM *(in €)*	NEW CAPITAL *(in €)*	TOTAL NUMBER OF SHARES
Jun. 11, 2019	Issue of shares after dividend reinvestment	3,938,507	7,877,014	136,193,572	486,409,714	243,204,857
Dec. 18, 2019	Issue of shares after exercise of stock options	126,850	253,700	(2,145,339)	486,663,414	243,331,707
Dec. 18, 2019	Cancellation of shares	126,850	253,700	(5,275,453)	486,409,714	243,204,857
Dec. 31, 2019	**-**				**486,409,714**	**243,204,857**

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Financial statements AFR

4.1 Statutory Auditors' Report on the consolidated financial statements

Year ended December 31, 2019

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information specifically required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to the shareholders. This report should be read in conjunction, and construed in accordance with French law and professional auditing standards applicable in France.

To EDENRED'S Shareholders' Meeting,

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meetings, we have audited the accompanying consolidated financial statements of EDENRED for the year ended December 31, 2019.

In our opinion, the consolidated financial statements give a true and fair view of the results of operations of the Group for the year then ended and of its financial position and of its assets and liabilities as of December 31, 2019 in accordance with International Financial Reporting Standards as adopted by the European Union

The audit opinion expressed above is consistent with our report to the Audit and Risks Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the "Audit of the Consolidated Financial Statements" section of our report.

Independence

We conducted our audit in compliance with independence rules applicable to us, for the period from January 1, 2019 to the issue date of our report and in particular we did not provide any prohibited non-audit services referred to in Article 5, paragraph 1, of Regulation (EU) no. 537/2014 or in the French Code of ethics for statutory auditors.

Emphasis of matter

Without qualifying the above opinion, we draw your attention to Note 1.4.1 to the consolidated financial statements which outlines the change in accounting method relating to the mandatory application of IFRS 16 "Leases" as of January 1, 2019.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring your attention to the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period, as well as our responses to those risks.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed above. We do not express an opinion on any components of the consolidated financial statements taken individually.

Valuation of goodwill and intangible assets

(Notes 5.1, 5.2 and 5.5 to the consolidated financial statements)

KEY AUDIT MATTER	OUR RESPONSE
As of December 31, 2019, the net carrying amount of goodwill and intangible assets (hereinafter "the intangible assets") amounted to €1,604 million and €706 million, respectively, or 26% of total assets. These intangible assets comprise assets with an indefinite useful life (brands for €55 million) and assets with definite useful lives (customer lists for €475 million, licenses and software for €124 million, principally). In accordance with IAS 36 "Impairment of assets" and as specified in Note 5.5 to the consolidated financial statements, an impairment loss is recognized when the recoverable amount of these assets is less than the net carrying amount. The recoverable amounts are determined in two steps (i) based on the fair value assessed using the EBITDA multiple method and (ii), if necessary, should a potential impairment loss be identified, based on the value in use estimated using the discounted future cash flows method. The determination of the recoverable amount of these intangible assets, which represents a material amount in the Group's accounts, is based on Management's judgement and the use of assumptions, notably: the EBITDA multiples adopted, cash flow projections, and discount and long-term growth rates. We therefore considered the valuation of goodwill and intangible assets to be a key audit matter.	We have familiarized ourselves with the procedures and controls set up by the Group to identify indications of impairment loss and to determine the recoverable amount of intangible assets grouped in Cash Generating Units (CGU). Our other procedures primarily consisted in: • assessing, compared to the provisions of IAS 36, the principles and methods used to determine the recoverable amounts of the CGU to which the intangible assets were assigned and reconciling the net carrying amount of these assets with the data in the accounting records; • reviewing the EBITDA multiples adopted and comparing them with the available market data; • comparing, with our audit team's valuation experts, the long-term growth and discount rates adopted for the valuations based on future cash flows with the macro-economic data available at the closing date; • examining, through interviews with Management, the main source data and assumptions for the operating estimates underlying the cash flows used for the valuation models, notably by comparing the estimates and projections of prior periods with the actual figures; • performing our own sensitivity analyses of the assumptions used for the cash flow forecasts. We have also verified that Note 5.5 to the consolidated financial statements provided an appropriate disclosure, particularly in regard to the key assumptions and the sensitivity analysis.

Recognition of the liability relating to service vouchers in circulation – funds to be redeemed

(Notes 4.5 and 4.6 to the consolidated financial statements)

KEY AUDIT MATTER	OUR RESPONSE
The funds to be redeemed correspond to the face value of service vouchers in circulation and digital funds loaded on cards but not yet redeemed to the affiliated merchants. They result from multiple transactions: • on the one hand, with the customers for which the service vouchers are issued or cards loaded, by offsetting a receipt of funds recognized either in available cash, or, in accordance with applicable regulations, in service voucher reserved funds mainly in France, the United Kingdom and Romania; • and, on the other hand, with affiliated merchants who are redeemed by EDENRED for the service vouchers or cards used by the beneficiaries in their establishment. Considering (i) the amount of funds to be redeemed on the balance sheet (€5,161 million, or 58% of total Group assets as of December 31, 2019, (ii) the importance of this aggregate as a material component of working capital requirements, a key performance indicator for EDENRED's activities, (iii) the volume of flows being translated in the balance of funds to be redeemed on the balance sheet and (iv) the dependence on information systems managing these operations, we considered the recognition of funds to be redeemed to be a key audit matter.	We have familiarized ourselves with the procedures set up by the Group to secure the flow of transactions inherent to the business activity, in particular, the reconciliation of the balance of funds to be redeemed at the closing date between the ancillary applications and the accounting records. Our other procedures primarily consisted in: • carrying out tests, with the assistance of the IT specialists on our teams, on the information systems to ensure that access rights are secure and the correct uploading of different ingoing and outgoing flows added to the balance of funds to be redeemed; • examining the reconciliations performed by the Finance Departments of the subsidiaries between the accounting records and the operational systems and, if necessary, obtaining a justification of the differences initially identified; • analyzing the consistency of revenue recognized during the fiscal year compared to the flows collected; • analyzing the bank reconciliations to determine the absence of material items in the funds to be redeemed to affiliated merchants. We have also verified that Notes 4.5 and 4.6 to the consolidated financial statements provided an appropriate disclosure, in particular the qualitative information relating to the segregation of funds as well as service voucher reserved funds at the year-end date.

Valuation for provisions relating to litigations, claims and tax risks

[Notes 10.2 and 10.3 to the consolidated financial statements]

KEY AUDIT MATTER	OUR RESPONSE
Your Group is party to a number of legal and anti-trust proceedings with third parties or with legal and/or administrative authorities, including tax authorities, investigations before state courts, arbitral tribunals or regulated authorities, in the normal course of its business. The main disputes and investigations potentially having a significant impact on your Group are recognized as liabilities or give rise to the contingent liabilities described in Note 10.3 to the financial statements. We have considered the valuation for provisions relating to litigations, claims and tax risks as a key audit matter given the amounts at stake and the judgement required to determine those provisions, due to the regulatory context and the continuously changing market environment.	Our work mainly consisted in: • investigating the procedures implemented by your Group in order to identify all the litigations and risk exposures; • corroborating these analyses with the confirmations received from the lawyers of your Group; • evaluating the analysis of the probability of occurrence performed by your Group, as well as the assumptions on the basis of which the provisions were estimated with respect to the relevant supporting documentation and, if any, consultations received by third parties. We have also had recourse to our experts for the most complex analyses; We have also assessed the information disclosed as such in Note 10.3 to the consolidated financial statements, particularly the qualitative and quantitative information related to the Group's estimates and judgments.

Specific verifications

As required by French law, we have also performed, in accordance with professional standards applicable in France, the specific verifications required by legal and regulatory texts, of the information relating to the Group presented in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial performance statement provided for in Article L.225-102-1 of the French Commercial Code is included in the information relating to the Group presented in the management report, it being specified that, in accordance with Article L.823-10 of said Code, we have not verified the fairness of the information contained in this statement or its consistency with the consolidated financial statements that must be verified in a report by an independent third party.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

DELOITTE & ASSOCIÉS was appointed as statutory auditor of EDENRED by the Shareholders' Meeting of April 3, 2010, while ERNST & YOUNG Audit was appointed as statutory auditor by the Shareholders' Meeting of May 4, 2016.

As of December 31, 2019, DELOITTE & ASSOCIÉS and ERNST & YOUNG Audit were in the 10th year and 4th year of total uninterrupted engagement, respectively.

Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease its operations.

The Audit and Risks Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements have been approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified by Article L.823-10-1 of the French Commercial Code *(Code de commerce)*, the scope of our statutory audit does not include assurance on the future viability of the Company or the quality with which Company's management has conducted or will conduct the affairs of the entity.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements;
- concludes on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities included in the consolidation scope to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements as well as for the audit opinion.

Report to the Audit and Risks Committee

We submit a report to the Audit and Risks Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as significant audit findings. We also bring to its attention any significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Risks Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit and Risks Committee with the declaration referred to in Article 6 of Regulation (EU) no. 537/2014, confirming our independence pursuant to the rules applicable in France as defined in particular by Articles L.822-10 to L.822-14 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss with the Audit and Risks Committee the risks that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

Paris-la-Défense, March 11, 2020

The Statutory Auditors

DELOITTE & ASSOCIÉS

Patrick E. SUISSA

ERNST & YOUNG Audit

Philippe DIU

4.2 Consolidated financial statements and notes

4.2.1 Consolidated income statement

(in € millions)	NOTES	2019	2018
Operating revenue	4.2	1,570	1,327
Other revenue	4.2	56	51
Total revenue	**4.2**	**1,626**	**1,378**
Operating expenses	4.3	(958)	(842)
Depreciation, amortization and impairment losses	5.6	(123)	(75)
Operating profit before other income and expenses (EBIT)	**4.4**	**545**	**461**
Share of net profit from equity-accounted companies	5.4	14	11
Other income and expenses	10.1	(25)	(31)
Operating profit including share of net profit from equity-accounted companies		**534**	**441**
Net financial expense	6.1	(35)	(37)
PROFIT BEFORE TAX		499	404
Income tax expense	7	(153)	(119)
NET PROFIT		**346**	**285**
Net profit attributable to owners of the parent		312	254
Net profit attributable to non-controlling interests		34	31
EARNINGS PER SHARE *(in €)*	8.2	1.30	1.07
Diluted earnings per share *(in €)*	8.2	1.29	1.06

4.2.2 Consolidated statement of comprehensive income

(in € millions)	NOTES	2019	2018
NET PROFIT		346	285
Other comprehensive income			
Currency translation adjustment	1.5	21	(68)
Fair value adjustments to financial instruments and assets at fair value through other comprehensive income	1.5	23	4
Tax on items that may be subsequently reclassified to profit or loss	1.5	(7)	-
Items that may be subsequently reclassified to profit or loss		**37**	**(64)**
Actuarial gains and losses on defined-benefit plans	1.5	(8)	(0)
Tax on items that may not be subsequently reclassified to profit or loss	1.5	2	-
Items that may not be subsequently reclassified to profit or loss		**(6)**	**(0)**
Total other comprehensive income		**31**	**(65)**
COMPREHENSIVE INCOME		**377**	**220**
COMPREHENSIVE INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT		351	192
Comprehensive income attributable to non-controlling interests		**26**	**29**

4.2.3 Consolidated statement of financial position

Consolidated assets

(in € millions)	NOTES	DEC. 31, 2019	DEC. 31, 2018
Goodwill	5.1	1,604	976
Intangible assets	5.2	706	432
Property, plant and equipment	5.3	169	52
Investments in equity-accounted companies	5.4	69	66
Non-current financial assets	6.2	75	48
Deferred tax assets	7.2	94	75
TOTAL NON-CURRENT ASSETS		2,717	1,649
Trade receivables	4.7	2,073	1,875
Inventories, other receivables and accruals	4.7	359	307
Restricted cash	4.6	1,864	1,402
Current financial assets	6.2	136	46
Other marketable securities	6.3	733	654
Cash and cash equivalents	6.3	1,004	1,337
Total current assets		6,169	5,621
TOTAL ASSETS		**8,886**	**7,270**

Consolidated equity and liabilities

(in € millions)	NOTES	DEC. 31, 2019	DEC. 31, 2018
Issued capital		486	479
Additional paid-in capital and consolidated retained earnings (accumulated losses)		(1,240)	(1,594)
Currency translation adjustment		(391)	(424)
Treasury shares		(48)	(22)
Equity attributable to owners of the parent		**(1,193)**	**(1,561)**
Non-controlling interests		150	110
TOTAL EQUITY	8	(1,043)	(1,451)
Non-current debt	6.4/6.5	2,421	2,213
Other non-current financial liabilities	6.4/6.5	139	61
Non-current provisions	10.2	43	39
Deferred tax liabilities	7.2	174	136
TOTAL NON-CURRENT LIABILITIES		2,777	2,449
Current debt	6.4/6.5	374	276
Other current financial liabilities	6.4/6.5	177	125
Current provisions	10.2	22	40
Funds to be redeemed	4.5	5,161	4,959
Trade payables	4.5	261	224
Current tax liabilities	4.5	33	13
Other payables	4.7	1,072	614
Bank overdrafts	6.4/6.5	52	21
TOTAL CURRENT LIABILITIES		7,152	6,272
TOTAL EQUITY AND LIABILITIES		**8,886**	**7,270**

4.2.4 Consolidated statement of cash flows

(in € millions)	NOTES	2019	2018
+ Net profit attributable to owners of the parent		312	254
+ Non-controlling interests		34	31
- Share of net profit from equity-accounted companies	5.4	(14)	(11)
- Depreciation, amortization and provisions, net		126	72
- Expenses related to share-based payments		16	13
- Non-cash impact of other income and expenses		14	21
- Difference between income tax paid and income tax expense		(8)	(18)
+ Dividends received from equity-accounted companies	5.4	9	12
= Funds from operations including other income and expenses		**489**	**374**
- Other income and expenses (including restructuring costs)		35	26
= Funds from operations before other income and expenses (FFO)		**524**	**400**
+ Decrease (increase) in working capital	4.5	369	404
+ Recurring decrease (increase) in restricted cash	4.6	(395)	(279)
= Net cash from (used in) operating activities		**498**	**525**
+/Other income and expenses (including restructuring costs) received/paid		(33)	1
= Net cash from (used in) operating activities including other income and expenses (A)		**465**	**526**
- Acquisitions of property, plant and equipment and intangible assets		(98)	(90)
- Acquisitions of investments (non-consolidated companies)		(9)	(10)
- External acquisition expenditure, net of cash acquired		(757)	(245)
+ Proceeds from (expenditure on) disposals of assets		(5)	5
= Net cash from (used in) investing activities (B)		**(869)**	**(340)**
+ Capital increase		5	13
- Dividends paid[(1)]	3.1	(87)	(136)
+ (Purchases) sales of treasury shares		(52)	(42)
+ Increase in non-current debt		561	538
- Decrease in non-current debt		(116)	(9)
+ Change in current debt		(281)	230
= Net cash from (used in) financing activities (C)		**30**	**594**
- Net foreign exchange differences (D)		**10**	**(39)**
= NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (E) = (A) + (B) + (C) + (D)		**(364)**	**741**
+ Cash and cash equivalents at beginning of period		1,316	575
- Cash and cash equivalents at end of period		952	1,316
= NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(364)**	**741**

(1) Including cash dividends paid to owners of the parent for €62 million (€0.86 per share) and cash dividends paid to non-controlling interests for €25 million.

Net cash and cash equivalents at the end of the period can be analyzed as follows:

(in € millions)	NOTES	DEC. 2019	DEC. 2018
+ Cash and cash equivalents	6.3	1,004	1,337
- Bank overdrafts	6.5	(52)	(21)
= CASH AND CASH EQUIVALENTS AT END OF PERIOD		**952**	**1,316**

4.2.5 Consolidated statement of changes in equity

(in € millions)	ISSUED CAPITAL	ADDITIONAL PAID-IN CAPITAL	TREASURY SHARES	CONSOLIDATED RETAINED EARNINGS (ACCUMULATED LOSSES) [2]	CUMULATIVE COMPENSATION COSTS – SHARE-BASED PAYMENTS	CUMULATIVE FAIR VALUE ADJUSTMENTS TO FINANCIAL INSTRUMENTS	CUMULATIVE ACTUARIAL GAINS (LOSSES) ON DEFINED--BENEFIT PLANS	CUMULATIVE CURRENCY TRANSLATION ADJUSTMENT [1]	NET PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	TOTAL NON-CONTROLLING INTERESTS	TOTAL EQUITY
Dec. 31, 2017 reported	**471**	**697**	**(6)**	**(2,597)**	**98**	**13**	**(3)**	**(357)**	**247**	**(1,437)**	**150**	**(1,287)**
Impact of IFRS 15	-	-	-	(55)	-	-	-	(1)	(6)	(62)	(1)	(63)
Dec. 31, 2017 restated (IFRS 15)	**471**	**697**	**(6)**	**(2,652)**	**98**	**13**	**(3)**	**(358)**	**241**	**(1,499)**	**149**	**(1,350)**
Impact of IFRS 9	-	-	-	(8)	-	-	-	-	-	(8)	(4)	(12)
DEC. 31, 2017 RESTATED (IFRS 15 & IFRS 9)	471	697	(6)	(2,660)	98	13	(3)	(358)	241	(1,507)	145	(1,362)
Appropriation of 2017 net profit	-	-	-	241	-	-	-	-	(241)	-	-	-
Increase (decrease) in share capital												
• in cash	-	-	-	-	-	-	-	-	-	-	3	3
• cancellation of treasury shares	(2)	(24)	-	-	-	-	-	-	-	(26)	-	(26)
• options exercised	2	9	-	-	-	-	-	-	-	11	-	11
• dividends reinvested in new shares	8	88	-	-	-	-	-	-	-	96	-	96
Dividends paid	-	-	-	(200)	-	-	-	-	-	(200)	(32)	(232)
Changes in consolidation scope [4]	-	-	-	(127)	-	-	-	-	-	(127)	(34)	(161)
Compensation costs – share-based payments	-	-	-	-	13	-	-	-	-	13	-	13
(Acquisitions) disposals of treasury shares	-	-	(16)	-	-	-	-	-	-	(16)	-	(16)
Other	-	-	-	3	-	-	-	-	-	3	-	3
Other comprehensive income	**-**	**-**	**-**	**-**	**-**	**4**	**-**	**(66)**	**-**	**(62)**	**(2)**	**(65)**
Net profit for the period	-	-	-	-	-	-	-	-	254	254	31	285
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**4**	**-**	**(66)**	**254**	**192**	**29**	**220**
DEC. 31, 2018	**479**	**770**	**(22)**	**(2,743)**	**111**	**17**	**(3)**	**(424)**	**254**	**(1,561)**	**110**	**(1,451)**

(in € millions)	ISSUED CAPITAL	ADDITIONAL PAID-IN CAPITAL	TREASURY SHARES	CONSOLIDATED RETAINED EARNINGS (ACCUMULATED LOSSES) [2]	CUMULATIVE COMPENSATION COSTS – SHARE-BASED PAYMENTS	CUMULATIVE FAIR VALUE ADJUSTMENTS TO FINANCIAL INSTRUMENTS	CUMULATIVE ACTUARIAL GAINS (LOSSES) ON DEFINED-BENEFIT PLANS	CUMULATIVE CURRENCY TRANSLATION ADJUSTMENT [1]	NET PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	TOTAL NON-CONTROLLING INTERESTS	TOTAL EQUITY
DEC. 31, 2018	**479**	**770**	**(22)**	**(2 743)**	**111**	**17**	**(3)**	**(424)**	**254**	**(1561)**	**110**	**(1451)**
Appropriation of 2018 net profit	-	-	-	254	-	-	-	-	(254)	-	-	-
Increase (decrease) in share capital												
• in cash	-	-	-	-	-	-	-	-	-	-	3	3
• cancellation of treasury shares	-	(29)	-	-	-	-	-	-	-	(29)	-	(29)
• options exercised	-	2	-	-	-	-	-	-	-	2	-	2
• dividends reinvested in new shares	7	137	-	-	-	-	-	-	-	144	-	144
Dividends paid [3]	-	-	-	(206)	-	-	-	-	-	(206)	(25)	(231)
Changes in consolidation scope [4]	-	-	-	61	-	-	-	-	-	61	31	92
Compensation costs – share-based payments	-	-	-	-	16	-	-	-	-	16	-	16
(Acquisitions) disposals of treasury shares	-	-	(26)	-	-	-	-	-	-	(26)	-	(26)
Other [5]	-	-	-	55	-	-	-	-	-	55	5	60
Other comprehensive income	**-**	**-**	**-**	**-**	**-**	**12**	**(6)**	**33**	**-**	**39**	**(8)**	**31**
Net profit for the period	-	-	-	-	-	-	-	-	312	312	34	346
TOTAL COMPREHENSIVE INCOME	**-**	**-**	**-**	**-**	**-**	**12**	**(6)**	**33**	**312**	**351**	**26**	**377**
DEC. 31, 2019	**486**	**880**	**(48)**	**(2,579)**	**127**	**29**	**(9)**	**(391)**	**312**	**(1,193)**	**150**	**(1,043)**

(1) See Note 1.6 "Presentation currency and foreign currencies" detailing the main exchange rates used in 2018 and 2019. The €391 million negative translation reserve attributable to owners of the parent corresponds mainly to translation adjustments arising from changes in exchange rates for the Brazilian real for €210 million, the Venezuelan bolivar soberano for €130 million and the pound sterling for €13 million.

(2) This amount includes the €1,894 million negative impact of acquiring Edenred entities owned by Accor and deducted from equity following the demerger in June 2010.

(3) Corresponding to the distribution of €206 million paid to Group shareholders (of which €62 million in cash and €144 million in shares – see Note 3.1 "Payment of the 2018 dividend") and €25 million paid to minority shareholders.

(4) In 2018, the main impact on the attributable scope of consolidation was the acquisition of non-controlling interests in UTA.

Changes in consolidation scope in 2019 (excluding the currency effect) correspond mainly to the Itaú transaction, as follows:

- *acquisition of Itaú shares: €96 million, of which €86 million attributable to owners of the parent and €10 million attributable to non-controlling interests;*
- *transfer of attributable consolidated retained earnings to non-controlling interests (disposal of 11% of Ticket Serviços): €21 million decrease in equity attributable to owners of the parent and €21 million increase in non-controlling interests.*

The effect of changes in consolidation scope attributable to owners of the parent also includes the €3 million negative effect of fair value adjustments to purchase commitments for non-controlling interests.

(5) The line "Other" corresponds mainly to the net impact of remeasuring the tax bases of the UTA purchase price allocations for €27 million and the net impact of recognizing the conversion option embedded in the OCEANE bonds for €26 million.

4.2.6. Notes to the consolidated financial statements

This icon indicates an IFRS standard issue.

This icon indicates a definition specific to the Edenred Group.

This icon indicates the use of an estimate or judgment. When the Group uses estimates and assumptions, it applies themethodd presented in Note 1.7. In the absence of standards or interpretations applicable to a specific transaction, the management of Edenred uses judgment to define and apply the accounting methods that will provide relevant and reliable information, so that the financial statements present a true and fair view of the financial position, the financial performance and the cash flows of the Group, and show the economic reality of transactions.

This icon indicates the Group's figures for the current year as well as the comparative period.

NOTE 1 PRESENTATION OF THE GROUP AND BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

1.1 Business overview

Edenred is a leading services and payments platform and the everyday companion for people at work, connecting 50 million employees and 2 million partner merchants in 46 countries via more than 850,000 corporate clients.

Edenred offers specific-purpose payment solutions for food (meal vouchers), fleet and mobility (fuel cards, commuter vouchers), incentives (gift vouchers, employee engagement platforms) and corporate payments (virtual cards). These solutions enhance employee well-being and purchasing power, improve companies' attractiveness and efficiency, and vitalize the employment market and the local economy.

Edenred's 10,000 employees are committed to making the world of work a connected ecosystem that is safer, more efficient and more user-friendly every day.

In 2019, thanks to its global technology assets, the Group managed €31 billion in business volume, primarily carried out via mobile applications, online platforms and cards.

Edenred is listed on the Euronext Paris stock exchange and included in the following indices: CAC Next 20, FTSE4Good, DJSI Europe and MSCI Europe.

1.2 Management of the group's capital structure

The Group's main capital management objective is to maintain an "investment grade" credit rating and robust capital ratios in order to facilitate business operations and maximize shareholder value.

Its capital structure is optimized to keep pace with changes in economic conditions by adjusting dividends, returning capital to shareholders or issuing new shares.

1.3 Information about the parent company Edenred SA

Registered name: Edenred SA

Registered office: Be Issy, 14-16 Boulevard Garibaldi, 92180 Issy-les-Moulineaux – France

Société anonyme à conseil d'administration (French public limited company with a Board of Directors) with share capital of €486,409,714

Registered on the Nanterre Trade and Companies Register under No. 493 322 978

NAF code: 6420Z

These financial statements for the year ended December 31, 2019 were approved for publication by the Board of Directors of Edenred on February 25, 2020. They will be submitted for shareholders' approval during the Annual Shareholders Meeting on May 7, 2020.

1.4 Changes of accounting methods

1.4.1 IFRS 16 – Leases

IFRS 16 – Leases is applicable for annual reporting periods beginning on or after January 1, 2019. It replaces IAS 17 – Leases and three related interpretations (IFRIC 4 – Determining Whether an Arrangement Contains a Lease, SIC 15 – Operating Leases: Incentives and SIC 27 – Evaluating the Substance of Transactions Involving the Legal Form of a Lease).

IFRS 16 requires lessees to recognize a right-of-use asset and a lease liability for all leases that fall within its scope, without differentiating between operating leases and finance leases. The lease liability is measured at the discounted present value of the future minimum lease payments due to the lessor over the life of the lease.

The Group has opted for the simplified retrospective approach to transition and has decided to apply certain options available under the new standard, including the following practical expedients and exemptions:

- exclusion from the requirements of IFRS 16 of leases with a term of less than 12 months and leases for which the underlying asset is of low value;
- for leases previously accounted for as finance leases under IAS 17, use of the carrying amount of the lease asset and lease liability immediately before the date of initial application of IFRS 16 as the carrying amount of the right-of-use asset and the lease liability at that date.

The term of each lease has been determined separately, taking into account periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. Lease liabilities have been measured at the discounted present value of future minimum lease payments due over the life of the lease, using a discount rate based on the lessee's incremental borrowing rate at January 1, 2019. This rate is calculated as the sum of the following three rates for the maturity concerned: the risk-free rate in the lease currency, the Edenred Group's credit spread and the risk premium applied to borrowings by the subsidiary that is the lessee. The weighted average discount rate at January 1, 2019 was 3.4%.

The effects of applying IFRS 16 are as follows:

- recognition of a lease liability equal to the future minimum payments due to the lessor at January 1, 2019 over the remaining life of the lease, measured using a discount rate based on the Group's incremental borrowing rate, and presented under "Other financial liabilities" for €91 million;
- recognition in the opening statement of financial position at January 1, 2019 of right-of-use assets under "Property, plant and equipment" in an amount equal to the lease liability;
- no impact on opening equity at January 1, 2019;
- €29 million impact on EBITDA for full-year 2019 (corresponding to lease payments no longer classified as a component of EBITDA);
- inclusion in EBIT of right-of-use asset depreciation charges; however, the effect on EBIT of applying IFRS 16 is not material (non-material discounting adjustment);
- inclusion in net financial expense of interest on lease liabilities for €3 million in full-year 2019.

Leases included in the scope of IFRS 16 mainly concern real estate and vehicles leased by Edenred Group entities as lessees.

The difference between the lease liabilities of €91 million recognized at January 1, 2019 in accordance with IFRS 16 and the off-balance sheet commitments of €118 million disclosed in Note 11.5 to the consolidated financial statements for the year ended December 31, 2018 can be explained as follows:

- leases taken into account for the calculation of the off-balance sheet commitments include short-term leases and leases of low-value assets, which are excluded from the calculation of lease liabilities under IFRS 16;
- off-balance sheet commitments include not only lease payments but also related expenses such as maintenance fees and insurance premiums, which are excluded from lease liabilities;
- lease liabilities under IFRS 16 also reflect discounting adjustments;
- lastly, the off-balance sheet commitments correspond to the payments due to the lessors over the non-cancellable lease term, whereas lease liabilities are calculated over the lease term including any periods covered by options to extend or terminate the lease in accordance with IFRS 16.

Impact on the consolidated financial statements

(in € millions)	DEC. 31, 2018 REPORTED	IMPACT OF IFRS 16	JAN. 1, 2019 RESTATED
Goodwill	976	-	976
Intangible assets	432	-	432
Property, plant and equipment	52	91	143
Investments in equity-accounted companies	66	-	66
Non-current financial assets	48	-	48
Deferred tax assets	75	-	75
TOTAL NON-CURRENT ASSETS	1,649	91	1,740
Trade receivables	1,875	-	1,875
Inventories, other receivables and accruals	307	-	307
Restricted cash	1,402	-	1,402
Current financial assets	46	-	46
Other marketable securities	654	-	654
Cash and cash equivalents	1,337	-	1,337
TOTAL CURRENT ASSETS	5,621	-	5,621
TOTAL ASSETS	**7,270**	**91**	**7,361**

(in € millions)	DEC. 31, 2018 REPORTED	IMPACT OF IFRS 16	JAN. 1, 2019 RESTATED
Total equity	**(1,451)**	**-**	**(1,451)**
Non-current debt	2,213	-	2,213
Other non-current financial liabilities	61	67	128
Non-current provisions	39	-	39
Deferred tax liabilities	136	-	136
TOTAL NON-CURRENT LIABILITIES	2,449	67	2,516
Current debt	276	-	276
Other current financial liabilities	125	24	149
Current provisions	40	-	40
Funds to be redeemed	4,959	-	4,959
Trade payables	224	-	224
Current tax liabilities	13	-	13
Other payables	614	-	614
Bank overdrafts	21	-	21
TOTAL CURRENT LIABILITIES	6,272	24	6,296
TOTAL EQUITY AND LIABILITIES	**7,270**	**91**	**7,361**

1.4.2 IFRIC 23 – Uncertainty over Income Tax Treatments

IFRIC 23 – Uncertainty over Income Tax Treatments provides guidance on the application of IAS 12 – Income Taxes. The interpretation clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments that affect the determination of taxable profit (or deductible tax losses), tax bases, unused tax losses, unused tax credits or tax rates.

The Group has adopted IFRIC 23 – Uncertainty over Income Tax Treatments with effect from January 1, 2019, after discussing the most significant potential uncertainties with all Group subsidiaries. These discussions had no material impact on the financial statements.

1.5 Basis of preparation of the financial statements

Pursuant to European Regulation (EC) 1606/2002 of July 19, 2002, the Edenred consolidated financial statements for the year ended December 31, 2019 have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union as of that date. They include comparative financial information for 2018, prepared in accordance with the same principles and conventions and the same standards.
IFRSs are downloadable from the European Commission's website at the following address:
https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_fr#overview
The consolidated financial statements are presented in million euros, rounded to the nearest million. In some cases, rounding may lead to non-material differences between reported totals and the sum of the reported amounts.

1.6 Presentation currency and foreign currencies

In accordance with IAS 21 – The Effects of Changes in Foreign Exchange Rates, and for consolidation needs, balance sheet items expressed in a functional currency other than the euro are translated into euros at the exchange rate on the balance sheet date (closing exchange rate). Income statements expressed in a functional currency other than the euro are translated at the average rate for the period. Differences arising from translation are recorded as a separate component of equity and recognized in profit or loss on disposal or closing of the business.

Euro closing exchange rates and euro average exchange rates used to translate foreign operations in the consolidated financial statements for the period ended December 31, 2019 are presented in the table below:

			2019		2018	
			CLOSING RATE AT DEC. 31, 2019	AVERAGE RATE	CLOSING RATE AT DEC. 31, 2018	AVERAGE RATE
ISO CODE	CURRENCY	COUNTRY	EUR 1 =	EUR 1 =	EUR 1 =	EUR 1 =
ARS	Peso	ARGENTINA	67.26	67.26	43.13	43.13
BRL	Real	BRAZIL	4.52	4.41	4.44	4.31
USD	US dollar	UNITED STATES	1.12	1.12	1.15	1.18
MXN	Peso	MEXICO	21.22	21.55	22.49	22.71
RON	Leu	ROMANIA	4.78	4.75	4.66	4.65
GBP	Pound sterling	UNITED KINGDOM	0.85	0.88	0.89	0.88
SEK	Krona	SWEDEN	10.45	10.59	10.25	10.26
CZK	Koruna	CZECH REPUBLIC	25.41	25.67	25.72	25.64
TRY	Lira	TURKEY	6.68	6.36	6.06	5.70
VES	Bolivar	VENEZUELA	51,471.34	14,759.35	644.95	54.52

The impact on attributable consolidated equity of currency translation adjustments was a positive €33 million between December 31, 2018 and December 31, 2019. The difference mainly reflected movements in the following currencies:

ISO CODE	CURRENCY	COUNTRY	DEC. 31, 2019	DEC. 31, 2018	CHANGE
BRL	Real	BRAZIL	(210)	(212)	2
USD	US dollar	UNITED STATES	14	3	11
MXN	Peso	MEXICO	(7)	(17)	10
GBP	Pound sterling	UNITED KINGDOM	(13)	(23)	10
TOTAL			**(216)**	**(249)**	**33**

Hyperinflation in Argentina

Argentina has been qualified as a hyperinflationary economy since July 1, 2018. The Group has applied IAS 29 – Financial Reporting in Hyperinflationary Economies to its operations in this country since end-2018.

In line with this standard, a EUR/ARS exchange rate of 67.26 has been used. Non-monetary items have been adjusted using the consumer price index published by Argentina's national statistics institute, INDEC.

Application of IAS 29 had a €1 million negative impact on net profit attributable to owners of the parent. The impact on consolidated equity was a non-material €1 million.

1.7 Use of judgments and estimates

The preparation of financial statements requires the application of judgment and the use of estimates and assumptions to determine the reported amount of certain assets, liabilities, income and expenses, and to take into account the potential positive or negative effect of uncertainties existing at the balance sheet date. Due to changes in the assumptions used and economic conditions different from those existing at the closing date, the amounts in the Group's future financial statements could be materially different from current estimates.

NOTE 2 ACQUISITIONS, DEVELOPMENT PROJECTS AND DISPOSALS

In accordance with IFRS 10 – Consolidated Financial Statements, control over an entity has been determined based on a review of the criteria specified in the standard, which is not limited to the interest held in the entity (more than 50%); an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.
In the year following the acquisition of a consolidated company, fair value adjustments are made to the identifiable assets and liabilities acquired. For this purpose, fair values are determined in the new subsidiary's local currency. In subsequent years, these fair value adjustments follow the same accounting treatment as the items to which they relate.
In accordance with IFRS 11 – Joint Arrangements, companies over which the Group exercises significant influence, either directly or indirectly, are accounted for by the equity method. Under the equity method, investments in associates and joint ventures are initially recognized at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets.
The Group has accounted for business combinations and changes in ownership interest that do not result in a loss of control in accordance with IFRS 3 (revised) – Business Combinations and IFRS 10 – Consolidated Financial Statements.
As part of certain acquisitions and/or business combinations, the Group has granted commitments to buy back minority shareholders' interests. The exercise price of these options can be fixed or calculated using a predefined formula, and they can be exercised at any time or at a set date.
The Group records a financial liability at its present value for the puts granted to the minority shareholders of the entities concerned. Subsequent changes to the commitment's value are recognized with adjustments to the equity attributable to owners of the parent.
All equity security transactions between controlling and non-controlling shareholders not involving a loss of control must be recognized directly in equity.

Acquisitions, development projects and disposals in 2019

The Right Fuelcard Company (TRFC)

On January 4, 2019, Edenred finalized the acquisition of 80% of the share capital of The Right Fuelcard Company (TRFC) Group, the number four fuel card program manager in the United Kingdom. By expanding into the UK market, one of the largest in Europe, Edenred is consolidating its position as a global provider of fleet and mobility solutions in line with its strategic plan.

The transaction led to the recognition of a customer list for an amount of £35 million and goodwill of £88 million.

TRFC's contribution to the Group's consolidated financial statements can be analyzed as follows:

(in € millions)	TRFC 2019
Total revenue	20
Net profit attributable to owners of the parent	**6**

Corporate Spending Innovations (CSI)

On January 9, 2019, Edenred acquired all outstanding shares in Corporate Spending Innovations (CSI), one of the leading providers of automated corporate payment software in North America. The acquisition follows on from a European partnership formed close to two years ago between the two companies.

The purchase price allocation led to the recognition primarily of a customer list for an amount of US dollar 137 million, software for US dollar 7 million and goodwill of US dollar 466 million.

CSI's contribution to the Group's consolidated financial statements can be analyzed as follows:

(in € millions)	CSI 2019
Total revenue	38
Net profit attributable to owners of the parent	**1**

Road Account

On January 11, 2019, Edenred acquired the client portfolio of Road Account from AirPlus, a member of the Lufthansa Group, *via* its subsidiary UTA KG. AirPlus markets corporate toll payment solutions under the Road Account brand. The acquisition will enable UTA to expand its client base on the buoyant European toll market and creates new outlets for additional services.

The purchase price allocation led to the recognition primarily of a customer list for €12 million and goodwill of €20 million.

Merits & Benefits and Ekivita

On January 30, 2019, Edenred acquired all outstanding shares in Merits & Benefits and Ekivita. Both leading players in Belgium's employee engagement platform market, the two companies supply several hundred corporate clients with customized e-commerce platforms that offer access to exclusive promotional deals across a network of more than 500 partner brick-and-mortar stores and e-retailers.

The purchase price allocation led to the recognition of a customer list for €6 million and goodwill of €7 million.

Easy Welfare

On May 28, 2019, the Edenred Group acquired all outstanding shares in Italy's Easy Welfare, the number one operator of employee engagement platforms in the country. Edenred is leveraging its leading position in the Italian employee benefits market to step up the development of this fast-growing offering.

The purchase price allocation led to the recognition primarily of a customer list for €9 million and goodwill of €46 million.

Easy Welfare's contribution to the Group's consolidated financial statements can be analyzed as follows:

(in € millions)	EASY WELFARE 2019
Total revenue	9
Net profit attributable to owners of the parent	**3**

Benefit Online

July 30, 2019, Edenred announced the acquisition of all outstanding shares in Benefit Online, a pioneer in developing employee engagement platforms in Romania. With this flexible benefits platform, Edenred is addressing the increasing demand from companies that want to improve their employees' loyalty, motivation and purchasing power by offering them a wide range of benefits *via* simple and flexible digital solutions.

The provisional purchase price allocation led to the recognition of a customer list for 7 million Romanian lei, software for 4 million Romanian lei and goodwill of 21 million Romanian lei.

Itaú Unibanco

Edenred announced the closing of the exclusive partnership agreement between Ticket Serviços, its subsidiary dedicated to Employee Benefits in Brazil, and Itaú Unibanco, Brazil's largest privately owned bank. Following the prior approval of the Brazilian Central Bank and the Brazilian antitrust authority, the contract was closed in accordance with the agreement signed and announced on September 5, 2018. Itaú Unibanco will exclusively distribute Edenred's Employee Benefits in Brazil. The new distribution channel strengthens Edenred's existing sales organization and will help speed up its growth in the high-potential Brazilian Employee Benefits market.

The share issue underwritten by minority shareholders for a total of 444 million Brazilian reais was paid up through the contribution of a customer list for 420 million Brazilian reais, with the balance of 24 million Brazilian reais paid in cash.

Mint

On December 26, 2019, Edenred announced that it was acquiring the payroll card portfolio of Mint, the second-largest operator in pay solution distribution and management in the United Arab Emirates, *via* its C3 subsidiary. The acquisition will enable C3 to expand its client base on the buoyant Middle Eastern market.

The total purchase price was provisionally allocated to goodwill for an amount of 127 million UAE dirhams.

NOTE 3 SIGNIFICANT EVENTS

3.1 Payment of the 2018 dividend

At the Annual Shareholders Meeting on May 14, 2019, Edenred shareholders approved the payment of a 2018 dividend of €0.86 per share, with the option of reinvesting all of the dividend in new shares.

The reinvestment period, which ran from May 22, 2019 to the close of business on June 5, 2019, led to the issue of 3,938,507 new shares of Edenred common stock, representing 1.65% of the share capital, which were settled and admitted to trading on the Euronext Paris stock market on June 11, 2019.

The new shares carry dividend rights from January 1, 2019 and rank *pari passu* with existing shares of Edenred common stock. Following the issue, the Company's share capital comprised 243,204,857 shares.

The total dividend amounted to €206 million and included cash dividends of €62 million paid to Group shareholders on June 11, 2019.

3.2 Issue of bonds convertible into and/or exchangeable for new and/or existing shares (OCEANE)

On September 3, 2019, Edenred announced that it had successfully placed bonds convertible into and/or exchangeable for new and/or existing shares ("OCEANE") due 2024 (the "Bonds") for an amount of €500 million by way of a placement to qualified investors only (see Note 6.4 "Debt and other financial liabilities").

3.3 ADLC

On October 9, 2015, the French company Octoplus filed a complaint with the French Antitrust Authority against several French companies in the meal voucher sector, including Edenred France. The Antitrust Authority's Board met on April 5, 2016 and on July 7, 2016 to hear all the parties concerned as well as the Investigation Departments. On October 6, 2016, the Antitrust Authority decided to pursue its investigations without passing provisional measures against Edenred France.

On February 27, 2019, the Investigation Departments provided Edenred France with their final report, which contained two complaints dating from the early 2000s concerning information sharing through the Centrale de remboursement des titres (CRT) and the use of the CRT to lock up the meal voucher market. Edenred submitted its observations to the Antitrust Authority on April 29, 2019. On December 17, 2019, the Antitrust Authority announced that it had decided to fine Edenred €157 million on the grounds of the above two complaints. The Company received notification of the Antitrust Authority's decision on February 6, 2020, and is awaiting the fine collection document for payment within 30 days. Edenred contests the Antitrust Authority's analysis of the competitive situation in the French meal voucher market and the CRT's role in this market. It therefore intends to appeal this ruling and, based on the opinion of its legal advisors, considers that it has strong arguments to challenge the Antitrust Authority's decision. Therefore, the Company has not set aside a related provision.

3.4 Subsequent events

Syndicated credit facility

On February 12, 2020, the syndicated credit facility was renegotiated. The amount has been increased to €750 million and the maturity extended by five years to February 2025, with two new one-year extension options. New non-financial performance covenants have been added to the facility agreement in exchange for a reduction in the interest rate. The two performance criteria – promoting balanced nutrition and reducing greenhouse gas (GHG) emissions intensity – are aligned with the three pillars of the Group's ESG strategy (Planet, Progress, People).

EBV

On February 4, 2020, the Lithuanian Antitrust Authority approved the acquisition by Edenred of a 60% stake in EBV Finance.

The deal was closed on February 10, 2020.

EBV Finance is a Lithuanian company specialized in tax refunds for European transportation companies. With this transaction, the Group is significantly strengthening its position in the segment and expanding its range of value-added services for international transportation companies in Europe.

ICSID dispute (see Note 10.3)

The Courts' ruling on the annulment procedure launched by the Hungarian state has been received by the Group on March, 9, 2020. The Court has ruled in favor of the Group and cancelled the annulment procedure. The Group is actually preparing the corresponding procedures towards the Hungarian state in order to close this legal procedure as soon as possible.

NOTE 4 OPERATING ACTIVITY

4.1 Operating segments

IFRS 8 requires companies to present financial information aggregated into "operating segments". The operating segments must reflect the groupings made by "the chief operating decision maker" for the purposes of allocating resources and assessing the performance of the consolidated group.
For aggregation to occur, IFRS 8 requires that the operating segments have similar long-term economic characteristics, and be similar in each of the following respects:
a) the nature of the products and services;
b) the nature of the production processes;
c) the type or class of customer for their products and services;
d) the methods used to distribute their products or provide their services; and
e) if applicable, the nature of the regulatory environment, for example, banking, insurance or public utilities.

Chief operating decision maker

Edenred's chief operating decision maker is the Chief Executive Officer assisted by the Executive Committee (or "executive management"). Executive management makes decisions about resource allocation to the operating segments and assesses their performance.

Executive management decisions are based on data produced by the Group's internal reporting system. The internal reporting system presents information at the country level. This is because Edenred's business is multi-location with operational decisions made at the level of each homogeneous geographic area.

In the Group's internal reporting system, country-level information is aggregated into four geographical operating segments:

- France;
- Europe (excluding France);
- Latin America;
- Rest of the World.

Except France, the presented segments are thus aggregations of operating segments.

Aggregation

The "Europe (excluding France)" and "Latin America" aggregations meet the criteria mentioned above.

The "Rest of the World" segment aggregates the countries that are not included in "France", "Europe (excluding France)" and "Latin America".

Finally, "Holding & Other" includes the Edenred SA holding company, regional headquarters and companies with no operating activity.

Transactions between segments are not material.

Condensed financial information

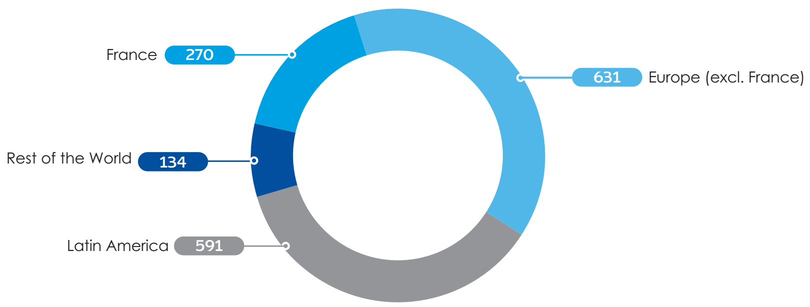
Income statement *(in € millions)*

Executive management uses the following indicators to track business performance:

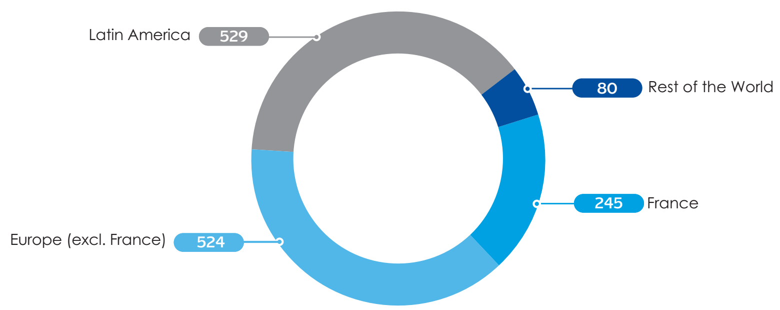
- Total revenue;
- EBIT.

TOTAL REVENUE FROM OPERATING SEGMENTS (INCLUDING INTER-SEGMENT REVENUE)

2019 - TOTAL: 1,626

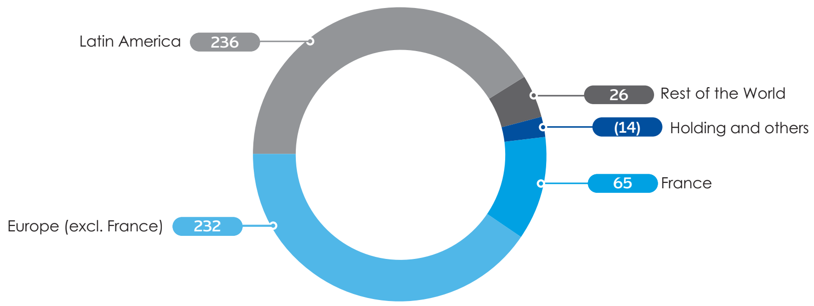


2018 - TOTAL: 1,378

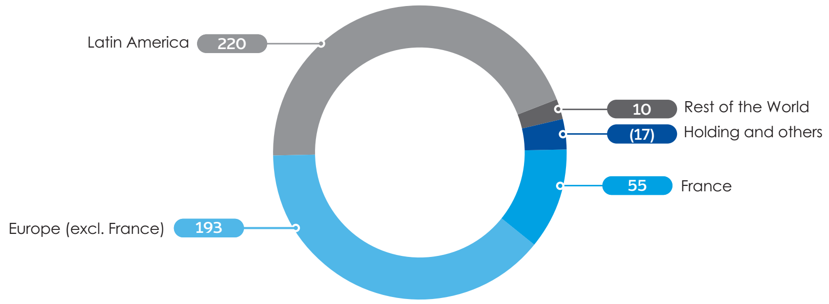


EBIT

2019 - TOTAL: 545



2018 – TOTAL : 461

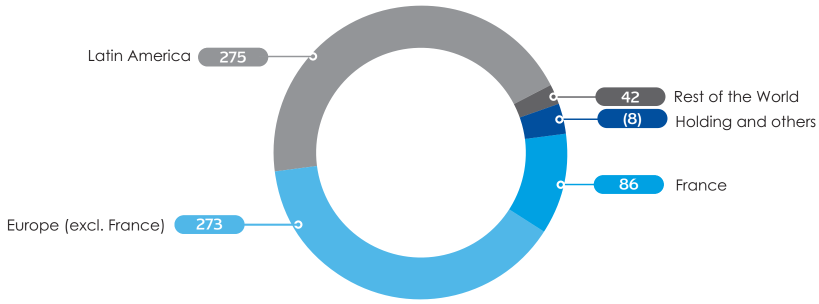


Reconciliation of EBITDA to the amounts reported in the consolidated income statement

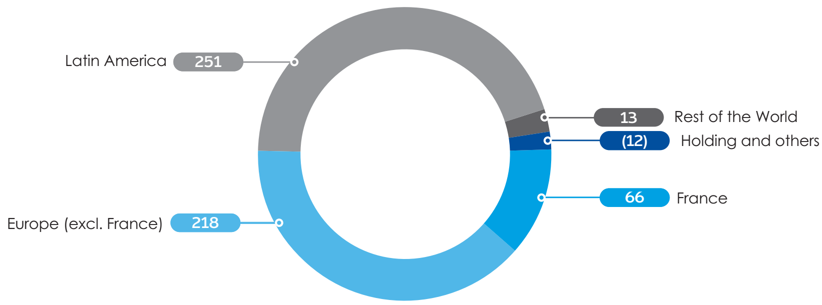
(in € millions)	FRANCE	EUROPE (EXCL. FRANCE)	LATIN AMERICA	REST OF THE WORLD	HOLDING & OTHER	TOTAL
Total revenue	270	631	591	134	-	1,626
Operating expenses	(184)	(358)	(316)	(92)	(8)	(958)
EBITDA – 2019	**86**	**273**	**275**	**42**	**(8)**	**668**
EBITDA – 2018	**66**	**218**	**251**	**13**	**(12)**	**536**

EBITDA

2019 – TOTAL : 668



2018 – TOTAL : 536



STATEMENT OF FINANCIAL POSITION

(in € millions)	FRANCE	EUROPE (EXCL. FRANCE)	LATIN AMERICA	REST OF THE WORLD	HOLDING & OTHER	DEC. 31, 2019
Goodwill	160	548	411	485	-	1,604
Intangible assets	72	246	248	125	15	706
Property, plant and equipment	17	72	43	13	24	169
Non-current financial assets and investments in equity-accounted companies	1	68	13	8	54	144
Deferred tax assets	11	34	15	8	26	94
Non-current assets	**261**	**968**	**730**	**639**	**119**	**2,717**
Current assets	**1,099**	**2,658**	**1,485**	**274**	**653**	**6,169**
TOTAL ASSETS	**1,360**	**3,626**	**2,215**	**913**	**772**	**8,886**
Equity and non-controlling interests	**(59)**	**1,007**	**815**	**606**	**(3,412)**	**(1,043)**
Non-current liabilities	**17**	**172**	**100**	**15**	**2,473**	**2,777**
Current liabilities	**1,402**	**2,447**	**1,300**	**292**	**1,711**	**7,152**
TOTAL EQUITY AND LIABILITIES	**1,360**	**3,626**	**2,215**	**913**	**772**	**8,886**

(in € millions)	FRANCE	EUROPE (EXCL. FRANCE)	LATIN AMERICA	REST OF THE WORLD	HOLDING & OTHER	DEC. 31, 2018
Goodwill	160	366	415	35	-	976
Intangible assets	69	182	155	10	16	432
Property, plant and equipment	5	28	15	3	1	52
Non-current financial assets and investments in equity-accounted companies	2	62	7	2	41	114
Deferred tax assets	12	15	14	4	30	75
Non-current assets	**248**	**653**	**606**	**54**	**88**	**1,649**
Current assets	**1,057**	**2,024**	**1,606**	**193**	**741**	**5,621**
TOTAL ASSETS	**1,305**	**2,677**	**2,212**	**247**	**829**	**7,270**
Equity and non-controlling interests	**128**	**663**	**720**	**48**	**(3,010)**	**(1,451)**
Non-current liabilities	**15**	**133**	**56**	**2**	**2,243**	**2,449**
Current liabilities	**1,162**	**1,881**	**1,436**	**197**	**1,596**	**6,272**
TOTAL EQUITY AND LIABILITIES	**1,305**	**2,677**	**2,212**	**247**	**829**	**7,270**

4.2 Total revenue

As explained in Note 14.6 "Glossary", like-for-like or organic growth corresponds to comparable data, that is, at constant scope of consolidation and exchange rates. This indicator reflects the Group's business performance.

Changes in revenue between 2019 and 2018 break down as follows:

			ORGANIC GROWTH		CHANGES IN CONSOLIDATION SCOPE		CURRENCY EFFECT		TOTAL CHANGE	
(in € millions)	**DEC. 2019**	DEC. 2018	IN € MILLIONS	AS A %	IN € MILLIONS	AS A %	IN € MILLIONS	AS A %	IN € MILLIONS	AS A %
Operating revenue	1,570	1,327	+185	+13.9%	+70	+5.3%	(12)	-0.9%	+243	+18.3%
Other revenue	56	51	+5	+11.0%	+0	+0.4%	(0)	-1.0%	+5	+10.4%
TOTAL REVENUE	**1,626**	**1,378**	**+190**	**+13.8%**	**+70**	**+5.1%**	**(12)**	**-0.9%**	**+248**	**+18.0%**

4.2.1 Segment information by indicator

Change in total revenue

Total revenue by region

Total revenue is made up of operating revenue and other revenue.

(in € millions)	FRANCE	EUROPE (EXCL. FRANCE)	LATIN AMERICA	REST OF THE WORLD	**TOTAL**
Total revenue – 2019	270	631	591	134	1,626
Total revenue – 2018	245	524	529	80	1,378
Change	+25	+107	+62	+54	+248
% change	+9.9%	+20.3%	+11.8%	+69.3%	+18.0%
LIKE-FOR-LIKE CHANGE	**+25**	**+77**	**+72**	**+16**	**+190**
LIKE-FOR-LIKE CHANGE AS A %	**+9.9%**	**+14.7%**	**+13.6%**	**+21.2%**	**+13.8%**

Operating revenue by region

Changes in operating revenue between 2019 and 2018 break down by region as follows:

(in € millions)	FRANCE	EUROPE (EXCL. FRANCE)	LATIN AMERICA	REST OF THE WORLD	TOTAL
Operating revenue – 2019	264	620	559	127	1,570
Operating revenue – 2018	239	516	497	75	1,327
Change	+25	+104	+62	+52	+243
% change	+10.2%	+20.0%	+12.5%	+70.9%	+18.3%
LIKE-FOR-LIKE CHANGE	**+25**	**+74**	**+72**	**+14**	**+185**
LIKE-FOR-LIKE CHANGE AS A %	**+10.2%**	**+14.3%**	**+14.4%**	**+19.3%**	**+13.9%**

Other revenue

Other revenue is the interest generated by investing cash over the period between:

- the issue date and the reimbursement date for prepaid vouchers; and
- the loading date and the redeeming date for prepaid cards.

Total revenue corresponds to the sum of operating revenue and other revenue.

(in € millions)	FRANCE	EUROPE (EXCL. FRANCE)	LATIN AMERICA	REST OF THE WORLD	TOTAL
Other revenue – 2019	6	11	32	7	56
Other revenue – 2018	6	8	32	5	51
Change	+0	+3	+0	+2	+5
% change	+0.4%	+36.7%	+0.9%	+42.9%	+10.4%
LIKE-FOR-LIKE CHANGE	**+0**	**+3**	**+0**	**+2**	**+5**
LIKE-FOR-LIKE CHANGE AS A %	**+0.4%**	**+36.8%**	**+0.4%**	**+51.9%**	**+11.0%**

4.2.2 Operating revenue by business line

In accordance with IFRS 15, revenue is recognized upon the transfer of control to the customer.

- Employee Benefits and Fleet & Mobility Solutions business lines:
  - commissions received from corporate clients are recognized when vouchers are issued and sent to clients;
  - commissions received from partner merchants are recognized upon presentation of the vouchers for reimbursement by the beneficiary;
  - profits on vouchers that expire without being reimbursed are recognized in income after the expiry date of the reimbursement rights.

  Where the Group acts as the agent, only the agency commission is recognized. All revenue generated through principal/agent arrangements in which the Group acts as the principal is recognized in full.
- Complementary Solutions business line: the revenue corresponds to the amount billed to the corporate client and is recognized on delivery of the solutions.

In addition to the information broken down by region as presented in the section on segment information and in accordance with IFRS 15, the following tables show a breakdown of the Group's operating revenue by business line.

(in € millions)	EMPLOYEE BENEFITS	FLEET & MOBILITY SOLUTIONS	COMPLEMENTARY SOLUTIONS	TOTAL
Operating revenue – 2019	975	409	186	1,570
Operating revenue – 2018	854	336	137	1,327
Change	+121	+73	+49	+243
% change	+14.1%	+21.8%	+35.6%	+18.3%
LIKE-FOR-LIKE CHANGE	**+111**	**+53**	**+21**	**+185**
LIKE-FOR-LIKE CHANGE AS A %	**+13.0%**	**+15.8%**	**+14.9%**	**+13.9%**

4.3 Operating expenses

(in € millions)	**2019**	2018
Employee benefit expense	(479)	(426)
Cost of sales	(157)	(152)
Business taxes	(47)	(41)
Rental expense [1]	(1)	(21)
Other operating expenses	(274)	(202)
TOTAL OPERATING EXPENSES	**(958)**	**(842)**

(1) Operating expenses for 2019 reflect the €21 million effect of restating property rental expenses following the application of IFRS 16.

Other operating expenses consist mainly in IT expenses, external fees, marketing and advertising expenses, additions to and reversals of impairment of current assets, and development expenses.

4.4 EBIT

Changes in EBIT between 2019 and 2018 break down as follows:

			ORGANIC GROWTH		CHANGES IN CONSOLIDATION SCOPE		CURRENCY EFFECT		TOTAL CHANGE	
(in € millions)	**DEC. 2019**	DEC. 2018	IN € MILLIONS	AS A %	IN € MILLIONS	AS A %	IN € MILLIONS	AS A %	IN € MILLIONS	AS A %
EBIT	**545**	**461**	**+68**	**+14.8%**	**+22**	**+4.8%**	**(6)**	**-1.3%**	**+84**	**+18.3%**

EBIT is analyzed by operating segment in the table below:

(in € millions)	FRANCE	EUROPE (EXCL. FRANCE)	LATIN AMERICA	REST OF THE WORLD	HOLDING & OTHER	**TOTAL**
EBIT – 2019	65	232	236	26	(14)	545
EBIT – 2018	55	193	220	10	(17)	461
Change	+10	+39	+16	+16	+3	+84
% change	+18.4%	+20.5%	+7.5%	+163.7%	+14.2%	+18.3%
LIKE-FOR-LIKE CHANGE	**+10**	**+26**	**+19**	**+8**	**+5**	**+68**
LIKE-FOR-LIKE CHANGE AS A %	**+18.2%**	**+13.6%**	**+8.6%**	**+80.8%**	**+31.6%**	**+14.8%**

* *See Note 14 "Glossary" for a definition of like-for-like data.*

4.5 Change in working capital and funds to be redeemed

Funds to be redeemed correspond to the face value of all vouchers in circulation and funds loaded on cards but not yet used. They derive from multiple transactions:

- on the one hand, with customers to whom vouchers have been issued or whose cards have been loaded, with a corresponding inflow recognized either in available cash or – depending on applicable regulations – in restricted cash (mainly in France, Belgium, the United States, the United Kingdom and Romania);
- on the other hand, with merchants that are reimbursed by Edenred with respect to the vouchers and cards used by employees in their establishments.

Considering Edenred's operations, the main components of working capital analyzed are funds to be redeemed and restricted cash. These two aggregates are key indicators for managing the business.

Funds to be redeemed are recognized in current liabilities.

(in € millions)	**DEC. 31, 2019**	DEC. 31, 2018	CHANGE
Inventories, net	32	27	5
Trade receivables, net	2,073	1,875	198
Other receivables, net	327	280	47
ASSETS	2,432	2,182	250
Trade payables	(261)	(224)	(37)
Other payables	(1,072)	(614)	(458)
Funds to be redeemed	(5,161)	(4,959)	(202)
LIABILITIES	(6,494)	(5,797)	(697)
NEGATIVE WORKING CAPITAL	**(4,062)**	**(3,615)**	**(447)**
Current tax liabilities	(33)	(13)	(20)
NET NEGATIVE WORKING CAPITAL (INCL. CORPORATE INCOME TAX LIABILITIES)	**(4,095)**	**(3,628)**	**(467)**

(in € millions)	**DEC. 2019**	DEC. 2018
WORKING CAPITAL AT BEGINNING OF PERIOD	(3,615)	(3,230)
Change in working capital [1]	(369)	(404)
Acquisitions	(52)	(14)
Disposals/liquidations	(2)	1
Change in impairment of current assets	(10)	(3)
Currency translation adjustment	(37)	34
Reclassifications to other balance sheet items	23	1
NET CHANGE IN WORKING CAPITAL	(447)	(385)
WORKING CAPITAL AT END OF PERIOD	**(4,062)**	**(3,615)**

(1) See section 1.4 "Consolidated statement of cash flows".

4.6 Change in restricted cash

Restricted cash corresponds to voucher reserve funds. These funds, which are equal to the face value of vouchers in circulation, are subject to specific regulations in some countries, such as France for the *Ticket Restaurant* and *Ticket CESU* solutions. In particular, use of the funds is restricted and they must be clearly segregated from the Group's other cash. The funds remain Edenred's property and are invested in locally regulated interest-bearing financial instruments.

Restricted cash corresponds mainly to voucher reserve funds subject to special regulations in the following countries: France (€722 million), the United Kingdom (€613 million), Belgium (€302 million) Romania (€94 million), the United States (€63 million), Italy (€19 million), Brazil (€12 million) the United Arab Emirates (€10 million), Bulgaria (€10 million), Uruguay (€9 million) and Taiwan (€8 million).

(in € millions)	**2019**	2018
RESTRICTED CASH AT BEGINNING OF PERIOD	1,402	1,127
Like-for-like change for the period [1]	395	279
Acquisitions	31	-
Currency translation adjustment	27	(4)
Other changes	9	-
NET CHANGE IN RESTRICTED CASH	462	275
RESTRICTED CASH AT END OF PERIOD	**1,864**	**1,402**

(1) See section 1.4 "Consolidated statement of cash flows".

4

4.7 Trade and other receivables and payables

Trade receivables

In accordance with IFRS 9, impairment of trade and other receivables is recognized on the basis of expected losses and no longer on incurred losses. A provision for impairment will therefore need to be recognized as soon as the receivable arises. For receivables with no significant financing component, the Group applies the alternative model, which consists of recognizing a provision equal to the lifetime expected losses on the contract.

(in € millions)	**DEC. 31, 2019**	DEC. 31, 2018
Trade receivables, gross	2,183	1,977
Impairment losses	(110)	(102)
TRADE RECEIVABLES, NET	**2,073**	**1,875**

Inventories, other receivables and accruals

Accounting method used for inventories

Inventories are measured at the lower of cost and net realizable value, in accordance with IAS 2 – Inventories. Cost is determined by the weighted average cost method.

For Edenred, inventories mainly include ProwebCE ticket inventories and payment cards, as well as paper for printing vouchers.

(in € millions)	DEC. 31, 2019	DEC. 31, 2018
Inventories	32	27
VAT recoverable	121	90
Employee advances and prepaid payroll taxes	5	5
Other prepaid and recoverable taxes	37	40
Prepaid expenses	26	21
Other receivables	139	125
INVENTORIES, OTHER RECEIVABLES AND ACCRUALS, GROSS	**360**	**308**
Impairment losses	(1)	(1)
INVENTORIES, OTHER RECEIVABLES AND ACCRUALS, NET	**359**	**307**

Other payables and accruals

(in € millions)	DEC. 31, 2019	DEC. 31, 2018
VAT payable	43	41
Wages, salaries and payroll taxes payable	92	84
Other taxes payable (excl. corporate income tax)	22	22
Deferred income	35	33
Other payables	880	434
TOTAL OTHER PAYABLES AND ACCRUALS	1,072	614
Corporate income tax liabilities	33	13
OTHER PAYABLES AND ACCRUALS, NET	**1,105**	**627**

NOTE 5 NON-CURRENT ASSETS

5.1 Goodwill

In the year following the acquisition of a consolidated company, fair value adjustments are made to the identifiable assets and liabilities acquired and the acquisition price is allocated. For this purpose, fair values are determined in the new subsidiary's local currency.

Goodwill

Goodwill, representing the excess of the cost of a business combination over the Group's interest in the net fair value of the identifiable assets and liabilities acquired at the acquisition date, is recognized in assets under "Goodwill". Goodwill mainly results from the expected synergies and other benefits arising from the business combinations that have not been recognized as separated assets in IFRS.

In accordance with IFRS 3 (revised) – Business Combinations, each time it acquires an interest of less than 100% in an entity, the Group must choose whether to measure the non-controlling interest at fair value or as the non-controlling interest's proportionate share of the acquiree's identifiable net assets (with no change possible later in the event of an additional interest being acquired that does not transfer control). If the business is measured at its total fair value including non-controlling interests, goodwill attributable to non-controlling interests is also recognized.

Goodwill arising on investments in associates – corresponding to companies over which the Group exercises significant influence – is included in the carrying amount of the associate concerned.

Goodwill arising on the acquisition of subsidiaries is reported separately.

Goodwill is tested for impairment at least once a year and more frequently if there is any indication that it may be impaired. If the carrying amount of goodwill exceeds its recoverable amount, an irreversible impairment loss is recognized in the income statement.

(in € millions)	DEC. 31, 2019	DEC. 31, 2018
Goodwill, gross	1,778	1,147
Accumulated impairment losses	(174)	(171)
GOODWILL, NET	**1,604**	**976**

(in € millions)	DEC. 31, 2019	DEC. 31, 2018
United States (including CSI)	429	14
Brazil (including *Repom* and Embratec)	353	359
UTA (including Road Account)	169	149
United Kingdom (including Prepay Technologies and TRFC)	149	43
Italy (including Easy Welfare)	92	46
France (Ticket Cadeaux)	92	92
France (primarily ProwebCE)	52	52
Dubai (including Mint)	46	9
Mexico	45	42
Romania (including Benefit Online)	36	31
Finland	19	19
Slovakia	18	18
Poland (including Timex)	18	18
Sweden	17	17
France (Moneo Resto)	14	14
Czech Republic	13	13
Belgium (including Merits & Benefits and Ekivita)	11	4
Japan	9	12
Portugal	6	6
Other (individually representing less than €5 million)	16	18
GOODWILL, NET	**1,604**	**976**

Changes in the carrying amount of goodwill during the period presented were as follows:

(in € millions)	2019	2018
NET GOODWILL AT BEGINNING OF PERIOD	976	994
Increase in gross goodwill and impact of scope changes	**620**	**27**
• United States (CSI acquisition)	407	-
• United Kingdom (TRFC acquisition)	99	-
• Italy (Easy Welfare acquisition)	46	-
• Dubai (Mint acquisition)	37	-
• Germany (Road Account acquisition)	20	-
• Belgium (Merits & Benefits and Ekivita acquisitions)	7	-
• Romania (Benefit Online acquisition)	4	-
• Germany (UTA acquisition)	-	1
• Slovakia	-	(3)
• Brazil (Good Card consolidation)	-	4
• Poland (Timex acquisition)	-	18
• Peru (Effectibono acquisition)	-	4
• Other acquisitions	-	3
Goodwill written off on disposals for the period	**-**	**-**
Impairment losses	**(3)**	**(5)**
Currency translation adjustment	**11**	**(40)**
NET GOODWILL AT END OF PERIOD	**1,604**	**976**

5.2 Intangible assets

Intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses, in accordance with IAS 38 – Intangible Assets.
Incurred expenses related to internal projects are differentiated whether they are incurred during the research phase or the development phase. This differentiation is essential as the financial treatment is different for the two categories.
For an internal project, the research phase includes the preliminary investigation phase before the development phase, represented by the market application.
Expenses incurred during the research phase of an internal project are not capitalized but expensed in the income statement of the period during which they occurred.
Expenses incurred during the development phase of an internal project are analyzed in order to determine whether or not they can be capitalized. If the six criteria defined by IAS 38.57 are simultaneously met, expenses can be capitalized and amortized over the period defined by the category of assets in which they are included. If not, they are expensed in the income statement of the period during which they occurred.

- As a reminder, according to IAS 38.57, expenses may only be capitalized if the entity demonstrates the following six items:
- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

The Group's main brands are considered as having indefinite useful lives and are therefore not amortized. Their carrying amount is reviewed at least once a year and more frequently if there is any indication that they may be impaired. If their recoverable amount determined according to the criteria applied at the acquisition date is less than their carrying amount, an impairment loss is recognized.

Other intangible assets (acquired and internally developed software, licenses and customer lists) are considered as having finite useful lives. They are amortized on a straight-line basis over their useful lives, as follows:

- licenses: life of the license;
- customer lists: 3 to 18 years;
- software: 2 to 7 years.

Identifiable intangible assets recognized in a business combination are initially recognized at amounts determined by independent valuations, performed using relevant criteria for the business concerned that can be applied for the subsequent measurement of the assets. Identifiable brands are measured based on multiple criteria, taking into account both brand equity and their contribution to profit. Customer lists are measured based on the cost of acquiring new customers.

Most brands have been qualified as having an indefinite useful life because the Group considers that there is no foreseeable limit to the period in which they can be used.

(in € millions)	**DEC. 31, 2019**	DEC. 31, 2018
GROSS CARRYING AMOUNT		
Brands	66	66
Customer lists	620	335
Licenses and software	374	330
Other intangible assets	101	85
TOTAL GROSS CARRYING AMOUNT	1,161	817
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES		
Brands	(11)	(10)
Customer lists	(145)	(111)
Licenses and software	(250)	(220)
Other intangible assets	(49)	(45)
TOTAL ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES	(455)	(385)
NET CARRYING AMOUNT	**706**	**432**

Customer lists acquired primarily comprise that of CSI for a net €113 million, UTA (including Road Account) for a net €102 million, Itaú Unibanco for a net €90 million, TRFC for a net €38 million and Easy Welfare for a net €9 million.

Other intangible assets concern mainly assets in progress in the framework of IT platform development projects.

Changes in the carrying amount of intangible assets over the period were as follows:

(in € millions)	**DEC. 2019**	DEC. 2018
CARRYING AMOUNT AT BEGINNING OF PERIOD	**432**	**433**
Intangible assets of newly consolidated companies	287	8
Internally generated assets	19	47
Additions	54	20
Amortization for the period	(80)	(61)
Impairment losses for the period	(9)	-
Currency translation adjustment	5	(17)
Reclassifications	(2)	2
CARRYING AMOUNT AT END OF PERIOD	**706**	**432**

5.3 Property, plant and equipment

- Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses, in accordance with IAS 16 – Property, Plant and Equipment. Assets under construction are measured at cost less any accumulated impairment losses. They are depreciated from the date when they are put in service.

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, using the components method, from the date when they are put in service. The main depreciation periods applied are as follows:

- building improvements, fixtures and fittings: 5 to 15 years;
- equipment and furniture: 4 to 7 years.

Investment properties are depreciated on a straight-line basis over their estimated useful lives, using the components method. The Group's investment properties are located exclusively in Venezuela. Buildings are depreciated over a maximum of 40 years. Other components are depreciated over the same periods as other property, plant and equipment.

(in € millions)	DEC. 31, 2019			DEC. 31, 2018		
	GROSS CARRYING AMOUNT	DEPRECIATION AND IMPAIRMENT LOSSES	NET CARRYING AMOUNT	GROSS CARRYING AMOUNT	DEPRECIATION AND IMPAIRMENT LOSSES	NET CARRYING AMOUNT
Land	2	-	2	2	-	2
Buildings	18	(7)	11	13	(6)	7
Fixtures	32	(18)	14	30	(18)	12
Equipment and furniture	123	(94)	29	124	(95)	29
Assets under construction	10	-	10	2	-	2
Right of use (IFRS 16)	132	(29)	103	-	-	-
TOTAL	**317**	**(148)**	**169**	**171**	**(119)**	**52**

Changes in the carrying amount of property, plant and equipment during the period were as follows:

(in € millions)	DEC. 2019	DEC. 2018
CARRYING AMOUNT AT BEGINNING OF PERIOD	52	46
Property, plant and equipment of newly consolidated companies	-	1
Additions	25	22
Disposals	-	(1)
Depreciation for the period	(15)	(15)
Currency translation adjustment	(1)	(2)
Reclassifications	5	1
CARRYING AMOUNT AT END OF PERIOD – BEFORE IFRS 16	**66**	**52**
Impact of IFRS 16 at end of period *	103	-
CARRYING AMOUNT AT END OF PERIOD	**169**	**52**

* *The impact of IFRS 16 on the opening carrying amount came to €91 million.*

5.4 Investments in equity-accounted companies

In accordance with IFRS 12 – Disclosure of Interests in Other Entities, an entity must disclose information that enables users of financial statements to evaluate:

- the nature of, and risks associated with, its interests in other entities; and
- the effects of those interests on its financial position, financial performance and cash flows.

As per IAS 28 (revised), exercising significant influence over a company consists in having the power to participate in the financial and operating policy decisions of the Company but not control (as in the case of a fully consolidated company) or joint control over those policies.

At December 31, 2019, this item consisted mainly of AGES (AGES Maut System GmbH & Co KG and Ages International GmbH & Co KG) and MSC (Mercedes Service Card Beteiligungs GmbH and Mercedes Service Card GmbH & Co KG).

Change in investments in equity-accounted companies:

(in € millions)	**2019**	2018
INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES AT BEGINNING OF PERIOD	66	62
Share of net profit from equity-accounted companies	14	11
Impact of the Goodcard acquisition	-	7
Impairment of investments in equity-accounted companies	(2)	-
Impact of full consolidation of UTA Polska	-	(2)
Dividends received from investments in AGES and MSC equity-accounted companies	(9)	(12)
INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES AT END OF PERIOD	**69**	**66**

5.5 Impairment tests

4

Recoverable amount of assets

In accordance with IAS 36 – Impairment of Assets, the carrying amounts of goodwill, intangible assets, property, plant and equipment, and investment properties are tested for impairment when there is any indication that they may be impaired. Assets with an indefinite useful life – corresponding solely to goodwill and brands – are tested at least once a year.

Reversal of impairment losses

In accordance with IAS 36 – Impairment of Assets, impairment losses on goodwill are irreversible. Impairment losses on property, plant and equipment and on intangible assets with an indefinite useful life, such as brands, are reversible in the case of a change in estimates used to determine their recoverable amount.

Cash-generating units

Impairment tests are performed at the level of the cash-generating unit (CGU) or group of CGUs.

A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. It corresponds to the level at which the Group organizes its businesses and monitors its results for internal management purposes. All assets are allocated to CGUs. When it is not possible to allocate goodwill on a non-arbitrary basis to individual CGUs, it may be allocated to a group of CGUs which may not be greater than an operating segment as defined in Note 4 "Operating Activity".

Indications of impairment are as follows for active CGUs:

- a 15% drop in like-for-like operating revenue;
- a 20% drop in like-for-like EBITDA; or
- any event or change in the economic environment indicating a current risk of impairment.

CGUs, which correspond to the Group's operating segments, are identified by country. For the main countries, they are identified by type of solution (Employee Benefits, Fleet & Mobility Solutions and Incentives & Rewards) if there are very different activities with separated sales teams and customer portfolios.

Methods used to determine recoverable amounts

Impairment tests consist in comparing the carrying amount of a CGU with its recoverable amount, defined as the higher of fair value less cost to sell and value in use.

The carrying amount corresponds to the carrying value of capital employed.

For Edenred, it includes:

- goodwill;
- property, plant and equipment and intangible assets;
- working capital excluding float but including current tax liability.

Float corresponds to operating working capital, that is, vouchers in circulation to be redeemed less trade receivables.

Impairment tests are carried out in two steps:

- Step one: the carrying amount of the CGU/group of CGUs is compared to an EBITDA multiple that is considered as being representative of fair value less cost to sell. The Group considers that a difference of more than 20% between the fair value, less cost to sell, and the carrying amount means a potential loss in value;
- Step two: when there is a risk of a loss in value identified using this method or changes in the economic environment of the country or the local business, a test based on the discounted cash flow method is applied in order to determine the potential loss in value compared with the carrying amount.

The method used is as follows:

STEP 1: FAIR VALUE LESS COST TO SELL	STEP 2 *: VALUE IN USE
EBITDA multiple method: This method can be used to measure fair value less cost to sell, and provides the best estimate of the price at which a CGU could be sold on the market on the valuation date. The method consists of calculating the CGU's average EBITDA for the last two years and applying a multiple based on the CGU's geographic location and the specific country risk. The multiples applied correspond to the average of transactions occurring on the market and within a range comparable to the valuation multiples of the Edenred Group. If the recoverable amount is less than the carrying amount, it is recalculated using the discounted cash flow method (Step 2).	**Discounted cash flow method:** The projections used are consistent with the five-year business plans approved by the Board of Directors. In 2019, the rate used to discount cash flows was the Group's after-tax weighted average cost of capital (WACC), broken down by country and by business type. The perpetuity growth rate is aligned with the economic outlook in each of the countries concerned.

* *Used in two situations:*
- *the first step demonstrates loss of value;*
- *the country or the subsidiary is under specific economic circumstances.*

If as a result of this test the recoverable amount is less than the carrying amount, an impairment loss is recognized in an amount corresponding to the value-in-use method. The impairment loss is recorded first as a deduction from the carrying amount of the goodwill allocated to the CGU/group of CGUs, and then as a deduction from the carrying amount of the other assets of the CGU/group of CGUs.

The following CGUs were tested using the value-in-use method in 2019:

Japan and Colombia.

The following CGUs were tested using the value-in-use method in 2018:

Brazil (*Repom*), United Kingdom (Prepay Technologies), UTA, Slovakia, Japan, Colombia, Chile, Uruguay, Malaysia (Cardtrend), United States (*Nutrisavings*) and Nicaragua (Nectar Technology).

Potential risks linked to Brexit were taken into account when testing value in 2019.

Impairment losses

Accumulated impairment losses on property, plant and equipment and intangible assets amounted to €204 million in 2019, *versus* €227 million in 2018. An impairment loss of €3 million was recorded in 2019 on Edenred Japan goodwill (see Note 10.1 "Other income and expenses").

Property, plant and equipment and intangible assets of CGUs impacted by accumulated impairment losses are detailed as follows:

(in € millions)	DEC. 31, 2019				DEC. 31, 2018			
	GROSS CARRYING AMOUNT	DEPRECIATION/ AMORTIZATION	ACCUMULATED IMPAIRMENT LOSSES	NET CARRYING AMOUNT	GROSS CARRYING AMOUNT	DEPRECIATION/ AMORTIZATION	ACCUMULATED IMPAIRMENT LOSSES	NET CARRYING AMOUNT
Goodwill	1,778		(174)	1,604	1,148	-	(172)	976
Brands	66	(6)	(5)	55	66	-	(10)	56
Customer lists	620	(141)	(4)	475	335	(89)	(21)	225
Other intangible assets	475	(278)	(21)	176	415	(240)	(24)	151
Property, plant and equipment	317	(148)	-	169	171	(119)	-	52
TOTAL	**3,256**	**(573)**	**(204)**	**2,479**	**2,135**	**(448)**	**(227)**	**1,460**

Key assumptions

In 2019, the discount rate applied was based on the Group weighted average cost of capital (WACC) and averaged 8.8% (9.0% in 2018).

The table below presents the discount rates and perpetuity growth rates for the CGUs tested in 2019.

	DISCOUNT RATE		PERPETUITY GROWTH RATE	
	2019	2018	2019*	2018
Europe (excl. France)	N/A	7.8%-11.2%	N/A	2.0%-2.5%
Latin America	12.5%	10.6%-14.7%	3.0%	3.0%-6.1%
Rest of the World	6.4%	7.0%-17.0%	1.4%	1.2%-4.0%

* *Source: IMF inflation forecast for 2024.*

Sensitivity analysis

Rate sensitivity

(in € millions)	DEC. 2019							
	WACC SENSITIVITY				PERPETUITY GROWTH RATE SENSITIVITY			
	+100 BPS	+50 BPS	-50 BPS	-100 BPS	-100 BPS	-50 BPS	+50 BPS	+100 BPS
France	-	-	-	-	-	-	-	-
Europe (excl. France)	-	-	-	-	-	-	-	-
Latin America	-	-	-	-	-	-	-	-
Rest of the World	(2)	(1)	2	3	(2)	(1)	1	3

	DEC. 2018							
	WACC SENSITIVITY				PERPETUITY GROWTH RATE SENSITIVITY			
(in € millions)	+100 BPS	+50 BPS	-50 BPS	-100 BPS	-100 BPS	-50 BPS	+50 BPS	+100 BPS
France	-	-	-	-	-	-	-	-
Europe (excl. France)	-	-	-	-	-	-	-	-
Latin America	-	-	-	-	-	-	-	-
Rest of the World	(3)	(2)	1	1	(2)	(1)	1	1

In 2019, changes in the weighted average cost of capital (WACC) and the perpetuity growth rate would have the following impacts on the Rest of the World region:

Regarding discount rates, the impacts on recognized impairment losses would be as follows:

- a 50 basis point increase in the discount rate would have had the effect of increasing the recognized loss by around €1 million for the Rest of the World region;
- a 100 basis point increase in the discount rate would have had the effect of increasing the recognized loss by around €2 million for the Rest of the World region.

Regarding perpetuity growth rates, the impacts on recognized impairment losses would be as follows:

- a 50 basis point decrease in the discount rate would have had the effect of increasing the recognized loss by around €1 million for the Rest of the World region;
- a 100 basis point decrease in the discount rate would have had the effect of increasing the recognized loss by around €2 million for the Rest of the World region.

Growth assumption sensitivity

	DEC. 2019			
	BUSINESS GROWTH SENSITIVITY		MARGIN RATE SENSITIVITY	
(in € millions)	-10%	+10%	-100 BPS	+100 BPS
France	-	-	-	-
Europe (excl. France)	-	-	-	-
Latin America	-	-	-	-
Rest of the World	(1)	1	(1)	1

Business growth is measured by like-for-like growth of business volume. The margin rate is defined as the ratio between EBIT before depreciation, amortization, provisions and impairment and operating revenue.

In 2019, a 10% fall in business volume would have had the effect of increasing the recognized impairment loss by around €1 million.

In 2019, a 100 basis point fall in the margin rate would have increased the recognized impairment loss by around €1 million.

5.6 Depreciation, amortization and impairment losses

Depreciation, amortization, provision expenses and impairment losses reflect the operating costs of assets owned by Edenred. This item also includes amortization of fair value adjustments to assets acquired in business combinations.

(in € millions)	2019	2018
Amortization of fair value adjustments to assets acquired in business combinations	(38)	(21)
Amortization of intangible assets	(42)	(38)
Depreciation of property, plant and equipment	(15)	(16)
Depreciation of right-of-use assets (effect of applying IFRS 16)	(28)	-
TOTAL	**(123)**	**(75)**

In 2019, amortization of fair value adjustments to assets primarily included €10 million for CSI, €7 million for UTA, €7 million for *Ticket Log*, €3 million for TRFC, €2 million for Itaú and €2 million for ProwebCE.

NOTE 6 FINANCIAL ITEMS

6.1 Net financial expense

Net financial expense includes:

- interest expense or income on borrowings, other financial liabilities and loans and receivables;
- exchange gains and losses on financial transactions;
- movements on financial provisions.

(in € millions)	2019	2018
Gross borrowing cost	(56)	(47)
Hedging instruments	20	18
Income from cash and cash equivalents and other marketable securities	23	10
Net borrowing cost	**(13)**	**(19)**
Net foreign exchange gains (losses)	(1)	4
Other financial income	5	1
Other financial expenses*	(26)	(23)
NET FINANCIAL EXPENSE	**(35)**	**(37)**

* *Other financial expenses in 2019 included interest on IFRS 16 liabilities for €3 million.*

Gross borrowing costs for 2019 include amortization of bond issue costs for €9 million and interest income of €1 million on NeuCP issued at negative interest rates.

Interest paid amounted to €28 million in 2019 and €29 million in 2018.

Hedging instruments are related to expenses and income on interest rate swaps as presented in Note 6.6 "Financial instruments and market risk management".

Other financial income and expenses mainly concern bank fees, banking expenses, miscellaneous interest, and financial provisions.

6.2 Financial assets

IFRS 9 defines financial assets as a contractual right to receive an economic benefit that will ultimately result in the receipt of cash flows or an equity instrument. Financial assets are initially recognized at fair value plus transaction costs that are directly attributable to the acquisition of the asset. The initial fair value corresponds to the asset's purchase price.

Financial assets and liabilities are recognized and measured in accordance with IFRS 9 – Financial Instruments.
Financial assets and liabilities are recognized in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument.
Financial assets are classified among the three main categories defined in IFRS 9, as follows:

- **at amortized cost:** One of the conditions of eligibility of a debt instrument for measurement at amortized cost is that the contractual cash flows are solely payments of principal and interest on the principal amount outstanding ("SPPI instruments"). SPPI instruments include:
  1) term deposits and loans to non-consolidated companies. These assets are initially recognized at fair value,
  2) bonds and other marketable securities that are **held to maturity**. These assets are initially recognized at fair value.

  They are subsequently measured at amortized cost at each balance-sheet date. If there is an objective indication of impairment, an impairment loss is recognized at the reporting date. The impairment loss – corresponding to the difference between the carrying amount and the recoverable amount (*i.e.*, the present value of expected cash flows discounted using the original effective interest rate) – is recognized in the income statement. It is reversible if recoverable value increases in following periods. For these two categories, initial fair value is equivalent to acquisition cost, because no material transaction costs are incurred;
- **at fair value through profit or loss:** Mutual fund units in cash are booked in "**Financial assets at fair value through profit and loss**". These assets are recognized at fair value in the balance sheet and fair value changes are recorded in the income statement;
- **at fair value through other comprehensive income (OCI):** Derivative financial instruments recorded in assets and eligible for hedge accounting are measured at fair value and fair value changes are recorded in other comprehensive income.

6.2.1 Non-current financial assets

Non-current financial assets consist mainly of equity interests in non-consolidated companies, and deposits and guarantees.

	DEC. 31, 2019			DEC. 31, 2018		
(in € millions)	GROSS CARRYING AMOUNT	IMPAIRMENT LOSSES	NET CARRYING AMOUNT	GROSS CARRYING AMOUNT	IMPAIRMENT LOSSES	NET CARRYING AMOUNT
Equity interests	58	(7)	51	35	(1)	34
Deposits and guarantees	24	-	24	12	-	12
Other	1	(1)	-	2	-	2
NON-CURRENT FINANCIAL ASSETS	**83**	**(8)**	**75**	**49**	**(1)**	**48**

* *Changes to the fair value of which are recognized through profit or loss.*

6.2.2 Current financial assets

	DEC. 31, 2019			DEC. 31, 2018		
(in € millions)	GROSS CARRYING AMOUNT	IMPAIRMENT LOSSES	NET CARRYING AMOUNT	GROSS CARRYING AMOUNT	IMPAIRMENT LOSSES	NET CARRYING AMOUNT
Other current financial assets	30	(2)	28	2	-	2
Derivatives	108	-	108	44	-	44
CURRENT FINANCIAL ASSETS	**138**	**(2)**	**136**	**46**	**-**	**46**

Other current financial assets primarily represent short-term loans with external counterparts.

Derivatives are recognized according to IFRS 9 – Financial Instruments. Their accounting treatment is detailed in Note 6.6 "Financial instruments and market risk management".

6.3 Cash and cash equivalents and other marketable securities

Cash and cash equivalents

"Cash and cash equivalents" include bank balances and short-term investments in money market instruments. To be classified in cash and cash equivalents, investments have to respect IAS 7 criteria. These instruments mainly correspond to bank term deposits and risk-free interest-bearing demand deposits. They have initial maturities of three months or less, are readily convertible into known amounts of cash, and are subject to an insignificant risk of changes in value.

Other marketable securities

Instruments that have initial maturities of more than three months and less than one year are reported under "Other marketable securities". These instruments are highly liquid and are subject to an insignificant risk of changes in value due to interest rate and foreign exchange rate changes. However, they are no longer classified as cash and cash equivalents in line with IAS 7. This line item also includes restricted cash, corresponding to cash and cash equivalents subject to restrictions due to regulations that are specific to a country (such as exchange rate control). Instruments with initial maturities of more than one year may also be reported under this caption if they can be sold or canceled at any time with incurring material penalties.

Accounting method

"Cash and cash equivalents" and "Other marketable securities" are financial assets recognized according to IFRS 9 – Financial Instruments (see Note 6.3) and its amendments.

Both cash and cash equivalents and other marketable securities are taken into account for the calculation of net debt.

	DEC. 31, 2019			DEC. 31, 2018		
(in € millions)	GROSS CARRYING AMOUNT	IMPAIRMENT LOSSES	NET CARRYING AMOUNT	GROSS CARRYING AMOUNT	IMPAIRMENT LOSSES	NET CARRYING AMOUNT
Cash at bank and on hand	461	-	461	865	-	865
Term deposits and equivalent – less than 3 months	528	-	528	423	-	423
Bonds and other negotiable debt securities	-	-	-	32	-	32
Mutual fund units in cash – less than 3 months	15	-	15	17	-	17
CASH AND CASH EQUIVALENTS	1,004	-	1,004	1,337	-	1,337
Term deposits and equivalent – more than 3 months	528	(1)	527	491	(1)	490
Bonds and other negotiable debt securities	203	-	203	163	-	163
Mutual fund units in cash – more than 3 months	3	-	3	1	-	1
OTHER MARKETABLE SECURITIES	734	(1)	733	655	(1)	654
TOTAL CASH AND CASH EQUIVALENTS AND OTHER MARKETABLE SECURITIES	**1,738**	**(1)**	**1,737**	**1,992**	**(1)**	**1,991**

6.4 Debt and other financial liabilities

Debt

Non-banking debt (bonds, private placements such as *Schuldschein* instruments, etc.) and bank borrowings set up as interest-bearing lines of credit and bank overdrafts are recognized for the amounts received, net of direct issuing costs.
Debt is measured at amortized cost. Amortized cost is determined by the effective interest rate method, taking into account the costs of the issue and any issue or redemption premiums.

	DEC. 31, 2019			DEC. 31, 2018		
(in € millions)	NON-CURRENT	CURRENT	TOTAL	NON-CURRENT	CURRENT	TOTAL
Convertible bonds	500	-	500	-	-	-
Non-bank debt	1,897	252	2,149	2,197	-	2,197
Bank borrowings	24	16	40	16	66	82
NEU CP	-	106	106	-	210	210
DEBT	2,421	374	2,795	2,213	276	2,489
BANK OVERDRAFTS	-	52	52	-	21	21
IFRS 16 liabilities	80	25	105	-	-	-
Deposits and guarantees	10	19	29	1	13	14
Purchase commitments for non-controlling interests	46	129	175	57	102	159
Derivatives	-	1	1	-	6	6
Other	3	3	6	3	4	7
OTHER FINANCIAL LIABILITIES	139	177	316	61	125	186
DEBT AND OTHER FINANCIAL LIABILITIES	**2,560**	**603**	**3,163**	**2,274**	**422**	**2,696**

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The contractual documents for debt and other financial liabilities do not include any particular covenants or clauses that could significantly change the terms.

Debt

Convertible bonds and non-bank debt

On September 6, 2019, Edenred issued bonds convertible and/or exchangeable for new and/or existing shares (OCEANEs) for a total nominal amount of €500 million. The OCEANEs, which do not pay interest, were issued at a price equal to 108% of their nominal value, corresponding to a gross yield to maturity of -1.53% and an IFRS yield of -0.18%. They are convertible at a price of €61.13, representing a conversion premium of 40%. Bonds that have not been converted, redeemed or retired and canceled will be redeemed at par on September 6, 2024.

At December 31, 2019, the Group's gross outstanding bond position amounted to €2,475 million, which breaks down as follows:

ISSUE DATE	AMOUNT *(in € millions)*	COUPON	MATURITY
September 6, 2019	500	0%	5 years – September 6, 2024
December 6, 2018	500	1.875%	7 years & 3 months – March 6, 2026
March 30, 2017	500	1.875%	10 years – March 30, 2027
March 10, 2015	500	1.375%	10 years – March 10, 2025
October 30, 2013	250	2.625%	7 years – October 30, 2020
May 23, 2012	225	3.75%	10 years – May 23, 2022
GROSS OUTSTANDING BOND POSITION	**2,475**		

At December 31, 2018, the gross outstanding bond position amounted to €1,975 million.

ISSUE DATE	AMOUNT *(in € millions)*	COUPON	MATURITY
December 6, 2018	500	1.875%	7 years & 3 months – March 6, 2026
March 30, 2017	500	1.875%	10 years – March 30, 2027
March 10, 2015	500	1.375%	10 years – March 10, 2025
October 30, 2013	250	2.625%	7 years – October 30, 2020
May 23, 2012	225	3.75%	10 years – May 23, 2022
GROSS OUTSTANDING BOND POSITION	**1,975**		

Other non-bank debt

At the end of December 2019, €105 million worth of Euro PP *(Schuldschein)* private placement notes (out of an original issue of €250 million) were repaid in advance in line with the Group's strategy to actively manage debt maturities and borrowing costs, using part of the proceeds from the €500 million convertible bond issue. The €145 million of Euro PP notes outstanding at December 31, 2019 have the following maturities and interest rates:

RATE		AMOUNT *(in € millions)*	COUPON	MATURITY
Fixed	1.05%	45	5	June 29, 2021
Variable	6-month Euribor* +105 bps	68	5	June 29, 2021
Fixed	1.47%	32	7	June 29, 2023
TOTAL *SCHULDSCHEIN* LOAN		**145**		

* 6-month Euribor with a 0% floor.

Bank borrowings

Outstanding bank borrowings at December 31, 2019 amounted to €40 million.

NEU CP program

In April 2019, Edenred raised the cap on its Negotiable EUropean Commercial Paper (NEU CP) program to €750 million, compared with the €500 million authorization in place since March 2019. At December 31, 2019, current debt outstanding under the program stood at €106 million.

Maturity analysis – carrying amounts

At December 31, 2019

(in € millions)	2020	2021	2022	2023	2024	2025 AND BEYOND	DEC. 31, 2019
Convertible bonds	-	-	-	-	500	-	500
Non-bank debt	252	113	236	32	-	1,516	2,149
Bank borrowings	16	9	9	5	1	-	40
NEU CP	106	-	-	-	-	-	106
DEBT	374	122	245	37	501	1,516	2,795
BANK OVERDRAFTS	52	-	-	-	-	-	52
IFRS 16 liabilities	25	19	15	12	11	23	105
Deposits and guarantees	19	10	-	-	-	-	29
Purchase commitments for non-controlling interests	129	42	-	-	-	4	175
Derivatives	1	-	-	-	-	-	1
Other	3	3	-	-	-	-	6
OTHER FINANCIAL LIABILITIES	177	74	15	12	11	27	316
TOTAL	**603**	**196**	**260**	**49**	**512**	**1,543**	**3,163**

At December 31, 2018

(in € millions)	2019	2020	2021	2022	2023	2024 AND BEYOND	DEC. 31, 2018
Non-bank debt	-	253	113	238	137	1,457	2,197
Bank borrowings	67	5	5	5	-	-	81
NEU CP	210	-	-	-	-	-	210
DEBT	277	258	117	242	137	1,457	2,489
BANK OVERDRAFTS	21	-	-	-	-	-	21
Deposits and guarantees	13	1	-	-	-	-	14
Purchase commitments for non-controlling interests	102	22	19	1	-	16	160
Derivatives	6	-	-	-	-	-	6
Other	4	3	-	-	-	-	7
OTHER FINANCIAL LIABILITIES	124	26	19	1	-	16	186
TOTAL	**422**	**284**	**136**	**243**	**137**	**1,473**	**2,696**

Credit facility

At December 31, 2019, Edenred had a €700 million undrawn confirmed line of credit, expiring at the end of July 2023. This facility will be used for general corporate purposes. On February 12, 2020, the syndicated credit facility was renegotiated. The amount now stands at €750 million and the maturity has been extended by five years to February 2025, with two new one-year extension options.

New non-financial performance covenants have been added to the facility agreement in exchange for a reduction in the interest rate. The two performance criteria – promoting balanced nutrition and reducing greenhouse gas (GHG) emissions intensity – are aligned with the three pillars of the Group's ESG strategy (Planet, Progress, People).

6.5 Net debt and net cash

(in € millions)	DEC. 31, 2019	DEC. 31, 2018
Non-current debt	2,421	2,213
Other non-current financial liabilities	139	61
Current debt	374	276
Other current financial liabilities	177	125
Bank overdrafts	52	21
DEBT AND OTHER FINANCIAL LIABILITIES	3,163	2,696
Current financial assets	(136)	(46)
Other marketable securities	(733)	(654)
Cash and cash equivalents	(1,004)	(1,337)
CASH AND CASH EQUIVALENTS AND OTHER CURRENT FINANCIAL ASSETS	(1,873)	(2,037)
NET DEBT	**1,290**	**659**

Other non-current and current financial liabilities include lease liabilities recognized in application of IFRS 16.

(in € millions)	2019	2018
NET DEBT AT BEGINNING OF PERIOD	659	697
Impact of IFRS 16 at beginning of period	(91)	-
Increase (decrease) in non-current debt	208	464
Increase (decrease) in other non-current financial liabilities	181	44
Decrease (increase) in other marketable securities	(79)	114
Decrease (increase) in cash and cash equivalents, net bank overdrafts	364	(741)
Increase (decrease) in other financial assets and liabilities	89	81
INCREASE (DECREASE) IN NET DEBT	672	(38)
Impact of IFRS 16	(41)	-
NET DEBT AT END OF PERIOD	**1,290**	**659**

6.6 Financial instruments and market risk management

The Group uses derivative financial instruments to hedge its exposure to risks arising in the course of its business. Hedged risks are currency and interest rate risks.

In accordance with IFRS 9, derivatives are initially recognized at cost. They are subsequently measured at fair value at each period-end. The intended use of the derivatives determines the IFRS designation and therefore the accounting treatment of changes in fair value.

Most interest rate and foreign currency derivatives used by Edenred are designated as hedging instruments. In accordance with IAS 39, hedge accounting is applicable if, and only if:

- at the time of setting up the hedge, there is a formal designation and documentation of the hedging relationship;
- the effectiveness of the hedging relationship can be demonstrated from the outset and at each balance sheet date, prospectively and retrospectively.

Financial instruments designated as hedging instruments

When derivatives are designated as hedging instruments, their accounting treatment varies depending on whether they are designated as:

- a fair value hedge of an asset or a liability or of an unrecognized firm commitment; or
- a cash-flow hedge.

FAIR VALUE HEDGE	CASH FLOW HEDGE
A fair value hedge is a hedge of the exposure to changes in fair value of a financial liability or an unrecognized firm commitment. The gain or loss from the change in fair value of the hedging instrument is recognized in profit or loss on a symmetrical basis with the gain or loss from the change in fair value of the hedged item. These two remeasurements offset each other within the same line items in the income statement, except for the ineffective portion of the hedge.	A cash flow hedge is a hedge of the exposure to variability in future cash flows associated with an existing asset or liability, or a highly probable forecast transaction. The effective portion of the gain or loss from remeasurement at fair value of the hedging instrument is recognized in equity and the ineffective portion is recognized in the income statement for the period. Cumulative gains or losses in equity are recycled to the income statement in the period when the hedged item affects profit.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss carried in equity at the time remains in equity and is recognized in the income statement when the forecast transaction is ultimately recognized in the income statement.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss carried in equity is immediately transferred to the income statement.

Other derivatives

Derivatives not designated as hedging instruments are classified as "Financial assets at fair value through profit and loss". Any changes in their fair value are booked in financial income or expense.

Interest rate risk: fixed/variable interest rate analysis

1) Hedging impact

Before hedging

Debt before interest rate hedging breaks down as follows:

	DEC. 31, 2019			DEC. 31, 2018		
(in € millions)	**AMOUNT**	**INTEREST RATE**	**% OF TOTAL DEBT**	AMOUNT	INTEREST RATE	% OF TOTAL DEBT
Fixed-rate debt [(1)]	2,724	1.5%	97%	2,313	2.1%	93%
Variable-rate debt	71	1.4%	3%	176	1.4%	7%
DEBT	**2,795**	**1.5%**	**100%**	**2,489**	**2.0%**	**100%**

(1) The rates mentioned for fixed-rate debt correspond to the contractual rates (i.e., 3.750%, 2.625%, 1.375%, 1.875% and 1.875%) applied to the exact number of days in the year divided by 360.

After hedging

Debt after interest rate hedging breaks down as follows:

	DEC. 31, 2019			DEC. 31, 2018		
(in € millions)	AMOUNT	INTEREST RATE	% OF TOTAL DEBT	AMOUNT	INTEREST RATE	% OF TOTAL DEBT
Fixed-rate debt	866	0.6%	31%	455	1.1%	18%
Variable-rate debt	1,929	0.9%	69%	2,034	1.2%	82%
DEBT	**2,795**	**0.8%**	**100%**	**2,489**	**1.2%**	**100%**

2) Hedging of interest rate risk

Interest rate risk on fixed rate debt and variable rate financial assets is hedged using swaps where the Group is the fixed rate lender and variable rate borrower:

- swaps to hedge debt in euros: notional amount of €1,932 million relating to an underlying debt of €2,052 million and for a fair value of €67 million representing a financial asset;
- swaps to hedge marketable securities in Brazilian reais: notional amount of €278 million relating to an underlying debt of 1,255 million Brazilian reais and for a fair value of €36 million representing a financial asset;
- swaps to hedge marketable securities in Mexican pesos: notional amount of €46 million relating to an underlying debt of 1,000 million Mexican pesos and for a fair value of €3 million representing a financial asset.

Under IFRS 9, swaps on debt are designated as hedging instruments in fair value hedges and swaps on marketable securities are designated as hedging instruments in cash flow hedges. These hedging operations have no material impact on the income statement as the efficiency ratio is almost 100%.

(in € millions)	NOTIONAL AMOUNT	FAIR VALUE	2020	2021	2022	2023	2024 AND BEYOND
BRL: fixed-rate receiver swaps [1]	278	36	-	9	114	44	111
EUR: fixed-rate payer swaps	50	(1)	-	-	50	-	-
EUR: variable-rate payer swaps	1,882	68	125	-	225	32	1,500
MXN: fixed-rate receiver swaps [2]	46	3	-	-	-	23	23
TOTAL	**2,256**	**106**	**125**	**9**	**389**	**99**	**1,634**

(1) BRL 1,255 million (€278 million) in swaps to hedge marketable securities of the Ticket Serviços SA, Repom and Ticket Log entities.
(2) MXN 1,000 million (€46 million) in swaps to hedge marketable securities of the Edenred Mexico entity.

3) Interest rate risk sensitivity

Edenred is exposed to the risk of fluctuations in interest rates, given:

- the cash flows related to variable-rate debt, after hedge accounting; and
- derivative financial instruments eligible for cash flow hedge accounting for the ineffective portion of the hedging relationships.

The analysis below has been prepared assuming that the amount of the debt and the notional amounts of derivative instruments at December 31, 2019 remains constant over one year.

A 100 basis point change in interest rates (mainly the 3-month Euribor) would have the following impacts on equity and profit (before tax) at year-end:

	PROFIT		EQUITY	
(in € millions)	100 BP DECREASE IN INTEREST RATES*	100 BP INCREASE IN INTEREST RATES	100 BP DECREASE IN INTEREST RATES *	100 BP INCREASE IN INTEREST RATES
Debt at variable rate after hedge accounting	15	(15)	-	-
Derivatives eligible for cash flow hedge accounting	-	-	(0)	1
TOTAL	**15**	**(15)**	**(0)**	**1**

* *100-bps fall in interest rates in positive rates and in negative rates.*

Foreign exchange risk: currency analysis

1) Hedging impact

Before hedging

Debt before currency hedging breaks down as follows:

	DEC. 31, 2019			DEC. 31, 2018		
(in € millions)	**AMOUNT**	**INTEREST RATE**	**% OF TOTAL DEBT**	AMOUNT	INTEREST RATE	% OF TOTAL DEBT
EUR	2,785	1.5%	100%	2,423	1.8%	97%
Other currencies	10	6.1%	0%	66	12.1%	3%
DEBT	**2,795**	**1.5%**	**100%**	**2,489**	**2.0%**	**100%**

After hedging

Debt after currency hedging breaks down as follows:

	DEC. 31, 2019			DEC. 31, 2018		
(in € millions)	**AMOUNT**	**INTEREST RATE**	**% OF TOTAL DEBT**	AMOUNT	INTEREST RATE	% OF TOTAL DEBT
EUR	2,751	0.8%	98%	2,420	1.0%	97%
Other currencies	44	3.8%	2%	69	6.6%	3%
DEBT	**2,795**	**0.8%**	**100%**	**2,489**	**1.2%**	**100%**

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2) Currency hedges

For each currency, the "notional amount" corresponds to the amount of currency sold or purchased forward. Fair value is the difference between the amount converted at the period-end forward rate (which is different from the contract-date forward rate) and at the spot rate on the hedge's inception date.

All currency transactions carried out by the Group, as listed below, are hedging transactions. They consist of designated hedges of intra-group loans and borrowings in foreign currencies and correspond to documented fair value hedging relationships.

At December 31, 2019, currency derivatives had an aggregate positive fair value of €0 million.

This figure breaks down as follows:

(in € millions)	NOTIONAL AMOUNT	FAIR VALUE	2020	2021	2022	2023	2024	2025 AND BEYOND
SEK	62	-	62	-	-	-	-	-
MXN	3	-	3	-	-	-	-	-
PLN	5	-	5	-	-	-	-	-
FORWARD PURCHASES AND CURRENCY SWAPS	70	-	70	-	-	-	-	-
AED	33	-	33	-	-	-	-	-
USD	1	-	1	-	-	-	-	-
CZK	0	-	0	-	-	-	-	-
FORWARD SALES AND CURRENCY SWAPS	34	-	34	-	-	-	-	-
TOTAL	**104**	**-**	**104**	**-**	**-**	**-**	**-**	**-**

3) Sensitivity to exchange rates

A change of +10% in currency exchange rates of the major currencies would have the following impact on EBIT: Brazil (BRL) €17 million and Mexico (MXN) €4 million.

A change of -10% in currency exchange rates of the major currencies would have the following impact on EBIT: Brazil (BRL) €20 million and Mexico (MXN) €5 million.

Liquidity risk

The tables below show the repayment schedule of debt, interest included.

Future cash flows relating to interest rates are calculated using market interest rates at December 31, 2019. Variable rates are estimated by reference to forecast rates and fixed rates are known in advance. Future cash flows represented by debt repayments are estimated based on the assumption that the facilities will not be rolled over at maturity.

At December 31, 2019

(in € millions)	**DEC. 31, 2019 CARRYING AMOUNT**	CONTRACTUAL FLOWS	2020	2021	2022	2023	2024	2025 AND BEYOND
Convertible bonds	500	500	-	-	-	-	500	-
Bonds	2,004	2,004	252	-	236	-	-	1,516
Schuldschein	145	145	-	113	-	32	-	-
NEU CP	106	106	106	-	-	-	-	-
Bank borrowings	40	40	16	9	9	5	1	-
Future interest	N/A	186	40	34	29	25	25	33
DEBT	2,795	2,981	414	156	274	62	526	1,549
Bank overdrafts	52	52	52	-	-	-	-	-
Other financial liabilities	316	316	177	73	15	12	11	28
Future interest	N/A	(65)	(19)	(16)	(11)	(9)	(5)	(5)
BANK OVERDRAFTS AND OTHER FINANCIAL LIABILITIES	368	303	210	57	4	3	6	23
DEBT AND OTHER FINANCIAL LIABILITIES	**3,163**	**3,284**	**624**	**213**	**278**	**65**	**532**	**1,572**

At December 31, 2018

(in € millions)	DEC. 31, 2018 CARRYING AMOUNT	CONTRACTUAL FLOWS	2019	2020	2021	2022	2023	2024 AND BEYOND
Bonds	1,948	1,948	-	253	-	238	-	1,457
Schuldschein	249	249	-	-	112	-	137	-
NEU CP	210	210	210	-	-	-	-	-
Bank borrowings	82	82	67	5	5	5	0	-
Future interest	N/A	242	46	42	37	31	27	59
DEBT	2,489	2,731	323	300	154	274	164	1,516
Bank overdrafts	21	21	21	-	-	-	-	-
Other financial liabilities	186	186	124	26	20	1	-	15
Future interest	N/A	(20)	(19)	(15)	(9)	(2)	4	21
BANK OVERDRAFTS AND OTHER FINANCIAL LIABILITIES	207	187	126	11	11	(1)	4	36
DEBT AND OTHER FINANCIAL LIABILITIES	**2,696**	**2,918**	**449**	**311**	**165**	**273**	**168**	**1,552**

Credit and counterparty risk

In the normal course of business, the Group is exposed to the risk of counterparties being unable to honor their contractual obligations.

For example, the Group is exposed to credit risk in the event of default by its clients and to counterparty risk in respect of its investments of cash and its purchases of derivative instruments.

With several tens of thousands of corporate and public authority clients at December 31, 2019, the Group has a highly diversified customer base. Moreover, its clients include all types of entities, ranging from large and medium-sized corporates to national, regional and local public authorities.

The Group diversifies its exposure to financial counterparties by investing available cash with a variety of leading financial institutions. About 80% of investments are with institutions rated investment grade.

Its maximum exposure to a single financial counterparty represented less than 15% of the total funds invested at the closing date.

Financial instruments and fair value analysis of financial assets and liabilities

The fair value hierarchy comprises the following levels:

- **Level 1:** fair value assessed by reference to prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** fair value assessed by reference to quoted prices included within Level 1 that are observable for the asset or liability, either directly (*i.e.*, as prices) or indirectly (*i.e.*, derived from prices).
- **Level 3:** fair value assessed by reference to inputs related to the asset or liability that are not based on market data (unobservable inputs).

Market value of financial instruments

(in € millions)	FAIR VALUE	DEC. 31, 2019 CARRYING AMOUNT	AMORTIZED COST	FAIR VALUE THROUGH PROFIT AND LOSS	FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	LEVEL 1	LEVEL 2	LEVEL 3
ASSETS								
Non-current financial assets	75	75	24	51	-	-	-	51
Restricted cash	1,879	1,864	1,864	-	-	-	-	-
Current financial assets	136	136	28	-	108	-	108	-
Other marketable securities	747	733	732	1	-	1	-	-
Cash and cash equivalents	1,004	1,004	989	15	-	15	-	-
TOTAL ASSETS	**3,841**	**3,812**	**3,637**	**67**	**108**	**16**	**108**	**51**
LIABILITIES								
Non-current debt	2,661	2,421	2,421	-	-	-	-	-
Other non-current financial liabilities	139	139	139	-	-	-	-	-
Current debt	380	374	374	-	-	-	-	-
Other current financial liabilities	177	177	176	-	1	-	1	-
Bank overdrafts	52	52	52	-	-	-	-	-
TOTAL LIABILITIES	**3,409**	**3,163**	**3,162**	**-**	**1**	**-**	**1**	**-**

Derivative financial instruments

(in € millions)	IFRS CLASSIFICATION	DEC. 31, 2019 FAIR VALUE	DEC. 31, 2019 NOTIONAL AMOUNT	DEC. 31, 2019 FACE VALUE	DEC. 31, 2018 FAIR VALUE	DEC. 31, 2018 NOTIONAL AMOUNT	DEC. 31, 2018 FACE VALUE
DERIVATIVE FINANCIAL INSTRUMENTS – ASSET POSITION							
Interest-rate instruments	Cash-flow hedge	39	324	-	16	359	-
Interest-rate instruments	Fair-value hedge	68	1,882	-	26	1,636	-
Currency instruments	Fair-value hedge	-	-	65	-	-	3
Currency instruments	Cash-flow hedge	-	-	-	1	-	544
DERIVATIVE FINANCIAL INSTRUMENTS – LIABILITY POSITION							
Interest-rate instruments	Cash-flow hedge	(1)	50	-	-	-	-
Interest-rate instruments	Fair-value hedge	-	-	-	(5)	352	-
Currency instruments	Fair-value hedge	-	-	34	-	-	3
Currency instruments	Cash-flow hedge	-	-	5	-	-	-
NET DERIVATIVE FINANCIAL INSTRUMENTS		**106**	**2,256**	**104**	**38**	**2,347**	**550**

Derivative instruments were measured at December 31, 2019 by applying a credit valuation adjustment (CVA) in accordance with IFRS 13.

The CVA for a given counterparty is determined by calculating the result of: (i) exposure (*i.e.*, the market value of the derivative instruments purchased from the counterparty, if positive), (ii) probability of default, and (iii) loss given default. CVAs at December 31, 2019 were not material.

Cumulative fair value of financial instruments

Changes in retained earnings related to fair value of financial instruments are detailed in the table below:

(in € millions)	DEC. 31, 2018	NEW TRANSACTIONS	CHANGE IN FAIR VALUE	RECLASSIFICATION TO P&L	DEC. 31, 2019
Cash-flow hedge financial instruments (after tax)	13	3	15	(2)	29
Securities at fair value	4	-	-	-	4
TOTAL	**17**	**3**	**15**	**(2)**	**33**

NOTE 7 INCOME TAX – EFFECTIVE TAX RATE

7.1 Income tax

Income tax is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.
In accordance with IAS 12 – Income Taxes, deferred taxes are recognized for temporary differences between the carrying amount of assets and liabilities and their tax base using the liability method. This method consists of adjusting deferred taxes at each period-end, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The effects of changes in tax rates (and tax laws) are recognized in the income statement for the period in which the change is announced.

Edenred has decided that the French tax assessed on the value added by the business (CVAE), which is based on the value added reflected in the individual financial statements, had the characteristics of an income tax, as defined in IAS 12. Therefore, income tax expense also includes the expense related to the CVAE. The CVAE amounted to €3 million in 2019 and to €3 million in 2018.

Income tax expense and benefit

(in € millions)	2019	2018
Current taxes	(123)	(100)
Withholding tax	(6)	(2)
Provisions for tax risks	(1)	-
SUB-TOTAL: CURRENT TAXES	(130)	(102)
Deferred taxes arising on temporary differences during the period	(23)	(17)
Deferred taxes arising on changes in tax rates or rules	-	-
SUB-TOTAL: DEFERRED TAXES	(23)	(17)
TOTAL INCOME TAX EXPENSE	**(153)**	**(119)**

Tax proof

(in € millions)	2019	2018
Net profit	**346**	**285**
Income tax	(153)	(119)
Profit before tax	**499**	**404**
Standard tax rate in France	**34.43%**	**34.43%**
Theoretical income tax expense	**(172)**	**(141)**
Differences in foreign tax rates	36	24
Tax impact of share of net profit from equity-accounted companies	5	4
Adjustments for current taxes in respect of prior years	(7)	(4)
Adjustments for taxes arising on changes in tax rates	(2)	-
Movements in impairment of deferred tax assets	(2)	(4)
Other items*	(11)	2
TOTAL ADJUSTMENTS TO THEORETICAL INCOME TAX EXPENSE	19	22
INCOME TAX EXPENSE	**(153)**	**(119)**
EFFECTIVE TAX RATE	**30.7%**	**29.5%**

* *Other items include the impact of permanent differences and items taxed on bases other than the Group entities' taxable profit, primarily through withholding tax, France's CVAE tax and Italy's IRAP tax.*

7.2. Deferred taxes

Deferred taxes are recognized for all temporary differences, except when the difference arises from the initial recognition of non-deductible goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and which, at the time of the transaction, affects neither accounting profit nor taxable profit.

A deferred tax liability is recognized for all taxable temporary differences associated with investments in subsidiaries, associates and joint ventures except when:

- the Group is able to control the timing of the reversal of the temporary difference; and
- it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognized for ordinary and evergreen tax loss carry forwards only when it is probable that the asset will be recovered in the foreseeable future. The probability of recovery of deferred tax assets is reviewed on a periodic basis for each tax entity. Where appropriate, the review may lead the Group to derecognize deferred tax assets that had been recognized in prior years. The probability of recovery is assessed using a tax plan that indicates the taxable income outlook for the entity, as projected over a period of three years. The assumptions used in the tax plan are consistent with those used in the budgets and medium-term plans prepared by Group entities and approved by executive management.

Deferred taxes are normally recognized in the income statement. However, when the underlying transaction is recognized in equity, the related deferred tax is also recorded in equity. Adjustments to deferred tax assets acquired in a business combination are recognized in profit or loss without a corresponding adjustment to goodwill.

In accordance with IAS 12, deferred taxes are not discounted.

An entity shall offset deferred tax assets and deferred tax liabilities if, and only if:

- Edenred has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Details of recognized deferred tax assets and liabilities

(in € millions)	DEC. 31, 2019	DEC. 31, 2018
Temporary differences	64	47
Recognized deferred tax assets on tax losses	30	28
SUB-TOTAL: DEFERRED TAX ASSETS	94	75
Temporary differences	174	136
SUB-TOTAL: DEFERRED TAX LIABILITIES	174	136
NET DEFERRED TAX ASSET (LIABILITY)	**(80)**	**(61)**

At December 31, 2019, unrecognized deferred tax assets on tax loss carryforwards amounted to €20 million, including €11 million for the Holding & Other segment (primarily Edenred SA) and €2 million for India.

At December 31, 2018, unrecognized deferred tax assets on tax loss carryforwards amounted to €22 million, including €11 million for the Holding & Other segment (primarily Edenred SA) and €2 million for India.

Deferred tax assets on tax loss carryforwards break down as follows by maturity:

(in € millions)	DEC. 31, 2019
2020	2
2021	2
2022	2
2023	5
2024 and beyond	20
Indefinite	162
TOTAL	**193**

NOTE 8 EQUITY

Note on the negative value of Group retained earnings

At December 31, 2019, total equity attributable to owners of the parent amounted to a negative €1,193 million. This negative value is mainly due to the legacy of the financial statements established for Edenred's demerger from the Accor Group in July 2010.

In these financial statements, equity represented a negative €1,137 million at December 31, 2008, a negative €1,187 million at December 31, 2009 and a negative €1,044 million at December 31, 2010. This was due to the recognition at historical cost of assets contributed or sold to Edenred by Accor through the asset contribution-demerger transaction.

None of the legal restructuring operations, whether consisting of asset contributions or sales by Accor in favor of Edenred, qualify as business combinations under IFRS 3. Whatever the legal method used to create the Edenred Group, the transactions would not have changed Edenred's scope as defined in the consolidated financial statements. Consequently, the contributions were analyzed as an internal restructuring of Edenred without any effect on Edenred's consolidated financial statements, to the extent that all of the contributed entities were already included in the scope of the consolidated financial statements. Similarly, the legal sale transactions between Accor and Edenred did not constitute acquisitions for Edenred, because all of the sold entities were already included in the scope of Edenred's combined financial statements prior to the legal sale transactions. However, in Edenred's financial statements, the sales led to an outflow of cash to the shareholder, Accor, without any benefit being received in return. The cash outflow therefore had to be recognized when it occurred as a distribution of reserves by Edenred, giving rise to a reduction in equity.

8.1 Equity

Issued capital

At December 31, 2019, the Company's capital was made up of 243,204,857 shares with a par value of €2 (two) each, all fully paid up.

These 243,204,857 shares are ordinary shares with rights to all distributions of interim and final dividends, reserves or equivalent amounts.

Change in capital in number of shares:

	DEC. 2019	DEC. 2018
At January 1	**239,266,350**	**235,403,240**
Capital increase linked to dividend payments	3,938,507	3,863,610
Shares issued on conversion of performance share rights	894,357	381,970
Shares issued on exercise of stock options	126,850	646,515
Share cancellation	(1,021,207)	(1,028,985)
At December 31	**243,204,857**	**239,266,350**

Treasury shares

Edenred shares held by the Group are recorded as a deduction from consolidated equity at cost. Capital gains/losses on disposal of Edenred shares are recognized directly in equity and do not affect profit for the financial year.

(in number of shares)	**DEC. 2019**	DEC. 2018
Shares at beginning of period	**1,367,212**	**1,197,257**
PURCHASES OF SHARES		
Share buy-back agreements	1,197,860	1,500,064
Liquidity contracts	8,648	1,212
SALES OF SHARES		
Purchase option exercise, bonus shares and capital allocations	(414,870)	(302,336)
Share cancellation	(1,021,207)	(1,028,985)
SHARES AT END OF PERIOD	**1,137,643**	**1,367,212**

Edenred SA shares held by the Company are measured at cost and recorded as a deduction from equity under "Treasury shares".

At December 31, 2019, a total of 1,137,643 shares were held in treasury.

At December 31, 2018, a total of 1,367,212 shares were held in treasury.

		2019				2018			
		SOLD		PURCHASED		SOLD		PURCHASED	
ENTITY TO WHICH THE CUSTODY OF THE LIQUIDITY CONTRACT* HAS BEEN ASSIGNED	PERIOD	**NO.**	**TOTAL** *(in € millions)*	**NO.**	**TOTAL** *(in € millions)*	NO.	TOTAL *(in € millions)*	NO.	TOTAL *(in € millions)*
Exane BNP Paribas	**Since Oct. 3, 2016**					2,004,701	59	2,003,489	59
Kepler	**Since Jun. 3, 2019**	605,144	26	613,792	26				

* *In accordance with the Code of ethics published by the Association française des marchés financiers (AMAFI) on March 8, 2011 and recognized by France's financial markets regulator Autorité des marchés financiers (AMF) on March 21, 2011.*

The funds allocated to the liquidity contract but not invested in Edenred shares represent liquid assets and are classified as cash equivalents and cash equivalents.

Dividends

2019 dividend

At the Edenred Shareholders Meeting called to approve the financial statements for the year ended December 31, 2019, shareholders will be asked to approve a dividend of €0.87 per share, representing a payout ratio of 67% of attributable Group net profit, in line with the Group's dividend policy.

Subject to approval by the Shareholders Meeting, this dividend will be granted during the first half of 2020. The dividend was not recognized under liabilities in the financial statements for the year ended December 31, 2019 as these financial statements were presented before appropriation of profit.

8.2 Earnings per share

Basic earnings per share

Basic earnings per share are calculated by dividing net profit (attributable to owners of the parent) by the weighted average number of shares outstanding during the year (adjusted to exclude shares held in treasury during the year).

Diluted earnings per share

Diluted earnings per share are calculated based on the average number of outstanding shares, as adjusted to include the weighted average number of shares that would result from the exercise, during the year, of existing stock options and any other dilutive instruments.
Diluted earnings per share are based on the average number of outstanding shares adjusted to take into account the effect of the potential ordinary shares.

At December 31, 2019, the Company's share capital was made up of 243,204,857 ordinary shares.

At December 31, 2019, the number of shares outstanding and the weighted average number of ordinary shares outstanding broke down as follows:

(in shares)	DEC. 2019	DEC. 2018
SHARE CAPITAL AT END OF PERIOD	243,204,857	239,266,350
Number of shares outstanding at beginning of period	**237,898,638**	**234,205,983**
Number of shares issued for dividend payments	3,938,507	3,863,610
Number of shares issued on conversion of performance share plans	894,357	381,970
Number of shares issued on conversion of stock-option plans	126,850	646,515
Number of shares canceled	(1,021,207)	(1,028,985)
Issued shares at period-end excluding treasury shares	**3,938,507**	**3,863,110**
Treasury shares not related to the liquidity contract	238,717	(169,243)
Treasury shares under the liquidity contract	(8,648)	(1,212)
Treasury shares	**230,069**	**(170,455)**
NUMBER OF SHARES OUTSTANDING AT END OF PERIOD	242,067,214	237,898,638
Adjustment to calculate weighted average number of issued shares	(1,659,119)	(1,529,894)
Adjustment to calculate weighted average number of treasury shares	358,665	81,837
Total weighted average adjustment	**(1,300,454)**	**(1,448,057)**
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES OUTSTANDING DURING THE YEAR	**240,766,760**	**236,450,581**

In addition, 30,150 stock options (number outstanding at December 31, 2019) and 2,302,899 performance shares were granted to employees between 2015 and 2019. Conversion of all of these potential shares would increase the number of shares outstanding to 244,400,263.

Based on the above number of potential shares and the average Edenred share price calculated:

- from January 1, 2019 to December 31, 2019 for Plans 3, 4, 5, 6, 7, 8, 9 and 10 (€41.96);
- from February 27, 2019 to December 31, 2019 for Plan 11 (€43.21);

The diluted weighted average number of shares outstanding at December 31, 2019 was 242,459,771.

	DEC. 2019	DEC. 2018
Net profit attributable to owners of the parent *(in € millions)*	**312**	**254**
Weighted average number of issued shares *(in thousands)*	241,546	237,736
Weighted average number of treasury shares *(in thousands)*	(779)	(1,285)
Number of shares used to calculate basic earnings per share *(in thousands)*	**240,767**	**236,451**
Basic earnings per share *(in €)*	**1.30**	**1.07**
Number of shares resulting from the exercise of stock options *(in thousands)*	21	90
Number of shares resulting from performance share grants *(in thousands)*	1,672	2,418
Number of shares used to calculate diluted earnings per share *(in thousands)*	**242,460**	**238,959**
Diluted earnings per share *(in €)*	**1.29**	**1.06**

8.3 Non-controlling interests

(in € millions)	
Dec. 31, 2017 restated (IFRS 15)	**149**
Impact of IFRS 9	(4)
Dec. 31, 2017 restated (IFRS 15 & IFRS 9)	**145**
Net profit from non-controlling interests for the period	31
Dividends paid to non-controlling interests	(32)
Changes in consolidation scope	(34)
Capital increase	3
Other	-
Currency translation adjustment	(2)
Fair value adjustments to financial instruments and assets at fair value through other comprehensive income	-
Dec. 31, 2018	**110**
Impact of IFRS 16	-
Dec. 31, 2018 restated (IFRS 16)	**110**
Net profit from non-controlling interests for the year	34
Dividends paid to non-controlling interests	(25)
Changes in consolidation scope	31
Capital increase	3
Other	5
Currency translation adjustment	(12)
Fair value adjustments to financial instruments and assets at fair value through other comprehensive income	4
Dec. 31, 2019	**150**

Changes in consolidation scope between 2018 and 2019 primarily concerned the acquisition of an 80% interest in TRFC and the transfer of minority interests to Itaú for 11% (see Note 2 "Acquisitions, development projects and disposals").

NOTE 9 EMPLOYEE BENEFITS

9.1 Share-based payments

Stock option plans

The fair value of the options is recognized on a straight-line basis over the vesting period for the relevant plan. The cost is included in employee benefit expense, with a corresponding adjustment to equity. When the option is exercised, the cash amount received by the Group in settlement of the exercise price is booked in cash and cash equivalents, with a corresponding adjustment to equity.

IFRS 2 – Share-based Payment applies to the stock option plans set up by the Board of Directors on August 6, 2010, March 11, 2011 and February 27, 2012. These plans do not have any specific vesting conditions except for the requirement for grantees to continue to be employed by the Group at the end of the vesting period.

The fair value of services received as consideration for the stock options is measured by reference to the fair value of the options at the grant date. The fair value of the options is determined using the Black & Scholes option pricing model. The grant date is defined as the date when the plan's terms and conditions are communicated to Group employees: it corresponds to the date on which the Board of Directors approved the plan.

The main characteristics of the current stock option plans at December 31, 2019 are summarized in the table below:

	PLAN 3
Date of Shareholders' Meeting authorization	May 10, 2010
Date granted by the Board of Directors	February 27, 2012
Duration of the plan	8 years
Start date of the exercise period	February 28, 2016
Expiry date of the exercise period	February 27, 2020
Expected life of the options	0.2 year
Exercise price	€19.03
Number of grantees at the grant date	18
Number of options at the plan launch	382,800
Number of options remaining at December 31, 2019	**30,150**

The fair value of the options at the grant date was determined using the Black & Scholes option pricing model. The main data and assumptions used for the fair value calculations are as follows:

	PLAN 3
Date granted by the Board of Directors	February 27, 2012
DATA AT THE GRANT DATE	
Number of options at the plan launch	382,800
Edenred share price	€20.36
Exercise price	€19.03
Duration of the plan	8 years
Expected volatility	26.50%
Risk-free interest rate	1.72%
Expected dividend yield	2.81%
OPTION FAIR VALUE	**€4.25**
PLAN FAIR VALUE	**€1.6M**

Maturity of stock options

The Group has decided to base the assumed exercise dates of stock options on observed exercise dates under previous plans in the Accor Group. The schedule applied is as follows:

- 35% of options exercised after four years;
- 20% of options exercised after five years;
- 35% of options exercised after six years;
- 5% of options exercised after seven years;
- 5% of options exercised after eight years.

Maturities of stock options correspond to the options' expected lives.

Share price volatility

Edenred's volatility assumptions are based on the period covered by its liquidity contract.

However, as the options have an eight-year life, the Edenred Group also calculated the historical volatility over eight years for three companies operating in the same business segment. Average volatility for these companies was consistent with the rate used by the Edenred Group.

Risk-free interest rate

The risk-free interest rate is the implied yield available on zero-coupon issues by the French government at the grant date.

Movements in 2019 of stock option subscription plans in effect on December 31, 2019 are detailed below:

	DEC. 2019		DEC. 2018	
	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
OPTIONS OUTSTANDING AT BEGINNING OF PERIOD	**167,000**	**€18.93**	**875,665**	**€16.25**
Options granted				
Options canceled or expired	(10,000)	-	(62,150)	€13.69
Options exercised	(126,850)	€43.25	(646,515)	€15.81
Correction from previous year				
OPTIONS OUTSTANDING AT END OF PERIOD	**30,150**	**€42.86**	**167,000**	**€18.93**
OPTIONS EXERCISABLE AT END OF PERIOD	**30,150**	**€42.86**	**167,000**	**€18.93**

The weighted average exercise price was €42.86 in 2019 and €18.93 in 2018.

Performance share plans

IFRS 2 – Share-based Payment also applies to the performance share plans set up by the Board of Directors on February 27, 2012, February 18, 2013, February 17, 2014, February 20, 2015, December 9, 2015, May 4, 2016, March 8, 2017, February 21, 2018 and February 27, 2019.

The recognition principles are the same as those applied to stock option plans.

The number of performance shares is reviewed annually based on changes in the probability of the performance objectives being met.

Main characteristics

Edenred's Board of Directors, at its meetings of February 27, 2012, February 18, 2013, February 17, 2014, February 20, 2015, December 9, 2015, May 4, 2016, March 8, 2017, February 21, 2018 and February 27, 2019, carried out the conditional attribution of performance shares.

The duration of the 2012-to-2015 plans is five years. Performance shares granted to French tax residents are subject to a three-year vesting period followed by a two-year lock-up and shares granted to residents of other countries are subject to a five-year vesting period without any lock-up. During the two-year lock-up, shares cannot be sold. The duration of the 2016-to-2020 plans is three years for all beneficiaries.

Performance shares vest when the performance conditions are fulfilled. However, if the grantee is no longer employed by the Group on the vesting date, depending on the reason for his or her departure the performance share rights may be forfeited or the number of rights may be reduced proportionately to his or her actual period of service since the grant date. Shares definitively acquired cannot exceed 100% of the initial amount granted.

Under the three year plan, the 597,220 shares originally granted on February 27, 2019 will vest on February 27, 2022 provided that several performance conditions are met.

Fulfillment of the performance conditions will be assessed over the period from January 1, 2019 to December 31, 2021, based on the degree to which the following objectives have been met:

(i) two internal performance objectives, which will determine 75% of the total grant and are linked to like-for-like growth in:

- operating EBIT,
- funds from operations before other income and expenses (FFO);

(ii) one external (market) performance objective, which will determine 25% of the total grant and is linked to:

Edenred's total shareholder return (TSR) compared with the average TSR of the companies in the SBF 120 index.

Depending on the actual percentage of fulfillment of each of the plan's three performance conditions, the percentage of fulfillment of each performance condition may reach a maximum of 150% and the conditions can offset each other, when one condition is exceeded and another is not met or only partially met. However, the total number of vested shares may not exceed 100% of the initial amount of shares granted.

Performance shares vest subject to the fulfillment of performance conditions and provided that the grantees are still employed by the Group at the end of the vesting period.

The performance objectives are as follows:

PLAN 3		PLAN 5		PLAN 6		PLAN 7	
PLAN OF FEBRUARY 27, 2012		PLAN OF FEBRUARY 17, 2014		PLAN OF FEBRUARY 20, 2015		PLAN OF DECEMBER 9, 2015	
867,575 SHARES		824,000 SHARES		800,000 SHARES		137,363 SHARES	
WEIGHT	CONDITIONS	WEIGHT	CONDITIONS	WEIGHT	CONDITIONS	WEIGHT	CONDITIONS
50% of the shares granted for the 2011 and 2012 plans	Like-for-like growth in business volume for the years 2012, 2013 and 2014	80% of the shares granted	Two internal performance objectives, linked to like-for-like growth in business volume and funds from operations before non-recurring items (FFO)	80% of the shares granted	Two internal performance objectives, linked to like-for-like growth in business volume and funds from operations before non-recurring items (FFO)	75% of the shares granted	Two internal performance objectives, linked to like-for-like growth in business volume and funds from operations before non-recurring items (FFO)
50% of the shares granted for the 2011 and 2012 plans	Like-for-like growth in funds from operations for the years 2012, 2013 and 2014	20% of the shares granted	One market performance objective, linked to Edenred's total shareholder return (TSR) compared with the average TSR of the companies in the SBF 120 index	20% of the shares granted	One market performance objective, linked to Edenred's total shareholder return (TSR) compared with the average TSR of the companies in the SBF 120 index	25% of the shares granted	One market performance objective, linked to Edenred's total shareholder return (TSR) compared with the average TSR of the companies in the SBF 120 index
The performance objectives were met for Plan 3		The performance objectives were partially met for Plan 5		The performance objectives were partially met for Plan 6		The performance objectives were partially met for Plan 7	

PLAN 8		PLAN 9		PLAN 10		PLAN 11	
PLAN OF MAY 4, 2016		PLAN OF MARCH 8, 2017		PLAN OF FEBRUARY 21, 2018		PLAN OF FEBRUARY 27, 2019	
990,080 SHARES		794,985 SHARES		685,706 SHARES		597,220 SHARES	
WEIGHT	CONDITIONS	WEIGHT	CONDITIONS	WEIGHT	CONDITIONS	WEIGHT	CONDITIONS
75% of the shares granted	Two internal performance objectives, linked to like-for-like growth in business volume and funds from operations before non-recurring items (FFO)	75% of the shares granted	Two internal performance objectives, linked to like-for-like growth in business volume and funds from operations before non-recurring items (FFO)	75% of the shares granted	Two internal performance objectives, linked to like-for-like growth in business volume and funds from operations before non-recurring items (FFO)	75% of the shares granted	Two internal performance objectives, linked to like-for-like growth in operating EBIT and funds from operations before non-recurring items (FFO)
25% of the shares granted	One market performance objective, linked to Edenred's total shareholder return (TSR) compared with the average TSR of the companies in the SBF 120 index	25% of the shares granted	One market performance objective, linked to Edenred's total shareholder return (TSR) compared with the average TSR of the companies in the SBF 120 index	25% of the shares granted	One market performance objective, linked to Edenred's total shareholder return (TSR) compared with the average TSR of the companies in the SBF 120 index	25% of the shares granted	One market performance objective, linked to Edenred's total shareholder return (TSR) compared with the average TSR of the companies in the SBF 120 index
The performance objectives were met for Plan 8		The performance objectives are still being assessed for Plan 9		The performance objectives are still being assessed for Plan 10		The performance objectives are still being assessed for Plan 11	

Fair value of performance share plans

The fair value of performance shares corresponds to the share price on the day of the granting, net of the expected dividend payment during the vesting period. Note that for Plans 3, 5, 6 and 7, for French tax residents, the two-year lock-up period led to a valuation of an illiquidity risk based on the interest rate for a loan to an employee, equal to the interest rate applied by a credit institution to a private client with average financial capacities.

The fair value of performance shares is recognized on a straight-line basis over the vesting period in employee benefit expense, with a corresponding adjustment to equity.

The current fair value of Plan 11 performance shares is €33.54 per share, compared with a share price of €38.07 on February 26, 2019, the last trading day before the grant date.

The fair value of performance shares is recognized on a straight-line basis over the vesting period in employee benefit expense, with a corresponding adjustment to equity. The total cost recognized in respect of the 2019 plan amounted to €5 million in 2019.

	2015	2016	2017	2018	2019
Fair value of benefits for French tax residents	16.08	15.04	18.38	24.26	33.54
Fair value of benefits for non-residents	15.91	15.04	18.38	24.26	33.54
Expense recognized * *(in € millions)*	11.20	8.92	12.36	13.30	15.80

* *With a corresponding adjustment to equity for the duration of the plan.*

9.2 Provisions for pensions and other post-employment benefits

The Group's obligation is determined by the projected unit credit method based on actuarial assumptions related to future salary levels, retirement age, mortality, staff turnover and discount rates. These assumptions take into account the macroeconomic situation and other specific circumstances in each country where the Group operates.

The fair value of the plan assets intended to hedge retirement obligation and other long-term employee benefits is used in order to evaluate the amount of the liability related to them. Pension and other retirement benefit obligations recognized in the balance sheet correspond to the discounted present value of the defined-benefit obligation less the fair value of plan assets. Any surpluses, corresponding to the excess of the fair value of plan assets over the projected benefit obligation, are recognized only when they represent future economic benefits available for the Group, for instance in the form of refunds from the plan or reductions in future contributions to the plan.

The net defined-benefit obligation is recognized in the balance sheet under "Non-current provisions".

For defined-benefit plans, current and past service costs are recognized in operating expenses.

For post-employment benefits, actuarial gains and losses arising from changes in actuarial assumptions and experience adjustments are recognized immediately in equity.

However, actuarial gains and losses related to current employees' long-term benefits, particularly long-service awards and loyalty bonuses, are recognized immediately in net financial expense.

Group employees receive three kinds of benefits:

1) **short-term benefits:** paid vacation, paid sick leave and profit-shares;
2) **long-term benefits:** long-service awards, long-term disability benefits, loyalty bonuses and seniority bonuses;
3) **post-employment benefits:**
   a. defined-contribution plans: Obligations under these plans are funded by periodic contributions to external organizations that are responsible for the administrative and financial management of the plans. Contributions to these plans are recognized immediately as an expense. The external organization is responsible for all benefit payments and the Group has no liability beyond the payment of contributions. Examples of defined-contribution plans include the government-sponsored basic pension and supplementary pension (ARRCO/AGIRC) schemes in France and defined-contribution pension schemes in other countries.

      Contributions to these plans are recognized in the period to which they relate,
   b. defined-benefit plans (end-of-career compensation, pension funds): For defined-benefits plans, the Group assesses its obligation in accordance with IAS 19 (revised) – Employee Benefits. These plans are characterized by the employer's obligation toward employees. If they are not entirely pre-funded, a provision must be set aside.

For Edenred, the main post-employment defined-benefit plans concern:

- defined-benefit pension plans, for which the benefits are calculated as follows:

  lump-sum payments made to employees on retirement, determined by reference to the employee's years of service and final salary,
  - calculation based on factors defined by the Finance and Human Resources Departments each year,
  - related obligation covered by a provision in the balance sheet.

  These plans mainly concern:
  - Holding & Other (57.8% of the total projected benefit obligation at end-2019 *versus* 69.6% at end-2018),
  - United Kingdom (19.5% of the total projected benefit obligation at end-2019 *versus* 10.7% at end-2018, after deducting plan assets),
  - France (12.9% of the total projected benefit obligation at end-2019 *versus* 12.4% at end-2018),
  - Belgium (2.4% of the total projected benefit obligation at end-2019 *versus* 0.2% at end-2018, after deducting plan assets);
- length-of-service awards in Italy (7.4% of the obligation at December 31, 2019):
  - lump-sum payments made to employees on retirement, resignation or dismissal, determined by reference to the employee's years of service and final salary,
  - related obligation covered by a provision in the balance sheet;
- the Edenred Group's pension obligations are funded under insured plans or by external funds. Plan assets therefore consist mainly in the classes of assets held in insurers' general portfolios managed according to conservative investment strategies.

Actuarial assumptions

Actuarial valuations are based on a certain number of long-term factors defined by the Group, which are reviewed each year.

2019	FRANCE	UNITED KINGDOM	BELGIUM	ITALY	HOLDING & OTHER
Rate of future salary increases	2.8%	N/A	2.8%	1.8%	3%-4%
Discount rate	0.8%	1.9%	0.5%	0.5%	0.8%-1.5%
Inflation rate	1.8%	3.6%	1.8%	1.8%	1.8%

2018	FRANCE	UNITED KINGDOM	BELGIUM	ITALY	HOLDING & OTHER
Rate of future salary increases	2.8%	N/A	2.8%	1.5%	3%-4%
Discount rate	1.5%	2.8%	1.5%	1.5%	1.5%

Funded status of post-employment defined-benefit plans and long-term employee benefits

To improve legibility, Edenred has decided to present only non-zero and/or material aggregates.

At December 31, 2019

(in € millions)	DEFINED-BENEFIT PENSION PLANS	OTHER DEFINED BENEFIT PLANS *	TOTAL
Present value of funded obligation	26	-	26
Fair value of plan assets	(18)	-	(18)
Surplus (deficit)	**8**	**-**	**8**
Present value of unfunded obligation	-	23	23
Unrecognized past service cost	-	-	-
Surplus recognized in assets	-	-	-
LIABILITIES RECOGNIZED IN THE BALANCE SHEET	**8**	**23**	**31**

* *Including length-of-service awards and loyalty bonuses.*

At December 31, 2018

(in € millions)	DEFINED-BENEFIT PENSION PLANS	OTHER DEFINED BENEFIT PLANS *	TOTAL
Present value of funded obligation	20	-	20
Fair value of plan assets	(17)	-	(17)
Surplus (deficit)	**3**	**-**	**3**
Present value of unfunded obligation	-	25	25
LIABILITIES RECOGNIZED IN THE BALANCE SHEET	**3**	**25**	**28**

* *Including length-of-service awards and loyalty bonuses.*

Change in funded status of post-employment defined-benefit plans by region

	PENSION PLANS									
(in € millions)	FRANCE	UNITED KINGDOM	BELGIUM	ITALY	HOLDING & OTHER *	REST OF THE WORLD	TOTAL	OTHER BENEFITS	**TOTAL 2019**	TOTAL 2018
PROJECTED BENEFIT OBLIGATION AT BEGINNING OF PERIOD	3	14	5	2	17	3	44	1	45	44
Service costs	1	-	-	-	2	1	4	-	4	3
Interest costs	-	-	-	-	1	-	1	-	1	1
Past service costs (plan amendments)	-	-	-	-	-	-	-	-	-	-
Plan curtailments/settlements	-	-	-	-	(8)	-	(8)	-	(8)	-
Benefits paid	-	-	-	-	-	(1)	(1)	-	(1)	(2)
Actuarial (gains) losses	-	3	1	-	3	1	8	-	8	-
Currency translation adjustment	-	1	-	-	-	-	1	-	1	-
Total other	-	-	-	-	-	-	-	-	-	1
PROJECTED BENEFIT OBLIGATION AT END OF PERIOD	**4**	**18**	**6**	**2**	**15**	**4**	**49**	**1**	**50**	**46**

* *The impact on actuarial gains and losses is mainly due to experience adjustments resulting from the change in governance.*

(in € millions)	FRANCE	UNITED KINGDOM	BELGIUM	ITALY	HOLDING & OTHER	REST OF THE WORLD	TOTAL	OTHER BENEFITS	**TOTAL 2019**	TOTAL 2018
FAIR VALUE OF PLAN ASSETS AT BEGINNING OF PERIOD	**-**	**11**	**5**	**-**	**-**	**1**	**17**	**-**	**17**	**18**
Financial income	-	1	-	-	-	-	1	-	1	-
Actual return on plan assets	-	-	-	-	-	-	-	-	-	-
Employer contributions	-	-	-	-	-	-	-	-	-	-
Benefits paid	-	(1)	-	-	-	-	(1)	-	(1)	(1)
Currency translation adjustment	-	1	-	-	-	-	1	-	1	-
FAIR VALUE OF PLAN ASSETS AT END OF PERIOD	**-**	**12**	**5**	**-**	**-**	**1**	**18**	**-**	**18**	**17**

(in € millions)	FRANCE	UNITED KINGDOM	BELGIUM	ITALY	HOLDING & OTHER	REST OF THE WORLD	TOTAL	OTHER BENEFITS	**TOTAL 2019**	TOTAL 2018
PLAN DEFICIT AT BEGINNING OF PERIOD *	3	3	-	2	17	2	27	1	28	26
Provision at end of period	4	6	1	2	14	3	30	1	31	28
PLAN DEFICIT AT END OF PERIOD	**4**	**6**	**1**	**2**	**14**	**3**	**30**	**1**	**31**	**29**

* *Including length-of-service awards and loyalty bonuses.*

(in € millions)	FRANCE	UNITED KINGDOM	BELGIUM	ITALY	HOLDING & OTHER	REST OF THE WORLD	TOTAL	OTHER BENEFITS	TOTAL 2019	TOTAL 2018
Service costs	**-**	**-**	**-**	**-**	**2**	**1**	**3**	**-**	**3**	**3**
Net interest income	-	-	-	-	(8)	-	(8)	-	(8)	-
COST FOR THE PERIOD	**-**	**-**	**-**	**-**	**(6)**	**1**	**(5)**	**-**	**(5)**	**3**
Actuarial gains and losses recognized in equity	**-**	**3**	**1**	**(0)**	**3**	**1**	**7**	**(0)**	**7**	**1**

Charges in pension liabilities (including loyalty bonuses) between January 1, 2018 and December 31, 2019

(in € millions)	AMOUNT
Liability at January 1, 2018	**26**
Additions for the year	4
Reversals of unused amounts	-
Used amounts	(1)
Actuarial gains and losses for the period recognized in equity	1
Effect of changes in consolidation scope	-
Currency translation adjustment	(1)
Liability at December 31, 2018	**28**
Additions for the year	4
Reversals of unused amounts	(8)
Used amounts	(1)
Actuarial gains and losses for the period recognized in equity	7
Effect of changes in consolidation scope	-
Currency translation adjustment	1
Liability at December 31, 2019	**31**

Actuarial gains and losses arising from changes in assumptions and experience adjustments

(in € millions)	2019	2018
Actuarial (gains) and losses – experience adjustments	2	2
Actuarial (gains) and losses – changes in demographical assumptions	-	-
Actuarial (gains) and losses – changes in financial assumptions	5	(1)
ACTUARIAL (GAINS) LOSSES	**7**	**1**

Sensitivity analysis

At December 31, 2019, a 0.5 point increase/decrease in the discount rate would lead to a roughly €4 million change in the Group's projected benefit obligation.

NOTE 10 OTHER PROVISIONS AND OBLIGATIONS

10.1 Other income and expenses

To make the consolidated financial statements easier to read, certain specific items of income and expense are reported under "Other income and expenses". This item is used only for income and expenses:
- related to a major event that occurred during the reporting period; and
- whose impact, if it were not presented separately from that of other transactions, would distort the understanding of the Group's underlying performance by users of the financial statements.

Other income and expenses can be analyzed as follows:

(in € millions)	DEC. 2019	DEC. 2018
Movements in restructuring provisions	(2)	(1)
Restructuring and reorganization costs	(3)	(4)
Restructuring expenses	**(5)**	**(5)**
Impairment of property, plant and equipment	-	(5)
Impairment of intangible assets	(14)	(1)
Impairment of assets	**(14)**	**(6)**
Capital gains and losses	(4)	-
Reclassification of currency translation adjustments	(2)	-
Provisions	16	2
Non-recurring gains (losses)	(16)	(22)
Other	**(6)**	**(20)**
TOTAL OTHER INCOME AND EXPENSES *	**(25)**	**(31)**

* *Net cash costs included under this caption amounted to €33 million in 2019 and €26 million in 2018.*

Other income and expenses in 2019 were primarily as follows:

- €6 million in fees related to acquisitions in 2019;
- additional impairment of €8 million for Colombian, French and Mexican assets;
- goodwill impairment in Brazil for €3 million relating to a non-core asset and in Japan for €3 million;
- restructuring costs for €5 million.

Other income and expenses in 2018 were primarily as follows:

- €16 million in fees related to acquisitions in 2018;
- additional impairment of €3 million for Russian assets;
- goodwill impairment in Malaysia for €4 million;
- restructuring costs for €5 million.

10.2 Provisions

In accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, a provision is recognized when the Group has a present obligation (legal, contractual or implicit) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are determined based on the best estimate of the expenditure required to settle the obligation.
Provisions for restructuring costs are recorded when the Group has a detailed formal plan for the restructuring and the plan's main features have been announced to those affected by it.

Provisions for losses due to voucher theft are calculated for reported thefts based on a percentage of the stolen vouchers' aggregate face value corresponding to the Group's best estimate of the proportion of those vouchers that will be cashed in.

Movements in non-current provisions between January 1, 2019 and December 31, 2019 can be analyzed as follows:

(in € millions)	DEC. 31, 2018	IMPACT ON EQUITY	ADDITIONS	USED AMOUNTS	REVERSALS OF UNUSED AMOUNTS	CURRENCY TRANSLATION ADJUSTMENT	RECLASSI-FICATIONS AND CHANGES IN SCOPE	DEC. 31, 2019
• Provisions for pensions and loyalty bonuses	28	7	4	(1)	(8)	-	1	31
• Provisions for claims and litigation and other contingencies	11	-	2	(2)	(1)	-	2	12
TOTAL NON-CURRENT PROVISIONS	**39**	**7**	**6**	**(3)**	**(9)**	**-**	**3**	**43**

Movements in current provisions between January 1, 2019 and December 31, 2019 can be analyzed as follows:

(in € millions)	DEC. 31, 2018	IMPACT ON EQUITY	ADDITIONS	USED AMOUNTS	REVERSALS OF UNUSED AMOUNTS	CURRENCY TRANSLATION ADJUSTMENT	RECLASSI-FICATIONS AND CHANGES IN SCOPE	DEC. 31, 2019
• Restructuring provisions	2	-	2	(1)	-	-	-	3
• Provisions for claims and litigation and other contingencies	38	-	7	(23)	(1)	-	(2)	19
TOTAL CURRENT PROVISIONS	**40**	**-**	**9**	**(24)**	**(1)**	**-**	**(2)**	**22**

Taken individually, all ongoing disputes are immaterial, with the exception of those presented in Note 10.3 "Claims and litigation".

The used amounts of provisions for claims and litigation mainly comprised the utilization of a €19 million provision relating to the dispute with Kering (formerly PPR) and Conforama.

10.3 Claims and litigation

In the normal course of its business, the Group is involved in a certain number of disputes with third parties or with judicial or administrative authorities (including tax authorities).

Information on these disputes can be found in Note 10.3 to the consolidated financial statements for the year ended December 31, 2019. Developments in 2019 are presented below.

Antitrust dispute in France

On October 9, 2015, the French company Octoplus filed a complaint with the French Antitrust Authority against several French companies in the meal voucher sector, including Edenred France. The Antitrust Authority's Board met on April 5, 2016 and on July 7, 2016 to hear all the parties concerned as well as the Investigation Departments. On October 6, 2016, the Antitrust Authority decided to pursue its investigations without passing provisional measures against Edenred France.

On February 27, 2019, the Investigation Departments provided Edenred France with their final report, which contained two complaints dating from the early 2000s concerning information sharing through the Centrale de remboursement des titres (CRT) and the use of the CRT to lock up the meal voucher market. Edenred submitted its observations to the Antitrust Authority on April 29, 2019. On December 17, 2019, the Antitrust Authority announced that it had decided to fine Edenred €157 million on the grounds of the above two complaints. Edenred believes that the Antitrust Authority has misunderstood the competitive situation in the French meal voucher market and the CRT's role in this market. It therefore intends to appeal this ruling and, based on the opinion of its legal advisors, considers that it has strong arguments to challenge the Antitrust Authority's decision. Therefore, the Company has not set aside a related provision.

Dispute with Kering (formerly PPR, which has been substituted for Fnac in the procedure) and Conforama

Edenred France (to which the rights of Accentiv' Kadéos were transferred) is involved in a dispute with Fnac and Conforama, two members of its gift solution acceptance and distribution network. The litigation concerns the breach by both companies of some of their contractual obligations, particularly the exclusive distribution of the Kadéos® card applicable until December 31, 2011.

In a decision on the merits of the case handed down on March 14, 2016, the Paris Commercial Court ordered Kering and Conforama to pay Edenred France an additional €7 million for damages sustained as well as €100,000 as compensation for the lawsuit brought by Kering and Conforama, which was considered to represent an abuse of process.

In a ruling handed down on December 12, 2018, the Paris Court of Appeal ordered Edenred France to return the above amounts that it had received in penalties and damages. Edenred France opposes the Court of Appeal's ruling and has brought the matter before the Court of Cassation. Proceedings are still ongoing. In the meantime, the penalties and damages totaling €19 million were repaid by Edenred France on January 24, 2019. This amount had been fully provisioned at December 31, 2018.

Futureo dispute

Edenred France was a 38% minority shareholder of Aqoba SA, which in turn controlled Aqoba EP, a payment institution licensed by France's banking supervisor, Autorité de contrôle prudentiel et de résolution.

Aqoba SA and Aqoba EP were placed in compulsory liquidation in June 2014, notably leading to the termination of Aqoba EP's contract for the supply of payment services to Futureo.

On December 24, 2014, Futureo was also placed in compulsory liquidation. The liquidator brought suit against Edenred France and another shareholder of Aqoba SA before the Nanterre Commercial Court, alleging that they were responsible for Futureo's bankruptcy. Futureo's former Chief Executive Officer joined the suit. Together, Futureo's liquidator and the former Chief Executive Officer estimate their losses at around €15.6 million.

The Commercial Court held the first-instance hearing on December 17, 2019 and is expected to hand down its ruling in the first half of 2020.

Based on the opinion of its legal advisers, the Company believes that it has solid arguments in its defense. Therefore, the Company has not set aside a related provision.

Turkish antitrust litigation

In February 2010, the Turkish antitrust authorities conducted an investigation into Edenred Turkey and Sodexo Turkey to examine the behavior of these two entities on their market between 2007 and 2010. In July 2010, this investigation resulted in a decision to close the case without further action. After examining the application of another market participant seeking the annulment of that decision, the High Court of Justice ruled that the antitrust authorities had to conduct a full investigation of six market participants in Turkey, including Edenred, on the basis of their respective behavior on the service voucher market between 2007 and 2010.

On November 15, 2018, the Turkish antitrust authorities imposed a fine of approximately €1 million on Edenred in its capacity as a shareholder of Netser, the subsidiary set up 17 years ago with Sodexo to offer restaurant operators an efficient, low-cost technical electronic payments solution. Edenred paid the fine in the first half of 2019. The Company appealed the decision before the Ankara Administrative Court on May 31, 2019.

ICSID dispute

Pursuant to a change in the Hungarian regulatory and tax framework related to the issue conditions of meal and food vouchers, the Company filed a request for arbitration in August 2013 against the Hungarian government before the International Centre for Settlement of Investment Disputes (ICSID). The hearing was held before the Arbitral Court in November 2015, and on December 13, 2016, the Court sentenced the Hungarian Government to pay Edenred approximately €23 million, excluding interest (5% per year starting on January 1, 2012, which represents approximately €6 million). This decision represents an important step in the settlement of the dispute.

As the procedure is now closed, at December 31, 2016, the amount to be received is considered as certain according to IAS 37. As a consequence and pending the enforcement of the arbitral award, an estimate considered as reasonable of income and a related receivable for a net amount of €22 million were recognized in "Non-recurring income and expenses" in the Group's financial statements for the period ended December 31, 2016. This amount was received in March 2017. On April 11, 2017, the Hungarian government filed an application for annulment of the award, claiming that the tribunal had manifestly exceeded its powers and had failed to provide a legal basis for its award. The *ad hoc* proceedings related to this application have been stayed in response to an application for revision filed by the Hungarian government (see below). However, this situation does not affect the Company's assessment of the risk at December 31, 2018.

On June 5, 2018, the Hungarian government filed an application for the revision of the award further to a decision handed down by the Court of Justice of the European Union on March 6, 2018 in the Achméa case. The reconstituted tribunal dismissed the Hungarian government's claim on February 7, 2019 and reopened its investigation into the annulment procedure, which had been stayed. The appeal against the annulment procedure was heard on January 27, 2020. The Courts' ruling has been received by the Group on March, 9, 2020. Following reception of these conclusions, Edenred views the application as having no basis in law and has thus not revised its assessment of the risk at December 31, 2019.

Edenred SA tax audit

In 2018 and 2019, a tax audit was carried out at Edenred SA, covering the period 2014 to 2016.

In December 2018, the French tax authorities notified the Company of a proposed reassessment of the tax paid in 2014. On the grounds that the brand royalties billed to the Brazilian subsidiaries were understated and were not on arm's length terms.

Notification of the proposed reassessments of tax paid in 2015 and 2016 was received by the Company in July 2019. As originally expected, the tax authorities reduced the 2014 reassessment to align its position with that adopted with regard to 2015 and 2016.

The total tax, late interest and penalties claimed for the three years amount to €17 million. The Company has contested the reassessments and took up the matter with the national tax Board in early 2019. The national tax Board heard the Company's arguments at the end of January 2020. Its decision is currently pending.

Based on the opinion of its tax advisers, the Company believes that it has solid arguments in its defense. Therefore, the Company has not set aside a related provision.

Tax litigation in Brazil

Municipal tax – Ticket Serviços

In December 2011, the municipality of São Paulo notified the Brazilian company Ticket Serviços of a reassessment of municipal tax (ISS – *Imposto Sobre Serviços*) for the period from April to December 2006, even though the Company had already paid this tax to the municipality of Alphaville.

For this period, the principal amount of the reassessment was 8 million Brazilian reais (€2 million), plus 83 million Brazilian reais (€18 million) in penalties and interest at December 31, 2019.

In November 2012, the municipality notified the Company, on the same basis, of the amounts related to the period from January 2007 to March 2009.

For this second period, the principal amount of the reassessment was 28 million Brazilian reais (€6 million), plus 305 million Brazilian reais (€68 million) in penalties and interest at December 31, 2019. The Company's motion before the Brazilian courts was denied in the first trial and an appeal was filed.

In addition to the reassessments mentioned above, the Company may be required to pay for the government's legal fees and the court fees for a total of 42 million Brazilian reais (€9 million).

The administrative chamber of appeal ruled against the Company on September 23, 2014. The Company appealed the decision.

On August 11, 2015, the appeal lodged by the Company was denied, thereby putting an end to the administrative phase of the dispute.

On November 10, 2015, the Company filed a motion with the Court of Justice of the State of São Paulo for cancellation of the reassessments.

Based on the opinion of its tax advisers, the Company believes that the chance of a favorable outcome is very good. Therefore, the Company has not set aside a related provision.

The motion included a request to defer the payment of the disputed amount, which was granted by a decision handed down on November 12, 2015. The tax authorities appealed this decision, but the appeal was denied. The State of São Paulo appealed to the Supreme Court of Justice.

At the Court's request, the Company provided a guarantee issued by Swiss Re.

A first instance decision is still being awaited.

An expert was appointed as part of the proceedings to observe and examine the facts of the case. The expert's opinion was favorable to the Company.

Based on the opinion of an expert who has examined the facts, the Company believes that the chance of a favorable outcome is very good. Therefore, the Company has not set aside a related provision.

Tax allowance for goodwill amortization

In January 2012, the Brazilian federal tax authorities notified Ticket Serviços of a reassessment of corporate income tax and the additional contribution (IRPJ and CSLL) for the fiscal years spanning from 2007 to 2010. The principal amount of the reassessment was 82 million Brazilian reais (€18 million), plus 271 million Brazilian reais (€60 million) in penalties and interest at December 31, 2019.

During 2016, the tax authorities issued two new reassessments, in line with the previous reassessment, for the following periods:

- for 2011, the principal amount of the reassessment was 25 million Brazilian reais (€5 million), plus 68 million Brazilian reais (€15 million) in penalties and interest at December 31, 2019;
- for 2012, the reassessment was 16 million Brazilian reais (€4 million), plus 43 million Brazilian reais (€10 million) in penalties and interest at December 31, 2019.

The tax authorities disallowed the tax deductibility of the goodwill amortization recognized on the buyout of the minority interest in Ticket Serviços. Ticket Serviços initiated proceedings before the administrative courts. The motion was denied by the higher court. The Company was officially notified of this decision on August 14, 2015 and filed a request for clarification.

The request was rejected by the administrative courts.

The Company has filed a first-instance request before the judicial courts to have the reassessments canceled and an application has also been made for a stay of payment of the contested amount. In 2018, the Company posted a bank guarantee in support of its application for a stay of payment in an amount of 352 million Brazilian reais (€78 million), which constitutes an off-balance sheet commitment given by the Group.

Based on the opinion of its tax advisers, the Company believes that the chance of a favorable outcome is very good. Therefore, the Company has not set aside a related provision.

Tax litigation in Italy

In 2019, a tax audit was carried out at Edenred Italy, covering the period from 2014 to 2016.

In June 2019, the Italian tax authorities informed the Company that the tax audit had been completed. The tax authorities have challenged the brand royalties billed to Edenred Italia by Edenred SA, as well as the timing of revenue recognition.

In November 2019, the authorities issued a reassessment notice confirming their positions. This notice has the effect of suspending the statute of limitations.

The administrative procedure is currently pending.

Based on the opinion of its tax advisers, the Company believes that it has solid arguments in its defense. However, in line with the principle of prudence, a provision of €1 million has been set aside for this matter, corresponding to the Company's estimate of the reassessment risk which is viewed as limited.

NOTE 11 ADDITIONAL INFORMATION

11.1 Additional information about jointly controlled entities

Not applicable.

11.2. Related-party transactions

For the purpose of applying IAS 24, the Group has identified the following related parties:

- all members of the Executive Committee and of the Board of Directors, and the members of their direct families;
- all companies in which a member of the Executive Committee holds material voting rights;

Companies accounted for by the equity method

Relations between the parent company and its associates are presented on a dedicated line in the consolidated income statement and statement of financial position.

Members of the Executive Committee

Transactions with members of the Executive Committee are disclosed in full in Note 11.3.

Members of the Board of Directors

The only compensation paid to the members of the Board of Directors are the attendance fees. The amount of attendance fees paid to the members of the Board of Directors in respect of 2019 totaled €0.6 million. The Chief Executive Officer does not receive any attendance fees; his compensation is disclosed in Note 11.3 "Compensation paid to key management staff".

11.3. Compensation paid to key management staff

(in € millions)	2019	2018
Short-term benefits	13	11
Share-based payments	7	6
TOTAL COMPENSATION	**20**	**17**

11.4 Statutory Auditors' fees

The table below shows the total fees billed by the Statutory Auditors that were recognized in the income statement in respect of the two periods presented:

	DELOITTE & ASSOCIÉS				ERNST & YOUNG			
	AMOUNT (EXCL. TAX)		%		AMOUNT (EXCL. TAX)		%	
(in € millions)	DEC. 2019	DEC. 2018	DEC. 2019	DEC. 2018	DEC. 2019	DEC. 2018	DEC. 2019	DEC. 2018
FEES PAID TO THE STATUTORY AUDITORS FOR CERTIFYING THE FINANCIAL STATEMENTS								
• Issuer	(0.4)	(0.5)	16%	17%	(0.4)	(0.5)	19%	23%
• Fully consolidated subsidiaries	(1.4)	(1.4)	58%	50%	(1.3)	(1.3)	68%	64%
SUB-TOTAL	(1.8)	(1.8)	74%	67%	(1.7)	(1.7)	87%	87%
FEES PAID TO THE STATUTORY AUDITORS FOR OTHER SERVICES*								
• Issuer	(0.0)	(0.1)	1%	2%	(0.0)	(0.0)	0%	1%
• Fully consolidated subsidiaries	(0.6)	(0.8)	25%	30%	(0.3)	(0.2)	13%	11%
SUB-TOTAL	(0.7)	(0.9)	26%	33%	(0.3)	(0.3)	13%	13%
TOTAL	**(2.5)**	**(2.7)**	**100%**	**100%**	**(2.0)**	**(2.0)**	**100%**	**100%**

* *In 2019, these fees mainly concerned tax and payroll compliance engagements, as well as buy-side due diligence.*

11.5. Off-balance sheet commitments

Off-balance sheet commitments given

Off-balance sheet commitments amounted to €475 million at December 31, 2019, *versus* €433 million a year earlier.

At December 31, 2019, off-balance sheet commitments given broke down as follows:

(in € millions)	DEC. 31, 2019 <1 YEAR	DEC. 31, 2019 >1 YEAR <5 YEARS	DEC. 31, 2019 >5 YEARS	DEC. 31, 2019 TOTAL	DEC. 31, 2018
Voucher sale guarantees given to the public sector	81	23	8	112	88
Guarantees given to the public sector in Mexico	64	7	-	71	-
Bank bonds issued in Brazil	-	-	45	45	33
Bail bond issued within the framework of tax litigation on municipal tax in Brazil (ISS)	-	-	80	80	81
Bail bond issued within the framework of litigation on tax allowances for goodwill amortization	-	-	78	78	75
Capital commitments given to the Partech VI investment fund	6	3	-	9	8
Intermarché bond as part of the contract with LCCC	30	-	-	30	30
SUB-TOTAL	181	33	211	425	315
Other *	7	19	24	50	118
TOTAL OFF-BALANCE SHEET COMMITMENTS GIVEN	**188**	**52**	**235**	**475**	**433**

* *Mainly comprising rental commitments not included in the scope of IFRS 16 and deposits.*

To the best of the Group's knowledge and in accordance with generally accepted accounting principles, no commitments given have been omitted from the above list.

Off-balance sheet commitments received

Off-balance sheet commitments received from third parties at December 31, 2019 amounted to €3 million. They consisted mainly in guarantees received from clients in Brazil in exchange for post-payment facilities granted by *Repom* for the same amount.

NOTE 12 LIST OF CONSOLIDATED COMPANIES AT DECEMBER 31, 2019

In accordance with Regulation 2016-09 of French accounting Board Autorité des normes comptables françaises, the list of consolidated companies and details of the main investments in non-consolidated companies are provided below for users of the financial statements. All companies controlled by the Group or over which the Group exercises significant influence are included in the scope of consolidation.

			2019		2018		
COMPANY	COUNTRY		METHOD	INTEREST HELD *(%)*	METHOD	INTEREST HELD *(%)*	CHANGE *(%)*
FRANCE							
Conecs	France		EQ	25.00	EQ	25.00	0.00
Edenred Corporate Payment France	France		FC	100.00	FC	100.00	0.00
Edenred France SAS	France		FC	100.00	FC	100.00	0.00
Edenred Paiement	France		FC	100.00	FC	100.00	0.00
Ticket Fleet Pro SAS	France		FC	100.00	FC	100.00	0.00
Edenred Fuel Card A	France		FC	100.00	FC	100.00	0.00
La Compagnie des Cartes Carburants	France		FC	80.48	FC	80.48	0.00
Proweb CE	France		FC	99.30	FC	99.30	0.00
PWCE Participations	France		FC	99.30	FC	99.30	0.00
Servicarte SA	France		FC	100.00	FC	100.00	0.00
UTA France S.A.R.L.	France	(UTA sub-group)	FC	83.00	FC	83.00	0.00
Edenred Fleet & Mobility SAS	France		FC	100.00	FC	100.00	0.00
Addworking	France		NC	16.78	NC	16.78	0.00
Lucky Cart SAS	France		NC	24.48	NC	24.39	0.09
Zen Chef	France		NC	15.13	NC	15.76	-0.63
Andjaro	France		NC	22.73	NC	22.73	0.00
ACTIVITIZ	France		NC	9.89	NC	9.89	0.00
CRCESU	France		NC	16.67	NC	16.67	0.00
CRT	France		NC	25.00	NC	25.00	0.00
E-SOLUTIONS NC SAS	France		NC	30.00	NC	30.00	0.00

COMPANY	COUNTRY		2019 METHOD	2019 INTEREST HELD (%)	2018 METHOD	2018 INTEREST HELD (%)	CHANGE (%)
EUROPE (EXCL. FRANCE)							
Edenred Austria GmbH	Austria		FC	100.00	FC	100.00	0.00
UTA Austria GmbH	Austria	(UTA sub-group)	FC	83.00	FC	83.00	0.00
Edenred Belgium SA	Belgium		FC	100.00	FC	100.00	0.00
Luncheck SA	Belgium		FC	99.99	FC	99.99	0.00
Award Services	Belgium		FC	100.00	FC	100.00	0.00
Merits & Benefits	Belgium	New in scope	FC	100.00	N/A	N/A	N/A
Ekivita	Belgium	New in scope	FC	100.00	N/A	N/A	N/A
Edenred Bulgaria AD	Bulgaria		FC	50.00	FC	50.00	0.00
UTA Bulgaria	Bulgaria	(UTA sub-group)	FC	83.00	FC	83.00	0.00
Edenred Burundi	Burundi		FC	100.00	FC	100.00	0.00
UTA Czech s.r.o.	Czech Republic	(UTA sub-group)	FC	83.00	FC	83.00	0.00
Edenred CZ SRO	Czech Republic		FC	100.00	FC	100.00	0.00
Edenred Production Center	Czech Republic		FC	100.00	FC	100.00	0.00
Nikosax A/S	Denmark	(UTA sub-group)	FC	83.00	FC	83.00	0.00
Timex Card Estonia	Estonia	(UTA sub-group)	FC	44.82	FC	44.82	0.00
Edenred Finland	Finland		FC	100.00	FC	100.00	0.00
Ages Maut System Gmbh & Co KG	Germany	(UTA sub-group)	NC	16.60	EQ	16.60	0.00
Ages International Gmbh & Co KG	Germany	(UTA sub-group)	NC	16.60	EQ	16.60	0.00
Edenred Deutschland Gmbh	Germany		FC	100.00	FC	100.00	0.00
Edenred Incentive & Rewards Gmbh	Germany		FC	100.00	FC	100.00	0.00
Edenred Vouchers Gmbh	Germany		FC	100.00	FC	100.00	0.00
Edenred Tankkarten*	Germany		FC	100.00	FC	100.00	0.00
Union Tank Eckstein Gmbh & Co. KG	Germany	(UTA sub-group)	FC	83.00	FC	83.00	0.00
Itemion GmbH & Co. KG	Germany	(UTA sub-group)	FC	83.00	FC	83.00	0.00
Union Tank Eckstein GmbH	Germany	(UTA sub-group)	FC	83.00	FC	83.00	0.00
Itemion Verwaltungs GmbH	Germany	(UTA sub-group)	FC	83.00	FC	83.00	0.00
Mercedes Service Card GmbH & Co KG	Germany	(UTA sub-group)	EQ	40.67	EQ	40.67	0.00
Mercedes Service Card Beteiligungs GmbH	Germany	(UTA sub-group)	EQ	40.67	EQ	40.67	0.00
Timex Card	Germany		FC	44.82	FC	44.82	0.00
OMEGA 2 GmbH	Germany	New in scope	FC	100.00	N/A	N/A	N/A
Vouchers Service	Greece		FC	51.00	FC	51.00	0.00
UTA Magyarország Kft.	Hungary	(UTA sub-group)	FC	83.00	FC	83.00	0.00
Nikosax HU	Hungary	(UTA sub-group)	FC	83.00	FC	83.00	0.00
Edenred Magyarorszag Kft	Hungary		FC	100.00	FC	100.00	0.00
UTA Italia s.r.l.	Italy	(UTA sub-group)	FC	83.00	FC	83.00	0.00
Edenred Italia SRL (Italy)	Italy		FC	100.00	FC	100.00	0.00
Edenred Italia Fin S.r.l	Italy		FC	100.00	FC	100.00	0.00
Easy Welfare	Italy	New in scope	FC	100.00	N/A	N/A	N/A

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COMPANY	COUNTRY		2019 METHOD	2019 INTEREST HELD (%)	2018 METHOD	2018 INTEREST HELD (%)	CHANGE (%)
Easy Welfare Broker	Italy	New in scope	FC	100.00	N/A	N/A	N/A
RWA Consulting	Italy	New in scope	FC	100.00	N/A	N/A	N/A
EW Innovation	Italy	New in scope	FC	100.00	N/A	N/A	N/A
Welfare Innovation	Italy	New in scope	NC	12.50	N/A	N/A	N/A
Timex Card Lithuania	Lithuania	(UTA sub-group)	FC	44.82	FC	44.82	0.00
UAB Areja	Lithuania	New in scope	FC	100.00	N/A	N/A	N/A
Edenred Luxembourg	Luxembourg		FC	100.00	FC	100.00	0.00
Cube RE S.A	Luxembourg		FC	100.00	FC	100.00	0.00
Daripod Holding	Luxembourg		FC	50.00	FC	50.00	0.00
Edenred MD S.R.L.	Moldova		FC	100.00	FC	100.00	0.00
UTA Nederland B.V.	Netherlands	(UTA sub-group)	FC	83.00	FC	83.00	0.00
Edenred Nederland	Netherlands		FC	100.00	FC	100.00	0.00
Timex card	Poland	(UTA sub-group)	FC	44.82	FC	44.82	0.00
Nikosax PL	Poland	(UTA sub-group)	FC	83.00	FC	83.00	0.00
Accor Services Polska SP. ZO.O.	Poland		FC	100.00	FC	99.99	0.01
Edenred Portugal Lda	Portugal		FC	50.00	FC	50.00	0.00
One Card	Portugal		FC	86.34	FC	56.34	30.00
UTA Romania Services srl	Romania	(UTA sub-group)	FC	83.00	FC	83.00	0.00
Edenred Romania srl	Romania		FC	100.00	FC	100.00	0.00
BENEFIT ADMIN	Romania	New in scope	NC	100.00	N/A	N/A	N/A
BENEFIT BROKER DE PENSII PRIVATE	Romania	New in scope	NC	100.00	N/A	N/A	N/A
BENEFIT SYSTEMS SRL	Romania	New in scope	NC	100.00	N/A	N/A	N/A
Edenred Digital Technology Center	Romania	New in scope	FC	100.00	N/A	N/A	N/A
Daripodarki	Russia		FC	50.00	FC	50.00	0.00
Edenred Slovakia S.R.O.	Slovakia		FC	100.00	FC	100.00	0.00
UTA Slovakia s.r.o	Slovakia	(UTA sub-group)	FC	83.00	FC	83.00	0.00
Ticket Service	Slovakia		FC	100.00	NC	0.00	100.00
UTA Espana S.L	Spain	(UTA sub-group)	FC	83.00	FC	83.00	0.00
Nikosax Espana	Spain	(UTA sub-group)	FC	83.00	FC	83.00	0.00
Edenred Espana SA	Spain		FC	100.00	FC	100.00	0.00
IziCard SL	Spain		NC	39.68	NC	39.68	0.00
Edenred Sweden AB	Sweden		FC	100.00	FC	100.00	0.00
Delicard Group AB	Sweden		FC	100.00	FC	100.00	0.00
UTA Tank AG	Switzerland	(UTA sub-group)	FC	83.00	FC	83.00	0.00
Timex Card Ukraine	Ukraine	(UTA sub-group)	FC	44.82	FC	44.82	0.00
UTA Freight (UK) Limited	United Kingdom	(UTA sub-group)	FC	83.00	FC	83.00	0.00
Edenred (UK Group) Ltd	United Kingdom		FC	100.00	FC	100.00	0.00
Edenred (Incentives & Motivation) Limited	United Kingdom		FC	100.00	FC	100.00	0.00
Edenred (Travel) Limited	United Kingdom		FC	100.00	FC	100.00	0.00
Edenred (Employee Benefits) Limited	United Kingdom		FC	100.00	FC	100.00	0.00

COMPANY	COUNTRY		2019 METHOD	2019 INTEREST HELD (%)	2018 METHOD	2018 INTEREST HELD (%)	CHANGE (%)
Prepay	United Kingdom		FC	70.45	FC	70.45	0.00
ECP UK	United Kingdom		FC	100.00	FC	100.00	0.00
Luncheon Voucher Ireland	United Kingdom		FC	100.00	FC	100.00	0.00
ChildCare Vouchers Limited	United Kingdom		FC	100.00	FC	100.00	0.00
LaunchPad Recruits Ltd	United Kingdom		NC	13.23	NC	13.23	0.00
Globalvcard Paysystems UK	United Kingdom	New in scope	FC	100.00	N/A	N/A	N/A
The Right Fuel Card Group	United Kingdom	New in scope	FC	80.00	N/A	N/A	N/A
PPS EU	United Kingdom	New in scope	FC	70.45	N/A	N/A	N/A
Diesel 24	United Kingdom	New in scope	FC	80.00	N/A	N/A	N/A
JayTeeEnergy	United Kingdom	New in scope	FC	80.00	N/A	N/A	N/A
Be FuelCards	United Kingdom	New in scope	FC	80.00	N/A	N/A	N/A
LATIN AMERICA							
Edenred Argentina	Argentina		FC	100.00	FC	100.00	0.00
Soporte Servicios SA	Argentina		FC	100.00	FC	100.00	0.00
Ticket Servicos Bresil	Brazil		FC	89.00	FC	100.00	-11.00
Ticketseg - Corretora de seguros S.A.	Brazil		FC	100.00	FC	100.00	0.00
Edenred Participations Bresil	Brazil		FC	100.00	FC	100.00	0.00
Accentiv' Servicos Tecnologica Da informacao S/A	Brazil		FC	65.00	FC	63.00	2.00
Ticket Soluções HDFGT S.A	Brazil		FC	63.00	FC	63.00	0.00
B2B Comercio Electronico de Pecas Ltda	Brazil		FC	42.65	FC	42.65	0.00
Repom S/A	Brazil		FC	63.00	FC	63.00	0.00
Topazio Cartoes	Brazil		FC	48.46	FC	48.46	0.00
Ticket Freto	Brazil		FC	63.00	FC	63.00	0.00
Good Card	Brazil		EQ	35.00	EQ	35.00	0.00
Edenred Serviços Empresariais	Brazil		FC	100.00	FC	100.00	0.00
Edenred Holding Financeira	Brazil	New in scope	FC	100.00	N/A	N/A	N/A
Levo Log	Brazil	New in scope	FC	63.00	N/A	N/A	N/A
Accor Services Chile SA	Chile		FC	74.35	FC	74.35	0.00
Servicios Empresariales de Colombia SA	Colombia		FC	100.00	FC	100.00	0.00
Big Pass S.A.	Colombia		FC	100.00	FC	100.00	0.00
Nectar Holdings	Costa Rica		EQ	30.00	EQ	30.00	0.00
Operadora de Programas de Abasto Multiple SA de CV	Mexico		FC	100.00	FC	100.00	0.00
Accor Servicios Empresariales S.A. de C.V.	Mexico		FC	100.00	FC	100.00	0.00
Sinergel S.A. de C.V.	Mexico		FC	100.00	FC	100.00	0.00

COMPANY	COUNTRY		2019 METHOD	2019 INTEREST HELD (%)	2018 METHOD	2018 INTEREST HELD (%)	CHANGE (%)
Vales y Monderos Electronicos Punto Clave S.A. de C.V.	Mexico		FC	100.00	FC	100.00	0.00
Merchant Services de Mexico S.A. de C.V.	Mexico		FC	100.00	FC	100.00	0.00
Servicios Accor S.A. de C.V.	Mexico		FC	100.00	FC	100.00	0.00
Sedesa	Mexico		EQ	20.00	EQ	20.00	0.00
Servicios y soluciones empresariales ticket Edenred, S.A. de C.V.	Mexico		FC	100.00	FC	100.00	0.00
Nectar Technology	Nicaragua		FC	51.00	FC	51.00	0.00
Accor Services Panama SA	Panama		FC	100.00	FC	100.00	0.00
Edenred Peru SA	Peru		FC	67.00	FC	67.00	0.00
Efectibono	Peru		FC	67.00	FC	67.00	0.00
Westwell Group SA	Uruguay		FC	100.00	FC	100.00	0.00
Luncheon Tickets S.A.	Uruguay		FC	100.00	FC	100.00	0.00
Promote S.A.	Uruguay		FC	100.00	FC	100.00	0.00
Cestaticket Services C.A.	Venezuela		FC	57.00	FC	57.00	0.00
Inversiones Quattro Venezuela	Venezuela		FC	100.00	FC	100.00	0.00
Inversiones Cinq Venezuela	Venezuela		FC	100.00	FC	100.00	0.00
Inversiones Huit Venezuela	Venezuela		FC	100.00	FC	100.00	0.00
Inversiones Neuf Venezuela	Venezuela		FC	100.00	FC	100.00	0.00
Inversiones Dix Venezuela S.A.	Venezuela		FC	100.00	FC	100.00	0.00
Inversiones Onze 2040	Venezuela		FC	100.00	FC	100.00	0.00
Inversiones Douze	Venezuela		FC	100.00	FC	100.00	0.00
Inversiones Quatorze	Venezuela		FC	100.00	FC	100.00	0.00
Inversiones Quinze 1090	Venezuela		FC	100.00	FC	100.00	0.00
Inversiones Seize 30	Venezuela		FC	100.00	FC	100.00	0.00
REST OF THE WORLD							
Globalvcard Canada	Canada	New in scope	FC	100.00	N/A	N/A	N/A
Beijing Surfgold Technology Ltd	China		FC	100.00	FC	100.00	0.00
Accentiv' Shangai Company	China		FC	100.00	FC	100.00	0.00
Global Rewards HK	Hong Kong		FC	100.00	FC	100.00	0.00
Edenred (India) PVT ltd	India		FC	100.00	FC	100.00	0.00
Surfgold.com PVT Ltd India	India		FC	100.00	FC	100.00	0.00
SRI Ganesh Hospitality Services Private Limited*	India		FC	100.00	FC	100.00	0.00
Edenred Japan	Japan		FC	100.00	FC	100.00	0.00
Edenred SAL	Lebanon		FC	80.00	FC	80.00	0.00
Cardtrend Systems Sdn Bhd	Malaysia		FC	100.00	FC	100.00	0.00
Edenred Maroc SAS	Morocco		FC	83.67	FC	83.67	0.00
Edenred PTE Limited	Singapore		FC	100.00	FC	100.00	0.00
Maintenance Vehicule China	Singapore		EQ	49.00	NC	N/A	N/A
Smart Fleet Management Technology PTE. LTD.	Singapore		EQ	49.00	NC	N/A	N/A
Edenred PTE Ltd. Taiwan Branch	Taiwan		FC	100.00	FC	100.00	0.00

COMPANY	COUNTRY		2019 METHOD	2019 INTEREST HELD (%)	2018 METHOD	2018 INTEREST HELD (%)	CHANGE (%)
Edenred Kurumsal Cozumler SAS	Turkey		FC	100.00	FC	100.00	0.00
Network Servisleri SAS	Turkey		FC	50.00	FC	50.00	0.00
Accentiv Hediye Ve Danismanlik Hizmetleri	Turkey		FC	100.00	FC	100.00	0.00
Edenred Ödeme Hizmetleri	Turkey		FC	100.00	FC	100.00	0.00
C3 Card International Limited	United Arab Emirates		FC	100.00	FC	100.00	0.00
C3 DTMFZ	United Arab Emirates		FC	100.00	FC	100.00	0.00
C3 Edenred LLC	United Arab Emirates		FC	49.00	FC	49.00	0.00
Edenred North America Inc	United States		FC	100.00	FC	100.00	0.00
Edenred Commuter Benefit Solutions	United States		FC	100.00	FC	100.00	0.00
NutriSavings LLC	United States		FC	100.00	FC	100.00	0.00
Beamery Inc	United States		NC	7.13	NC	7.13	0.00
Beekeeper Holding Inc	United States		NC	3.98	NC	3.98	0.00
Dexx Technologies Inc	United States		NC	9.82	NC	8.35	1.47
CSI Enterprises Inc	United States	New in scope	FC	100.00	N/A	N/A	N/A
Globalvcard LLC	United States	New in scope	FC	100.00	N/A	N/A	N/A
Globalvcard Spend Secure LLC	United States	New in scope	FC	100.00	N/A	N/A	N/A
Fleet & Mobility North America	United States	New in scope	NC	0.00	N/A	N/A	N/A
HOLDING & OTHER							
ASM*	France		FC	100.00	FC	100.00	0.00
Gaméo*	France		FC	100.00	FC	100.00	0.00
Landray*	France		FC	100.00	FC	100.00	0.00
Saminvest*	France		FC	100.00	FC	100.00	0.00
GABC*	France		FC	100.00	FC	100.00	0.00
Veninvest Quattro*	France		FC	100.00	FC	100.00	0.00
Veninvest Cinq*	France		FC	100.00	FC	100.00	0.00
Veninvest Huit*	France		FC	100.00	FC	100.00	0.00
Veninvest Neuf*	France		FC	100.00	FC	100.00	0.00
Veninvest Onze*	France		FC	100.00	FC	100.00	0.00
Veninvest Douze*	France		FC	100.00	FC	100.00	0.00
Veninvest Quatorze*	France		FC	100.00	FC	100.00	0.00
Veninvest Quinze*	France		FC	100.00	FC	100.00	0.00
Veninvest Seize*	France		FC	100.00	FC	100.00	0.00
Edenred Fleet & Mobility Asia*	Singapore		FC	100.00	NC	0.00	100.00
Edenred Global Rewards Singapore*	Singapore		FC	100.00	NC	0.00	100.00

FC:full consolidation method
EQ:equity method
NC:non-consolidated
* *Holding company*

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NOTE 13 UPDATE ON ACCOUNTING STANDARDS

13.1 Standards, amendments and interpretations mandatory from January 1, 2019

The following standards, amendments and interpretations adopted by the European Union with mandatory application on January 1, 2019 came into effect on that date:

STANDARD	NAME	SUMMARY	POTENTIAL IMPACT ON EDENRED'S FINANCIAL STATEMENTS
IFRS 16	Leases	IFRS 16 specifies how an IFRS issuer should recognize, measure, present and disclose leases.	See Note 1.3.1
IFRIC 23	Uncertainty over Income Tax Treatments	The interpretation recommends that entities determine whether each uncertain tax treatment should be considered independently or whether some uncertain tax treatments should be considered together for the purposes of determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.	The Group has examined the potential uncertainties over tax treatments addressed in IFRIC 23. This examination did not lead to any changes in its assessment of existing tax risks at January 1, 2019
Annual Improvements to IFRSs	2015-2017 Cycle	1) IFRS 3 – Business Combinations: amendment stipulating that when an entity acquires control of a joint operation, the previously held interest in that operation should be revalued. 2) IFRS 11 – Joint Arrangements: amendment stipulating that when an entity acquires joint control of a joint operation, the previously held interest in that operation should not be revalued. 3) IAS 12 – Income Taxes: amendment clarifying that the requirements in former paragraph 52B of IAS 12 apply to all income tax consequences of dividends. 4) IAS 23 – Borrowing Costs: amendments stipulating that where funds are borrowed specifically for the acquisition, construction or production of a qualifying asset, any balance outstanding when the asset is ready for its intended use or sale should be reclassified as part of the general pool for the calculation of the capitalization rate applicable to the general pool.	No material impact
Amendments to IFRS 9	Prepayment features with negative compensation	Amendments to deal with common types of instrument whose contractual terms permit the borrower to prepay the instrument before its contractual maturity, but the prepayment amount is less than unpaid amounts of principal and interest.	No material impact
Amendments to IAS 19	Plan amendments, curtailments, and settlements	These narrow-scope amendments clarify that if a defined benefit plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement.	No material impact
Amendments to IAS 28	Long-term interests in associates and joint ventures	Addition of a paragraph clarifying that IFRS 9, including its impairment requirements, applies to long-term interests in an associate or joint venture. For the application of IFRS 9, no account is taken of the losses of the associate or joint venture or any impairment loss recognized on the net investment in application of IAS 28.	No material impact
Amendments to IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	The amendment aims to clarify the way entities recognize deferred tax related to leases and decommissioning obligations. The proposed amendments would require an entity to recognize deferred tax on initial recognition of particular transactions to the extent that the transaction gives rise to equal amounts of deferred tax assets and liabilities. The amendments would apply to particular transactions for which an entity recognizes both an asset and a liability, such as leases and decommissioning obligations.	No material impact

Other than IFRS 16, the application and impacts of which are detailed in Note 1.4, the application of these standards, amendments and interpretations did not have a material impact on the periods presented.

13.2 Standards, amendments and interpretations optional for reporting periods beginning on or after January 1, 2019

Standards, amendments and interpretations published by the IASB but not yet adopted by the European Union

The following standards and amendments published by the IASB have not yet been adopted by the European Union:

- amendments to References to the Conceptual Framework in IFRS Standards;
- amendments to IAS 1 and IAS 8 – Definition of Material;
- amendments to IFRS 3 – Business Combinations;
- IFRS 17 – Insurance Contracts.

The Group chose not to early adopt these standards and amendments at January 1, 2019.

NOTE 14 GLOSSARY

14.1 Operating revenue

Operating revenue corresponds to revenue from (i) the voucher business managed by Edenred and (ii) value-added services such as incentive programs, human services and event-related services. It corresponds to the amount billed to the corporate client and is recognized on delivery of the solutions.

14.2 Other revenue

Other revenue is the interest generated by investing cash over the period between:

- the issue date and the reimbursement date for prepaid vouchers; and
- the loading date and the redeeming date for prepaid cards.

The interest represents a component of operating revenue and as such is included in the determination of total revenue.

14.3 EBIT

This aggregate is the "Operating profit before other income and expenses", which corresponds to total revenue (operating revenue and other revenue) less operating expenses, depreciation, amortization (mainly intangible assets, internally generated or acquired assets) and non-operating provisions. It is used as the benchmark for determining senior management and other executive compensation as it reflects the economic performance of the business.

EBIT excludes the share of net profit from equity-accounted companies and excludes the other income and expenses booked in the “Operating profit including share of net profit from equity-accounted companies”.

14.4 EBITDA

This aggregate corresponds to total revenue (operating revenue and other revenue) less operating expenses (excluding depreciation, amortization and provisions).

14.5 Consolidated statements of cash flows

The statement of cash flows is presented on the same basis as the management reporting schedules used internally to manage the business. It shows cash flows from operating, investing and financing activities.

Cash flows from operating activities include:

- funds from operations before other income and expenses (FFO);
- cash received and paid in relation to other income and expenses;
- changes in working capital;
- changes in restricted cash.

Cash flows from investing activities include:

- recurring expenditure to maintain in a good state of repair or to replace operating assets held at January 1 of each year and required for normal operations;
- development expenditure, including the fixed assets and working capital of newly consolidated subsidiaries and additions to fixed assets of existing subsidiaries;
- proceeds from disposals of assets.

Cash flows from financing activities include:

- changes in equity;
- changes in debt;
- dividend payments;
- purchases/sales of treasury shares;
- acquisition of non-controlling interests.

14.6 Like-for-like growth

Like-for-like growth corresponds to organic growth, that is, growth at constant scope of consolidation and exchange rates. This indicator reflects the Group's business performance.

Changes in activity (like-for-like or organic growth) represent changes in amounts between the current period and the comparative period, adjusted for currency effects and for the impact of acquisitions and/or disposals. Like-for-like data temporarily excludes Venezuela, due to the country's high level of inflation.

The impact of acquisitions is eliminated from the amount reported for the current period and changes in activity are calculated in relation to this adjusted amount for the current period.

The impact of disposals is eliminated from the amount reported for the comparative period and changes in activity are calculated in relation to this adjusted amount for the comparative period.

The changes in activity thus calculated are translated at the exchange rate applicable in the comparative period and divided by the adjusted amount for the comparative period.

4.3 Statutory Auditors' Report on the financial statements

For the year ended December 31, 2019

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information specifically required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to the shareholders.

This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

To EDENRED Shareholders' Meeting,

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meetings, we have audited the accompanying financial statements of EDENRED for the year ended December 31, 2019.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2019 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit and Risk Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit in compliance with independence rules applicable to us, for the period from January 1, 2019 to the issue date of our report and in particular we did not provide any prohibited non-audit services referred to in Article 5 paragraph 1 of Regulation (EU) no. 537/2014 or in the French Code of ethics for statutory auditors.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we draw your attention to the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period, as well as our responses to those risks.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed above. We do not express an opinion on any components of the financial statements taken individually.

Valuation of shares and loans and advances to subsidiaries

[Notes 1.2, 2, 5, 6 and 7]

KEY AUDIT MATTER	OUR RESPONSE
As of December 31, 2019, shares in subsidiaries (including loans and advances) represented a net carrying amount of €6,048 million, or 85% of total assets. These shares are initially booked at their acquisition or contribution cost and are, as the case may be, impaired to their present value which is the higher value between the market value and the value in use. As stated in Note 1.2 to the financial statements: • the market value is the amount which could have been obtained from the sale of the asset at the closing date and with normal market conditions; • the value in use is based on management's judgment and the use of assumptions. It is determined according to a multi-criteria analysis taking into account, in particular, the portion of shareholders' equity of the company or other criteria for assessment, such as economic circumstances in affected countries, application of earnings before interest tax depreciation and amortization (EBITDA) multiples, or current and projected profitability of the subsidiary concerned using an enterprise value from projected cash flows and long-term growth and discount rates, less net debt. Due to the value in use sensitivity to the change in the above assumptions, we considered the correct valuation of shares and loans and advances to subsidiaries and affiliates to be a key audit matter.	To assess the estimated value of shares and loans and advances to subsidiaries and affiliates, our procedures mainly consisted in: • familiarizing ourselves with the principles and methods to determine the values in use adopted (portion of shareholders' equity, EBITDA multiples, discounted projected cash flows); • comparing the shareholders' equity adopted with the source data by entity; • examining the EBITDA multiples adopted compared to available market data; • comparing, with the help of our audit team's valuation experts, the long-term growth and discount rates retained for the valuations based on future cash flows with the macro-economic data available at the closing date; • examining, through interviews with Management, the main source data and assumptions for the operating estimates underlying the cash flows used for the valuation models, notably by comparing the estimates and the projections of prior periods with the actual figures. We also assessed that Notes 1.2, 2, 5, 6 and 7 to the financial statements provide an appropriate disclosure.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders

We have no matters to report as to the fair presentation and consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment terms mentioned in Article D.441-4 of the French Commercial Code.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance contains the information required by Articles L.225-37-3 and L.225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L.225-37-3 of the French Commercial Code relating to remunerations and benefits received by or allocated to the directors and any other commitments made in their favour, we have verified its consistency with the financial statements and, where applicable, with the information obtained by your Company from controlled companies comprised in the consolidation scope. Based on this work, we attest the accuracy and fair presentation of this information.

Concerning the information relating to items your Company considers likely to have an impact in the event of a public tender offer or public exchange offer, provided pursuant to Article L.225-37-5 of the French Commercial Code, we have verified its compliance with the source documents communicated to us. Based on these procedures, we have no matters to report on this information.

Other disclosures

Pursuant to the law, we have verified that the management report contains the appropriate disclosures as to acquisitions and controlling interests and the identity of the shareholders or holders of the voting rights.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

DELOITTE & ASSOCIÉS was appointed as statutory auditors of EDENRED by the Shareholders' Meeting of April 3, 2010, and ERNST & YOUNG Audit was appointed on May 4, 2016.

As of December 31, 2019, DELOITTE & ASSOCIÉS and ERNST & YOUNG Audit were in the 10th year and 4th year of total uninterrupted engagement, respectively.

Responsibilities of Management and those charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease its operations.

The Audit and Risks Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

These financial statements have been approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objective and audit approach

Our role is to issue a report on the financial statements. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified by Article L.823-10-1 of the French Commercial Code, the scope of our statutory audit does not include assurance on the future viability of the Company or the quality with which Company's management has conducted or will conduct the affairs of the entity.

As part of an audit in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit. He also:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- concludes on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;

evaluates the overall presentation of the financial statements and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit and Risks Committee

We submit a report to the Audit and Risks Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as significant audit findings. We also bring to its attention any significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Risks Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit and Risks Committee with the declaration referred to in Article 6 of Regulation (EU) no. 537/2014, confirming our independence pursuant to the rules applicable in France as defined in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of ethics for statutory auditors. Where appropriate, we discuss with the Audit and Risks Committee the risks that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

Paris-La Défense, March 11, 2020

The Statutory Auditors

DELOITTE & ASSOCIÉS	ERNST & YOUNG Audit
Patrick E. SUISSA	Philippe DIU

4.4 Parent company financial statements and notes

4.4.1 Balance sheet at December 31, 2019

Assets

(in € millions)	NOTES	DECEMBER 31, 2019	DECEMBER 31, 2018
FIXED ASSETS			
Intangible assets			
Licenses, trademarks and rights of use	(2-3)	1	1
Other intangible assets	(2-3)	16	14
Total intangible assets		**17**	**15**
Property and equipment			
Machinery and equipment		-	-
Other property and equipment	(2-3)	1	1
Assets under construction		4	-
Total property and equipment		**5**	**1**
Investments			
Shares in subsidiaries and affiliates	(2-6-7-17-24)	4,617	3,319
Loans and advances to subsidiaries and affiliates	(2-5-7-16-17)	1,364	1,404
Other investments	(2)	67	61
Total investments		**6,048**	**4,784**
TOTAL FIXED ASSETS		6,070	4,800
CURRENT ASSETS			
Inventories		**-**	
Prepayments to suppliers		-	-
Receivables			
Trade receivables	(4-7-16-17)	36	19
Other receivables	(4-7-16)	479	374
Cash and cash equivalents			
Marketable securities	(8)	370	275
Cash		138	457
TOTAL CURRENT ASSETS		1,023	1,125
ACCRUALS AND OTHER ASSETS			
Prepaid expenses	(9-16)	3	2
Deferred charges	(9)	25	25
Bond redemption premiums	(9)	9	10
Conversion differences	(10)	5	3
TOTAL ACCRUALS AND OTHER ASSETS		**42**	**40**
TOTAL ASSETS		**7,135**	**5,965**

Liabilities and shareholders' equity

(in € millions)	NOTES	DECEMBER 31, 2019	DECEMBER 31, 2018
Shareholders' equity			
Share capital		486	478
Additional paid-in capital		880	770
Legal reserve		48	47
Untaxed reserves		-	-
Other reserves		-	-
Retained earnings		99	21
Net profit for the year		297	285
Untaxed provisions		1	2
TOTAL SHAREHOLDERS' EQUITY	(13)	1,811	1,603
PROVISIONS			
Provisions for contingencies	(7)	9	11
Provisions for charges	(7)	37	30
TOTAL PROVISIONS		46	41
LIABILITIES			
Bonds	(15)	2,623	2,228
Bank borrowings	(15)	46	78
Other borrowings	(15-17)	2,525	1,979
Trade payables	(15)	17	16
Accrued taxes and payroll costs	(15)	18	16
Due to suppliers of fixed assets	(15)	3	-
Other liabilities	(15)	1	1
TOTAL LIABILITIES	**(15)**	**5,233**	**4,318**
Accruals and other liabilities			
Deferred income	(15)	40	-
Conversion differences	(10)	5	3
TOTAL ACCRUALS AND OTHER LIABILITIES		45	3
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**7,135**	**5,965**

4.4.2 Income statement for the year ended December 31, 2019

(in € millions)	NOTES	2019	2018
OPERATING REVENUE			
Sales of goods and services		80	59
Net revenue	**(18)**	**80**	**59**
Own work capitalized		6	3
Reversals of depreciation, amortization and provisions and expense transfers		34	15
Other income		45	39
TOTAL OPERATING INCOME		165	116
OPERATING EXPENSES			
Purchases of goods for resale		-	-
Purchases of raw materials and supplies		-	-
Other purchases and external charges		86	69
Taxes other than on income		4	4
Wages and salaries		26	23
Payroll taxes		32	21
Depreciation, amortization and provision expense			
Depreciation and amortization of fixed assets	(3)	5	4
Additions to provisions for impairment of fixed assets	(7)	-	
Additions to provisions for impairment of current assets	(7)	5	5
Additions to provisions for contingencies and charges	(7)	28	16
Other expenses	(7)	1	1
TOTAL OPERATING EXPENSES		187	143
NET OPERATING LOSS		**(22)**	**(27)**
FINANCIAL INCOME	**(20)**		
Income from investments in subsidiaries and affiliates	(17)	338	278
Income from investment securities and long-term loans		-	-
Other interest income	(17-20)	8	4
Financial provision reversals and expense transfers		4	38
Foreign exchange gains		12	16
TOTAL FINANCIAL INCOME	**(20)**	**362**	**336**
FINANCIAL EXPENSES			
Additions to financial amortization and provisions		15	19
Interest expense	(17-20)	37	33
Foreign exchange losses		12	39
TOTAL FINANCIAL EXPENSES	(20)	64	91
NET FINANCIAL INCOME		**298**	**245**
RECURRING PROFIT BEFORE TAX		276	218
NON-RECURRING INCOME			
Non-recurring income on revenue transactions		-	-
Non-recurring income on capital transactions		9	76
NON-RECURRING PROVISION REVERSALS AND EXPENSE TRANSFERS		8	6
TOTAL NON-RECURRING INCOME		17	82
NON-RECURRING EXPENSES			
Non-recurring expenses on revenue transactions		-	-
Non-recurring expenses on capital transactions		14	25
Non-recurring additions to depreciation, amortization and provisions		-	

(in € millions)	NOTES	2019	2018
TOTAL NON-RECURRING EXPENSES		**14**	**25**
NET NON-RECURRING INCOME	**(21)**	**3**	**57**
Income tax	(22)	18	10
TOTAL INCOME		562	544
TOTAL EXPENSES		265	259
NET PROFIT		**297**	**285**

The financial statements are presented in euro millions.

The notes below relate to the balance sheet as of December 31, 2019, which shows total assets of €7,135 million, and to the 2019 income statement, which shows a net profit for the year of €297 million before appropriation of profit for the year.

The financial statements cover the 12-month period from January 1 to December 31, 2019.

Edenred SA's individual financial statements are included in the consolidated financial statements of the Edenred Group. Edenred SA is the consolidating entity for the Edenred Group.

The preparation of financial statements requires the use of estimates and assumptions that can affect the carrying amount of certain assets and liabilities, income and expenses, and the information disclosed in the notes to the financial statements. Management reviews these estimates and assumptions on a regular basis to ensure that they are appropriate based on past experience and the current economic situation. Items in future financial statements may differ from current estimates as a result of changes in these assumptions.

The main estimates and judgments used by management in the preparation of these financial statements relate to the valuation and useful lives of intangible assets and investments, as well as the amount of provisions for claims, litigation and contingencies and the assumptions underlying the calculation of pension obligations.

The main assumptions applied by the Company are presented in the relevant notes to the financial statements.

Significant events

Payment of the dividend

At the Annual Shareholders Meeting on May 14, 2019, Edenred shareholders approved the payment of a 2018 dividend of €0.86 per share, with the option of reinvesting 100% of the dividend paid in new shares. The total amount paid in the form of dividends came to €206 million (205,846,503 euros).

The reinvestment period ran from May 22 to June 5, 2019. At the close of the period, 70% of rights had been exercised in favor of reinvestment. This led to the issue of 3,938,507 new shares of Edenred common stock, representing 1.65% of the share capital, which were settled and traded on the Euronext Paris stock market on June 11, 2019.

The new shares carry dividend rights from January 1, 2019 and rank *pari passu* with existing shares of Edenred common stock. Following the issue, the Company's share capital comprised 243,204,857 shares.

The total cash dividend, which was paid on June 11, 2019, amounted to €62 million.

Financing transaction

On September 3, 2019, Edenred announced that it had successfully placed bonds convertible into and/or exchangeable for new and/or existing shares ("OCEANEs") due 2024 for a nominal amount of €500 million by way of a placement to qualified investors only. The bonds bear no interest (zero coupon) and were issued with an issue premium of 8%, resulting in an issue premium of €40 million spread over the duration of the issue. Bonds that have not been converted, redeemed or retired and canceled will be redeemed at par on September 3, 2024.

Edenred's acquisition of Corporate Spending Innovations (CSI), one of the leading providers of automated corporate payment software in North America, was finalized in January 2019. This transaction appears in Edenred SA's financial statements as a €524 million increase in the capital of Edenred North America, which owns CSI.

Legal restructuring

To streamline and rationalize its legal structure, the Group began operations in 2018 to reclassify its investments internally.

New reorganization operations took place in 2019.

Together, these operations will enable the Group to align its legal structure with the its three business lines.

Edenred SA tax audit

In 2018 and 2019, a tax audit was carried out at Edenred SA, covering the period 2014 to 2016.

In December 2018, the tax authorities notified the Company of a proposed reassessment of the tax paid in 2014, on the grounds that the brand royalties billed to the Brazilian subsidiaries were understated and were not on arm's length terms.

Notification of the proposed reassessments of tax paid in 2015 and 2016 was received by the Company in July 2019. As originally expected, the tax authorities reduced the 2014 reassessment to align its position with that adopted with regard to 2015 and 2016.

The total tax, late interest and penalties claimed for the three years amount to €17 million. The Company contested the reassessments and filed a claim with the national tax Board in early 2019. The tax Board heard the Company's arguments at the end of January 2020. Its decision is currently pending.

Based on the opinion of its tax advisers, the Company believes that it has solid arguments in its defense. Therefore, the Company has not set aside a related provision.

4.4.3 Notes to the financial statements

NOTE 1 SUMMARY OF ACCOUNTING POLICIES

The financial statements have been prepared in accordance with French ANC Regulation No. 2018-01. There have been no changes in the accounting methods used for the periods presented compared with the previous year.

The main accounting policies used are as follows:

1.1 Intangible assets, property and equipment

Intangible assets, property and equipment are stated at cost (including incidental expenses) or contributed value.

They are amortized or depreciated on a straight-line basis over their estimated useful lives, as follows:

- software is amortized over two to five years;
- licenses are amortized over three to five years;
- office and computer equipment are depreciated over three to ten years.

Software development costs are recognized as intangible assets in accordance with the recommended method (PCG, Article 361-1). They are amortized over their period of use, ranging from five to ten years, depending on the number of Group units that use the application.

Complementary depreciation and amortization due to the application of the fiscal declining balance method is accounted for by way of derogation as a non-recurring expense.

1.2 Investments

Shares in subsidiaries and affiliates are stated at cost or contributed value. Transaction costs on these assets are recorded in the income statement.

At each year-end, the Company determines whether there are any indications that the investments are impaired. The main indications are:

- below-forecast performances;
- a steep fall in revenue and profit.

If there is any indication of a loss of value, the asset is impaired in order to align its acquisition cost or its contributed value with the actual value. The actual value is the highest value between market value and value in use.

The market value corresponds to the amount that could be obtained for the sale of the asset at the closing date in normal market conditions.

Value in use is determined by analyzing multiple criteria, taking into account in particular the Company's share of the investee's net assets or other assessment criteria, such as the economic environment in the country, the application of EBITDA multiples, or the investee's current and forecast profitability using enterprise value obtained by projecting future cash flows, the long-term growth rate and the discount rate, less net debt for the investee.

Where appropriate, an impairment loss is recorded for the shares and then for receivables linked to investments, loans and advances to the investee and, when necessary, a provision for contingencies is also recorded to cover the Company's share of the investee's negative net worth.

Impairment losses may be reversed in subsequent periods if the investee's financial position improves.

The carrying amount of the investee's share should be limited to its acquisition cost or contributed value.

In the event of a partial sale of a portfolio of securities carrying the same rights, the acquisition cost of the retained securities is estimated by the weighted average cost method or by the FIFO method, which presumes that the retained securities were acquired after those that were sold.

In accordance with the French ANC Regulation No. 2015-06 published on November 29, 2015, technical losses on mergers are recognized in the balance sheet under "Other investments" and receive the same treatment for valuation and amortization described above.

1.3 Receivables

Receivables are stated at their nominal value. They are impaired when it is likely that their carrying amount will not be recovered in full.

1.4 Marketable securities

Marketable securities are recognized at their acquisition cost. When there is an indication of loss of value, impairment is recorded as necessary based on the market value at the end of the period.

1.5 Revenue

Revenue corresponds to fees invoiced to subsidiaries under the Master Services Agreement. Other service revenues correspond to fees invoiced to subsidiaries for the secondment of staff, IT services and loan guarantees.

1.6 Other income

Other income corresponds to brand license fees invoiced to subsidiaries.

1.7 Provisions for retirement

Managers and employees are paid a length-of-service award on retirement and various long-service awards during their career with the Company.

A provision is recorded for the Company's liability for these awards, based on the vested rights of managers and employees at the balance sheet date, in accordance with ANC Recommendation No. 2013-02.

The provision is determined using the projected unit credit method and includes payroll taxes.

Actuarial gains and losses on retirement benefit obligations are recognized directly in the income statement.

1.8 Debt

Debt issuance costs are initially recognized in deferred charges and are amortized over the lifespan of the debt using the effective interest method. Bond issue premiums are also amortized over the lifespan of the debt.

If all or part of the debt is repaid early, the issue costs and premiums are amortized on an accelerated basis.

1.9 Foreign currency transactions

Income and expenses in foreign currencies are converted into euros at the prevailing exchange rate on the transaction date.

Foreign currency receivables, payables and cash balances are converted at the year-end rate.

Conversion differences are recognized in assets or liabilities.

A provision is recorded for unrealized conversion losses that are not hedged.

1.10 Currency risks

Currency risks that arise when converting euro cash reserves into foreign currencies, in order to meet part of the financing needs of foreign subsidiaries, are hedged by swaps with the same maturities as the loans to subsidiaries. Unrealized exchange gains and losses are recorded in the balance sheet under "Conversion differences".

1.11 Stock option plans and performance share plans

Stock option plans

In application of France's chart of accounts *(Plan comptable général)*, the Company recognizes a liability to cover the amount of probable outflow of economic resources when obligations under the plan will be satisfied by allocating existing shares. No liability is recognized as newly issued shares are allocated under these plans.

Performance share plans

Since 2013, Edenred SA has been buying back on the market the number of shares to be allocated to employees who are French tax residents under each share grant plan. A provision for the cost of the plans was recorded in the parent company financial statements for the year ended December 31, 2019.

1.12 Non-recurring income and expenses

This item corresponds mainly to:

- restructuring costs, *i.e.*, costs arising on restructuring operations initiated by the Company;
- gains and losses on disposals of fixed assets, and non-operating provisions, gains and losses.

Non-recurring items are not directly related to the Company's ordinary operations.

1.13 Corporate income tax

Edenred SA pays taxes under the Group relief system introduced in the French Act of December 31, 1987. Under certain circumstances, it allows the tax losses of tax group members to be set off against the taxable profits of other members. The applicable tax rules are set out in Articles 223 A *et seq.* of the French General Tax Code *(Code général des impôts)*.

Under this system, each tax group member records the tax that it would have paid if it had been taxed on a stand-alone basis. The benefit or expense arising from applying the Group relief system is recorded in full in the accounts of Edenred SA.

NOTE 2 FIXED ASSETS AT DECEMBER 31, 2019

ITEMS *(in € millions)*	COST AT DECEMBER 31, 2018	ACQUISITIONS AND INTER-ITEM TRANSFERS	RETIREMENTS AND DISPOSALS AND INTER-ITEM TRANSFERS	OTHER	COST AT DECEMBER 31, 2019
INTANGIBLE ASSETS					
Trademarks and rights of use	-				-
Licenses, purchased software	19	1	-	-	20
Other intangible assets [(1)]	31	4		-	35
Intangible assets in process [(1)]	2	1		-	3
TOTAL INTANGIBLE ASSETS	52	6	-	-	58
PROPERTY AND EQUIPMENT					
Machinery and equipment	-				-
Other property and equipment [(2)]	5	1	(1)	-	4
Assets under construction [(2)]	-	2		-	2
Prepayments [(2)]	-	2		-	2
TOTAL PROPERTY AND EQUIPMENT	5	4	(1)	-	8
INVESTMENTS					
Shares in subsidiaries and affiliates [(3)]	3,481	1,314	(5)	-	4,790
Loans and advances to subsidiaries and affiliates [(4)]	1,406	60	(100)	-	1,366
Other investment securities [(5)]	23	2	-	-	25
Other loans	-			-	-
Other investments [(6)]	42	34	(29)	-	47
TOTAL INVESTMENTS	4,952	1,410	(134)	-	6,228
TOTAL FIXED ASSETS	**5,009**	**1,420**	**(135)**	**-**	**6,293**

(1) The €5 million difference in these two items is attributable to the development of Group applications.
(2) The €3 million difference in these three items reflects costs related to fitting out the new headquarters.
(3) See Note 6 for details.
(4) See Note 5 for details.
(5) Primarily related to investments in the following funds: Partech VI, Partech II, Partech III, Partech International Ventures VII and Partech Africa.
(6) Movements for the period reflect (i) the purchase of Edenred SA's own shares for €34 million and (ii) the exercise of options awarded under the 2011 and 2012 plans for a negative €29 million.

At the period-end, the Company held 280,547 of its own shares (not including shares assigned to the liquidity contract or to specific share-based payment plans).
The balance of this item mainly comprises merger losses for €35 million and own shares for €12 million.

NOTE 3 AMORTIZATION AND DEPRECIATION

ITEMS (IN € MILLIONS)	COST AT DECEMBER 31, 2018	INCREASE	DECREASE	COST AT DECEMBER 31, 2019
Intangible assets				
Trademarks and rights of use				-
Licenses, purchased software	17.8	0.7	-	18.5
Other intangible assets	10.3	3.8	-	14.1
TOTAL AMORTIZATION	28.1	4.5	-	32.6
Property and equipment				
Machinery and equipment	-			-
Other property and equipment	3.9	0.2	-	4.1
TOTAL DEPRECIATION	3.9	0.2	-	4.1
TOTAL AMORTIZATION AND DEPRECIATION	**32.0**	**4.7**	**-**	**36.7**

NOTE 4 RECEIVABLES AT DECEMBER 31, 2019

(in € millions)	COST AT DECEMBER 31, 2019	COST AT DECEMBER 31, 2018
PREPAYMENTS TO SUPPLIERS		
Trade receivables	**37**	**19**
Other receivables	**480**	**374**
Supplier-related receivables	*-*	*-*
Recoverable VAT and other taxes	*15*	*8*
Current accounts with subsidiaries	*462*	*365*
Other	*3*	*1*
TOTAL	**517**	**393**

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NOTE 5 LOANS AND ADVANCES TO SUBSIDIARIES AND AFFILIATES AT DECEMBER 31, 2019

(in € millions)	COST AT DECEMBER 31, 2018	INCREASE	DECREASE	OTHER	COST AT DECEMBER 31, 2019
Edenred Belgium	239	-		-	239
Edenred France	632			-	632
Edenred Italia	94		(94)	-	-
Edenred Tankkarten	400		-	-	400
PWC Participation	37	-	(4)	-	33
C3 Edenred Prepaid Cards Manag		32			32
UAB Areja		27			27
Daripodarki	2	-		-	2
Global Reward	2	-	(2)	-	-
Nectar Technologies		1			1
TOTAL	**1,406**	**60**	**(100)**	**-**	**1,366**

NOTE 6 CHANGE IN INVESTMENTS IN SUBSIDIARIES AND AFFILIATES

	AT DECEMBER 31, 2018			BUSINESS ACQUISITIONS AND PURCHASES OF NEWLY ISSUED SHARES, MERGERS		DISPOSALS, RETIREMENTS AND INTER-ITEM TRANSFERS		AT DECEMBER 31, 2019			
COMPANY	NUMBER OF SHARES	AMOUNT *(in € millions)*	% INTEREST	NUMBER OF SHARES	AMOUNT *(in € millions)*	NUMBER OF SHARES	AMOUNT *(in € millions)*	NUMBER OF SHARES	AMOUNT *(in € millions)*	% INTEREST	PROVISIONS *(in € millions)*
EDENRED France SAS	29,060,432	642	100.00%					29,060,432	642	99.99%	
VENINVEST QUATTRO	219,654	7	100.00%	112,200	1			331,854	8	100.00%	8
VENINVEST CINQ	30,046	7	100.00%					30,046	7	100.00%	7
VENINVEST HUIT	232,159	7	100.00%					232,159	7	100.00%	7
EDENRED FLEET & MOBILITY				900,000	9			900,000	9	100.00%	
ASM	19,141,709	306	100.00%					19,141,709	306	99.99%	
SAMINVEST	12,000	277	60.00%					12,000	277	60.00%	
VENINVEST NEUF	85,285	6	100.00%					85,285	6	100.00%	6
EDENRED CORPORATE PAYMENT	500,000	5	100.00%			(500,000)	(5.0)	-	-		
VENINVEST ONZE	112,259	5	100.00%					112,259	5	100.00%	5
VENINVEST DOUZE	265,055	9	100.00%					265,055	9	100.00%	9
VENINVEST QUINZE	15,504	5	100.00%					15,504	5	100.00%	5
VENINVEST SEIZE	189,309	12	100.00%					189,309	12	100.00%	12
VENINVEST QUATORZE	456,953	5	100.00%					456,953	5	100.00%	5
LUCKY CART SAS	922,385	1	22.18%					922,385	1	22.18%	
ANDJARO	7,099	1	22.73%					7,099	1	22.73%	
ZEN CHEF	13,444	2	13.22%					13,444	2	13.22%	
FRETLINK				39,463	5			39,463	5	5.50%	
EDENRED AUSTRIA GmbH (Austria)	15,677	2	100.00%					15,677	2	100.00%	
EDENRED MAYARORSZAG (Hungary)				87,500,000	23	1,500,000	0.4	89,000,000	23	100.00%	
EDENRED ITALIA SRL	3,439,136	689	57.72%					3,439,136	689	57.72%	
VOUCHERS Services (Greece)				22,204	26			22,204	26	51.00%	
EDENRED BELGIUM	3,538,030	893	100.00%					3,538,030	893	99.99%	
EDENRED Portugal SA	101,477,601	7	50.00%					101,477,601	7	50.00%	
EDENRED DEUTSCHLAND GMBH (Germany)	16,662,810	27	100.00%					16,662,810	27	100.00%	
EDENRED ESPANA SA (Spain)	90,526	53	100.00%					90,526	53	99.99%	
EDENRED UK GROUP LIMITED	13,393,669	307	100.00%					13,393,669	307	100.00%	
EDENRED North America				168,489	524			168,489	524	100.00%	
EDENRED BULGARIA AD (Bulgaria)	14,205	1	50.00%					14,205	1	50.00%	
WESTWELL GROUP SA (Uruguay)	1,864,040	2	100.00%					1,864,040	2	100.00%	
EDENRED FINLAND OY	101	7	33.55%	200	62			301	69	100.00%	

COMPANY	AT DECEMBER 31, 2018			BUSINESS ACQUISITIONS AND PURCHASES OF NEWLY ISSUED SHARES, MERGERS		DISPOSALS, RETIREMENTS AND INTER-ITEM TRANSFERS		AT DECEMBER 31, 2019			
	NUMBER OF SHARES	AMOUNT (*in € millions*)	% INTEREST	NUMBER OF SHARES	AMOUNT (*in € millions*)	NUMBER OF SHARES	AMOUNT (*in € millions*)	NUMBER OF SHARES	AMOUNT (*in € millions*)	% INTEREST	PROVISIONS (*in € millions*)
EDENRED PERU SA (Peru)	1,273,209	2	67.00%					1,273,209	2	67.00%	1
EDENRED PANAMA SA	1,250,000	1	100.00%					1,250,000	1	100.00%	1
EDENRED MAROC (Morocco)	66,933	3	83.67%					66,933	3	83.00%	2
EDENRED Luxembourg				1,000	25			1,000	25	100.00%	
EDENRED INDIA PVT LTD (India)	23,358,174	14	94.90%					23,358,174	14	94.90%	11
EDENRED Slovakia				651,843	97	11,286	0.5	663,129	97	99.89%	
EDENRED SINGAPORE Pte Ltd (Singapore)	38,592,589	37	100.00%					38,592,589	37	100.00%	11
EDENRED s.a.l (Lebanon)	2,599,997	1	80.00%					2,599,997	1	80.00%	2
SURGOLD INDIA PVT LVD	21,589,860	11	100.00%					21,589,860	11	99.99%	9
ACCENTIV' SHANGHAI COMPANY (China)	650,000	1	100.00%	3,847,979	4			4,497,979	5	100.00%	1
EDENRED Kurumsal (Turkey)				117,171	90	2,026	0.1	119,197	90	100.00%	
ACCENTIV Turkey				39,998	5			39,998	5	100.00%	
EDENRED COLOMBIA SA	2,535,468	3	97.23%					2,535,468	3	97.23%	3
CESTATICKET SERVICES C.A. (Venezuela)	3,420,000	16	57.00%					3,420,000	16	57.00%	16
INVERSIONES DIX VENEZUELA SA	3,885,514	21	100.00%					3,885,514	21	100.00%	21
BIG PASS (Colombia)	151,444	13	100.00%		3			151,444	16	100.00%	12
EDENRED MD SRL (Moldova)	10,021,025	1	100.00%					10,021,025	1	100.00%	1
EDENRED BRASIL PARTICIPACOES SA (Brazil)	425,085	20	8.46%					425,085	20	8.46%	
EDENRED JAPAN CO LTD	10,100	30	100.00%					10,100	30	100.00%	15
EDENRED POLSKA SP ZO.O (Poland)	297,473	8	81.86%	65,925	1			363,398	9	99.99%	2
IZICARD	55,835	1	39.68%					55,835	1	39.68%	0
LAUNCHPAD	4,366	1	13.16%					4,366	1	13.16%	0
BEEKEEPER HOLDING	1,333,221	2	3.96%	532,212	1	427,281	0.8	2,292,714	4	4.85%	
AVRIOS International				22,707	2			22,707	2	6.63%	
FUSE				1,710	3			1,710	3	7.74%	
EDENRED SWEDEN AB	1,696	1	1.70%	98,039	111			99,735	112	100.00%	
EDENRED ROMANIA SRL	46,130	7	6.87%	625,082	157			671,212	164	100.00%	
EDENRED CZ (Czech Republic)	230	1	1.70%	13,270	162			13,500	163	100.00%	
OTHER INVESTMENTS [(1)]	2,089,596	3		100,920		(1,562,134)	(0.9)	628,382	2		1
TOTAL	**305,417,033**	**3,483**		**94,860,412**	**1,311**	**(121,541)**	**(4)**	**400,155,904**	**4,790**		**173**

(1) None of the investments under this heading represents more then €1 million.

NOTE 7 PROVISIONS AND ASSET IMPAIRMENTS AT DECEMBER 31, 2019

ITEMS (in € millions)	AT DECEMBER 31, 2018	INCREASES	SURPLUS PROVISIONS	UTILIZED PROVISIONS	AT DECEMBER 31, 2019
UNTAXED PROVISIONS					
Depreciation allowances	2	-		(1)	1
TOTAL UNTAXED PROVISIONS	2	-	-	(1)	1
PROVISIONS FOR CONTINGENCIES					
Claims and litigation	-				-
Foreign exchange losses		-			-
Other [(1)]	10	1	-	(3)	9
TOTAL PROVISIONS FOR CONTINGENCIES	10	1	-	(3)	9
PROVISIONS FOR CHARGES					
Pension and other post-retirement benefit obligations [(2)]	18	5	(8)		15
Taxes	-				-
Other [(3)]	13	23	(7)	(6)	23
TOTAL PROVISIONS FOR CHARGES	**31**	**28**	**(15)**	**(6)**	**38**
TOTAL PROVISIONS	**41**	**29**	**(15)**	**(9)**	**47**
IMPAIRMENTS					
Intangible assets	9	-			9
Property and equipment	-				-
Investments * [(4)]	168	11	(1)		178
Trade receivables	-				-
Other receivables *	1	1	-		2
TOTAL IMPAIRMENTS	**178**	**12**	**(1)**	**-**	**189**
TOTAL PROVISIONS AND IMPAIRMENTS	**221**	**41**	**(16)**	**(10)**	**237**

INCOME STATEMENT IMPACT OF MOVEMENTS IN PROVISIONS	INCREASES	DECREASES
Operating income and expenses	28	21
Financial income and expenses	13	4
Non-recurring income and expenses		1
Movements with no income statement impact		
TOTAL	**41**	**26**

* *Raised in accordance with the methods described in Note 1.2.*

(1) Following a change in the Hungarian regulatory and tax framework related to the issue conditions of meal and food vouchers, the Company filed a request in August 2013 for arbitration against the Hungarian government before the International Centre for Settlement of Investment Disputes (ICSID). The hearing was held before the Arbitral Court in November 2015, and on December 13, 2016, the Court sentenced the Hungarian Government to pay Edenred approximately €23 million, excluding interest (5% per year starting on January 1, 2012, which represents approximately €6 million). This decision represents an important step in the settlement of the dispute.

As the procedure is now closed, at December 31, 2016, the amount to be received is considered as certain according to IAS 37. As a consequence and pending the enforcement of the arbitral award, an estimate considered as reasonable of income and a related receivable for a net amount of €22 million were recognized in "Non-recurring income and expenses" in the Group's financial statements for the year ended December 31, 2016.

This amount was received in March 2017. On April 11, 2017, the Hungarian government filed an application for annulment of the award, claiming that the tribunal had manifestly exceeded its powers and had failed to provide a legal basis for its award. The ad hoc proceedings related to this application have been stayed in response to an application for revision filed by the Hungarian government (see below). However, this situation does not affect the Company's assessment of the risk at December 31, 2018.

On June 5, 2018, the Hungarian government filed an application for the revision of the award further to a decision handed down by the Court of Justice of the European Union on March 6, 2018 in the Achméa case. The reconstituted tribunal dismissed the Hungarian government's claim on February 7, 2019 and reopened its investigation into the annulment procedure, which had been stayed. The appeal against the annulment procedure was heard on January 27, 2020. The Courts' ruling has been received by the Group on March, 9, 2020. Following reception of these conclusions, Edenred views the application as having no basis in law and has thus not revised its assessment of the risk at December 31, 2019.

(2) Movements in this item correspond to the 2019 obligation for the state and Article 39 supplementary pension plans (€5 million), and reversals related to the freeze on future benefit accruals following the entry into force of several requirements of France's Pacte Act this year (€8 million).

(3) The final position of other provisions for charges comprises €23 million in provisions for the buyback of performance shares granted to employees residing in France for tax purposes. The €13 million decrease is due to (i) the reversal of the expired 2016 plans in February 2019, and (ii) the reversal of the 2018 plan's final balance for revaluation at December 31, 2019.

(4) The final balance of provisions for asset impairment is mainly composed of share impairments. The most significant of these relate to the following subsidiaries and affiliates: Inversiones Dix Venezuela (€21 million), Cestaticket (€16 million), Edenred Japan (€15 million), Veninvest Seize Venezuela (€12 million) and Big Pass (€12 million).

The most significant movements during the year were as follows:

€11 million in impairment losses on shares in subsidiaries and affiliates, including €7 million related to Big Pass, €2 million related to Edenred Japan and €1 million related to Veninvest Quattro..

Pension and other post-employment benefit obligations and underlying actuarial assumptions

	AT DECEMBER 31, 2019
Discount rate	0.50%
Mortality tables	TGH -TGF05
Rate of future salary increases	1.75%
Retirement age	65
Voluntary or compulsory retirement	Voluntary
Payroll tax rate	46%

	AT DECEMBER 31, 2019
Provisions for pensions and other post-retirement benefit obligations at December 31, 2018	17.5
Service cost	2.0
Interest cost	0.3
Benefit payments for the period	-
Actuarial (gains)/losses	3.2
Plan amendments	-8.0
Provisions for pensions and other post-retirement benefit obligations at December 31, 2019	15.0

NOTE 8 MARKETABLE SECURITIES PORTFOLIO

(in € millions)	COST AT DECEMBER 31, 2019	COST AT DECEMBER 31, 2018
Term deposits	75	55
Negotiable debt securities	199	189
Retail certificates of deposit	60	5
Money market funds – Liquidity contract	1	1
Edenred SA shares	35	25
Accrued interest	1	
TOTAL	**371**	**275**

Term deposits and retail certificates of deposit are classified as held-to-maturity investments.

The €35 million in Edenred SA's own shares relates to shares acquired as part of stock option plans for employees who are French tax residents.

No impairment loss was recognized due to the Company's commitment to awarding these shares to employees.

A provision for contingencies related to the share buyback plan was recorded as of December 31, 2019 (see Note 7).

NOTE 9 ACCRUALS AND OTHER ASSETS AT DECEMBER 31, 2019

(in € millions)	AT DECEMBER 31, 2018 NET	INCREASES	DECREASES	AT DECEMBER 31, 2019 NET
DEFERRED CHARGES				
Debt issuance costs [1]	-	4.5	(0.3)	4
Bond issuance costs [2]	25		(4.3)	21
TOTAL	**25**	**5**	**(5)**	**25**
BOND ISSUE PREMIUMS				
Issue premiums [2]	11		(2)	9
TOTAL	**11**	**-**	**(2)**	**9**
PREPAID EXPENSES				
IT maintenance fees – Insurance premiums – Other fees	2	1		3
TOTAL	**2**	**1**	**-**	**3**

(1) The increase relates to the issue of OCEANE bonds on September 3, 2019.
(2) The decrease corresponds to the amortization of loan issue fees over the period.

NOTE 10 CONVERSION DIFFERENCES

(in € millions)	AT DECEMBER 31, 2019	AT DECEMBER 31, 2018
CONVERSION DIFFERENCES IN ASSETS		
Decrease in receivables [1]	3	1
Increase in payables [2]	2	2
TOTAL	**5**	**3**
CONVERSION DIFFERENCES IN LIABILITIES		
Increase in receivables [2]	3	1
Decrease in payables [2]	2	2
TOTAL	**5**	**3**

(1) Conversion differences on currency swaps and bank balances. See Note 5 for details.
(2) Conversion differences on loans and borrowings with foreign subsidiaries, bank balances and currency swaps.

NOTE 11 ACCRUED INCOME

Accrued income is included in the following balance sheet items

(in € millions)	AT DECEMBER 31, 2019	AT DECEMBER 31, 2018
Loans and advances to subsidiaries and affiliates	-	-
Trade receivables	4	2
Other receivables	8	1
Marketable securities	1	-
Cash		1
TOTAL	**13**	**4**

NOTE 12 ACCRUED EXPENSES

Accrued expenses are included in the following balance sheet items

(in € millions)	AT DECEMBER 31, 2019	AT DECEMBER 31, 2018
Bonds	3	3
Bank borrowings	2	1
Other borrowings		
Trade payables	14	14
Accrued taxes and payroll costs	16	15
Due to suppliers of fixed assets	3	
Other liabilities	1	1
TOTAL	**39**	**34**

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NOTE 13 CHANGES IN SHAREHOLDERS' EQUITY

ITEMS *(in € millions)*	AT DECEMBER 31, 2018	APPROPRIATION OF 2018 NET PROFIT [2]	SHARES ISSUED/ (CANCELED)	OTHER	2019 NET PROFIT	AT DECEMBER 31, 2019
Number of shares outstanding [1]	**239,266,350**					**243,204,857**
Share capital	478		8			486
Additional paid-in capital	770		110			880
Legal reserve	47	1				48
Untaxed reserves						-
Other reserves	-					-
Retained earnings	21	78				99
Net profit for the year	285	(285)			297	297
Untaxed provisions	2			(1)		1
TOTAL SHAREHOLDERS' EQUITY	**1,603**	**(206)**	**118**	**(1)**	**297**	**1,811**

(1) Par value of €2.
At December 31, 2019, Edenred SA held 1,137,643 of its own shares, representing 0.47% of the number of shares making up the share capital at December 31, 2019, following a liquidity contract and shares allocated to specific plans (see Note 8).
(2) Dividends for €206 million were paid as of June 11, 2019.

NOTE 14 STOCK OPTION AND PERFORMANCE SHARE PLANS

Stock option plan

	2010 PLAN	2011 PLAN	2012 PLAN
Grant date	Aug. 6, 2010	Mar. 11, 2011	Feb. 27, 2012
Vesting date	Aug. 7, 2014	Mar. 12, 2015	Feb. 28, 2016
Expiry date	Aug. 6, 2018	Mar. 11, 2019	Feb. 27, 2020
Exercise price *(in €)*	13.69	18.81	19.03
IFRS 2 fair value *(in €)*	2.62	5.07	4.25
Vesting conditions	Continued presence within the Group as of August 6, 2014 (except in the specific circumstances provided for in the plan rules)	Continued presence within the Group as of March 11, 2015 (except in the specific circumstances provided for in the plan rules)	Continued presence within the Group as of February 27, 2016 (except in the specific circumstances provided for in the plan rules)
Number of options granted at the plan launch	4,235,500	611,700	382,800
Number of options canceled since the plan launch	488,150	20,350	12,000
Number of options exercised since the plan launch	3,747,350	591,350	340,650
Number of options outstanding at December 31	-	-	30,150

Performance share plans

	2014 PLAN	2015 PLAN	2015 PLAN (CEO)	2016 PLAN	2017 PLAN	2018 PLAN	2019 PLAN
Grant date	Feb. 17, 2014	Feb. 20, 2015	Dec. 9, 2015	May 5, 2016	Mar. 8, 2017	Feb. 21, 2018	Feb. 27, 2019
Vesting date	Feb. 18, 2017 (1)	Feb. 21, 2018 (2)	Dec. 10, 2018	May 4, 2019 (3)	Mar. 8, 2020 (4)	Feb. 22, 2021 (5)	Feb. 28, 2022 (6)
IFRS 2 fair value for French tax residents *(in €)*	14.12	16.08	8.19	15.04	18.38	24.26	33.69
IFRS 2 fair value for non-French tax residents *(in €)*	14.58	15.91	-	15.04	18.38	24.26	33.69
Vesting conditions	40% FFO 2014-2016, 40% issue volume 2014-2016, 20% performance vs. TSR 2014-2016	40% FFO 2015-2017, 40% issue volume 2015-2017, 20% performance vs. TSR 2015-2017	37.5% FFO 2015-2017, 37.5% issue volume 2015-2017, 25% performance vs. TSR 2015-2017	37.5% FFO 2016-2018, 37.5% issue volume 2016-2018, 25% performance vs. TSR 2016-2018	37.5% FFO 2017-2019, 37.5% issue volume 2017-2019, 25% performance vs. TSR 2017-2019	37.5% FFO 2018-2020, 37.5% issue volume 2018-2020, 25% performance vs. TSR 2018-2020	37.5% FFO 2019-2021, 37.5% operating EBIT 2019-2021, 25% performance vs. TSR 2019-2021
Number of performance shares granted at the plan launch	824,000	800,000	137,363	990,080	794,985	685,706	597,220
Number of performance shares vested at December 31	578,141	176,420	125,916	902,821	-	-	-
Number of performance shares canceled since the plan launch	245,859	241,650	11,447	87,259	92,544	52,628	11,770
Number of performance shares outstanding at December 31	-	381,930	-	-	702,441	633,078	585,450

(1) Delivery of the shares on February 18, 2017 for French tax residents and February 18, 2019 for non-residents.
(2) Delivery of the shares on February 21, 2018 for French tax residents and February 21, 2020 for non-residents.
(3) Delivery of the shares on May 4, 2019 for all beneficiaries, French tax residents and non-residents alike.
(4) Delivery of the shares on March 8, 2020 for all beneficiaries, French tax residents and non-residents alike.
(5) Delivery of the shares on February 22, 2021 for all beneficiaries, French tax residents and non-residents alike.
(6) Delivery of the shares on February 28, 2022 for all beneficiaries, French tax residents and non-residents alike.

NOTE 15 MATURITIES OF DEBT AND PAYABLES AT DECEMBER 31, 2019

(in € millions)	TOTAL	DUE WITHIN 1 YEAR	DUE IN 1 TO 5 YEARS	DUE BEYOND 5 YEARS
DEBT				
Bonds (1) (3)	2,623	3	620	2,000
Bank borrowings (3)	46	46		
Other borrowings (2) (3)	2,525	2,525	-	
OPERATING PAYABLES				
Trade payables (3)	17	17		
OTHER PAYABLES				
Accrued taxes and payroll costs (3)	18	16	2	
Due to suppliers of fixed assets	3	3		
Other liabilities (3)	1	1		
Deferred income (3)	40	8	31	1
TOTAL	**5,273**	**2,619**	**653**	**2,001**

(1) Bonds issued in 2012-2013, 2015-2018, and the €500 million OCEANE bond issue carried out on September 3, 2019.
(2) Current account advances, loans with subsidiaries and short-term negotiable debt (NEU CP).
(3) Breakdown by currency (in € millions):

DEBT BY CURRENCY	
EUR	4,875
GBP	198
MXN	83
SEK	62
USD	27
JPY	14
HUF	13
Other currencies	1
TOTAL	**5,273**

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NOTE 16 MATURITIES OF RECEIVABLES AT DECEMBER 31, 2019

(in € millions)	TOTAL	DUE WITHIN 1 YEAR	DUE BEYOND 1 YEAR
RECEIVABLES INCLUDED IN FIXED ASSETS			
Loans and advances to subsidiaries and affiliates	1,366	63	1,303
Other loans			
Other investments	72	72	
Receivables included in current assets			
Trade receivables	36	36	
Other receivables	481	479	2
Prepaid expenses	3	3	
TOTAL	**1,958**	**653**	**1,305**

Breakdown by currency (in € millions):

RECEIVABLES BY CURRENCY	
EUR	1,881
AED	32
USD	21
PLN	11
SGD	7
RUB	2
LBP	2
RON	1
Other currencies	1
TOTAL	**1,958**

NOTE 17 RELATED-PARTY TRANSACTIONS[1]

(in € millions)	2019	2018
ASSETS		
Shares in subsidiaries and affiliates	4,767	3,471
Loans and advances to subsidiaries and affiliates	1,366	1,406
Other investment securities	2	3
Trade receivables	33	19
Other receivables	462	365
LIABILITIES		
Other borrowings	2,419	1,769
Trade payables	4	3
INCOME AND EXPENSES		
Income from investments in subsidiaries and affiliates	338	278
Other financial income	2	1
Financial expenses	2	3

NOTE 18 BREAKDOWN OF NET REVENUE

(in € millions)	2019	2018
France	18	13
TOTAL FRANCE	18	13
International	62	46
TOTAL INTERNATIONAL	62	46
TOTAL NET REVENUE	**80**	**59**

NOTE 19 MANAGEMENT COMPENSATION AND EMPLOYEE INFORMATION

Compensation paid to members of the Company's administrative and supervisory bodies

(in € millions)	2019	2018
Members of the Executive Committee (excluding payroll taxes) and the Board of Directors [1]	9	9
Number of employees		
EMPLOYEE CATEGORY		
Managers	209	184
Supervisors	4	5
Administrative staff (interns)	6	6
Apprentices	3	4
TOTAL	**222**	**199**

(1) See the Corporate Governance Report in section 5.

The Company has a total of 222 employees, including seven seconded to subsidiaries.

(1) Companies that are fully consolidated in the Edenred Group consolidated financial statements are deemed to be related parties.

NOTE 20 NET FINANCIAL INCOME

(in € millions)	2019	2018
Income from investments in subsidiaries and affiliates	**338**	**278**
Dividends received from subsidiaries	323	253
Interest received on intra-group loans and receivables	16	25
Other interest income	**8**	**4**
Interest income on current accounts advances	2	1
Interest income on interest rate and currency swaps	0	1
Other interest income	5	2
Reversals of provisions for financial items	**4**	**38**
Reversals of provisions for impairment of shares in subsidiaries and affiliates	1	13
Reversals of provisions for impairment of other receivables	-	
Reversals of provisions for contingencies and charges	2	25
Foreign exchange gains	**12**	**16**
FINANCIAL INCOME	362	336
Interest expense	**(37)**	**(33)**
Interest paid on bonds	(44)	(35)
Interest paid on bank borrowings	-	
Interest paid on other borrowings	8	5
Interest paid on current accounts advances	(1)	(1)
Interest paid on loans from subsidiaries	0	(2)
Amortization and provisions – financial assets	**(15)**	**(19)**
Additions to provisions for impairment of shares in subsidiaries and affiliates	(11)	(13)
Additions to provisions for impairment of loans	(0)	(2)
Additions to provisions for impairment of current assets	-	
Amortization of bond issue premiums	(2)	(1)
Additions to provisions for contingencies and charges	(1)	(3)
Foreign exchange losses	**(12)**	**(39)**
FINANCIAL EXPENSES	(64)	(91)
NET FINANCIAL INCOME	**298**	**245**

NOTE 21 NON-RECURRING ITEMS

In 2019, total non-recurring items represented net income of €3 million before tax, breaking down as follows:

(in € millions)	2019	2018
Gains on disposals and liquidations of investments	2	56
Other non-recurring gains	1	
Other non-recurring charges	(1)	
Non-recurring additions to provisions for contingencies and charges	-	
Non-recurring reversals of provisions for contingencies and charges	1	1
NET NON-RECURRING INCOME	**3**	**57**

NOTE 22 INCOME TAX AND CONSOLIDATION

A. Income tax expense of Edenred SA

The Company recorded a tax loss of €18.6 million on a stand-alone basis in 2019 (*i.e.*, excluding the contribution of companies in the Edenred SA tax group).

(in € millions)	2019	2018
Tax on recurring profit	(9)	(12)
Tax on non-recurring items	1	20
Income tax(1)	18	10

(1) This item primarily comprises a net Group relief benefit for the year.

Potential deferred taxes arising from deductible and taxable temporary differences, including tax loss carry-forwards, represented a net asset of €61 million at December 31, 2019.

B. Tax group members

Edenred SA and its eligible French subsidiaries were elected for the Group relief system governed by Article 223A of the French General Tax Code on March 18, 2011. The election took effect as of the tax year beginning on January 1, 2011.

A Group relief agreement between Edenred SA and the other members of the tax group was signed in 2011.

The tax group members in 2019 were:

- Saminvest
- ASM
- Edenred France
- Veninvest Quattro
- Veninvest Cinq
- Veninvest Huit
- Veninvest Neuf
- Edenred Corporate Payment
- Veninvest Onze
- Veninvest Douze
- Veninvest Quatorze
- Veninvest Quinze
- Veninvest Seize
- GABC
- Edenred Paiement
- Edenred Fuel Card
- Edenred Fleet & Mobility
- Edenred Fleet Pro
- Proweb CE
- Gameo
- Landray
- PWC Participation A
- PWC Participation B

C. Group relief benefit

In 2019, Group relief of €16 million was recorded in Edenred SA's financial statements.

The Group's tax expense for the year amounted to €0.64 million, to which have been allocated tax credits related to withholding tax.

D. Consolidation

Edenred SA is the consolidating entity of the Edenred Group.

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NOTE 23 OFF-BALANCE SHEET COMMITMENTS GIVEN AND RECEIVED

Other off-balance sheet commitments.

Off-balance sheet commitments given at December 31, 2019 break down as follows:

AT DECEMBER 31 *(in € millions)*	WITHIN 1 YEAR	1 TO 5 YEARS	BEYOND 5 YEARS	AT DECEMBER 31, 2019	AT DECEMBER 31, 2018
Total renovation commitments					
Guarantees given [1]	60	12		72	70
Guarantees for bank borrowings [2]	16	4		20	16
TOTAL GUARANTEE COMMITMENTS	**76**	**16**	**-**	**92**	**86**

(1) Related to guarantees given to banks on behalf of subsidiaries for €63 million and capital commitments given for €9 million to the Partech International VI, Partech VII, Partech II, Partech III and Partech Africa investment funds.
(2) Linked to guarantees for bank loans given on behalf of subsidiaries.

Hedging instruments

Currency hedges

The following tables analyze the notional amount of currency hedges by maturity and the carrying amount of these instruments in the balance sheet, corresponding to their fair value, at December 31, 2019:

(in € millions)	AT DECEMBER 31, 2019 NOTIONAL AMOUNT	ÉCHÉANCE 2020
FORWARD SALES AND CURRENCY SWAPS		
AED	32.6	
USD	0.8	
CZK	0.4	
FORWARD SALES	**33.8**	**-**
FORWARD PURCHASES AND CURRENCY SWAPS		
SEK	62.3	
MXN	3.0	
FORWARD PURCHASES	**65.3**	**-**
TOTAL CURRENCY HEDGES	**99.1**	**-**

For each currency, the notional amount corresponds to the euro equivalent of the amount of currency sold or purchased forward. The fair value corresponds to the difference between the amount of currency sold (purchased) in the foreign currency and the amount of currency purchased (sold) in the exchanged currency (applying the closing rate).

All the currency instruments listed above are used for hedging purposes. They are designated and documented fair value hedges of intra-group loans and borrowings that qualify for hedge accounting.

At December 31, 2019, currency instruments had a positive fair value of €0.3 million.

Interest rate hedges

The following tables analyze the notional amount of currency hedges by maturity and the carrying amount of these instruments in the balance sheet, corresponding to their fair value, at December 31, 2019:

At December 31

(in € millions)	2019 NOTIONAL AMOUNT	2020	2021	BEYOND
Interest rate swaps where Edenred is the fixed rate borrower				
EUR Euribor/Fixed rate	50			50
Interest rate swaps where Edenred is the variable rate borrower		125		1,757
Fixed rate/EUR Euribor	1,882			
Interest rate swaps where Edenred is the fixed rate lender *	47			47
MXN TIEE Banxico/Fixed rate				
TOTAL INTEREST RATE HEDGES	**1,979**	**125**	**-**	**1,854**

* *MXN interest rate hedges are for our Mexican subsidiary.*

The notional amount corresponds to the amount covered by the interest rate hedge. The fair value represents the amount that would be receivable or payable if the positions were unwound on the market.

All the interest rate instruments listed above are used for hedging purposes and are designated and documented interest rate hedges that qualify for hedge accounting.

At December 31, 2019, interest rate instruments had a positive fair value of €70 million.

NOTE 24 MAIN SUBSIDIARIES AND AFFILIATES AT DECEMBER 31, 2019

		(in thousands of local currency units)			CARRYING AMOUNT OF SHARES		
SUBSIDIARIES AND AFFILIATES	CURRENCY	SHARE CAPITAL	RESERVES	% INTEREST	COST	NET	PROVISIONS
A – Subsidiaries and affiliates with a carrying amount in excess of 1% of Edenred SA's capital							
1 – Subsidiaries (at least 50% owned by Edenred SA)							
a) French subsidiaries							
EDENRED France 166-180 Bld Gabriel Péri 92240 Malakoff	EUR	464,967	82,622	100.00%	641,997	641,997	
VENINVEST QUATTRO 166-180 Bld Gabriel Péri 92240 Malakoff	EUR	3,319	(2,219)	100.00%	7,566	-	7,566
VENINVEST CINQ 166-180 Bld Gabriel Péri 92240 Malakoff	EUR	300	(323)	100.00%	7,381	-	7,381
VENINVEST HUIT 166-180 Bld Gabriel Péri 92240 Malakoff	EUR	2,322	(2,345)	100.00%	6,789	-	6,789
EDENRED FLEET & MOBILITY 166-180 Bld Gabriel Péri 92240 Malakoff	EUR	9,005	(938)	100.00%	9,005	9,005	
ASM 166-180 Bld Gabriel Péri 92240 Malakoff	EUR	306,268	2,070	100.00%	306,267	306,267	
SAMINVEST 166-180 Bld Gabriel Péri 92240 Malakoff	EUR	3,060	306	60.00%	276,760	276,760	
VENINVEST NEUF 166-180 BLD Gabriel Péri 92240 Malakoff	EUR	853	(902)	100.00%	5,594	-	5,594
VENINVEST ONZE 166-180 BLD Gabriel Péri 92240 Malakoff	EUR	1,123	(1,172)	100.00%	5,485	-	5,485
VENINVEST DOUZE 166-180 BLD Gabriel Péri 92240 Malakoff	EUR	2,651	(2,738)	100.00%	9,454	-	9,454
VENINVEST SEIZE 166-180 BLD Gabriel Péri 92240 Malakoff	EUR	1,893	(1,923)	100.00%	12,388	-	12,388
b) Foreign subsidiaries							
EDENRED MAGYARORSZAG KFT (Hungary)	HUF	89,000	231,153	100.00%	23,084	22,912	172
VOUCHERS SERVICES SA 33 Avenue Galatsiou 11141 Athens Greece	EUR	500	247	51.00%	26,524	26,524	
EDENRED Italie SRL Via GB Pirelli 19 Milan Italy	EUR	5,958	111,092	57.72%	688,957	688,957	-
EDENRED BELGIUM Av Herrmann Debroux 44 1160 Bruxelles	EUR	36,608	294,910	100.00%	893,415	893,415	

(in € thousands)

OUTSTANDING LOANS AND ADVANCES GRANTED BY EDENRED SA	GUARANTEES GIVEN BY EDENRED SA	LAST REPORTED REVENUE EXCL. TAXES (LOCAL CURRENCY)	LAST REPORTED REVENUE EXCL. TAXES	LAST REPORTED PROFIT (LOSS) (LOCAL CURRENCY)	LAST REPORTED PROFIT (LOSS)	DIVIDENDS RECEIVED BY EDENRED SA DURING THE YEAR	AVERAGE 2019 EXCHANGE RATE
631,042		187,080	187,080	64,957	64,957	50,000	1.00000
		-	-	(4)	(4)	-	1.00000
		-	-	(4)	(4)	-	1.00000
		-	-	(4)	(4)	-	1.00000
		236	236	(875)	(875)	-	1.00000
		-	-	28,109	28,109	67	1.00000
		-	-	43,315	43,315	21,338	1.00000
		-	-	(4)	(4)	-	1.00000
		-	-	(4)	(4)	-	1.00000
		-	-	(4)	(4)	-	1.00000
		-	-	(4)	(4)	-	1.00000
	-	1,188,940	3,656	(114,188)	(351)	893	325.22940
	-	13,544	13,544	5,462	5,462	2,605	1.00000
-		1,771,943	1,771,943	227,899	227,899	53,173	1.00000
239,458		47,608	47,608	107,136	107,136	123,123	1.00000

4

		(in thousands of local currency units)			CARRYING AMOUNT OF SHARES		
SUBSIDIARIES AND AFFILIATES	CURRENCY	SHARE CAPITAL	RESERVES	% INTEREST	COST	NET	PROVISIONS
EDENRED Portugal SA Edificio Adamastor, Torre B Av D.Joao II 1990-077 Lisbon	EUR	2,030	5,779	50.00%	6,765	6,765	
EDENRED DEUTSCHLAND GMBH (Germany)	EUR	1,520	44,085	100.00%	26,651	26,651	-
EDENRED ESPANA SA (Spain)	EUR	11,544	26,839	100.00%	53,141	53,141	
EDENRED UK GROUP LIMITED 50 Vauxhall Bridge Road, London SW1V 2RS UK	GBP	13,394	46,291	100.00%	306,616	306,616	
EDENRED NORTH AMERICA Inc.	USD	615,616	22,914	100.00%	523,856	523,856	
EDENRED SWEDEN Liljeholmsstranden 3 105 40 Stockholm	SEK	9,974	10,529	100.00%	112,301	112,301	-
EDENRED FINLAND OY Elimaenkatu15 00510 Helsinki	EUR	6,536	(163)	100.00%	68,628	68,628	
EDENRED ROMANIA SRL CAL.Serban Voda nr.133 Bucarest	RON	52,355	12,871	100.00%	164,190	164,190	-
EDENRED Luxembourg	EUR	31	4,058	100.00%	25,500	25,500	
EDENRED INDIA PVT LTD (India) [1]	INR	246,131	102,658	94.90%	14,001	3,310	10,691
EDENRED SLOVAKIA (Slovakia)	EUR	664	7,983	99.89%	97,488	97,488	
EDENRED SINGAPORE Pte Ltd (Singapore)	SGD	48,000	(40,321)	100.00%	36,335	25,056	11,279
SURGOLD INDIA PVT LTD (India) [1]	INR	215,899	(80,335)	100.00%	10,437	1,235	9,202
EDENRED KURUMSAL COZ.A.S (Turkey)	TRY	2,980	12,853	99.98%	89,606	89,606	
ACCENTIV TURKEY (Turkey)	TRY	1,000	2,935	99.99%	4,850	4,850	
CESTATICKET SERVICES C.A. (Venezuela)	VES		397,673	57.00%	16,309	-	16,309
INVERSIONES DIX VENEZUELA SA	VES	23	(319)	100.00%	21,202	1	21,201
BIG PASS (Colombia)	COP	1,700,000	12,602,067	100.00%	15,740	3,541	12,199
EDENRED CZ SRO Na Porici 5, Praha 1, Czech Republic	CZK	13,500	204,306	100.00%	163,601	163,601	
EDENRED JAPAN CO LTD 10F, Hulic Kandabashi bldg, Tokyo	JPY	100,000	249,682	100.00%	29,624	14,480	15,144
EDENRED POLSKA Sp Zo.o. (Poland)	PLN	18,171	(9,692)	81.86%	9,354	7,782	1,572
2 – Affiliates (10% to 50%-owned by Edenred SA)							
a) French affiliates							
b) Foreign affiliates							
3 – Other (less than 10%-owned by Edenred SA)							
a) French companies							
b) Foreign companies							
EDENRED BRESIL PARTICIPACOES SA Av. Das Nacoes Unidas, 7815 Sao Paulo Brazil	BRL	872,477	1,145,200	8.46%	20,130	20,130	
Fretlink	EUR	589	18,568	5.50%	4,750		

(in € thousands)

OUTSTANDING LOANS AND ADVANCES GRANTED BY EDENRED SA	GUARANTEES GIVEN BY EDENRED SA	LAST REPORTED REVENUE EXCL. TAXES (LOCAL CURRENCY)	LAST REPORTED REVENUE EXCL. TAXES	LAST REPORTED PROFIT (LOSS) (LOCAL CURRENCY)	LAST REPORTED PROFIT (LOSS)	DIVIDENDS RECEIVED BY EDENRED SA DURING THE YEAR	AVERAGE 2019 EXCHANGE RATE
	-	10,806	10,806	1,234	1,234	156	1.00000
		24,831	24,831	781	781	-	1.00000
		25,382	25,382	8,162	8,162	28,331	1.00000
	-	11,372	12,961	10,612	12,095	12,569	0.87740
	-	1,289	1,151	(3,440)	(3,073)	-	1.11960
	-	103,827	9,808	19,049	1,799	21	10.58640
		17,903	17,903	3,192	3,192	-	1.00000
		121,958	25,699	60,757	12,803	9,782	4.74570
		2,152	2,152	1,214	1,214	-	1.00000
		222,131	2,817	(103,639)	(1,314)	-	78.84940
	-	-	-	52,910	52,910	1,733	1.00000
		11,303	7,401	(2,915)	(1,909)	-	1.52720
	-	3,876,547	49,164	(14,181)	(180)	-	78.84940
	-	128,229	19,184	102,543	15,341	5,569	6.68430
	-	3,907	585	2,458	368	-	6.68430
		6,297,664	427	17,846,024	1,209	-	14,759.35270
		-	-	(40,109)	(3)	-	14,759.35270
		14,320,940	3,899	345,321	94	-	3,672.53360
	-	733,894	28,590	163,270	6,360	6,181	25.66970
		720,858	5,906	(88,316)	(724)	-	122.05920
		18,784	4,371	(4,888)	(1,137)	-	4.29740
	-	-	-	426,322	96,593	6,816	4.41360
		14,497	14,497	(8,615)	(8,615)		1.00000

		(in thousands of local currency units)			CARRYING AMOUNT OF SHARES		
SUBSIDIARIES AND AFFILIATES	CURRENCY	SHARE CAPITAL	RESERVES	% INTEREST	COST	NET	PROVISIONS
B – Investments with a carrying amount of less than 1% of Edenred SA's capital							
a) French companies							
EDENRED FUEL CARD 166-180 bld Gabriel Peri 92240 Malakoff	EUR	5	37	100.00%	5	5	
GAMEO 166-180 bld Gabriel Peri 92240 Malakoff	EUR	1	(3)	100.00%	1	1	
LANDRAY 166-180 Bld Gabriel Peri 92240 Malakoff	EUR	1	(3)	100.00%	1	1	
VENINVEST QUINZE 166-180 BLD Gabriel Péri 92240 Malakoff	EUR	155	(169)	100.00%	4,570	-	4,570
VENINVEST QUATORZE 166-180 BLD Gabriel Péri 92240 Malakoff	EUR	4,570	(4,943)	100.00%	4,570	-	4,570
LUCKY CART SAS	EUR	4,380	2,221	22.18%	1,347	1,347	-
ANDJARO	EUR	31	1,979	22.73%	1,074	1,074	-
ZEN CHEF	EUR	1	1,198	13.22%	2,650	2,650	-
ADD WORKING	EUR	144	551	16.78%	314	314	-
b) Foreign companies							
EDENRED AUSTRIA GmbH Am Euro Platz 1, A-1120 Vienna (Austria)	EUR	1,600	110	100.00%	1,589	1,589	
EDENRED BULGARIA AD 137 Tzarigradsko Shausse Blvd Sofia 1784, Bulgaria	BGN	2,841	284	50.00%	1,272	1,272	-
WESTWELL GROUP SA José Enrique Rodo 2123, Montevideo Uruguay	USD	1,864	636	100.00%	2,209	2,209	
EDENRED PERU SA (Peru)	PEN	1,900	(2,771)	67.00%	2,080	1,228	852
EDENRED PANAMA SA	PAB	1,250	(1,438)	100.00%	1,024	-	1,024
EDENRED MAROC SAS 110 BD Zerktouni Casablanca	MAD	8,000	(8,333)	83.67%	2,521	292	2,229
EDENRED s.a.l SID EL BAUCHRIEH BEIRUT (Lebanon)	LBP	3,250,000	(3,920,256)	80.00%	1,559	-	1,559
ACCENTIV' SHANGHAI COMPANY (China)	CNY	36,162	(20,451)	100.00%	4,385	3,735	650
EDENRED COLOMBIA S.A.S Calle 72# 10-07 Edificio Liberty Piso 2 Bogota Colombia	COP	260,768	4,153,050	97.23%	3,454	64	3,390
EDENRED MD SRL	MDL	10,021	(11,888)	100.00%	506	-	506
EDENRED DIGITAL	MDL	10	-	90.00%	2		
HOLDING Germany [(2)]	EUR			100.00%	29		
IZICARD [(1)]	EUR	141	74	39.68%	819	553	266
LAUNCHPAD	GBP	0	410	13.16%	1,060	1,060	
BEEKEEPER	USD	474	61,870	4.85%	4,102	4,102	
Dexx TECHNOLOGIES	USD	0	3,663	9.82%	488	488	
Avrios	CHF	331	9,574	6.63%	2,562	2,562	

(in € thousands)

OUTSTANDING LOANS AND ADVANCES GRANTED BY EDENRED SA	GUARANTEES GIVEN BY EDENRED SA	LAST REPORTED REVENUE EXCL. TAXES (LOCAL CURRENCY)	LAST REPORTED REVENUE EXCL. TAXES	LAST REPORTED PROFIT (LOSS) (LOCAL CURRENCY)	LAST REPORTED PROFIT (LOSS)	DIVIDENDS RECEIVED BY EDENRED SA DURING THE YEAR	AVERAGE 2019 EXCHANGE RATE
		54,090	54,090	24	24	-	1.00000
		-	-	(6)	(6)	-	1.00000
		-	-	(4)	(4)	-	1.00000
		-	-	(4)	(4)	-	1.00000
		-	-	(6)	(6)	-	1.00000
		2,300	2,300	(549)	(549)	-	1.00000
		2,223	2,223	(2,061)	(2,061)	-	1.00000
		3,183	3,183	(35)	(35)	-	1.00000
		270	270	(400)	(400)		1.00000
	-	2,137	2,137	31	31	-	1.00000
	-	4,768	2,438	559	286	252	1.95580
	-	-	-	891	796	-	1.11960
	-	3,867	1,035	(2,048)	(548)	-	3.73530
	-	-	-	-	-	-	1.11960
	-	5,896	548	(371)	(34)	-	10.76710
-	-	1,275,075	754	(161,136)	(95)	-	1,691.67470
	-	24,493	3,167	(21,317)	(2,756)	-	7.73360
	-	-	-	(1,742,246)	(472)	-	3,692.47420
		1,573	80	(12,188)	(620)	-	19.66820
		-	-	(2,156)	(110)		19.66820
							1.00000
	-	677	677	366	366	-	1.00000
		2,283	2,602	(113)	(129)	-	0.87740
		9,874	8,819	(15,883)	(14,186)	-	1.11960
		511	456	(2,704)	(2,415)	-	1.11960
		3,159	2,839	(5,810)	(5,222)		1.11270

		(IN THOUSANDS OF LOCAL CURRENCY UNITS)			CARRYING AMOUNT OF SHARES		
SUBSIDIARIES AND AFFILIATES	CURRENCY	SHARE CAPITAL	RESERVES	% INTEREST	COST	NET	PROVISIONS
LUNCHEON TICKETS SA José Enrique Rodo 2123, Montevideo Uruguay	UYU	5,236	4,443	1.74%	231	231	
PROMOTE	UYU	92,227	(1,866)	1.73%	41	41	
TICKETSEG – CORRETORA DE SEGUROS S/A (Brazil)	BRL	2,526	235	0.43%	9	9	
ACCENTIV SERVICOS TECNOLOGIA DA INFORMACOA S/A	BRL	64,414	(27,818)	0.31%	387	32	355
Fuse	GBP	23	7,908	7.30%	2,873	2,873	-
3 – Other (less than 10%-owned by Edenred SA)							
A – INVESTMENTS WITH A CARRYING AMOUNT IN EXCESS OF 1% OF EDENRED SA'S CAPITAL							
a) French subsidiaries (aggregate)					1,288,686	1,234,029	54,657
b) Foreign subsidiaries (aggregate)					3,453,055	3,350,536	97,769
B – INVESTMENTS WITH A CARRYING AMOUNT OF LESS THAN 1% OF EDENRED SA'S CAPITAL							
a) French companies (aggregate)					14,532	5,392	9,140
b) Foreign companies (aggregate)					33,202	22,340	10,831
TOTAL (NOTE 24)					**4,789,475**	**4,612,297**	**172,397**

(1) Balance sheet as of March 31, 2019.
(2) Balance sheet not established at December 31, 2019.

(in € thousands)

OUTSTANDING LOANS AND ADVANCES GRANTED BY EDENRED SA	GUARANTEES GIVEN BY EDENRED SA	LAST REPORTED REVENUE EXCL. TAXES (LOCAL CURRENCY)	LAST REPORTED REVENUE EXCL. TAXES	LAST REPORTED PROFIT (LOSS) (LOCAL CURRENCY)	LAST REPORTED PROFIT (LOSS)	DIVIDENDS RECEIVED BY EDENRED SA DURING THE YEAR	AVERAGE 2019 EXCHANGE RATE
	-	277,939	7,047	100,743	2,554	50	39.44230
				(8,954)	(227)		39.44230
	-	1,204	273	1,082	245	1	4.41360
	-	20,235	4,585	5,302	1,201	-	4.41360
		7,366	8,395	(4,549)	(5,185)		0.87740
631,042	-					71,405	
239,458	-					250,952	
-	-					-	
-	-					303	
870,500	**-**					**322,660**	

NOTE 25 FIVE-YEAR FINANCIAL SUMMARY

DESCRIPTION (IN € MILLIONS)	2019	2018	2017	2016	2015
1 – CAPITAL AT DECEMBER 31					
Share capital	480	478	471	467	462
Number of shares in issue [1]	243,204,857	239,266,350	235,403,240	233,679,845	230,816,848
Number of convertible bonds					
2 – RESULTS OF OPERATIONS					
Net revenues	80	59	51	30	30
Profit before tax, depreciation, amortization and provision expense	317	299	(4)	225	156
Income tax	18	10	29	2	(1)
Net profit	296	275	5	207	137
Total dividend [2]	210	205	199	144	191
3 – PER SHARE DATA *(in €)*					
Earnings/(loss) per share after tax, before depreciation, amortization and provision expense	1.30	1.25	(0.02)	0.96	0.68
Earnings/(loss) per share	1.22	1.15	0.02	0.89	0.59
Dividend per share	0.87	0.86	0.85	0.62	0.84
4 – EMPLOYEE INFORMATION					
Number of employees [3]	212	195	185	171	195
Total payroll	(26)	(23)	(22)	(21)	(22)
Total benefits	(32)	(21)	(17)	(14)	(17)

(1) At December 31, 2019.
(2) Recommended in respect of 2019, based on 0.87 shares carrying dividend rights at December 31, 2019.
(3) Average number of employees in 2019.

5

General Meeting

5.1 Presentation of the proposed resolutions to the General Meeting

5.1.1 Accounts for the financial year ended December 31, 2019 and dividend (1st to 4th resolutions)

The purpose of the **first resolution** is to approve the Company's annual accounts for the financial year ended December 31, 2019, which show net accounting profit of €296,830,332.51. In application of Article 223 *quater* of the French General Tax Code *(Code général des impôts)*, the shareholders are also invited to approve the total amount of expenses and charges referred to in Article 39, paragraph 4 of the said code, which amounted to €250,845 for the past financial year, and the tax paid pertaining to tose expenses and charges which amounted to €64,793.

The purpose of the **second resolution** is to approve the consolidated accounts for the financial year ended December 31, 2019, which show consolidated net profit of €311,952,000.

The **third resolution** concerns the appropriation of profit and setting of the dividend. The Board of Directors recommends appropriating distributable earnings as follows:

- allocation to the legal reserve: €787,701.4, which will increase the total legal reserve to €48,640,971.4;
- retained earnings: €85,444,154.93, which will increase total retained earnings to €184,105,198.55; and
- payment of the dividend: €210,598,476.18 (based on 242,067,214 shares carrying dividend rights at December 31, 2019).

Shareholders are invited to set the 2019 dividend at €0.87 per share.

Dividends per share for the previous three years were as follows:

- 2016: €0.62;
- 2017: €0.85; and
- 2018: €0.86.

Through the **fourth resolution** you are invited to grant each shareholder the possibility of opting for the payment in Company's new shares for the full amount of the dividend to which they are entitled for the financial year ended Decembr 31, 209, i.e.:

- €0.87 per share in cash only; or
- €0.87 per share in new shares.

The option of payment in shares enables the Company to increase its equity capital while preserving its cash reserves. Shareholders that choose to reinvest their dividends help to finance the Company's future investments, which in turn will contribute to driving future earnings growth.

Should this option be taken up, the new shares will be issued at a price equal to 90% of the average of the opening price quoted for Edenred shares on the Euronext Paris during the 20 trading days preceding the dayte of the Combined General Meeting of May 7, 2020, less the net amount of the dividend rounded up to the next euro cent. They will carry the same rights as existing shares, including rights to all dividends distributed after their issuance date. If the amount of dividends for which the option is exercised does not correspond to a whole number of shares, the shareholder will receive the lower whole number of shares and a balancing payment in cash made by the Company.

Shareholaders may opt for payment of the dividend in new shares between May 15, 2020 and May 29, 2020 included. Shareholders that do not exercise the option by May 29, 2020 included will receive the total dividend in cash on June 5, 2020. For shareholders that do opt for the payment of the dividend in shares, the shares will be delivered as from the same date, *i.e.*, June 5, 2020.

5.1.2 Renewal and appointment of directors (5th to 7th resolutions)

At the date of these resolutions, the Board of Directors has 11 members, including one employee-representative director. The term of office of directors is provided for in Article 12 of the bylaws and set at four years.

The term of office of the following three directors expires at the close of the Combined General Meeting of May 7, 2020: Mr Jean-Paul Bailly, Mr Dominique D'Hinnin and Mr Bertrand Méheut.

In the **fifth and sixth resolutions**, the shareholders are invited to renew the director's term of offices of Mr Jean-Paul Bailly (for a two-year term) and Mr Dominique D'Hinnin (for a four-year term).

The attendance rates[1] at Board meetings of the directors standing for renewal are as follows:

- Jean-Paul Bailly: 100%; and
- Dominique D'Hinnin: 100%.

In accordance with the provisions of the Company's bylaws concerning the age limit for members of the Board of Directors, Mr Jean-Paul Bailly will reach the age limit of 75 at the General Meeting to be held in 2022. As a result, the Board recommends that he be renewed for a two-year term only.

It is also reminded that Mr Dominique D'Hinnin was first appointed as a director of the Company in 2017.

(1) The attendance rate for each director was calculated based on the five Board meetings held during the 2019 financial year.

On the recommendation of the Compensation and Appointments Committee, the Board of Directors proposes the said renewals as it believes that all these directors bring specific qualities and attributes to the Board, especially their skills in key areas for Edenred such as digital, BtoBtoC, and finance, and that their knowledge of the Group is a major asset for the Board and the implementation of th Group's strategy. These renewals will therefore enable the Company to continue to benefit from their expertise.

Detailed information about Mr Jean-Paul Bailly and Mr Dominique D'Hinnin is provided in the Board of Directors' report on corporate governance, on pages 123 *et seq.* of the Universal Registration Document.

As to the appointment, the research process for candidates has been launched with the assistance of an external firm, on the basis of criteria defined by the Compensation and Appointments Committee and the Board of Directors, which appears on the matrix of directors' skills on page 127 of the Universal Registration Document.

This kind of expertise was defined in light of the composition of the Board of Directors, which thus ensured to have all the skills necessary for the performance of its duty.

The Board also ensured keeping the balance of its composition in terms of parity and international experience.

The purpose of the **seventh resolution** is to appoint Mr Alexandre de Juniac as a director, for a four-year term.

Aged 57 and of French nationality, Mr de Juniac is a graduate of the *Ecole Polytechnique de Paris* and *Ecole Nationale de l'Administration*.

He has almost three decades of experience in both the private and public sectors. This includes senior positions in the airline and aerospace industries and the French government.

Mr de Juniac has broad aviation sector experience, including 14 years at French aerospace, space, defense, security and transportation company Thales. In his last position at Thales, Mr de Juniac was responsible for the company's operations and sales in Asia, Africa, the Middle East and Latin America.

Mr de Juniac has also held positions in the French government. His career began with the *Conseil d'Etat* (State Council) from 1988 to 1993. Subsequently, he served in the Department of Budget (1993-1995); and in the Ministry of Economy, Industry and Employment as Chief of Staff to then Minister Christine Lagarde (2009-2011).

Besides, Mr de Juniac served as Chairman and CEO of Air France-KLM (2013-2016) and prior to that as Chairman and CEO of Air France (2011-2013). Under de Juniac's leadership Air France and Air France-KLM underwent a successful restructuring that improved efficiency and strengthened performance. He has also served on the International Air Transport Association (IATA) Board of Governors (2013-2016).

He has taken on the role of Director General and CEO of the IATA from September 1, 2016.

The Board proposes, based on the opinion of the Compensation and Appointments Committee, to appoint him as an independant director.

If these resolutions are adopted, the Board of Directors would have 11 members, including one employee-representative director. It would include four women appointed by the General Meeting (representing 40% of its shareholder-appointed members) and the proportion of independent directors would be more than 90% (9/10) based on the calculation method in the AFEP-MEDEF Code, which excludes employee-representative directors.

In addition, if these resolutions are adopted, the Board of Directors also plans to:

- confirm Mr Jean-Paul Bailly's positions as Chairman of the Commitments Committee and member of the Audit and Risks Committee; and
- confirm Mr Dominique D'Hinnin's position as Chairman of the Audit and Risks Committee.

5.1.3 Compensation of the corporate officers (8th to 12th resolutions)

Through the **eighth and ninth resolutions**, you are invited, in accordance with Article L.225-37-2 of the French Commercial Code, to approve the compensation policy for the Company's corporate officers as set out in the Board of Directors' report on corporate governance on pages 156 *et seq*. of the Universal Registration Document (*ex ante* vote of the shareholders).

The compensation policy specifies all the components of compensation that may be allocated to the Chairman and Chief Executive Officer (8th resolution) and the members of the Board of Directors, excluding the Chairman and Chief Executive Officer (9th resolution).

At the May 7, 2020 General Meeting, the shareholders are being asked for the first time to vote on the compensation policy for the members of the Board of Directors (excluding the Chairman and Chief Executive Officer) as a result of the amendments to Article L.225-37-2 of the French Commercial Code introduced by the Pacte Law[1] and its implementing legislation published in November 2019. The new legislation also states that the compensation policy must contain additional information, notably about the decision-making process followed for determining, revising and implementing the policy.

The main differences in the compensation policy compared with that approved at the General Meeting of May 14, 2019 (apart from the fact that it now includes members of the Board of Directors) are changes in the criteria used for the Chairman and Chief Executive Officer's annual variable compensation and long-term compensation, changes in his supplementary pension plan, and a cap placed on the amount of exceptional compensation that may be awarded to him (in cash and shares) in certain circumstances.

Regarding the members of the Board of Directors (excluding the Chairman and Chief Executive Officer), the principles used to allocate the annual fixed amount granted by the General Meeting for compensation are as follows:

- the duties of Board members are compensated with a fixed portion of a flat amount and with a variable portion based on the number of meetings attended in the previous financial year, which will exceed the amount of the fixed portion;
- the duties of Vice-Chairman of the Board of Directors are compensated with an additional fixed portion of a flat amount;
- the duties of members of a Board Committee are compensated with a variable portion based on the number of Committee meetings attended the previous financial year, with Audit and Risks Committee members entitled to a larger variable portion than members of the other committees;
- the duties of committee Chairman are compensated with a fixed portion of a flat amount defined for each of the committees, with the Chairman of the Audit and Risks Committee entitled to a larger fixed portion than that allocated to the other committee Chairmen;
- a director who also holds the position of Chairman of the Board of Directors, Chairman and Chief Executive Officer, Chief Executive Officer or Deputy Chief Executive Officer of the Company is not entitled to any compensation for his or her duties as member of the Board of Directors.

These allocation principles are aligned with the AFEP-MEDEF Code guidelines, i.e.:

- a variable portion (representing the largest part of each director's compensation) that takes into account directors' attendance at Board meetings;
- an additional amount allocated to members of the Board Committees;
- an amount that reflects the level of responsibility assumed and time spent in the role of director.

If the shareholders do not approve:

- the 8th resolution, the compensation policy for the Chairman and Chief Executive Officer approved at the General Meeting of May 14, 2019 would continue to apply to him;
- the 9th resolution, the compensation of the members of the Board of Directors (excluding the Chairman and Chief Executive Officer) would be set based on the compensation awarded to those members for the financial year ended December 31, 2018 because no compensation policy has ever previously been shareholder-approved,

  and in either of the above cases, the Board of Directors would subsequently put forward a revised compensation policy for approval at the next General Meeting.

Pursuant to the applicable laws and regulations, the compensation components set in accordance with this compensation policy will be subject to an *ex post* vote at the 2021 General Meeting.

In the **tenth resolution**, the shareholders are asked to raise the aggregate fixed annual amount to be allocated among the members of the Board of Directors in order to take into account the fact that a second employee-representative director will be joining the Board by the end of 2020 (as required under the Pacte Law) and anticipate the arrival of new Board members by 2022, notably for the Company to be attractive and be able to attract international profiles.

The Board of Directors is therefore asking the shareholders to raise the aggregate fixed annual amount from €590,000 to €700,000 as from January 1, 2020. We would remind you that this aggregate fiwed annual amount has not been increased since the General Meeting of May 4, 2017.

(1) French Act no. 2019-486 of May 22, 2019 relating to business growth and transformation.

In the **eleventh and twelfth resolutions**, pursuant to Article L.225-100 of the French Commercial Code, the shareholders are asked to approve the following (*ex post* vote of the shareholders):

1) the information referred to in Article L.225-37-3 (I.) of the French Commercial Code, notably including the total compensation and benefits paid during or awarded for the 2019 financial year, for all of the Company's corporate officers, *i.e.*, the Chairman and Chief Executive Officer and the other members of the Board of Directors (11th resolution); and
2) the fixed, variable and exceptional components composing the total compensation and the benefits of any kind paid during or awarded for the 2019 financial year to Mr Bertrand Dumazy, Chairman and Chief Executive Officer (12th resolution).

Concerning 1) above, in the same way as for the compensation policy for the members of the Board of Directors (excluding the Chairman and Chief Executive Officer), the General Meeting of May 7, 2020 marks the first time that the shareholders are asked to vote on the said information. These new vote results from the amendments to Articles L.225-37-3 and L.225-100 of the French Commercial Code pursuant to the Pacte Law and its implementing legislation published in November 2019. This information is provided in the Board of Directors' report on corporate governance, on pages 162 *et seq.* of the Universal Registration Document.

Concerning 2) above, this corresponds to the implementation of the compensation policy for the Chairman and Chief Executive Officer approved at the 2019 General Meeting. As usual, payment of the variable and exceptional components of the compensation awarded to Mr Bertrand Dumazy, Chairman and Chief Executive Officer, for the 2019 financial year is subject to the approval, by the General Meeting of May 7, 2020, of the 12th resolution. This information is provided in the Board of Directors' report on corporate governance, on pages 169 *et seq.* of the Universal Registration Document and is also set out in the table below:

Fixed, variable and exceptional components composing the total compensation and the benefits of any kind paid during or awarded for the 2019 financial year to Bertrand Dumazy, Chairman and Chief Executive Officer, subject to shareholder vote

Compensation compliant with the compensation policy approved by the Combined General Meeting of May 14, 2019

COMPENSATION COMPONENTS TO BE SUBMITTED TO A VOTE	AMOUNTS AWARDED FOR THE 2019 FINANCIAL YEAR	DESCRIPTION
Fixed compensation	€825,000	Gross annual fixed compensation of €825,000 set by the Board of Directors on December 20, 2017 based on the recommendation of the Compensation and Appointments Committee.
Annual variable compensation	€1,479,500	***General principle*** The annual variable compensation may range from 0% to 120% of the fixed compensation and may be increased to a maximum of 180% if the financial and operational targets are exceeded, as follows: • a variable part of up to 65% of annual fixed compensation linked to financial targets, including 50% based on budgeted operating EBIT [1] and 15% based on recurring earnings per share at constant exchange rates. In the event that the financial targets are exceeded, as acknowledged by the Board of Directors, the variable compensation may reach 105% of fixed compensation; • a variable part of up to 30% of fixed compensation linked to three operational targets related to the Group's strategy, each representing 10% of annual fixed compensation. The targets are to the Group's transformation rate, the like-for-like growth rate of business volume from Fleet & Mobility Solutions and the in sales volume in the Employee Benefits and Fleet & Mobility Solutions businesses carried out *via* digital and telesales channels. In the event that the operational targets are outperformed, as acknowledged by the Board of Directors, the variable compensation may reach 50% of fixed compensation; • a variable part of up to 25% of fixed compensation based on managerial targets related to the Group's strategy, such as the deployment of the Fast Forward strategic plan, the roll-out of the Corporate and Social Responsibility plan "People, Planet, Progress", the successful integration of Corporate Spending Innovations (CSI) in the United States and The Right Fuel Card in the United Kingdom. ***Amount awarded for the 2019 financial year*** Bertrand Dumazy's 2019 variable compensation was determined during the Board meeting held on February 25, 2020, based on the recommendation of the Compensation and Appointments Committee and after the relevant financial performance data had been validated by the Audit and Risks Committee, as follows: • the part based on financial targets amounted to 104.3% of 2019 fixed compensation (*i.e.*, €860,750); • the part based on operational targets related to the Group's strategy amounted to 50% of 2019 fixed compensation (*i.e.*, €412,500); • the part based on managerial targets related to the Group's strategy amounted to 25% of 2019 fixed compensation (*i.e.*, €206,250); This makes a total of €1,479,500. For more details, see section 3.2.2 of the Universal Registration Document, p. 163-165.
		Amount paid during the 2019 financiayl year (awarded for the 2018 financial year and approved by the General Meeting of May 14, 2019) Bertrand Dumazy's 2018 variable compensation of €1,462,175 was paid during the 2019 financial year, following the approval of the General Meeting of May 14, 2019 (6th resolution).

(1) Operating profit before other income and expenses.

COMPENSATION COMPONENTS TO BE SUBMITTED TO A VOTE	AMOUNTS AWARDED FOR THE 2019 FINANCIAL YEAR	DESCRIPTION
Deferred compensation	Not applicable	Bertrand Dumazy was not awarded any deferred compensation.
Multi-annual variable compensation	Not applicable	Bertrand Dumazy was not awarded any mutli-annual variable compensation.
Exceptional variable compensation	Not applicable	Bertrand Dumazy was not awarded any exceptional variable compensation.
Compensation for the director's term of office	Not applicable	Bertrand Dumazy does not receive any compensation for his director's term of office.
Stock options and/or performance shares	53,870 performance shares awarded, valued at €1,815,000 (2)	Bertrand Dumazy was covered by the Group's long-term incentive plan in 2019 in the same way as the other beneficiaries of the plan (members of the Executive Committee and senior executives in some 40 countries). On February 27, 2019, the Board of Directors used the authorization granted at the General Meeting of May 3, 2018 (28th resolution) to award Bertrand Dumazy 53,870 performance shares, representing 0.023% of the Company's capital. The performance shares freely allocated will vest provided Bertrand Dumazy is still within the Group at the time and satisfies the performance conditions set for the following objectives over a three-year measurement period, as follows: • for 37.5% of the performance shares allocated, the organic growth rate of operating EBIT; • for 37.5% of the performance shares allocated, the organic growth rate in funds from operations (FFO); and • for 25% of the performance shares allocated, a stock market performance criterion, corresponding to Edenred's total shareholder return (TSR) compared with the average TSR for companies included in the SBF 120 index. No stock options were granted to Bertrand Dumazy during 2019.
Signing bonus	Not applicable	Bertrand Dumazy did not receive a signing bonus during the financial year.
Benefits of any kind	€3,780	Bertrand Dumazy is entitled to a company car.

(2) Performance shares are measured at their theoretical value at the allocation date determined using the Black & Scholes option pricing model, in accordance with the AFEP-MEDEF Code, rather than at the value of the compensation received.

COMPENSATION COMPONENT THAT HAS ALREADY BEEN PUT TO THE VOTE AT THE GENERAL MEETING IN ACCORDANCE WITH THE PROCEDURE GOVERNING RELATED-PARTY AGREEMENTS AND COMMITMENTS	AMOUNTS	DESCRIPTION
Compensation for loss of office	No compensation due or paid	Compensation for loss of office would be payable to Bertrand Dumazy should he be forced to stand down for any reason whatsoever. This compensation would not exceed two years' total gross annual compensation * and would be subject to performance criteria measured over a three-year period. For further details, see section 3.2.2 of the Universal Registration Document, page 166. In accordance with the procedure governing related-party agreements and commitments, this commitment was authorized by the Board of Directors on September 10, 2015, February 10, 2016, and, pursuant to the renewal of the Chairman and Chief Executive Officer, on February 19, 2018, and approved by the General Meeting of May 4, 2016 and, pursuant to the renewal of the Chairman and Chief Executive Officer, of May 3, 2018.
Non-compete indemnity	Not applicable	Bertrand Dumazy has not signed a non-compete clause.
Supplementary pension plan	No compensation due or paid	Bertrand Dumazy participates in the Edenred defined contribution and defined benefit pension plans on the same basis as other senior executives of the Company. Under the defined benefit plan, the Company is committed to paying an annuity to plan participants when they retire, provided that they are still on the Company's payroll at that date and the performance criteria related to the achievement of targets for the calculation of variable compensation are met. For further details, see section 3.2.2 of the Universal Registration Document, page 167. For the defined contribution plan, Edenred's annual contribution on Bertrand Dumazy's behalf represented 3.14% of his gross annual compensation for 2019, *i.e.*, €25,932. Benefits paid under the two plans may not represent a replacement rate of more than 30% of the final gross annual compensation. The overall replacement rate represented by all benefits paid under compulsory plans and Edenred supplementary pension plans is capped at 35% of the average reference compensation for the highest paid three years out of Bertrand Dumazy's last ten years before retirement. In accordance with the procedure governing related-party agreements and commitments, these commitments were authorized by the Board of Directors on September 10, 2015, February 10, 2016, and, pursuant to the renewal of the Chairman and Chief Executive Officer, on February 19, 2018, and approved by the General Meeting of May 4, 2016 and, pursuant to the renewal of the Chairman and Chief Executive Officer, of May 3, 2018. Recent changes to French regulations – including those imposed by the July 3, 2019 government order on defined benefit pension plans, which prohibits plans that require beneficiaries to remain with the same company until retirement – have led Edenred to consider introducing a new supplementary pension plan to replace the current "Article 39" plan. As a result, the "Article 39" plan was closed on December 31, 2019 and no rights have vested under the plan since that date. The Company has chosen to set up a new "Article 82" funded defined contribution plan effective from 2020. Under this plan, retirement savings are invested in a managed insurance policy. This "Article 82" plan replaces the "Article 39" defined benefit plan, which will be canceled when the "Article 82" plan comes into effect. For further details, see section 3.2.1 of the Universal Registration Document, page 161.
Death/disability and health insurance plan	No compensation due or paid	Bertrand Dumazy is covered by the death/disability and health insurance plan set up for employees, which has been extended to include the chief executive officer. Premiums paid by the Company for this extended cover in 2019 amounted to €5,959.22. In accordance with the procedure governing related-party agreements and commitments, this commitment was authorized by the Board of Directors on September 10, 2015 and, pursuant to the renewal of the Chairman and Chief Executive Officer, on February 19, 2018, and approved by the General Meeting of May 4, 2016 and, pursuant to the renewal of the Chairman and Chief Executive Officer, of May 3, 2018.
Unemployment insurance	No compensation due or paid	In 2019, Bertrand Dumazy was covered under an insurance plan set up with Association GSC, entitling him to unemployment benefits equal to 70% of his contractual income for a period of up to 24 months. The annual cost of the plan billed to Edenred in 2019 was €32,277.36. In accordance with the procedure governing related-party agreements and commitments, this commitment was authorized by the Board of Directors on September 10, 2015, December 15, 2016, and, pursuant to the renewal of the Chairman and Chief Executive Officer, on February 19, 2018, and approved by the General Meeting of May 4, 2016, May 4, 2017 and, pursuant to the renewal of the Chairman and Chief Executive Officer, of May 3, 2018.

* Gross annual compensation corresponds to fixed and variable compensation, excluding any exceptional bonuses.

5.1.4 Related-party agreements (13th resolution)

No new related-party agreements were entered into during the 2019 financial year.

The special report of the Statutory Auditors on related-party agreements is set out on page 352 of the Universal Registration Document. In the **thirteenth resolution**, the shareholders are simply invited to approve this report.

5.1.5 Authorizations and delegations granted to the Board of Directors (14th to 23rd resolutions)

The various ceilings set in the financial authorizations and delegations are summarized in the table below :

		Proposed authorizations and delegations	Ceiling
		Share buyback program (14th resolution)	10%
		Capital reduction by canceling shares (15th resolution)	10%(1)
Global ceiling 33% of the capital as at the date of the General Meeting, i.e., a maximum nominal amount of €160,515,205(2)		Capital increase with pre-emptive subscription rights (PSR) (16th resolution)	33%(3)
	Common ceiling without PSR 5% of the capital as at the date of the General Meeting, i.e., a maximum nominal amount of €24,320,485	Capital increase without PSR through a public offer (other than to qualified investors) (17th resolution)	5%(3)(4)
		Capital increase without PSR through a public offer addressed exclusively to qualified investors (18th resolution)	5%(3)(4)
		Capital increase without PSR to remunerate contributions in kind (20th resolution)	5%(4)
		Capital increase reserved for members of a company savings plan (22nd resolution)	2%
		Free allocation of performance shares * *including a maximum ceiling of 0.1% during a financial year for the allocations to corporate officers of the Company* (23rd resolution)	1.5%*
		Capitalization of reserves, profit, premiums or other (21st resolution)	33%

(1) Per any given 24-month period.

(2) The maximum nominal amount of debt securities giving access, immediately and/or ultimately, to equity securities would be set at €1,605,152,050.

(3) Authorization to increase the number of shares and/or securities to be issued in case of capital increase pursuant to the 16th, 17th and/or 18th resolution, within the limit of 15% of the original issuance, this amount counting towards the global ceiling and specific ceiling set in the resolution used for the initial issuance.

(4) The maximum nominal amount of debt securities giving access, immediately and/or ultimately, to equity securities would be set at €750,000,000.

5.1.5.1 Authorization to trade in the Company's shares

The purpose of the **fourteenth resolution** is to renew the authorization granted to the Board of Directors to trade in Edenred's shares on the Company's behalf, subject to compliance with the applicable laws and regulations.

This authorization is being sought for a period of 18 months as from the May 7, 2020 General Meeting and would cancel, for the remaining period, and supersede, for the unused portion, the authorization granted in the 8th resolution of the May 14, 2019 Combined General Meeting.

The purposes of this resolution are the same as those that the shareholders have approved in previous years, *i.e.*, the Board of Directors would be able to purchase the Company's shares, directly or indirectly, with a view to:

- canceling all or some of the shares acquired as part of a capital reduction, subject to adoption of the 15th resolution below or of any other resolution for the same purpose that may supersede said resolution while this authorization is in force;
- allocating, covering and honoring any stock option plans, free allocation of shares plans, employee savings plans or any other form of allocation to employees and/or corporate officers of the Company and companies that are related to the Company as defined in the legal and regulatory provisions in force;
- deliveinrg shares upon the exercise of rights attached to securities giving acces to the share capital of the Company;
- holding shares in treasury for subsequent remittance in payment or exchange in connection with mergers, demergers or asset contributions;
- ensuring the liquidity of or making a market in Edenred shares, under an AMF-compliant liquidity contract entered into with an investment services provider;
- enabling the Company to trade in Edenred shares for any other purpose currently authorized or that may be authorized in the future by the legal and regulatory provisions in force, or to carry out any market practice that may be authorized in any new regulations adopted by the AMF. In such cases, the Company will inform its shareholders through a press release.

The Board of Directors may not, without prior authorization from the General Meeting, make use of this authorization as from the filing by a third party of a public tender offer for the Company's securities and until the end of the offer period.

The maximum purchase price is set at €65 per share.

Pursuant to Article L.225-210 of the French Commercial Code, the maximum number of shares held by the Company at any moment in time cannot exceed 10% of its share capital on the date of the purchase.

As on December 31, 2019, Edenred held 1,137,643 of its own shares, equivalent to 0.46% of the Company's share capital, the maximum number of its own shares to be possibly bought back represented, as at December 31, 2019, 9.54% of the Company's share capital, i.e. 23,182,842 Edenred shares, equivalent to a maximum purchase value of €1,506,884,730.

During the 2019 financial year, the Board of Directors used the authorizations granted for the same purpose at the May 3, 2018 and May 14, 2019 General Meetings (in the 19th and 8th resolutions respectively) in order to:

- continue the execution of the liquidity contract;
- cover performance share plans set up for certain employees and/or corporate officers as part of their variable compensation; and
- cancel shares, in connection with a capital reduction, in order to offset the dilutive effect of performance share plans.

A detailed report on the share buybacks carried out in 2019 is provided in the Universal Registration Document, p. 35-36.

5.1.5.2 Authorization to reduce the Company's share capital by canceling shares

In the **fifteenth resolution**, the Board of Directors is seeking an authorization to reduce the Company's share capital, on one or several occasions, by canceling all or some of the shares bought back or held by the Company, provided that the number of shares canceled in any 24-month period does not exceed 10% of the share capital as at the date of cancellation.

This authorization – for which the Statutory Auditors have drawn up a special report – is being sought for a period of 26 months as from the May 7, 2020 General Meeting and would cancel, for the remaining period, and supersede, for the unused portion, the authorization granted in the 9th resolution of the May 14, 2019 Combined General Meeting.

A detailed report on the use of the authorizations granted by the Combined General Meetings of May 3, 2018 (20th resolution) and May 14, 2019 (9th resolution) is provided in the Universal Registration Document, p. 35-36.

5.1.5.3 Authorizations to increase the share capital with or without pre-emptive subscription rights

The shareholders are invited to renew the delegations granted to the Board of Directors by the Combined General Meetings of May 3, 2018 and May 14, 2019, which are due to expire on July 3, 2020.

Their purpose is to grant to the Board of Directors the authority to decide to carry out financial market transactions, giving it in particular the necessary flexibility to swiftly raise the financial resources required to implement the Group's growth strategy. If these resolutions are adopted, the Board will be authorized to issue ordinary shares of the Company and/or securities giving access by any means, immediately and/or ultimately, to the Company's share capital, in France and/or abroad, with or without pre-emptive subscription rights, depending on the opportunities offered by the financial markets and in the best interests of the Company and its shareholders. The various applicable ceilings are summarized in the table above.

These amounts will be raised, where required, by the nominal amount of the additional shares to be issued in respect of adjustments made to protect, in accordance with the provisions of applicable laws and regulations and if relevant any contractual provisions that might be applicable, the rights of holders of securities or other rights giving access to the share capital.

If these delegations are approved, they will be valid for a 26-month period and will cancel, for the remaining period, and supersede, for the unused portions, the previous delegations granted for the same purposes.

A detailed report on the use of the authorizations and delegations granted by the Combined General Meetings of May 3, 2018 and May 14, 2019 is provided in the Universal Registration Document, p. 153-155.

a) Authorizations to issue ordinary shares and/or securities giving access to the share capital, excluding issuances reserved for members of a company savings plan or related to the free allocation of shares

The Board of Directors may not, without prior authorization from the General Meeting, make use of the delegations below as from the filing by a third party of a public tender offer for the Company's securities and until the end of the offer period.

The purpose of the **sixteenth resolution** is to renew the delegation granted to the Board of Directors to decide share capital increases through the issuance of shares and/or securities giving access to the Company's share capital and/or its subsidiaries, with pre-emptive subscription rights for existing shareholders.

The maximum nominal amount of the share capital increases that may be carried out under this delegation is set at €160,515,205 (representing 33% of the Company's capital as at the May 7, 2020 Combind General Meeting).

The maximum nominal amount of debt securities giving access, immediately and/or ultimately, to equity securities that may be issued under this resolution is set at €1,605,152,050 (or the equivalent of this amount for issuances denominated in foreign currencies or monetary units determined by reference to several currencies).

The nominal amounts of any capital increases carried out in accordance with the resolutions being put forward at the May 7, 2020 Combined General Meeting will count towards the amounts above, as summarized in the table above.

The previous authorization for the same purpose given in the 21st resolution of the May 3, 2018 Combined General Meeting was not used in either 2018 or 2019.

The **seventeenth and eighteenth resolutions** authorize the Board of Directors to decide share capital increases through the issuance of shares and/or securities giving access to the Company's share capital and/or its subsidiaries, with cancellation of pre-emptive subscription rights for existing shareholders, by way of public offers.

The Board feels it is useful to have the possibility of carrying out capital increases without pre-emptive subscription rights in order to be able, if necessary, to simplify the formalities and shorten the regulatory timeframes for carrying out issuances *via* public offerings, whether in France, in international markets, or both simultaneously, depending on the market situation at the time. In order to quickly seize opportunities arising in the financial markets, the Board of Directors may have to swiftly arrange issuances that can be placed with investors interested in certain types of financial instruments. To be able to do so, the Board needs to be in a position to offer the securities to investors without waiting for shareholders to exercise their pre-emptive rights.

In the case of public offers other than any of those referred to in paragraphs 1 or 2 of Article L.411-2 of the French Monetary and Financial Code or Article L.411-2-1 of said code, the Board of Directors would have the option of offering shareholders a priority right to subscribe for the securities, which would be exercisable during the period and on the terms decided by the Board of Directors in accordance with the applicable laws and regulations. If these delegations are used, the Board of Directors and the Statutory Auditors would issue special reports on the issuances concerned, which would be made available to shareholders in accordance with the legal and regulatory requirements.

The maximum nominal amount of the share capital increases that may be carried out, immediately and/or ultimately, under the 17th and 18th resolutions is set at €24,320,485 (representing 5% of the share capital as at the May 7, 2020 Combined General Meeting).

The maximum nominal amount of debt securities giving access, immediately and/or ultimately, to equity securities that may be issued under these two resolutions is set at €750,000,000 (or the equivalent of this amount for issuances denominated in foreign currencies or monetary units determined by reference to several currencies).

A decision has been made to amend these two resolutions to enable Edenred to issue debt securities giving access to the Company's share capital to a total amount of €750,000,000 (as opposed to the €500,000,000 previously authorized). These delegations would not change the maximum amount of share capital increases that may be carried out, which remains capped at the equivalent of 5% of the share capital, but they would give Edenred the ability to adjust its debt capacity to its growing market capitalization and stay in line with best market practices.

These amounts will count towards the ceilings provided for as part of the May 7, 2020 Combined General Meeting, as summarized in the table above.

It is reminded that the Board of Directors used the previous authorization granted for the same purpose in the 11th resolution of the May 14, 2019 Combined General Meeting to issue 8,179,290 bonds convertible into and/or exchangeable for new and/or existing shares ("**OCEANE**" bonds), due in 2024 and representing a total nominal amount of approx. €500 million. The issuance was placed exclusively with qualified investors, as defined in Article L.411-2 (II.) of the French Monetary and Financial Code (in its former wording). The purpose of the issuance was to use the net proceeds for general corporate purposes, including for financing potential external growth transactions. The OCEANE bonds were issued on September 6, 2019 and each bond is convertible into and/or exchangeable for one new or existing share.

In accordance with Articles L.225-129-5 and R.225-116 of the French Commercial Code, the Board of Directors and the Statutory Auditors drew up specific reports on the issuance.

The purpose of the **nineteenth resolution** is to authorize the Board of Directors to increase the number of shares and/or other securities issued in the event of over-subscription of a capital increase carried out (with or without pre-emptive subscription rights) under the 16th, 17th and/or 18th resolution(s) of the May 7, 2020 Combined General Meeting (or any resolutions for the same purpose that may supersede those resolutions while this authorization is in force). Any such issuances of additional securities would be subject to the timings and limits provided for in the applicable laws and regulations, which currently state that they may not represent more than 15% of the initial issuance.

This authorization is granted within the limit of the ceilings provided for as part of the May 7, 2020 Combined General Meeting, as summarized in the table above.

The previous authorization for the same purpose granted in the 24th resolution of the May 3, 2018 Combined General Meeting was not used in either 2018 or 2019.

The purpose of the **twentieth resolution** is to renew the delegation granted to the Board of Directors to carry out share capital increases by issuing, without pre-emptive subscription rights for existing shareholders, shares and/or securities giving access to the Company's share capital, as payment for contributions in kind.

This procedure is governed by the rules relating to contributed assets, particularly the requirement to have the assets valued by a contribution auditor.

The maximum nominal amount of the share capital increases that may be carried out, immediately and/or ultimately, under this resolution is set at €24,320,485 (representing 5% of the Company's capital as at the May 7, 2020 Combined General Meeting).

The maximum nominal amount of debt securities giving access, immediately and/or ultimately, to equity securities that may be issued under this resolution will not be able to exceed the ceiling set for debt security issuances in the 17th resolution.

These amounts will count towards the ceilings provided for as part of the May 7, 2020 Combined General Meeting, as summarized in the table above.

The previous delegation granted for the same purpose in the 25th resolution of the May 3, 2018 Combined General Meeting was not used in either 2018 or 2019.

In the **twenty-first resolution**, the shareholders are invited to renew the delegation granted to the Board of Directors to increase the Company's share capital by capitalizing reserves, profit, premiums or other eligible items whoze capitalization is allowed by law or the bylaws.

The Board of Directors would notably be able to use this delegation in conjunction with a share capital increase in cash carried out under the 16th, 17th or 18th resolutions, in accordance with the legal and regulatory provisions in force. It could also proceed by issuing freely allocating new shares, increasing the par value of existing shares, or by a combination of both of these methods.

The maximum nominal amount of share capital increases carried out under this resolution is set at €160,515,205.

This amount will count towards the ceilings provided for as part of the May 7, 2020 Combined General Meeting, as summarized in the table above.

The previous delegation for the same purpose granted in the 26th resolution of the May 3, 2018 Combined General Meeting was not used in either 2018 or 2019.

b) Authorizations to issue shares and/or securities giving access to the share capital for the benefit of employees and corporate officers

The purpose of the **twenty-second resolution** is to renew the delegation granted to the Board of Directors to decide share capital increases by issuing, with cancellation of pre-emptive subscription rights for existing shareholders, shares and/or securities giving access to the Company's share capital reserved for employees and/or corporate officers who are members of an Edenred group's company savings plan and to freely allocate these shares or securities giving access to the share capital.

The maximum amount of issuances that may be carried out under this delegation is set at €9,728,194 (representing 2% of the Company's share capital as at the May 7, 2020 Combined General Meeting), unchanged from the maximum amount authorized at the Combined General Meeting of May 14, 2019.

This amount will count towards the ceilings provided for as part of the May 7, 2020 Combined General Meeting, as summarized in the table above.

The previous delegation for the same purpose granted in the 27th resolution of the May 3, 2018 Combined General Meeting and the 12th resolution of the May 14, 2019 Combined Meeting was not used in either 2018 or 2019.

In the **twenty-third resolution**, the shareholders are asked to renew the authorization granted to the Board of Directors to proceed, on one or more occasions, with free allocation of shares subject to performance conditions for the benefit of employees and/or corporate officers (eligible within the meaning of Article L.225-197-1 (II.) of the French Commercial Code) of the Company and/or the Group.

The total number shares freely allocated pursuant to this resolution may not exceed 1.5% of the Company's share capital at the allocation date and the number of shares granted to the Company's corporate officers may not represent, during a financial year, more than 0.1% of the share capital at the allocation date.

This amount will count towards the ceilings provided for as part of the May 7, 2020 Combined General Meeting, as summarized in the table above.

At the Board of Directors' discretion, beneficiaries may be awarded either existing shares bought back specifically for the share allocations, or newly issued shares. If new shares are allocated, this authorization would automatically entail the waiver by shareholders of their pre-emptive rights to subscribe for the said shares as well as their rights to the portion of reserves, profit or premiums that would be capitalized to pay up the shares as and when the shares vest, and the related share capital increase(s) carried out by capitalizing reserved profit or premiums.

The Board of Directors would select the beneficiaries, based on the recommendation of the Compensation and Appointments Committee. Any performance shares will be allocated on the basis of continued presence within the Group and individual/Group performance criteria. These criteria will apply to corporate officers and employees of the Company and/or the Group.

In the event of use of this authorization by the Board of Directors:

- the vesting of any shares allocated under this resolution would be subject to a continued presence condition and the achievement of one or more performance conditions set by the Board of Directors at the allocation date and assessed over at least three consecutive financial years;
- the shares allocated under this resolution would only vest at the end of a vesting period set by the Board of Directors but which may not be less than three years;
- any lock-up period would be set by the Board of Directors.

This authorization would enable the Board of Directors to set up performance share plans for the Group's top managers in France and abroad and to pursue its policy of giving them a stake in the Group's performance and development. This would help to ensure that managers actively support the Group's long-term strategy and targets, retain key Human Resources, and align managers' interests with those of the Company's shareholders.

The shares included in the performance share plans to be issued during this authorization would vest in the following proportions, provided that the beneficiary still forms part of the Group at the vesting date and that certain pre-defined performance conditions are met as assessed over three consecutive financial years:

- 50% of the performance shares would vest based on like-for-like EBITDA growth rate;
- 25% of the performance shares would vest based on like-for-like operating revenue growth rate; and
- 25% of the performance shares would vest based on a stock market criterion, corresponding to Edenred's total shareholder return (TSR) compared with the average TSR for companies included in the CAC Large 60 index.

The two operating performance criteria above are specific to the Group's business and correspond to the new objectives communicated to the market as part of the Group's "Next Frontier" strategy, *i.e.*, growth in operating revenue and EBITDA on a like-for-like basis, as presented on page 18 of Chapter 1 of the Universal Registration Document. The purpose of the stock market performance criterion is to align management and shareholder interests, and raise managers' awareness of the specific challenges faced by a listed company. The Board of Directors would set the performance ranges (lower and upper limits) for each criterion based on the recommendation of the Compensation and Appointments Committee.

Pursuant to the terms of the plans, the criteria assessed over three consecutive financial years starting from the launch of each plan would be as follows:

Like-for-like EBITDA annual growth rate ("like-for-like EBITDA growth")	
Like-for-like EBITDA growth <8%	0%
Like-for-like EBITDA growth ≥8% but <10%	75%
Like-for-like EBITDA growth ≥10% but <11%	100%
Like-for-like EBITDA ≥11% but <12%	125%
Like-for-like EBITDA growth ≥12%	150%
Like-for-like operating revenue annual growth rate ("like-for-like op. rev. growth")	
Like-for-like op.rev. growth <6%	0%
Like-for-like op.rev. growth ≥6% but <8%	75%
Like-for-like op.rev. growth ≥8% but <9%	100%
Like-for-like op.rev. growth ≥9% but <10%	125%
Like-for-like op.rev. growth ≥10%	150%
Edenred's TSR compared with that of CAC Large 60 companies (by sextile)	
6th sextile (51 to 60)	0%
5th sextile (41 to 50)	0%
4th sextile (31 to 40)	75%
3rd sextile (21 to 30)	100%
2nd sextile (11 to 20)	125%
1st sextile (1 to 10)	150%

Edenred's TSR measures the total return for shareholders, taking into account Edenred's share price appreciation and the dividends paid to shareholders.

To calculate Edenred's TSR, the share price increase is adjusted to include the dividends paid during the period on a prorated basis. This methodology is used to calculate the TSR of all CAC Large 60 companies taking into account the companies' weighting in the index. Edenred's TSR is then ranked against the TSR of CAC Large 60 companies.

The level of achievement of the performance targets will be assessed based on the information provided by Edenred group's Finance Department. The Board of Directors will confirm these performance assessments after consulting the Compensation and Appointments Committee.

The Board's assessment will be final and will not be subject to any right of appeal. Each beneficiary will be personally informed of the level of achievement of the performance criteria, according to the procedure provided for in the plan rules. The number of shares that vest based on the level of achievement of the performance criteria may not exceed 100% of the share rights initially allocated by the Board of Directors for each plan.

5.1.6 Amendments to the Company's bylaws (24th and 25th resolutions)

5.1.6.1 Amendment to Article 15 of the bylaws regarding the Board of Directors' deliberations

In the **twenty-fourth resolution**, pursuant to French Law no. 2019-744 of July 19, 2019 introduced to simplify, clarify and update French corporate law, the Board of Directors is recommending that a new paragraph be added at the end of Article 15 of the Company's bylaws ("Board Deliberations"), to enable the Board, acting in accordance with the terms and conditions provided for in the applicable laws and regulations, to take the following decisions by way of written consultation (Article L.225-37 of the French Commercial Code):

- temporarily appointing members of the Board of Directors (notably in the event of death or resignation or if the number of directors falls below the minimum level set in the bylaws);
- granting guarantees, deposits and endorsements on behalf of the Company;
- convening General Meetings;
- pursuant to a delegation from an extraordinary general meeting, making the necessary amendments to the Company's bylaws to align them with the applicable laws and regulations, subject to ratification of such amendments by the Company's shareholders at the next extraordinary general meeting (as Edenred's shareholders have not granted the Board of Directors such a delegation, this point is mentioned here purely for information purposes); and
- relocating the Company's registered office to another location in the same region (*département*).

The Board is also recommending that editorial changes be made to the said article, with no impact on its substance.

5.1.6.2 Harmonization of the bylaws to align them with the provisions of the applicable laws and regulations, and editorial changes with no impact on their substance

In the **twenty-fifth resolution,** the Board of Directors is recommending amendments to certain articles of the Company's bylaws (Articles 1, 3 to 5, 7 to 10, 12 to 14, 16 to 24, and 26 to 27). The purpose of these amendments is solely to align the bylaws with the provisions of the applicable laws and regulations and to make editorial changes with no impact on the substance of the articles concerned.

These amendments mainly correspond to:

- amending Article 9 of the bylaws ("Form of shares") in order to remove clauses about statements of intention when certain disclosure thresholds are crossed, as these clauses are now obsolete because the statements concerned are provided for under the applicable laws and regulations;
- amending Article 12 of the bylaws ("Management of the Company") in order to render it compliant with the PACTE Law and enable the appointment of a second employee-representative director by the Social and Economic Council. The second employee-representative director – who will have the same status, rights and responsibilities as the other directors – must be appointed within six months of the May 7, 2020 Combined General Meeting;
- amending Article 13 ("Powers, duties and functions of the Board of Directors"), in order to specify – in accordance with the Pacte Law – that when the Board of Directors sets the guidelines of Company's business activities and oversees their implementation, it does so in accordance with the corporate interest of the Company and taking into consideration the social and environmental challenges of the Company's activities;
- amending Article 14 of the bylaws ("Chairman of the Board of Directors – Vice-Chairmen – Secretary") in order to remove the reference to reports being drawn up by the Chairman of the Board, as these reports now have to be drawn up by the Board of Directors or are no longer required under the applicable laws and regulations;
- replacing the term "Works Council" by "Social and Economic Council", in line with the applicable laws and regulations;
- replacing the term "directors' fees" by "compensation" in accordance with the PACTE Law;
- harmonizing terms such as "laws", "laws and regulations" and "legal provisions", and replacing them by the words "legal and regulatory provisions in force"; and
- harmonizing the use of capital letters for certain terms.

5.1.7 Powers to carry out formalities (26th resolution)

The purpose of the **twenty-sixth resolution** is to grant full powers to the bearer of an original, extract or copy of the minutes of the May 7, 2020 Combined General Meeting to carry out any and all filing, publication and other formalities required by law for the purposes of the resolutions described above.

5

5.2 Resolutions of the General Meeting

Resolutions to be resolved upon by an ordinary general meeting

First resolution
Approval of the Company's annual accounts for the financial year ended December 31, 2019

The General Meeting, voting under the quorum and majority conditions required for ordinary general meetings, having considered the Board of Directors' report and the Statutory Auditors' report on the Company's annual accounts for the financial year, approves the Company's annual accounts for the financial year ended December 31, 2019, as presented, as well as the transactions reflected in those accounts or summarized in those reports and which show, for the said financial year, net accounting profit of €296,830,332.51.

In application of Article 223 *quater* of the French General Tax Code *(Code général des impôts)*, the General Meeting approves the total amount of non-deductible expenses and charges for tax purposes referred to in Article 39, paragraph 4 of said Code, which amounted to €250,845 for the past financial year, and the tax paid pertaining to those expenses and charges, which amounted to €64,793.

Second resolution
Approval of the consolidated accounts for the financial year ended December 31, 2019

The General Meeting, voting under the quorum and majority conditions required for ordinary general meetings, having considered the Board of Directors' report and the Statutory Auditors' report on the consolidated accounts for the financial year, approves the consolidated accounts for the financial year ended December 31, 2019, as presented, as well as the transactions reflected in those accounts or summarized in those reports and which show, for the said financial year, consolidated net profit of €311.952.000.

Third resolution
Appropriation of profit for the financial year ended December 31, 2019 and setting of the dividend

The General Meeting, voting under the quorum and majority conditions required for ordinary general meetings, having considered the Board of Directors' report, acknowledges that the Company's net accounting profit for the 2019 financial year amounts to €296,830,332.51 and decides to appropriate this amount as follows:

Net accounting profit for the financial year ended December 31, 2019	€296,830,332.51
Allocation to the legal reserve	€787,701.4
Balance	€296,042,631.11
Retained earnings brought forward from prior financial years	€98,661,043.62
Profit available for distribution	**€394,703,674.73**
allocated as follows:	
• dividend payment (based on 242,067,214 shares carrying dividend rights at December 31, 2019)	€210,598,476.18
• retained earnings	€184,105,198.55

The dividend is set at €0.87 per share entitled to the dividend in respect of the financial year ended December 31, 2019. The dividend will be paid as from June 5, 2020, with an ex-dividend date of May 13, 2020. It is specified that the dividend corresponding to the treasury shares or shares that have been the subject of a cancellation on the date of payment will be allocated to retained earnings.

The General Meeting decides that if the number of shares actually conferring entitlement to a dividend on the ex-dividend date is lower or higher than 242,067,214 shares, the total amount allocated to the dividend payment will be adjusted downward or upward and the amount allocated to retained earnings modified based on dividends actually paid.

Dividends paid to individuals domiciled for tax purposes in France are subject to a single flat-rate deduction of 30%, which includes (i) income tax at a flat rate of 12.8%, and (ii) social security levies (including the CSG wealth tax, the CRDS social security debt reduction tax and the solidarity tax) at a rate of 17.2%. However, they may choose to pay tax at their marginal rate of income tax. In this case, the dividend of €0.87 per share will be eligible for the 40% allowance under Article 158, 3-2° of the French General Tax Code for individuals domiciled for tax purposes in France. This choice must be made explicitly each year and is irrevocable. It applies to all income, net gains, profits and receivables that fall within the scope of application of the single flat-rate deduction for a given year (*i.e.* mainly interest, dividends and capital gains on transferable securities).

It is also specified that individuals who are part of a tax household whose reference taxable income for the penultimate year is less than €50,000 (single taxpayer) or €75,000 (taxpayers subject to joint taxation) may apply for a waiver of the compulsory withholding tax provided for in Article 117 *quater* of the French General Tax Code. The application for the withholding to be waived must be submitted by the taxpayer no later than November 30 of the year preceding the one in which the dividend is paid.

In accordance with Article 243 *bis* of the French General Tax Code, it is recalled that the dividend payments for the last three financial years were as follows:

FOR THE FINANCIAL YEAR ENDED DECEMBER 31	PAYOUT DATE	DIVIDEND ELIGIBLE FOR THE 40% ALLOWANCE PROVIDED FOR IN ARTICLE 158, 3-2° OF THE FRENCH GENERAL TAX CODE	DIVIDEND NOT ELIGIBLE FOR THE 40% ALLOWANCE
2018	June 11, 2019	€205,846,503 representing a dividend per share of €0.86	N/A
2017	June 8, 2018	€199,677,661 representing a dividend per share of €0.85	N/A
2016	June 15, 2017	€144,104,866 representing a dividend per share of €0.62	N/A

Fourth resolution

Option for payment of the dividend in new shares

The General Meeting, voting under the quorum and majority conditions required for ordinary general meetings, having considered the Board of Directors' report and acknowledging that the Company's share capital is fully paid up, in accordance with the provisions of Article L.232-18 *et seq.* of the French Commercial Code *(Code de commerce)* and Article 26 of the Company's bylaws:

1. decides to offer each shareholder the possibility to opt for the payment in Company's new shares for the full amount of the dividend to which they are entitled;
2. decides that shareholders shall exercise this option between May 15, 2020 and May 29, 2020 included, by sending their request to the financial intermediaries authorized to pay the said dividend or, for shareholders registered with the Company, to its agent (Société Générale, 32 rue du Champ de Tir, Département des titres et bourse, CS 30812 – 44308 Nantes Cedex 3, France). If the option is not exercised within this period, the dividend shall be paid in cash only;
3. decides that, should this option be taken up, the new shares will be issued at a price equal to 90% of the average of the opening prices quoted for the Company's shares on Euronext Paris during the 20 trading days preceding the date of this General Meeting, less the net amount of the dividend and rounded up to the next euro cent. The issued shares will bear rights as of January 1, 2020 and will rank *pari passu* with other shares comprising the share capital of the Company. Delivery of the new shares will take place as from June 5, 2020;
4. decides that, if the amount of dividends for which the option is exercised does not correspond to a whole number of shares, the shareholder will receive the lower whole number of shares, and a balancing payment made by the Company corresponding to the difference between the dividend amount for which the option is exercised and the subscription price for the number of shares received;
5. grants full powers to the Board of Directors – which may be sub-delegated as provided for in the applicable laws and regulations – to carry out the payment of the dividend in new shares and specify the terms and conditions thereof, to carry out all the necessary disclosures and other formalities, to acknowledge the resulting capital increase, to amend the Company's bylaws accordingly, and, more generally, to do everything required for implementing this resolution.

Fifth resolution
Renewal of Mr. Jean-Paul Bailly as a director

The General Meeting, voting under the quorum and majority conditions required for ordinary general meetings, having considered the Board of Directors' report, decides to renew the director's term of office of Mr. Jean-Paul Bailly.

This term of office of a duration of two years will expire following the General Meeting to be held in 2022 to decide on the accounts of the previous financial year.

Sixth resolution
Renewal of Mr. Dominique D'Hinnin as a director

The General Meeting, voting under the quorum and majority conditions required for ordinary general meetings, having considered the Board of Directors' report, decides to renew the director's term of office of Mr. Dominique D'Hinnin.

This term of office of a duration of four years will expire following the General Meeting to be held in 2024 to decide on the accounts of the previous financial year.

Seventh resolution
Appointment of Mr. Alexandre de Juniac as a director

The General Meeting, voting under the quorum and majority conditions required for ordinary general meetings, having considered the Board of Directors' report, decides to appoint Mr. Alexandre de Juniac as a director.

This term of office of a duration of four years will expire following the General Meeting to be held in 2024 to decide on the accounts of the previous financial year.

Eighth resolution
Approval of the compensation policy for the Chairman and Chief Executive Officer, pursuant to Article L.225-37-2 of the French Commercial Code

The General Meeting, voting under the quorum and majority conditions required for ordinary general meetings, having considered the Board of Directors' report, pursuant to Article L.225-37-2 of the French Commercial Code, approves the compensation policy for the Chairman and Chief Executive Officer, as presented in the Board of Directors' report on corporate governance drawn up pursuant to Article L.225-37 of the French Commercial Code and which appears in section 3.2.1 (pages 156 to 161) of the Universal Registration Document.

Ninth resolution
Approval of the compensation policy for the members of the Board of Directors (excluding the Chairman and Chief Executive Officer), pursuant to Article L.225-37-2 of the French Commercial Code

The General Meeting, voting under the quorum and majority conditions required for ordinary general meetings, having considered the Board of Directors' report, pursuant to Article L.225-37-2 of the French Commercial Code, approves the compensation policy for the members of the Board of Directors (excluding the Chairman and Chief Executive Officer), as presented in the Board of Directors' report on corporate governance drawn up pursuant to Article L.225-37 of the French Commercial Code and which appears in section 3.2.1 (pages 156 to 158) of the Universal Registration Document.

Tenth resolution

Approval of the annual aggregate amount allocated to directors as compensation for their duties

The General Meeting, voting under the quorum and majority conditions required for ordinary general meetings, having considered the Board of Directors' report, sets the annual aggregate amount allocated to directors as compensation for their duties at €700,000. This amount will be applicable as from January 1, 2020 until decided otherwise by a subsequent General Meeting.

Eleventh resolution

Approval of the information referred to in Article L.225-37-3 (I.) of the French Commercial Code, pursuant to Article L.225-100 (II.) of the French commercial Code

The General Meeting, voting under the quorum and majority conditions required for ordinary general meetings, having considered the Board of Directors' report, pursuant to Article L.225-100 (II.) of the French Commercial Code, approves the information referred to in Article L.225-37-3 (I.) of the French Commercial Code, as presented in the Board of Directors' report on corporate governance drawn up pursuant to Article L.225-37 of the French Commercial Code and which appears in section 3.2.2 (pages 162 to 169) of the Universal Registration Document.

Twelfth resolution

Approval of the fixed, variable and exceptional components comprising the total compensation and benefits of any kind paid during, or awarded for, the financial year ended December 31, 2019 to Mr. Bertrand Dumazy, Chairman and Chief Executive Officer, pursuant to Article L.225-100 (III.) of the French Commercial Code

The General Meeting, voting under the quorum and majority conditions required for ordinary general meetings, having considered the Board of Directors' report, pursuant to Article L.225-100 (III.) of the French Commercial Code, approves the fixed, variable and exceptional components comprising the total compensation and benefits of any kind paid during, or awarded for, the financial year ended December 31, 2019 to Mr. Bertrand Dumazy, Chairman and Chief Executive Officer, as presented in the Board of Directors' report on corporate governance drawn up pursuant to Article L.225-37 of the French Commercial Code and which appears in section 3.2.3 (pages 169 to 172) of the Universal Registration Document.

Thirteenth resolution

Approval of the Statutory Auditors' special report on the related-party agreements referred to in Article L.225-38 et seq. of the French Commercial Code

The General Meeting, voting under the quorum and majority conditions required for ordinary general meetings, having considered the Board of Directors' report and the Statutory Auditors' special report on the related-party agreements referred to in Article L.225-38 *et seq.* of the French Commercial Code, approves the said Statutory Auditors' special report and acknowledges that there are no new agreements to be submitted to the approval of the General Meeting.

Fourteenth resolution

Authorization granted to the Board of Directors to trade in the Company's shares

The General Meeting, voting under the quorum and majority conditions required for ordinary general meetings, having considered the Board of Directors' report, in accordance with Article L.225-209 *et seq.* of the French Commercial Code, the General Regulations of the French financial markets authority (*Autorité des marchés financiers* – AMF) and Regulation (EU) No. 596/2014 of April 16, 2014 as well as the associated delegated and implementing acts adopted by the European Commission:

1. authorizes the Board of Directors – with the possibility of sub-delegating as provided for in the applicable laws and regulations – to purchase the Company's shares, either directly or through an intermediary, with a view to the following:
   - canceling all or some of the shares acquired as part of a capital reduction, subject to adoption by this General Meeting of the 15th resolution below or of any other resolution for the same purpose that may supersede the said resolution while this authorization is in force,
   - allocating, covering and honoring any stock option plans, free allocation of shares plans, employee savings plans or any other form of allocation to employees and/or corporate officers of the Company and companies that are related to the Company as defined in the legal and regulatory provisions in force,
   - delivering shares upon the exercise of rights attached to securities giving access to the share capital the Company,
   - holding shares in treasury for subsequent remittance in payment or exchange in connection with mergers, demergers or asset contributions,
   - ensuring the liquidity of or making a market in Edenred shares, under an AMF-compliant liquidity contract entered into with an investment services provider,
   - enabling the Company to trade in Edenred shares for any other purpose currently authorized or that may be authorized in the future by the legal and regulatory provisions in force, or to carry out any market practice that may be authorized in any new regulations adopted by the AMF. In such cases, the Company will inform its shareholders through a press release;
2. decides that shares may be bought back, sold or otherwise transferred at any time, except from the filing by a third party of a public tender offer for the Company's securities and until the end of the offer period, subject to the limits and in accordance with the terms and conditions set in the applicable laws and regulations;
3. sets the maximum purchase price at €65 per share (or the corresponding value of this amount on the same date in any other currency), it being specified that this maximum price is only applicable to transactions decided after the date of this General Meeting and not to transactions concluded under an authorization granted by a previous General Meeting providing for acquisitions of shares subsequent to the date of this General Meeting;
4. in the event of a transaction affecting the Company's share capital or shareholders' equity, delegates to the Board of Directors the authority to adjust the maximum price in order to take into account the impact of the said transactions on the value of the share;
5. decides that purchases of the Company's shares may involve a number of shares, such that:
   - the number of shares bought back by the Company under this resolution does not exceed 10% of the shares comprising the Company's share capital at the buyback date, *i.e.*, as an indication, 24,320,485 shares at December 31, 2019 (representing a theoretical maximum amount allocated to this resolution of €1,580,831,525), it being specified that (i) the maximum number of shares acquired to be retained and subsequently remitted as part of a merger, demerger or asset contribution may not exceed 5% of the Company's share capital and (ii) when the shares are purchased to favor liquidity under the conditions defined by the regulations of the AMF, the number of shares used for the calculation of the 10% limit corresponds to the number of shares purchased less the number of shares sold during the term of the authorization,
   - the maximum number of shares that the Company may hold at any given time may not exceed 10% of the shares comprising the Company's share capital;
6. decides that (i) the purchase, sale or transfer of shares may be carried out and settled by any means, on the basis and within the limits prescribed by the laws and regulations in force, in one or several transactions, *via* regulated markets, multilateral trading facilities, systematic internalizers or over the counter, including through block purchases or sales or the use of derivative instruments (excluding sales of put options), and (ii) the entire buyback program may be implemented through a block trade;

7. grants full powers to the Board of Directors – which may be sub-delegated as provided for in the applicable laws and regulations – to use this authorization and in particular to place any and all buy and sell orders on or off the market, enter into any and all agreements, notably for the keeping of registers of share purchases and sales, complete the share purchases and sales, carry out all the necessary disclosures and other formalities, prepare any and all documents and press releases related to the above transactions, and generally do whatever is necessary for the application of this resolution;
8. sets at 18 months as from this General Meeting the duration of this authorization which cancels, for the remaining period, and supersedes, for the unused portion, the authorization given by the Combined General Meeting of May 14, 2019 in its 8th resolution.

Resolutions to be resolved upon by an extraordinary general meeting

Fifteenth resolution

Authorization granted to the Board of Directors to reduce the Company's share capital by up to 10% in any 24-month period by canceling shares

The General Meeting, voting under the quorum and majority conditions required for extraordinary general meetings, having considered the Board of Directors' report and the Statutory Auditors' special report, in accordance with the provisions of Article L.225-209 of the French Commercial Code:

1. authorizes the Board of Directors to reduce the Company's share capital by cancelling, on one or several occasions and within the limit of 10% of the share capital as at the date of cancellation in any 24-month period, all or some of the shares held by the Company as part of any share buyback programs authorized by the 14th resolution or before the date of this General Meeting;
2. grants full powers to the Board of Directors – which may be sub-delegated as provided for in the applicable laws and regulations – to use this authorization, and in particular to carry out the capital reduction(s), to set the final amount(s) thereof, to set the applicable terms and conditions and acknowledge the share capital reduction(s), charge the difference between the carrying amount of the canceled shares and their par value against any available reserves and premiums, to amend the bylaws accordingly, to carry out all the necessary disclosures and other formalities, and generally do whatever is necessary for the application of this resolution;
3. sets at 26 months as from this General Meeting the duration of this authorization which cancels, for the remaining period, and supersedes, for the unused portion, the authorization given by the Combined General Meeting of May 14, 2019 in its 9th resolution.

Sixteenth resolution

Delegation of authority granted to the Board of Directors to increase the share capital, with pre-emptive subscription rights, through the issuance of shares and/or securities giving access, immediately and/or ultimately, to the share capital of the Company and/or its subsidiaries, for a maximum nominal amount of share capital increase of €160,515,205 (i.e. 33% of the share capital)

The General Meeting, voting under the quorum and majority conditions required for extraordinary general meetings, having considered the Board of Directors' report and the Statutory Auditors' special report, in accordance with the provisions of the laws and regulations in force, in particular Articles L.225-129, L.225-129-2, L.225-132, L.225-133, L.225-134 and L.228-91 to L.228-94 of the French Commercial Code:

1. delegates to the Board of Directors – with the possibility of sub-delegating as provided for in the applicable laws and regulations – its authority to decide, except from the filing by a third party of a public tender offer for the Company's securities and until the end of the offer period, the increase of the share capital, on one or more occasions, in the amounts it deems appropriate, through the issuance of, with shareholders' pre-emptive subscription rights, in France and/or abroad, in euros, in any foreign currency or in a monetary unit determined by reference to several currencies:
   - ordinary shares of the Company, and/or
   - equity securities of the Company giving access by any means, immediately and/or ultimately, to other equity securities, existing and/or to be issued, of the Company and/or any company in which the Company directly or indirectly holds more than half of the share capital (a "Subsidiary") and/or to existing equity securities of any company in which the Company does not directly or indirectly hold more than half of the share capital, and/or giving right to the allocation of debt securities of the Company, any Subsidiary and/or any company abovementioned, and/or
   - any securities, hybrid or not, giving access by any means, immediately and/or ultimately, to equity securities to be issued by the Company and/or any Subsidiary,

   it being specified that the shares and/or other securities subscription may be carried out either in cash or by offsetting liquid and enforceable receivables;
2. acknowledges that the issuance of, pursuant this delegation, securities giving access, or which may give access, immediately and/or ultimately, to equity securities to be issued by a Subsidiary may only be performed by the Company subject to the approval of the extraordinary general meeting of the Subsidiary issuing the equity securities;

3. decides to set the following limits on the issuances thus authorized:
   - the maximum nominal amount of the share capital increases that may be carried out, immediately and/or ultimately, under this resolution is set at €160,515,205 (*i.e.* 33% of the Company's share capital at the date of this General Meeting), it being specified that (i) the nominal amount of the share capital increases carried out or which may be ultimately carried out, if applicable, under the 17th, 18th, 20th, 21st, 22nd and 23rd resolutions of this General Meeting and, where used in connection with an initial issuance carried out as part of the 17th and/or 18th resolution of this General Meeting, under the 19th resolution, or any resolutions with the same purpose that may supersede the said resolutions while this delegation is in force, will count towards this amount and (ii) this amount will be increased, where required, by the nominal amount of the additional shares to be issued in respect of adjustments made to protect, in accordance with the provisions of applicable laws and regulations and if relevant any contractual provisions that might be applicable, the rights of holders of securities or other rights giving access to the share capital,
   - the maximum nominal amount of debt securities giving access, immediately and/or ultimately, to equity securities that may be issued under this resolution is set at €1,605,152,050 (or the equivalent of this amount for issuances in foreign currencies or monetary units determined by reference to several currencies), it being specified that the nominal amount of the debt securities issued, if applicable, under the 17th, 18th and 20th resolutions of this General Meeting and, where used in connection with an initial issuance carried out as part of the 17th and/or 18th resolution of this General Meeting, under the 19th resolution, or any resolutions with the same purpose that may supersede the said resolutions while this delegation is in force, will count towards this amount. This ceiling is separate and distinct from the amount of debt securities giving right to the allocation of debt securities and the amount of debt securities whose issuance is decided upon or authorized in accordance with Articles L.228-36-A and L.228-40 of the French Commercial Code;
4. decides that the Board of Directors may also make use of this delegation as part of a share capital increase reserved for a subsidiary or lower-tier subsidiary of the Company in accordance with Article L.225-138 of the French Commercial Code and cancel pre-emptive subscription rights for this purpose;
5. in the event of use of this delegation by the Board of Directors:
   - decides that shareholders may exercise, under the conditions provided for by the provisions of the laws and regulations in force, their pre-emptive subscription rights on an irreducible *(à titre irréductible)* basis and acknowledges that the Board of Directors may give the shareholders the right to subscribe on a reducible *(à titre réductible)* basis, in proportion to their subscription rights and for, in any case, within the limit of the amount of their requests,
   - decides that if an issuance is not fully subscribed by shareholders (both on an irreducible or reducible basis), the Board of Directors may take any or all of the courses of action available under Article L.225-134 of the French Commercial Code, in the order of its choice, including offering all or some of the unsubscribed shares or other securities for subscription on the open market,
   - decides that issuances of warrants for the Company's shares may be made by a subscription offer under the conditions described above, but also by free allocation to holders of existing shares,
   - decides that in the event of free allocation of autonomous warrants, the Board of Directors may decide that fractional allotment rights will not be negotiable and that the corresponding securities will be sold,
   - acknowledges that this delegation automatically entails, in favor of holders of issued securities giving access to the share capital of the Company, the waiver by shareholders of their pre-emptive subscription right to shares to which the securities to be issued may confer entitlement.
6. grants full powers to the Board of Directors – which may be sub-delegated as provided for in the applicable laws and regulations – to use this delegation, and in particular to:
   - decide any share capital increase (and, where applicable, postpone such increase) and determine the securities to be issued,
   - decide the amount of any capital increase, the price of any issuance and the amount of the premium that may, where appropriate, be requested upon issuance,
   - determine the timing and other terms of any share capital increase, including the form and characteristics of the securities to be issued,
   - decide, furthermore, in the case of bonds or other debt securities, their subordinated nature or otherwise (and, if applicable, their subordination ranking, in accordance with the provisions of Article L.228-97 of the French Commercial Code), set their interest rate (particularly the fixed or variable interest rate or zero coupon or indexed) and provide for, where appropriate, mandatory or optional cases of suspension or non-payment of interest, stipulate their term (fixed or indefinite), the possibility of reducing or increasing the amount of securities and the other terms of issue (including whether to grant them guarantees or sureties) and amortization (including redemption by delivery of assets of the Company),
   - amend, during the life of the securities concerned, the terms specified above, subject to compliance with the applicable formalities,

- determine the method of payment for shares or securities granting access to the capital to be issued immediately and/or ultimately,
- set, where appropriate, the terms and conditions for exercising rights attached to shares and securities giving access to share capital to be issued and, in particular, set the date (which may be retroactive) from which dividend rights will be attached to the new shares, set the terms and conditions for exercising rights of conversion, exchange and repayment, as the case may be, including through repayment in the Company's assets such as securities already issued by the Company, as well as all other terms and conditions of each capital increase,
- set the conditions under which the Company will, if appropriate, benefit from the right to buy back or trade on the stock exchange, at any time or during specified periods, securities issued or to be issued immediately and/or ultimately in order to cancel them or otherwise, in consideration of the provisions of the laws and regulations,
- allow for the exercise of the rights attached to the securities to be suspended, in accordance with the provisions of the laws and regulations,
- at its sole initiative, offset the capital increase expenses against the amount of the related premiums and deduct from this amount the sums necessary to increase the legal reserve to one-tenth of the new share capital after each share capital increase,
- determine and make all adjustments to take into account the impact of transactions on the share capital of the Company, particularly in the event of a change in the par value of shares, a share capital increase by incorporation of reserves, free allocation of shares, stock splits or reverse stock splits, distribution of reserves or any other assets, amortization of capital or any other transaction affecting shareholders' equity, and set the terms according to which, if appropriate, the rights of holders of securities giving access to the share capital will be safeguarded,
- acknowledges the completion of each share capital increase and make the corresponding amendments to the bylaws,
- generally, enter into any agreements, particularly to ensure the successful completion of the planned issues, take all measures and decisions and complete all formalities required for the issuance, admission to trading on a regulated market and financial servicing of the securities issued under this delegation and the exercise of the rights attached thereto, or any formalities resulting from the share capital increases carried out,
- and, more generally, do whatever is necessary for the application of this resolution;

7. set at 26 months as from this General Meeting the duration of this delegation which cancels, for the remaining period, and supersedes, for the unused portion, the delegation given by the Combined General Meeting of May 3, 2018 in its 21st resolution.

Seventeenth resolution

Delegation of authority granted to the Board of Directors to increase the share capital, with cancellation of pre-emptive subscription rights, through the issuance of, by a public offer other than an offer referred to in 1° or 2° of Article L.411-2 of the French Monetary and Financial Code or in Article L.411-2-1 of the said code, shares and/or securities giving access, immediately and/or ultimately, to the share capital of the Company and/or its subsidiaries, including for the purpose of remunerating securities contributed as part of a public exchange offer, for a maximum nominal amount of share capital increase of €24,320,485 (i.e. 5% of the share capital)

The General Meeting, voting under the quorum and majority conditions required for extraordinary general meetings, having considered the Board of Directors' report and the Statutory Auditors' special report, in accordance with the provisions of the laws and regulations in force, in particular Articles L.225-129, L.225-129-2, L.225-135, L.225-136, L.225-148 and L.228-91 to L.228-94 of the French Commercial Code:

1. delegates to the Board of Directors – with the possibility of sub-delegating as provided for in the applicable laws and regulations – its authority to decide, except from the filing by a third party of a public tender offer for the Company's securities and until the end of the offer period, the increase of the share capital, on one or more occasions, in the amounts it deems appropriate, through the issuance of, by a public offer other than an offer referred to in 1° or 2° of Article L.411-2 of the French Monetary and Financial Code or in Article L.411-2-1 of the said code, in France and/or abroad, in euros, in any foreign currency or in a monetary unit determined by reference to several currencies:
   - ordinary shares of the Company, and/or
   - equity securities of the Company giving access by any means, immediately and/or ultimately, to other equity securities, existing and/or to be issued, of the Company and/or any Subsidiary and/or to existing equity securities of any company in which the Company does not directly or indirectly hold more than half of the share capital, and/or giving right to the allocation of debt securities of the Company, any Subsidiary and/or any company abovementioned, and/or
   - any securities, hybrid or not, giving access by any means, immediately and/or ultimately, to equity securities to be issued by the Company and/or any Subsidiary,

it being specified that the shares and/or other securities subscription may be carried out either in cash or by offsetting liquid and enforceable receivables;

2. acknowledges that the issuance of, pursuant this delegation, securities giving access, or which may give access, immediately and/or ultimately, to equity securities to be issued by a Subsidiary may only be performed by the Company subject to the approval of the extraordinary general meeting of the Subsidiary issuing the equity securities;

3. acknowledges that the public offer(s) decided pursuant to this delegation may be, if relevant, carried out jointly or simultaneously with public offer(s) addressed exclusively to a restricted circle of investors acting for their proprietary portfolio or to qualified investors referred to in 1° of Article L.411-2 of the French Monetary and Financial Code, decided pursuant to the 18th resolution of this General Meeting or any other resolution for the same purpose that may supersede the said resolution while this delegation is in force;

4. decides to set the following limits on the issuances thus authorized:

   - the maximum nominal amount of the share capital increases that may be carried out, immediately and/or ultimately, under this resolution is set at €24,320,485 (*i.e.* 5% of the Company's share capital at the date of this General Meeting), it being specified that (i) this amount will count towards the global ceiling for all the share capital increases carried out or which may be ultimately carried out set in the 16th resolution of this General Meeting or any resolutions with the same purpose that may supersede the said resolution while this delegation is in force, (ii) the nominal amount of the share capital increases with cancellation of pre-emptive subscription rights carried out or which may be ultimately carried out, if applicable, under the 18th, 20th, 22nd and 23rd resolutions of this General Meeting and, where used in connection with an initial issuance carried out as part of the 18th resolution of this General Meeting, under the 19th resolution, or any resolutions with the same purpose that may supersede the said resolutions while this delegation is in force, will count towards this amount and (iii) this amount will be increased, where required, by the nominal amount of the additional shares to be issued in respect of adjustments made to protect, in accordance with the provisions of applicable laws and regulations and if relevant any contractual provisions that might be applicable, the rights of holders of securities or other rights giving access to the share capital,
   - the maximum nominal amount of debt securities giving access, immediately and/or ultimately, to equity securities that may be issued under this resolution is set at €750,000,000 (or the equivalent of this amount for issuances in foreign currencies or monetary units determined by reference to several currencies), it being specified that (i) this amount will count towards the global ceiling set in the 16th resolution of this General Meeting for debt securities or any resolutions with the same purpose that may supersede the said resolution while this delegation is in force and (ii) the nominal amount of the debt securities issued, if applicable, under the 18th and 20th resolutions of this General Meeting and, where used in connection with an initial issuance carried out as part of the 18th resolution of this General Meeting, under the 19th resolution, or any resolutions with the same purpose that may supersede the said resolution while this delegation is in force, will count towards this amount. This ceiling is separate and distinct from the amount of debt securities giving right to the allocation of debt securities and the amount of debt securities whose issuance is decided upon or authorized in accordance with Articles L.228-36-A and L.228-40 of the French Commercial Code;

5. in the event of use of this delegation by the Board of Directors:

   - decides to cancel shareholders' pre-emptive subscription rights to the securities to be issued under this resolution and to give the Board of Directors, pursuant to Article L.225-135 of the French Commercial Code, the option of offering shareholders a priority subscription period, for all or part of any issuance carried out, the terms and duration of which will be set by the Board of Directors in accordance with the provisions of the applicable laws and regulations. Such priority subscription period shall not give rise to any transferable rights, shall be exercised in proportion to the number of shares held by each shareholder and could be supplemented by a subscription on a reducible basis,
   - decides that if an issuance is not fully subscribed by shareholders (both on an irreducible or reducible basis), the Board of Directors may take any or all of the courses of action available under Article L.225-134 of the French Commercial Code, in the order of its choice,
   - decides that the issuance(s) may be carried out for the purpose of (i) remunerating securities which would be contributed to the Company as part of a public exchange offer on company's securities in accordance with the terms and conditions of Article L.225-148 of the French Commercial Code and/or (ii) following the issuance, by one of the entities in which the Company directly or indirectly owns over half of the capital, of securities giving access to the share Company's share capital in accordance with Article L.228-93 of the French Commercial Code,
   - acknowledges that this delegation automatically entails, in favor of holders of issued securities giving access to the share capital of the Company, the waiver by shareholders of their pre-emptive subscription right to shares to which the securities to be issued may confer entitlement;

6. decides, as part of Article L.225-136 of the French Commercial Code, that:

   - the issuance price of the shares issued directly will be at least equal, on the issuance date, to the weighted average of the prices quoted for the Company's shares on Euronext Paris over the three trading days preceding the beginning of the public offer (within the meaning of Regulation (EU) No. 2017/1129 of June 14, 2017) possibly decreased by a maximum discount of 5%, as adjusted for any difference in cum-dividend dates if relevant,

- the issuance price of securities giving access to the share capital will be set in such a way that the amount received by the Company at the time of issuance plus, if relevant, the amount to be possibly received ultimately by the Company is, for each share issued as a result of the issuance of those securities, at least equal to the minimum subscription price defined above,
- the conversion, redemption or generally the transformation into shares of each securities giving access to the share capital shall be determined, taking into account the nominal value of the said securities, in a number of shares in such a way as to ensure that the amount per share received by the Company is at least equal to the minimum subscription price set out in the first point of this paragraph;

7. grants full powers to the Board of Directors – which may be sub-delegated as provided for in the applicable laws and regulations – to use this delegation, and in particular to:
   - decide any share capital increase (and, where applicable, postpone such increase) and determine the securities to be issued,
   - decide the amount of any capital increase, the price of any issuance and the amount of the premium that may, where appropriate, be requested upon issuance,
   - determine the timing and other terms of any share capital increase, including the form and characteristics of the securities to be issued,
   - decide, furthermore, in the case of bonds or other debt securities, their subordinated nature or otherwise (and, if applicable, their subordination ranking, in accordance with the provisions of Article L.228-97 of the French Commercial Code), set their interest rate (particularly the fixed or variable interest rate or zero coupon or indexed) and provide for, where appropriate, mandatory or optional cases of suspension or non-payment of interest, stipulate their term (fixed or indefinite), the possibility of reducing or increasing the amount of securities and the other terms of issue (including whether to grant them guarantees or sureties) and amortization (including redemption by delivery of assets of the Company),
   - amend, during the life of the securities concerned, the terms specified above, subject to compliance with the applicable formalities,
   - determine the method of payment for shares or securities granting access to the capital to be issued immediately and/or ultimately,
   - set, where appropriate, the terms and conditions for exercising rights attached to shares and securities giving access to share capital to be issued and, in particular, set the date (which may be retroactive) from which dividend rights will be attached to the new shares, set the terms and conditions for exercising rights of conversion, exchange and repayment, as the case may be, including through repayment in the Company's assets such as securities already issued by the Company, as well as all other terms and conditions of each capital increase,
   - set the conditions under which the Company will, if appropriate, benefit from the right to buy back or trade on the stock exchange, at any time or during specified periods, securities issued or to be issued immediately and/or ultimately in order to cancel them or otherwise, in consideration of the provisions of the laws and regulations,
   - allow for the exercise of the rights attached to the securities to be suspended, in accordance with the provisions of the laws and regulations,
   - in case of issuance of securities for the purpose of remunerating securities contributed as part of a public offer with an exchange component, draw up the list of securities tendered to the offer, set the terms and conditions of the issuance, the exchange ratio and, if applicable, the amount of the cash component to be made and determine the issuance terms and conditions as part of a paper offer, a paper offer with a cash alternative or a cash offer with a paper alternative, a cash and paper offer, a paper offer with a secondary cash offer or a cash offer with a secondary paper offer or any other form of public offer that complies with the provisions of the laws and regulations applicable to the said public offer,
   - at its sole initiative, offset the capital increase expenses against the amount of the related premiums and deduct from this amount the sums necessary to increase the legal reserve to one-tenth of the new share capital after each share capital increase,
   - determine and make all adjustments to take into account the impact of transactions on the share capital of the Company, particularly in the event of a change in the par value of shares, a share capital increase by incorporation of reserves, free allocation of shares, stock splits or reverse stock splits, distribution of reserves or any other assets, amortization of capital or any other transaction affecting shareholders' equity, and set the terms according to which, if appropriate, the rights of holders of securities giving access to the share capital will be safeguarded,
   - acknowledges the completion of each share capital increase and make the corresponding amendments to the bylaws,

- generally, enter into any agreements, particularly to ensure the successful completion of the planned issues, take all measures and decisions and complete all formalities required for the issuance, admission to trading on a regulated market and financial servicing of the securities issued under this delegation and the exercise of the rights attached thereto, or any formalities resulting from the share capital increases carried out,
- and, more generally, do whatever is necessary for the application of this resolution;

8. set at 26 months as from this General Meeting the duration of this delegation which cancels, for the remaining period, and supersedes, for the unused portion, the delegation given by the Combined General Meeting of May 14, 2019 in its 10th resolution.

Eighteenth resolution

Delegation of authority granted to the Board of Directors to increase the share capital, with cancellation of pre-emptive subscription rights, through the issuance of, by a public offer addressed exclusively to a restricted circle of investors acting for their proprietary portfolio or to qualified investors referred to in 1° of Article L.411-2 of the French Monetary and Financial Code, shares and/or securities giving access, immediately and/or ultimately, to the share capital of the Company and/or its subsidiaries, for a maximum nominal amount of share capital increase of €24,320,485 (i.e. 5% of the share capital)

The General Meeting, voting under the quorum and majority conditions required for extraordinary general meetings, having considered the Board of Directors' report and the Statutory Auditors' special report, in accordance with the provisions of the laws and regulations in force, in particular Articles L.225-129, L.225-129-2, L.225-135, L.225-136 and L.228-91 to L.228-94 of the French Commercial Code:

1. delegates to the Board of Directors – with the possibility of sub-delegating as provided for in the applicable laws and regulations – its authority to decide, except from the filing by a third party of a public tender offer for the Company's securities and until the end of the offer period, the increase of the share capital, on one or more occasions, in the amounts it deems appropriate, through the issuance of, by a public offer addressed exclusively to a restricted circle of investors acting for their proprietary portfolio or to qualified investors referred to in 1° of Article L.411-2 of the French Monetary and Financial Code, in France and/or abroad, in euros, in any foreign currency or in a monetary unit determined by reference to several currencies:
   - ordinary shares of the Company, and/or
   - equity securities of the Company giving access by any means, immediately and/or ultimately, to other equity securities, existing and/or to be issued, of the Company and/or any Subsidiary and/or to existing equity securities of any company in which the Company does not directly or indirectly hold more than half of the share capital, and/or giving right to the allocation of debt securities of the Company, any Subsidiary and/or any company abovementioned, and/or
   - any securities, hybrid or not, giving access by any means, immediately and/or ultimately, to equity securities to be issued by the Company and/or any Subsidiary,

   it being specified that the shares and/or other securities subscription may be carried out either in cash or by offsetting liquid and enforceable receivables;
2. acknowledges that the issuance of, pursuant this delegation, securities giving access, or which may give access, immediately and/or ultimately, to equity securities to be issued by a Subsidiary may only be performed by the Company subject to the approval of the extraordinary general meeting of the Subsidiary issuing the equity securities;
3. acknowledges that the public offer(s) addressed exclusively to a restricted circle of investors acting for their proprietary portfolio or to qualified investors referred to in 1° of Article L.411-2 of the French Monetary and Financial Code decided pursuant to this delegation may be, if relevant, carried out jointly or simultaneously with public offer(s) decided pursuant to the 17th resolution of this General Meeting or any other resolution for the same purpose that may supersede the said resolution while this delegation is in force;
4. decides to set the following limits on the issuances thus authorized:
   - the maximum nominal amount of the share capital increases that may be carried out, immediately and/or ultimately, under this resolution is set at €24,320,485 (*i.e.* 5% of the Company's share capital at the date of this General Meeting), it being specified that (i) this amount will count towards the global ceiling for all the share capital increases with cancellation of pre-emptive subscription rights carried out or which may be ultimately carried out set in the 17th resolution of this General Meeting and, where used in connection with an initial issuance carried out as part of the 17th resolution of this General Meeting, under the 19th resolution, as well as towards the global ceiling for all the share capital increases carried out or which may be ultimately carried out set in the 16th resolution of this General Meeting or any resolutions with the same purpose that may supersede the said resolution while this delegation is in force and (ii) this amounts will be increased, where required, by the nominal amount of the additional shares to be issued in respect of adjustments made to protect, in accordance with the provisions of applicable laws and regulations and if

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relevant any contractual provisions that might be applicable, the rights of holders of securities or other rights giving access to the share capital,

- the maximum nominal amount of debt securities giving access, immediately and/or ultimately, to equity securities that may be issued under this resolution is set at €750,000,000 (or the equivalent of this amount for issuances in foreign currencies or monetary units determined by reference to several currencies), it being specified that this amount will count towards the nominal amount of debt securities issued, if relevant, under the 17th and 20th resolutions of this General Meeting and, where used in connection with an initial issuance carried out as part of the 17th resolution of this General Meeting, under the 19th resolution, as well as towards the global ceiling set in the 16th resolution of this General Meeting for debt securities or any resolutions with the same purpose that may supersede the said resolution while this delegation is in force. This ceiling is separate and distinct from the amount of debt securities giving right to the allocation of debt securities and the amount of debt securities whose issuance is decided upon or authorized in accordance with Articles L.228-36-A and L.228-40 of the French Commercial Code;

5. decides that these capital increases may result from the exercise of a right of allocation, by conversion, exchange, redemption, presentation of a warrant, or otherwise, arising out of any securities issued by any company in which the Company holds, directly or indirectly, more than half of the capital, and with the agreement of the latter;

6. in the event of use of this delegation by the Board of Directors:

   - decides to cancel shareholders' pre-emptive subscription rights to the securities to be issued under this resolution,
   - decides that if an issuance is not fully subscribed by shareholders (both on an irreducible or reducible basis), the Board of Directors may take any or all of the courses of action available under Article L.225-134 of the French Commercial Code, in the order of its choice,
   - acknowledges that this delegation automatically entails, in favor of holders of issued securities giving access to the share capital of the Company, the waiver by shareholders of their pre-emptive subscription right to shares to which the securities to be issued may confer entitlement;

7. decides, as part of Article L.225-136 of the French Commercial Code, that:

   - the issuance price of the shares issued directly will be at least equal, on the issuance date, to the weighted average of the prices quoted for the Company's shares on Euronext Paris over the three trading days preceding the beginning of the public offer (within the meaning of Regulation (EU) No. 2017/1129 of June 14, 2017) possibly decreased by a maximum discount of 5%, as adjusted for any difference in cum-dividend dates if relevant,
   - the issuance price of securities giving access to the share capital will be set in such a way that the amount received by the Company at the time of issuance plus, if relevant, the amount to be possibly received ultimately by the Company is, for each share issued as a result of the issuance of those securities, at least equal to the minimum subscription price defined above,
   - the conversion, redemption or generally the transformation into shares of each securities giving access to the share capital shall be determined, taking into account the nominal value of the said securities, in a number of shares in such a way as to ensure that the amount per share received by the Company is at least equal to the minimum subscription price set out in the first point of this paragraph;

8. grants full powers to the Board of Directors – which may be sub-delegated as provided for in the applicable laws and regulations – to use this delegation, and in particular to:

   - decide any share capital increase (and, where applicable, postpone such increase) and determine the securities to be issued,
   - decide the amount of any capital increase, the price of any issuance and the amount of the premium that may, where appropriate, be requested upon issuance,
   - determine the timing and other terms of any share capital increase, including the form and characteristics of the securities to be issued,
   - decide, furthermore, in the case of bonds or other debt securities, their subordinated nature or otherwise (and, if applicable, their subordination ranking, in accordance with the provisions of Article L.228-97 of the French Commercial Code), set their interest rate (particularly the fixed or variable interest rate or zero coupon or indexed) and provide for, where appropriate, mandatory or optional cases of suspension or non-payment of interest, stipulate their term (fixed or indefinite), the possibility of reducing or increasing the amount of securities and the other terms of issue (including whether to grant them guarantees or sureties) and amortization (including redemption by delivery of assets of the Company),
   - amend, during the life of the securities concerned, the terms specified above, subject to compliance with the applicable formalities,
   - determine the method of payment for shares or securities granting access to the capital to be issued immediately and/or ultimately,
   - set, where appropriate, the terms and conditions for exercising rights attached to shares and securities giving access to share capital to be issued and, in particular, set the date (which may

be retroactive) from which dividend rights will be attached to the new shares, set the terms and conditions for exercising rights of conversion, exchange and repayment, as the case may be, including through repayment in the Company's assets such as securities already issued by the Company, as well as all other terms and conditions of each capital increase,

- set the conditions under which the Company will, if appropriate, benefit from the right to buy back or trade on the stock exchange, at any time or during specified periods, securities issued or to be issued immediately and/or ultimately in order to cancel them or otherwise, in consideration of the provisions of the laws and regulations,
- allow for the exercise of the rights attached to the securities to be suspended, in accordance with the provisions of the laws and regulations,
- at its sole initiative, offset the capital increase expenses against the amount of the related premiums and deduct from this amount the sums necessary to increase the legal reserve to one-tenth of the new share capital after each share capital increase,
- determine and make all adjustments to take into account the impact of transactions on the share capital of the Company, particularly in the event of a change in the par value of shares, a share capital increase by incorporation of reserves, free allocation of shares, stock splits or reverse stock splits, distribution of reserves or any other assets, amortization of capital or any other transaction affecting shareholders' equity, and set the terms according to which, if appropriate, the rights of holders of securities giving access to the share capital will be safeguarded,
- acknowledges the completion of each share capital increase and make the corresponding amendments to the bylaws,
- generally, enter into any agreements, particularly to ensure the successful completion of the planned issues, take all measures and decisions and complete all formalities required for the issuance, admission to trading on a regulated market and financial servicing of the securities issued under this delegation and the exercise of the rights attached thereto, or any formalities resulting from the share capital increases carried out,
- and, more generally, do whatever is necessary for the application of this resolution;

9. set at 26 months as from this General Meeting the duration of this delegation which cancels, for the remaining period, and supersedes, for the unused portion, the delegation given by the Combined General Meeting of May 14, 2019 in its 11th resolution.

Nineteenth resolution

Authorization granted to the Board of Directors to increase the number of shares and/or securities to be issued in the event of a share capital increase with or without pre-emptive subscription rights

The General Meeting, voting under the quorum and majority conditions required for extraordinary general meetings, having considered the Board of Directors' report and the Statutory Auditors' special report, in accordance with the provisions of the laws and regulations in force, in particular Article L.225-135-1 of the French Commercial Code:

1. authorizes the Board of Directors – with the possibility of sub-delegation as provided for in the applicable laws and regulations – except from the filing by a third party of a public tender offer for the Company's securities and until the end of the offer period, the increase of the share capital, on one or more occasions, to increase the number of shares and/or securities to be issued in the event of a share capital increase of the Company, with or without shareholders' pre-emptive subscription rights, carried out pursuant to the 16th, 17th and/or 18th resolution of this General Meeting, or any resolutions with the same purpose that may supersede the said resolutions while this authorization is in force, subject to the limits and timings provided for in the provisions of the laws and regulations applicable at the issuance date, at the same price as the one applied for the initial issuance;
2. decides that the nominal amounts of the increase in the issuance decided pursuant to this resolution will run towards (i) the global ceilings set in the 16th resolution of this General Meeting and (ii) the specific ceilings set in the resolution used for the initial issuance;
3. grants full powers to the Board of Directors – which may be sub-delegated as provided for in the applicable laws and regulations – to use this authorization;
4. set at 26 months as from this General Meeting the duration of this authorization which cancels, for the remaining period, and supersedes, for the unused portion, the authorization given by the Combined General Meeting of May 3, 2018 in its 24th resolution.

Twentieth resolution

Delegation of powers granted to the Board of Directors to increase the share capital, without pre-emptive subscription rights, through the issuance of shares and/or securities giving access, immediately and/or ultimately, to the share capital of the Company in order to remunerate contributions in kind made to the Company, except in case of a public exchange offer initiated by the Company, for a maximum nominal amount of share capital increase of €24,320,485 (i.e. 5% of the share capital)

The General Meeting, voting under the quorum and majority conditions required for extraordinary general meetings, having considered the Board of Directors' report and the Statutory Auditors' special report, in accordance with the provisions of the laws and regulations in force, in particular Articles L.225-129 *et seq.* and L.225-147 of the French Commercial Code:

1. delegates to the Board of Directors – with the possibility of sub-delegating as provided for in the applicable laws and regulations – the necessary power to decide, except from the filing by a third party of a public tender offer for the Company's securities and until the end of the offer period, based on the report of the contribution auditor(s), the issuance, without pre-emptive subscription rights, on one or more occasions:
   - ordinary shares of the Company, and/or
   - equity securities of the Company giving access by any means, immediately and/or ultimately, to other equity securities, existing and/or to be issued, of the Company and/or giving right to the allocation of debt securities of the Company, and/or
   - any securities, hybrid or not, giving access by any means, immediately and/or ultimately, to equity securities to be issued by the Company,

   it being specified that the shares and/or other securities subscription may be carried out either in cash or by offsetting liquid and enforceable receivables, in order to remunerate contributions in kind made to the Company and consisting of equity securities or securities giving access to the share capital of other companies, when the provisions of Article L.225-148 of the French Commercial Code do not apply;
2. decides to set the following limits on the issuances thus authorized:
   - the maximum nominal amount of the share capital increases that may be carried out, immediately and/or ultimately, under this resolution is set at €24,320,485 (*i.e.* 5% of the Company's share capital at the date of this General Meeting), it being specified that (i) this amount will count towards the global ceiling for all the share capital increases with cancellation of pre-emptive subscription rights carried out or which may be ultimately carried out set in the 17th resolution of this General Meeting as well as towards the global ceiling for all the share capital increases carried out or which may be ultimately carried out set in the 16th resolution of this General Meeting or any resolutions with the same purpose that may supersede the said resolution while this delegation is in force and (ii) this amounts will be increased, where required, by the nominal amount of the additional shares to be issued in respect of adjustments made to protect, in accordance with the provisions of applicable laws and regulations and if relevant any contractual provisions that might be applicable, the rights of holders of securities or other rights giving access to the share capital,
   - the maximum nominal amount of debt securities giving access, immediately and/or ultimately, to equity securities that may be issued under this resolution may not exceed the ceiling set in the 17th resolution of this General Meeting for debt securities or any resolutions with the same purpose that may supersede the said resolution while this delegation is in force, it being specified that this amount will count towards the nominal amount of debt securities issued, if relevant, under the 17th and 18th resolutions of this General Meeting as well as on the global ceiling set in the 16th resolution of this General Meeting for debt securities or any resolutions with the same purpose that may supersede the said resolution while this delegation is in force;
3. in the event of use of this delegation by the Board of Directors, acknowledges that this delegation automatically entails, in favor of holders of issued securities giving access to the share capital of the Company, the waiver by shareholders of their pre-emptive subscription right to shares to which the securities to be issued may confer entitlement;
4. grants full powers to the Board of Directors – which may be sub-delegated as provided for in the applicable laws and regulations – to use this delegation and in particular to approve the appraisal of contributions and the granting of specific benefits, to reduce, if the contributing parties consent thereto, the appraisal of contributions or the compensation of specific benefits and, as to the said contributions, acknowledge their completion, offset all costs, charges and duties against premiums, increase the Company's share capital and amend the bylaws accordingly, and more generally, do whatever is necessary for the application of this resolution;
5. set at 26 months as from this General Meeting the duration of this delegation which cancels, for the remaining period, and supersedes, for the unused portion, the delegation given by the Combined General Meeting of May 3, 2018 in its 25th resolution.

Twenty-first resolution

Delegation of authority granted to the Board of Directors to increase the share capital through capitalization of reserves, profits, premiums or other eligible items, for a maximum nominal amount of share capital increase of €160,515,205

The General Meeting, voting under the quorum and majority conditions required for ordinary general meetings, having considered the Board of Directors' report, in accordance with the laws and regulations in force, in particular Articles L.225-129, L.225-129-2 and L.225-130 of the French Commercial Code:

1. delegates to the Board of Directors its authority to decide, except from the filing by a third party of a public tender offer for the Company's securities and until the end of the offer period, the increase of the share capital, on one or more occasions, in the amounts it deems appropriate, through capitalization of reserves, profits, premiums or other items whose capitalization is allowed by law or the bylaws, by freely allocating new shares, increasing existing shares' par value or by a combination of both of these methods;
2. decides that the maximum nominal amount of the share capital increases that may be carried out under this resolution is set at €160,515,205, it being specified that this amount (i) is set without including the nominal amount of the additional shares to be issued in respect of adjustments made to protect, in accordance with the provisions of applicable laws and regulations and if relevant any contractual provisions that might be applicable, the rights of holders of securities or other rights giving access to the share capital and (ii) will count towards the global ceiling for all the share capital increases carried out or which may be ultimately carried out set in the 16th resolution of this General Meeting or any resolutions with the same purpose that may supersede the said resolution while this delegation is in force;
3. grants full powers to the Board of Directors – which may be sub-delegated as provided for in the applicable laws and regulations – to use this delegation, and in particular to:
   - set all the terms and conditions of the authorized transactions, and notably determine the amount and nature of the reserves and premiums to be capitalized,
   - determine the number of new shares to be allocated or the amount by which the par value of existing shares will be increased,
   - set the date, even retroactively, from which the new shares will bear rights or the date on which the increase in the par value will take effect and proceed, if necessary, with all offsetting against the issuance premium(s) including the costs incurred by the implementation of issuances,
   - decide, in accordance with the provisions of Article L.225-130 of the French Commercial Code, that fractional rights will not be negotiable or transferable and that the corresponding shares will be sold, with the proceeds from the sale being allocated to the rights holders as provided for by the applicable laws and regulations,
   - take all necessary measures and conclude all agreements to ensure the successful completion of the planned transactions and generally do whatever is necessary to accomplish all acts and formalities in order to make the capital increase(s) that may be carried out under this delegation definitive and proceed with the corresponding amendment of the bylaws,
   - and, more generally, do whatever is necessary for the application of this resolution;
4. set at 26 months as from this General Meeting the duration of this delegation which cancels, for the remaining period, and supersedes, for the unused portion, the delegation given by the Combined General Meeting of May 3, 2018 in its 26th resolution.

Twenty-second resolution

Delegation of authority granted to the Board of Directors to increase the share capital, with cancellation of pre-emptive subscription rights, through the issuance of, reserved for members of a company savings plan, shares and/or securities giving access, immediately and/or ultimately, to the share capital of the Company, for a maximum nominal amount of issuance of €9,728,194 (i.e. 2% of the share capital)

The General Meeting, voting under the quorum and majority conditions required for extraordinary general meetings, having considered the Board of Directors' report and the Statutory Auditors' special report, as part of the provisions of Article L.3332-1 *et seq.* of the French Labor Code *(Code du travail)* and in accordance with the provisions of the laws and regulations in force, in particular Articles L.225-129 *et seq.* and L.225-138-1 of the French Commercial Code:

1. delegates to the Board of Directors its authority to decide the increase of the share capital, on one or more occasions, in the amounts it deems appropriate, through the issuance of, with cancellation of shareholders' pre-emptive subscription rights, shares and/or securities giving access, immediately and/or ultimately, to the share capital of the Company, reserved for employees and/or corporate officers of the Company and of French or foreign companies related to it within the meaning of Articles L.225-180 of the French Commercial Code and L.3344-1 and L.3344-2 of the French Labor Code, provided said employees and/or corporate officers are members of an Edenred group's company savings plan;
2. authorizes the Board of Directors, as part of the issuances carried out under this resolution, to freely allocate shares and/or securities giving access to the share capital of the Company, within the limits provided in Article L.3332-21 of the French Labor Code;
3. decides that the maximum nominal amount of the issuances that may be carried out, immediately and/or ultimately, under this resolution is set at €9,728,194 (*i.e.* 2% of the Company's share capital at the date of this General Meeting), it being specified that this amount will count towards (i) the global ceiling for all the share capital increases with cancellation of pre-emptive subscription rights carried out or which may be ultimately carried out set in the 17th resolution of this General Meeting or any resolutions with the same purpose that may supersede the said resolution while this delegation is in force and (ii) the global ceiling for all the share capital increases carried out or which may be ultimately carried out set in the 16th resolution of this General Meeting or any resolutions with the same purpose that may supersede the said resolution while this delegation is in force;
4. decides that:
   - as part of Article L.3332-19 of the French Labord Code, the issuance price of the new shares may neither be higher than the average prices quoted for the Company's share on Euronext Paris during the 20 trading days preceding the day of the decision setting the opening date for subscriptions nor be lower than this average less the maximum discount provided for by the legal and regulatory provisions in force on the date of the decision,
   - pursuant to Article L.3332-21 of the French Labor Code, the Board of Directors may choose to freely grant shares to the subscribers of the new shares in replacement of all of part of the discount referred to in the above paragraph,
   - the characteristics of the other securities giving access to the Company's share capital will be, if applicable, determined in accordance with the conditions provided for in the applicable regulations;
5. decides that, subject to the limits set in Article L.3332-21 of the French Labor Code, the Board of Directors may decide the free allocation of shares and/or securities giving access to the Company's share capital as part of the employer contribution *(abondement)*;
6. decides to cancel, in favor of the said members, shareholders' pre-emptive subscription rights to shares and/or securities to be issued pursuant to this resolution and waive their rights concerning any shares and/or securities giving access to the Company's share capital which may be freely allocated pursuant to this resolution;
7. In the event of use of this delegation by the Board of Directors, acknowledges that this delegation automatically entails, in favor of holders of issued securities giving access to the share capital of the Company, the waiver by shareholders of their pre-emptive subscription right to shares to which the securities to be issued may confer entitlement;
8. grants full powers to the Board of Directors – which may be sub-delegated as provided for in the applicable laws and regulations – to use this delegation, and in particular to:
   - determine the companies whose employees and/or corporate officers will be entitled to subscribe,
   - determine the characteristics of the new shares and/or securities giving access to the Company's share capital to be issued, set the issuance price, dates (notably the opening and closing dates of the subscription), timing, as well as the subscription, payment, delivery and cum-rights terms and conditions of the shares and/or securities,
   - determine the maximum number of new shares and/or securities giving access to the Company's share capital to be issued, subject to the limits set in this resolution,
   - decide that the subscriptions may, as appropriate, be carried out in separate tranches,
   - decide that the subscriptions may, as appropriate, be carried out either directly or through a corporate mutual fund,
   - set any rules that would apply in the event of over-subscription,
   - if it deems it appropriate, charge the issue costs against the related premiums and deduct from the premiums the amount necessary to raise the legal reserve to 10% of the Company's new share capital after each share capital increase,
   - set the terms and conditions of membership to the company savings plan, and draw up or amend the plan rules,
   - acknowledge the completion of the share capital increase(s),
   - amend the Company's bylaws accordingly,
   - carry out any and all transactions and formalities, directly or through a duly authorized representative,
   - and, more generally, do whatever is necessary for the application of this resolution;
9. set at 26 months as from this General Meeting the duration of this delegation which cancels, for the remaining period, and supersedes, for the unused portion, the delegation given by the Combined General Meeting of May 14, 2019 in its 12th resolution.

Twenty-third resolution

Authorization granted to the Board of Directors to proceed with free allocation of performance shares, existing and/or to be issued without pre-emptive subscription rights, for the benefit of employees and corporate officers of the Company and related companies, within the limit of 1.5% of the share capital

The General Meeting, voting under the quorum and majority conditions required for extraordinary general meetings, having considered the Board of Directors' report and the Statutory Auditors' special report, in accordance with the provisions of the laws and regulations in force, in particular Article L.225-197-1 *et seq.* of the French Commercial Code:

1. authorizes the Board of Directors to proceed, on one or more occasions, with the free allocation of Company's ordinary shares, existing and/or to be issued without pre-emptive subscription rights, for the benefit of employees and/or corporate officers (eligible within the meaning of Article L.225-197-1 II of the French Commercial Code) of the Company and companies or economic interest groups related to it in accordance with the conditions provided in Article L.225-197-2 of the French Commercial Code, or certain categories of them;
2. decides that the total number of shares, existing and/or to be issued, freely allocated under this resolution may not exceed 1.5% of the Company's share capital as at the date of allocation by the Board of Directors, it being specified that this ceiling (i) does not include the adjustments made to protect, in accordance with the provisions of applicable laws and regulations and if relevant any contractual provisions that might be applicable, the rights of holders of securities or other rights giving access to the share capital and (ii) will count towards the global ceiling for all the share capital increases with cancellation of pre-emptive subscription rights carried out or which may be ultimately carried out set in the 17th resolution of this General Meeting as well as towards the global ceiling for all the share capital increases carried out or which may be ultimately carried out set in the 16th resolution of this General Meeting or any resolutions with the same purpose that may supersede the said resolution while this delegation is in force;
3. decides that the total number of shares, existing and/or to be issued, freely allocated under this resolution to corporate officers of the Company may not exceed, during a financial year, 0.1% of the Company's share capital as at the date of allocation by the Board of Directors, it being specified that this sub-ceiling (i) does not include the adjustments made to protect, in accordance with the provisions of applicable laws and regulations and if relevant any contractual provisions that might be applicable, the rights of holders of securities or other rights giving access to the share capital and (ii) will count towards the global ceiling of 1.5% of the share capital aforementioned;
4. In the event of use of this authorization by the Board of Directors:
    - decides that any allocation will be subject to a presence condition and to one or more performance conditions set by the Board of Directors at the allocation date and assessed over at least three consecutive financial years,
    - decides that any allocation will only vest at the end of a vesting period set by the Board of Directors but which may not be less than three years,
    - decides that, if relevant, the duration of the holding period will be set by the Board of Directors,
    - acknowledges that this authorization entails, in favor of the beneficiaries of the said shares, the waiver by shareholders of their pre-emptive subscription right to the ordinary shares to be issued;
5. grants full powers to the Board of Directors – which may be sub-delegated as provided for in the applicable laws and regulations – to use this authorization, and in particular to:
    - determine whether the freely allocated shares are shares to be issued or already existing,
    - set, within the limits provided for in the applicable laws and regulations, the dates on which the shares will be allocated,
    - determine the identity of the beneficiaries, or the category or categories of beneficiaries of the share allocations and the number of shares allocated to each of them,
    - determine the share allocation criteria, the conditions and procedures for allocating such shares and in particular the vesting period and, if appropriate, the holding period for the shares so allocated, the condition of presence and the performance condition(s), pursuant to this authorization,
    - set the date, even retroactively, when the new shares to be issued bear rights,
    - provide for the possibility of temporarily suspending the allocation rights as provided for by the applicable laws and regulations,
    - register the shares allocated in a registered account in the name of their owner at the end of the vesting period, stating, where appropriate, the holding period and its duration thereof, and cancel the holding period in any circumstances in which this resolution or the applicable laws and regulations allow cancellation of the said period,

- decide, as regards the corporate officers, either that the shares may not be sold by the interested parties before the termination of their duties, or set the number of shares that they must keep in registered form until the termination of their duties,
- provide for the option of proceeding, if deemed necessary, with adjustments to the number of shares allocated freely in order to safeguard the rights of beneficiaries, depending on any transactions involving the share capital or equity of the Company which occurred during the vesting period, as referred to in Article L.225-181 of the French Commercial Code, under the conditions it will determine,
- charge, if applicable, against the reserves, profits or share premiums, the sums necessary for payment of such shares,
- acknowledge the completion of the share capital increase(s),
- amend the Company's bylaws accordingly,
- more generally, enter into any agreements, draw up all documents, carry out all formalities and make all declarations to all organizations and do all that is otherwise necessary,
- and, more generally, do whatever is necessary for the application of this resolution;

6. set at 26 months as from this General Meeting the duration of this authorization which cancels, for the remaining period, and supersedes, for the unused portion, the authorization given by the Combined General Meeting of May 3, 2018 in its 28th resolution.

Twenty-fourth resolution

Amendment to Article 15 of the bylaws regarding the Board of Directors' deliberations

The General Meeting, voting under the quorum and majority conditions required for extraordinary general meetings, having considered the Board of Directors' report, decide, taking into account the French law no. 2019-744 of July 19, 2019 introduced to simplify, clarify and update French corporate law, to amend and add a new paragraph to the end of Article 15 of the Company's bylaws (Board deliberations) as follows:

ARTICLE 15

PREVIOUS WORDING	NEW WORDING
The Board of Directors meets whenever it is in the interest of the Company, upon the convocation of its Chairman.	The Board of Directors meets whenever it is in the interest of the Company, upon the convocation of its Chairman.
The meeting takes place either at the registered office or in another place specified in the convening notice.	The meeting takes place either at the registered office or in another place specified in the convening notice.
The convening notice can be given by any means, even orally, by the Chairman or by the Secretary of the Board of Directors upon the Chairman's request.	The convening notice can be given by any means, even orally, by the Chairman or by the Secretary of the Board of Directors upon the Chairman's request.
It also meets when at least a third of its members or the Chief Executive Officer requests the Chairman to convene a meeting on a specific agenda.	It also meets when at least a third of its members or the Chief Executive Officer requests the Chairman to convene a meeting on a specific agenda.
In the event of the inability of the Chairman to perform his or her duties, the convening notice can be given by the director to whom the Chairman's duties have been temporarily delegated, by the Vice-Chairman/Chairmen or by the Chief Executive Officer if the latter is also a director.	In the event of the inability of the Chairman to perform his or her duties, the convening notice can be given by the director to whom the Chairman's duties have been temporarily delegated, by the Vice-Chairman/Chairmen or by the Chief Executive Officer if the latter is also a director.
The Board of Directors only validly deliberates if at least half of its members are present.	The Board of Directors only validly deliberates if at least half of its members are present.
The Board may decide that, for the calculation of the quorum and the majority, the directors who take part in the Board meeting by videoconference or by any other suitable means of telecommunication under the conditions provided for by ~~**the law and regulations,**~~ are deemed to be present.	The Board **of Directors** may decide that, for the calculation of the quorum and the majority, the directors who take part in the Board **of Directors'** meeting by videoconference or by any other suitable means of telecommunication under the conditions provided for **in the legal and regulatory provisions in force** are deemed to be present.
Any director can give proxy, in writing, to another director to represent him or her at one of the Board~~**'s**~~ meetings, each director only being authorized one proxy vote per meeting.	Any director can give proxy, in writing, to another director to represent him or her at one of the Board **of Directors**' meetings, each director only being authorized one proxy vote per meeting.
The meetings are chaired by the Chairman of the Board of Directors or, failing that, by the Vice-Chairman/Chairmen or by any other director designated by the Board.	The meetings are chaired by the Chairman of the Board of Directors or, failing that, by the Vice-Chairman/Chairmen or by any other director designated by the Board **of Directors**.
At the Chairman's initiative, the Chief Executive Officer, the Deputy Chief Executive Officers, the members of Management, the Statutory Auditors or other persons having particular expertise regarding items on the agenda can be present during all or part of a Board meeting.	At the Chairman's initiative, the Chief Executive Officer, the Deputy Chief Executive Officers, the members of Management, the Statutory Auditors or other persons having particular expertise regarding items on the agenda can be present during all or part of a Board **of Directors'** meeting.
Decisions are made by a majority vote of the members who are present or represented by proxy.	Decisions are made by a majority vote of the members who are present or represented by proxy.
In the event of a tied vote, the Chairman of the meeting has a casting vote.	In the event of a tied vote, the Chairman of the meeting has a casting vote.
The directors as well as any person called to attend the Board meeting are required to treat the information given during the discussions as strictly confidential and generally to act with discretion.	The directors as well as any person called to attend the Board **of Directors'** meeting are required to treat the information given during the discussions as strictly confidential and generally to act with discretion.
	In accordance with the conditions provided for in the legal and regulatory provisions in force, decisions coming under the specific remit of the Board of Directors and decisions to transfer the Company's registered office to another location in the same region *(département)* may be taken by the directors by way of written consultation.

Twenty-fifth resolution

Harmonization of the bylaws to align them with the provisions of the laws and regulations in force, and editorial changes with no impact on their substance

The General Meeting, voting under the quorum and majority conditions required for extraordinary general meetings, having considered the Board of Directors' report, in order to reconcile them with the provisions of the laws and regulations in force and make editorial changes with no impact on their substance:

1. decides to amend Article 1 (Form) of the bylaws as follows:

ARTICLE 1

PREVIOUS WORDING	NEW WORDING
The Company is a French *société anonyme*. It is governed by the ~~**laws and regulations**~~ in force and by these by**-**laws. It is governed in particular by Articles L.225-17 to L.225-56 of the French Commercial Code.	The Company is a French *société anonyme*. It is governed by the **legal and regulatory provisions** in force and by these bylaws. It is governed in particular by Articles L.225-17 to L.225-56 of the French Commercial Code.

2. decides to amend Article 3 (Purpose) of the bylaws as follows:

ARTICLE 3

PREVIOUS WORDING	NEW WORDING
The purpose of the Company in France and abroad, in its name or on behalf of third parties, is: • the design, development, promotion, marketing and management of service vouchers, whatever the medium, whether physical or digital, and more generally of all services in the fields of employee and public benefits, rewards and loyalty, and management of corporate expenses~~;~~ • the development, promotion and operation of all the information~~s~~ systems necessary for the development and implementation of the vouchers and operations referred to above, including related consulting services, as well as the management of the associated financial transactions ~~;~~ • the provision of consulting services, analysis and expertise in evaluating the administrative, technical and financial means necessary for the development and implementation of a service voucher policy, and more generally of the aforementiond operations ~~;~~ • the acquisition of equity interests, by all means, in all companies or groups, whether French or foreign, having a similar or related purpose~~;~~ • all public relations and communications, organization of conferences and seminars, meetings, conventions and shows and events relating to the aforementioned oprations~~;~~ • the short, medium and long-term financing and management of the funds of the companies it controls or that are under the same control as it and to this end, the contracting of all loans in France and abroad, in euros or in foreign currencies, the granting of all loans and advances, in euros or in foreign currencies, and the carrying out of all treasury, investment and hedging transactions, • and generally, all commercial, industrial, financial, transferable securities or real estate transactions that are directly or indirectly related to the corporate purpose and to all similar or related purposes and that are likely to facilitate the execution of said purpose. In order to fulfill this purpose, the Company can carry out, in any place, all actions and transactions, whatever their nature and size may be, including the setting up of new companies, subscriptions or purchases of securities or corporate rights, acquisitions and mergers, as long as such actions and transactions contribute or may contribute to, or facilitate or may facilitate the conduct of the activities defined above, or as long as they directly or indirectly preserve the commercial, industrial or financial interests of the Company, of its subsidiaries or of the companies with which it has a business relationship.	The purpose of the Company in France and abroad, in its name or on behalf of third parties, is: • the design, development, promotion, marketing and management of service vouchers, whatever the medium, whether physical or digital, and more generally of all services in the fields of employee and public benefits, rewards and loyalty, and management of corporate expenses**,** • the development, promotion and operation of all the information systems necessary for the development and implementation of the vouchers and operations referred to above, including related consulting services, as well as the management of the associated financial transactions**,** • the provision of consulting services, analysis and expertise in evaluating the administrative, technical and financial means necessary for the development and implementation of a service voucher policy, and more generally of the aforementione**d**d operations**,** • the acquisition of equity interests, by all means, in all companies or groups, whether French or foreign, having a similar or related purpose**,** • all public relations and communications, organization of conferences and seminars, meetings, conventions and shows and events relating to the aforementioned op**e**rations**,** • the short, medium and long-term financing and management of the funds of the companies it controls or that are under the same control as it and to this end, the contracting of all loans in France and abroad, in euros or in foreign currencies, the granting of all loans and advances, in euros or in foreign currencies, and the carrying out of all treasury, investment and hedging transactions, • and generally, all commercial, industrial, financial, transferable securities or real estate transactions that are directly or indirectly related to the corporate purpose and to all similar or related purposes and that are likely to facilitate the execution of said purpose. In order to fulfill this purpose, the Company can carry out, in any place, all actions and transactions, whatever their nature and size may be, including the setting up of new companies, subscriptions or purchases of securities or corporate rights, acquisitions and mergers, as long as such actions and transactions contribute or may contribute to, or facilitate or may facilitate the conduct of the activities defined above, or as long as they directly or indirectly preserve the commercial, industrial or financial interests of the Company, of its subsidiaries or of the companies with which it has a business relationship.

3. decides to amend paragraph 2 of Article 4 (Registered office) of the bylaws as follows, with the rest of said Article remaining unchanged:

ARTICLE 4, PARAGRAPH 2

PREVIOUS WORDING	NEW WORDING
It may be transferred to any other place, pursuant to the legal and regulatory provisions.	It may be transferred to any other place, pursuant to the legal and regulatory provisions **in force**.

4. decides to amend Article 5 (Term) of the bylaws as follows:

ARTICLE 5

PREVIOUS WORDING	NEW WORDING
The Company's term is ninety-nine years as from the date of its incorporation, except in the event of early dissolution or extension under the conditions provided for ~~by law.~~	The Company's term is ninety-nine years as from the date of its incorporation, except in the event of early dissolution or extension under the conditions provided for **in the legal and regulatory provisions in force**.

5. decides to amend Article 7 (Modification of the share capital) of the bylaws as follows:

ARTICLE 7

PREVIOUS WORDING	NEW WORDING
The share capital can be modified in any way authorized by ~~law~~, including by issuing preference shares.	The share capital can be modified in any way authorized by **the legal and regulatory provisions in force**, including by issuing preference shares.

6. decides to amend Article 8 (The payment of shares) of the bylaws as follows:

ARTICLE 8

PREVIOUS WORDING	NEW WORDING
The shares are issued and paid up under the conditions provided for ~~by law.~~	The shares are issued and paid up under the conditions provided for **in the legal and regulatory provisions in force**.

7. decides to amend Article 9 (Form of shares) of the bylaws as follows:

ARTICLE 9

PREVIOUS WORDING	NEW WORDING
The shares that are entirely paid up are registered shares or bearer shares, at the shareholder's discretion, within the scope of the regulatory provisions in force.	The shares that are entirely paid up are registered shares or bearer shares, at the shareholder's discretion, within the scope of the **legal and** regulatory provisions in force.
The Company keeps informed of the composition of its shareholding under the conditions provided for ~~**by the law and regulations.**~~	The Company keeps informed of the composition of its shareholding under the conditions provided for **in the legal and regulatory provisions in force**.
To this end, as long as the Company's shares are admitted to trading on a regulated market, the Company may use the legal provisions ~~**provided for**~~ in terms of identifying bearers of securities immediately or eventually conferring a voting right at its General Meetings.	To this end, as long as the Company's shares are admitted to trading on a regulated market, the Company may use the legal **and regulatory** provisions **in force** in terms of identifying bearers of securities immediately or eventually conferring a voting right at its General Meetings.
As long as the Company's shares are admitted to trading on a regulated market, any person who comes to solely or jointly hold or cease to hold a number of shares representing a fraction of the share capital or of the voting rights provided for ~~**by law**~~ must inform the Company of this, under the conditions and subject to the sanctions provided for ~~**by the law and regulations.**~~	As long as the Company's shares are admitted to trading on a regulated market, any person who comes to solely or jointly hold or cease to hold a number of shares representing a fraction of the share capital or of the voting rights provided for **in the legal and regulatory provisions in force** must inform the Company of this, under the conditions and subject to the sanctions provided for **in the legal and regulatory provisions in force**.
Furthermore, as long as the Company's shares are admitted to trading on a regulated market and in addition to the thresholds provided for by law, any person who comes to solely or jointly hold a fraction that is equal to one per cent (1%) of the share capital or of the voting rights, must, by means of a registered letter with acknowledgment of receipt requested, sent to the registered office within four business days following the date on which any agreement leading to the crossing of the threshold was negotiated or entered into, and this regardless of the date of any incorporation into the book-entry system, inform the Company of the total number of shares and securities that eventually give access to the share capital as well as the number of voting rights that it holds.	Furthermore, as long as the Company's shares are admitted to trading on a regulated market and in addition to the thresholds provided for by law, any person who comes to solely or jointly hold a fraction that is equal to one per cent (1%) of the share capital or of the voting rights, must, by means of a registered letter with acknowledgment of receipt requested, sent to the registered office within four business days following the date on which any agreement leading to the crossing of the threshold was negotiated or entered into, and this regardless of the date of any incorporation into the book-entry system, inform the Company of the total number of shares and securities that eventually give access to the share capital as well as the number of voting rights that it holds.
When the 1% threshold is crossed, any modification of the total number of shares or voting rights, by multiple of 0.50% of the capital or of the voting rights if there is an increase leading to a threshold crossing, and by multiple of 1% of the capital or of the voting rights if there is a decrease leading to a threshold crossing, must be declared pursuant to the terms and conditions provided for in the previous paragraph. If this information requirement is not complied with and at the request of one or several shareholders holding jointly at least three per cent (3%) of the capital or of the voting rights, such request being recorded in the minutes of the ~~**g**~~eneral Meeting, the voting rights that exceed the fraction that should have been declared cannot be exercised or delegated by the shareholder at fault at any ~~**g**~~eneral Meeting that is held until the expiration of the two-year time period following the regularization of the declaration.	When the 1% threshold is crossed, any modification of the total number of shares or voting rights, by multiple of 0.50% of the capital or of the voting rights if there is an increase leading to a threshold crossing, and by multiple of 1% of the capital or of the voting rights if there is a decrease leading to a threshold crossing, must be declared pursuant to the terms and conditions provided for in the previous paragraph. If this information requirement is not complied with and at the request of one or several shareholders holding jointly at least three per cent (3%) of the capital or of the voting rights, such request being recorded in the minutes of the **G**eneral Meeting, the voting rights that exceed the fraction that should have been declared cannot be exercised or delegated by the shareholder at fault at any **G**eneral Meeting that is held until the expiration of the two-year time period following the regularization of the declaration.

ARTICLE 9

PREVIOUS WORDING	NEW WORDING
~~Furthermore, as long as the Company's shares are admitted to trading on a regulated market and in addition to the thresholds provided for by law, any person who would solely or jointly hold a number of shares representing more than a twentieth of the Company's capital or voting rights, will, in its declaration to the Company, be required to indicate the objectives it intends to pursue during the next twelve months, specifying the details referred to in paragraph 2 of chapter VII of Article L.233-7 of the French Commercial Code.~~	
~~At the end of each twelve-month period following his first declaration, any shareholder, if he still holds a number of shares or voting rights that is equal to or higher than the fraction referred to above, will be required to renew his declaration of intent, pursuant to the abovementioned terms, and this for each new twelve-month period.~~	
~~The Company reserves itself the right to make known to the public or to the shareholders either the objectives that have been notified to it, either the non-compliance of the above mentioned requirement by the relevant person.~~	
For the application of the provisions of this article, the shares or voting rights referred to in Article L.233-9 I of the French Commercial Code are included in the shares or voting rights held by the person who is required to make the declaration.	For the application of the provisions of this article, the shares or voting rights referred to in Article L.233-9 **(I.)** of the French Commercial Code are included in the shares or voting rights held by the person who is required to make the declaration.

8. decides to amend Article 10 (Assignments) of the bylaws as follows:

ARTICLE 10

PREVIOUS WORDING	NEW WORDING
The shares are freely negotiable, unless otherwise stipulated ~~by law or the regulations.~~	The shares are freely negotiable, unless otherwise stipulated **in the legal and regulatory provisions in force**.
The free or paid transfer of shares, whatever their form may be, takes place by way of a transfer from one account to another, pursuant to the terms and conditions provided for ~~by law~~.	The free or paid transfer of shares, whatever their form may be, takes place by way of a transfer from one account to another, pursuant to the terms and conditions provided for **in the legal and regulatory provisions in force**.

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9. decides to amend Article 12 (Management of the Company) of the bylaws as follows:

ARTICLE 12

PREVIOUS WORDING	NEW WORDING
The Company is managed by a Board of Directors composed of a minimum of three members and a maximum of eighteen, subject to the dispensations provided for by ~~law~~, including in the event of a merger.	The Company is managed by a Board of Directors composed of a minimum of three members and a maximum of eighteen, subject to the dispensations provided for by **the legal and regulatory provisions in force**, including in the event of a merger.
No individual exceeding the age of 75 may be appointed as director. If a director in office exceeds the age limit of 75, the latter, at the close of the first General Meeting following his or her birthday, will be deemed to have automatically resigned.	No individual exceeding the age of 75 may be appointed as director. If a director in office exceeds the age limit of 75, the latter, at the close of the first General Meeting following his or her birthday, will be deemed to have automatically resigned.
The number of directors who are over 70 years of age may not represent more than a third of the directors in office.	The number of directors who are over 70 years of age may not represent more than a third of the directors in office.
If the above-mentioned proportion is exceeded as a result of a director turning over 70, the eldest director is deemed to have automatically resigned from office at that date.	If the above-mentioned proportion is exceeded as a result of a director turning over 70, the eldest director is deemed to have automatically resigned from office at that date.
These provisions also apply to the permanent representatives of any legal entity that has been appointed director.	These provisions also apply to the permanent representatives of any legal entity that has been appointed director.
Directors, including employee-representative directors, are appointed under ~~legal~~ conditions by the Ordinary General Meeting for a four-year term. They may be re-elected.	Directors, including employee-representative directors, are appointed under **the** conditions **provided for in the legal and regulatory provisions in force** by the Ordinary General Meeting for a four-year term. They may be re-elected.
However, the Ordinary General Meeting can exceptionally appoint one or several directors for a term of less than four years. This is only for the regular renewal of the Board of Directors by rotation, so that such renewal applies to a different portion of its members each time.	However, the Ordinary General Meeting can exceptionally appoint one or several directors for a term of less than four years. This is only for the regular renewal of the Board of Directors by rotation, so that such renewal applies to a different portion of its members each time.
In the event of a vacancy of one or several seats of directors appointed by the Ordinary General Meeting, the Board of Directors can carry out, pursuant to ~~legal~~ conditions, provisional appointments that will be subject to the ratification of the Ordinary General Meeting pursuant to the conditions provided for ~~by law~~.	In the event of a vacancy of one or several seats of directors appointed by the Ordinary General Meeting, the Board of Directors can carry out, pursuant to the conditions **provided for in the legal and regulatory provisions in force**, provisional appointments that will be subject to the ratification of the Ordinary General Meeting pursuant to the conditions provided for **in the legal and regulatory provisions in force**.
Failing ratification, the decisions made and the actions completed beforehand remain valid.	Failing ratification, the decisions made and the actions completed beforehand remain valid.
The director appointed pursuant to such conditions to replace another remains in office for the duration of his or her predecessor's remaining term of office.	The director appointed pursuant to such conditions to replace another remains in office for the duration of his or her predecessor's remaining term of office.
As long as the Company's shares are admitted to trading on a regulated market, each director, with the exception of the employee-representative directors, must hold 500 of the Company's registered shares.	As long as the Company's shares are admitted to trading on a regulated market, each director, with the exception of the employee-representative director**(s)**, must hold **at least** 500 of the Company's registered shares.
As the ~~c~~ompany falls within the scope of application of Article L.225-27-1 of the French Commercial Code, the Board of Directors includes one or two employee-representative directors. Pursuant to the provisions of said Article, when the Board of Directors has ~~twelve~~ or fewer members, calculated in accordance with the provisions of Article L.225-27-1~~-~~II of the French Commercial Code, the ~~Works~~ Council designates one employee representative director.	As the **C**ompany falls within the scope of application of Article L.225-27-1 of the French Commercial Code, the Board of Directors includes one or two employee-representative directors. Pursuant to the provisions of said Article, when the Board of Directors has **eight** or fewer members, calculated in accordance with the provisions of Article L.225-27-1 **(**II**.)** of the French Commercial Code, the **Social and Economic** Council designates one employee representative director.
If the number of directors elected in accordance with the provisions of Article L.225-18 of the French Commercial Code rises above ~~twelve~~ and for as long as it remains above ~~twelve~~, a second employee-representative director shall be appointed.	If the number of directors elected in accordance with the provisions of Article L.225-18 of the French Commercial Code rises above **eight** and for as long as it remains above **eight**, a second employee-representative director shall be appointed **by the Social and Economic Council**.

ARTICLE 12

PREVIOUS WORDING	NEW WORDING
If the number of directors elected in accordance with the provisions of Article L.225-18 of the French Commercial Code falls to ~~twelve~~ or below, this change shall have no effect on the terms of office of the employee-representative directors, who shall remain in office until the end of their current term.	If the number of directors elected in accordance with the provisions of Article L.225-18 of the French Commercial Code falls to **eight** or below, this change shall have no effect on the terms of office of the employee-representative director**(s)**, who shall remain in office until the end of their current term.
The employee-representative director(s) are not included for the purpose of determining the maximum number of directors provided for in the French Commercial Code or for the purposes of applying the first paragraph of Article L.225-18-1 of the said Code. The employee-representative director(s) shall stand down before the end of their term under the conditions provided for ~~by law~~ and this Article of the bylaws, and in particular in the event of the termination of their employment contract, with the exception of an intra-group transfer.	The employee-representative director(s) are not included for the purpose of determining the **minimum and** maximum number of directors provided for in the French Commercial Code or for the purposes of applying the first paragraph of Article L.225-18-1 of the said Code. The employee-representative director(s) shall stand down before the end of their term under the conditions provided for **in the legal and regulatory provisions in force** and this Article of the bylaws, and in particular in the event of the termination of their employment contract, with the exception of an intra-group transfer.
If the conditions for the application of Article L.225-27-1 of the French Commercial Code are no longer met at the end of a fiscal year, the employee-representative directors shall stand down at the close of the meeting at which the Board of Directors places on record the fact that the ~~c~~ompany no longer meets the conditions for the application of said Article.	If the conditions for the application of Article L.225-27-1 of the French Commercial Code are no longer met at the end of a fiscal year, the employee-representative director**(s)** shall stand down at the close of the meeting at which the Board of Directors places on record the fact that the **C**ompany no longer meets the conditions for the application of said Article.
If, for any reason, a seat as employee-representative director becomes vacant, the vacancy shall be filled in accordance with the terms provided for in Article L.225-34 of the French Commercial Code. The Board of Directors may continue to conduct business validly until the vacancy of the employee-representative director(s) has been filled. In addition to the provisions of the second paragraph of Article L.225-29 of the French Commercial Code, it is specified insofar as necessary that, if no employee representative director has been designated by the ~~Works~~ Council in accordance with the ~~law~~ and this Article of the bylaws, decisions made by the Board of Directors shall nonetheless remain valid. Subject to the stipulations of this Article of the bylaws and the provisions of the ~~law~~, the employee-representative directors shall have the same status, rights and responsibilities as the other directors.	If, for any reason, a seat as employee-representative director becomes vacant, the vacancy shall be filled in accordance with the terms provided for in Article L.225-34 of the French Commercial Code. The Board of Directors may continue to conduct business validly until the vacancy of the employee-representative director(s) has been filled. In addition to the provisions of the second paragraph of Article L.225-29 of the French Commercial Code, it is specified insofar as necessary that, if no employee-representative director has been designated by the **Social and Economic** Council in accordance with the **legal and regulatory provisions in force** and this Article of the bylaws, decisions made by the Board of Directors shall nonetheless remain valid. Subject to the stipulations of this Article of the bylaws and the **legal and regulatory provisions in force**, the employee-representative directors shall have the same status, rights and responsibilities as the other directors.

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10. decides to amend Article 13 (Powers, duties and functions of the Board of Directors) of the bylaws as follows:

ARTICLE 13

PREVIOUS WORDING	NEW WORDING
The Board of Directors determines the Company's business activities and ensures their implementation. Subject to powers that are expressly granted to the General Meetings and within the limit of the corporate purpose, it takes charge of any question relating to the running of the Company and addresses by way of its decisions the matters that concern it.	The Board of Directors determines the Company's business activities and ensures their implementation **in line with its corporate interest and taking into consideration the social and environmental stakes of its activities**. Subject to powers that are expressly granted to the General Meetings and within the limit of the corporate purpose, it takes charge of any question relating to the running of the Company and addresses by way of its decisions the matters that concern it.
In addition to the decisions referred to ~~**by law**~~ that require the Board of Directors' prior approval, the internal regulations referred to in Article 16 hereunder define the decisions of the Chief Executive Officer or of the Deputy Chief Executive Officers for which an approval by the Board of Directors is required.	In addition to the decisions referred to **in the legal and regulatory provisions in force** that require the Board of Directors' prior approval, the internal regulations referred to in Article 16 hereunder define the decisions of the Chief Executive Officer or of the Deputy Chief Executive Officers for which an approval by the Board of Directors is required.
The Board of Directors may decide whether to issue bonds pursuant to the provisions provided for ~~**by law**~~, with the faculty to delegate the necessary powers for the issue of the bonds within a one-year time limit and to decide on the terms and conditions, to one or several of its members, to the Chief Executive Officer or with the latter's approval to one or several Deputy Chief Executive Officers.	The Board of Directors may decide whether to issue bonds pursuant to the provisions provided for **in the legal and regulatory provisions in force**, with the faculty to delegate the necessary powers for the issue of the bonds within a one-year time limit and to decide on the terms and conditions, to one or several of its members, to the Chief Executive Officer or with the latter's approval to one or several Deputy Chief Executive Officers.
The Board of Directors may confer to one or several of its members or to all the persons chosen outside the Board permanent or temporary assignments that it defines.	The Board of Directors may confer to one or several of its members or to all the persons chosen outside the Board **of Directors** permanent or temporary assignments that it defines.
It may decide to create committees in charge of examining and giving recommendations on matters put forward to them by the Board or by its Chairman.	It may decide to create committees in charge of examining and giving recommendations on matters put forward to them by the Board **of Directors** or by its Chairman.
~~T~~he Board decides the membership and powers of the committees that exercise their activity under its responsibility.	**In accordance with the legal and regulatory provisions in force, t**he Board **of Directors** decides the membership and powers of the committees that exercise their activity under its responsibility.

11. decides to amend Article 14 (Chairman of the Board of Directors – Vice-Chairmen – Secretary) of the bylaws as follows:

ARTICLE 14

PREVIOUS WORDING	NEW WORDING
The Board of Directors elects amongst its members a Chairman, a natural person, who is appointed for the duration of his or her term of office as director. The Chairman may be re-elected.	The Board of Directors elects amongst its members a Chairman, a natural person, who is appointed for the duration of his or her term of office as director. The Chairman may be re-elected.
No individual exceeding the age of 70 may be appointed as Chairman. If a Chairman in office exceeds the age limit of 70, the latter, at the close of the first ~~**Shareholders**~~ Meeting held after his or her birthday, shall be deemed to have automatically resigned.	No individual exceeding the age of 70 may be appointed as Chairman. If a Chairman in office exceeds the age limit of 70, the latter, at the close of the first **General** Meeting held after his or her birthday, shall be deemed to have automatically resigned.
The Chairman performs the assignments and duties that are conferred upon him or her by the ~~**law**~~ and the by~~-~~laws.	The Chairman performs the assignments and duties that are conferred upon him or her by the **legal and regulatory provisions in force** and the**se** bylaws.
He or she chairs all the Board meetings, organizes and conducts all the works and meetings, of which he or she gives an account to the General Meeting.	He or she chairs all the Board **of Directors'** meetings, organizes and conducts all the works and meetings, of which he or she gives an account to the General Meeting.
He or she supervises the effective performance of the Company's bodies and ensures in particular that the directors are capable of carrying out their assignment.	He or she supervises the effective performance of the Company's bodies and ensures in particular that the directors are capable of carrying out their assignment.
The Chairman chairs the General Meetings ~~**and establishes reports provided for by law.**~~ The Chairman can also take on the Company's ~~**e**~~xecutive ~~**m**~~anagement in his or her capacity as Chief Executive Officer if the Board of Directors elected to combine both functions at the time of his or her appointment or at any other date. In such case, the provisions relating to the Chief Executive Officer apply to the Chairman.	The Chairman chairs the General Meetings. The Chairman can also take on the Company's **E**xecutive **M**anagement in his or her capacity as Chief Executive Officer if the Board of Directors elected to combine both functions at the time of his or her appointment or at any other date. In such case, the provisions relating to the Chief Executive Officer apply to the Chairman.
The Board of Directors may appoint amongst its members one or two Vice-Chairmen who can chair the Board meetings in the absence of the Chairman.	The Board of Directors may appoint amongst its members one or two Vice-Chairmen who can chair the Board **of Directors'** meetings in the absence of the Chairman.
The Board of Directors appoints a Secretary who can be chosen from outside its members.	The Board of Directors appoints a Secretary who can be chosen from outside its members.

12. decides to amend Article 16 (Internal regulations of the Board of Directors) of the bylaws as follows:

ARTICLE 16

PREVIOUS WORDING	NEW WORDING
The Board of Directors draws up internal regulations which specify, pursuant to the legal and regulatory provisions and to these bylaws, the terms and conditions relating to the performance of the duties and functions of the Board of Directors, the Chairman and the Chief ~~**e**~~xecutive ~~**o**~~fficer, sets the rules pertaining to the running of the Board committees and specifies the breakdown of such duties and functions between these different bodies.	The Board of Directors draws up internal regulations which specify, pursuant to the legal and regulatory provisions and to these bylaws, the terms and conditions relating to the performance of the duties and functions of the Board of Directors, the Chairman and the Chief **E**xecutive **O**fficer, sets the rules pertaining to the running of the Board **of Directors'** committees and specifies the breakdown of such duties and functions between these different bodies.

13. decides to amend Article 17 (Executive management) of the bylaws as follows:

ARTICLE 17

PREVIOUS WORDING	NEW WORDING
Pursuant to ~~legal~~ provisions, ~~e~~xecutive ~~m~~anagement is taken on either by the Chairman of the Board or by another natural person appointed by the Board of Directors and bearing the title of Chief Executive Officer.	Pursuant to **the legal and regulatory** provisions **in force**, **E**xecutive **M**anagement is taken on either by the Chairman of the Board **of Directors** or by another natural person appointed by the Board of Directors and bearing the title of Chief Executive Officer.
Based on a majority of votes casts by directors who are present or represented by proxy, the Board of Directors chooses one of the two different ways of exercising ~~e~~xecutive ~~m~~anagement.	Based on a majority of votes casts by directors who are present or represented by proxy, the Board of Directors chooses one of the two different ways of exercising **E**xecutive **M**anagement.
The Board of Directors has the faculty to decide that the chosen option will be effective until the Board votes otherwise, under the same quorum and majority conditions.	The Board of Directors has the faculty to decide that the chosen option will be effective until the Board **of Directors** votes otherwise, under the same quorum and majority conditions.
When the Company's ~~e~~xecutive ~~m~~anagement is taken on by the Chairman of the Board, the following provisions, relating to the Chief Executive Officer, apply.	When the Company's **E**xecutive **M**anagement is taken on by the Chairman of the Board **of Directors**, the following provisions, relating to the Chief Executive Officer, apply.

14. decides to amend Article 18 (Chief Executive Officer – Appointment – Powers) of the bylaws as follows:

ARTICLE 18

PREVIOUS WORDING	NEW WORDING
When the Board of Directors chooses to separate the duties of Chairman and those of Chief Executive Officer in application of Article 17, it proceeds to appoint the Chief Executive Officer amongst the directors or from outside the Board, it sets the duration of his or her term of office, which cannot, should the case arise, exceed the term of his or her duties as director, it determines his or her compensation and, if necessary, the limits of his or her powers.	When the Board of Directors chooses to separate the duties of Chairman and those of Chief Executive Officer in application of Article 17, it proceeds to appoint the Chief Executive Officer amongst the directors or from outside the Board **of Directors**, it sets the duration of his or her term of office, which cannot, should the case arise, exceed the term of his or her duties as director, it determines his or her compensation and, if necessary, the limits of his or her powers **under the conditions provided for in the legal and regulatory provisions in force**.
No individual exceeding the age of 65 may be appointed as Chief Executive Officer. If a Chief Executive Officer in office exceeds the age limit of 65, the latter, at the first ~~Shareholders~~ Meeting held after his or her birthday, shall be deemed to have automatically resigned.	No individual exceeding the age of 65 may be appointed as Chief Executive Officer. If a Chief Executive Officer in office exceeds the age limit of 65, the latter, at the first **General** Meeting held after his or her birthday, shall be deemed to have automatically resigned.
The Chief Executive Officer is invested with extensive powers enabling him or her to act in all circumstances on behalf of the Company. The Chief Executive Officer exercises his or her powers within the limits of the corporate purpose and subject to the powers that the ~~law~~ expressly confer to the General Meetings and to the Board of Directors.	The Chief Executive Officer is invested with extensive powers enabling him or her to act in all circumstances on behalf of the Company. The Chief Executive Officer exercises his or her powers within the limits of the corporate purpose and subject to the powers that the **legal and regulatory provisions in force** expressly confer to the General Meetings and to the Board of Directors.
He or she represents the Company in its relationships with third parties.	He or she represents the Company in its relationships with third parties.
The Company is bound even by the actions of the Chief Executive Officer that do not fall within the corporate purpose, unless it proves that the third party knew that such actions did not fall within the corporate purpose or that it could not ignore such fact given the circumstances, it being excluded that the publication of the bylaws alone would be sufficient to constitute such proof.	The Company is bound even by the actions of the Chief Executive Officer that do not fall within the corporate purpose, unless it proves that the third party knew that such actions did not fall within the corporate purpose or that it could not ignore such fact given the circumstances, it being excluded that the publication of the bylaws alone would be sufficient to constitute such proof.
~~The Board of Directors can, within the limit of a certain amount that the latter fixes, authorise the Chief Executive Officer to grant~~ undertakings, avals or guarantees on behalf of the Company~~. The~~ duration ~~of this authorisation~~ cannot exceed one year, whatever the duration of the guaranteed commitments may be.	**Under the conditions provided for in the legal and regulatory provisions in force, the** undertakings, avals or guarantees **given** on behalf of the Company **are authorized by the Board of Directors, or given by the Chief Executive Officer under the authorization of the Board of Directors, for a** duration **that** cannot exceed one year, whatever the duration of the guaranteed commitments may be.
The Chief Executive Officer and Deputy Chief Executive Officers can grant, with or without the faculty to substitute, all delegations to all representatives that they elect, subject to the restrictions provided for ~~by law~~.	The Chief Executive Officer and Deputy Chief Executive Officers can grant, with or without the faculty to substitute, all delegations to all representatives that they elect, subject to the restrictions provided for **in the legal and regulatory provisions in force**.

15. decides to amend Article 19 (Deputy Chief Executive Officers – Appointments – Powers) of the bylaws as follows:

ARTICLE 19

PREVIOUS WORDING	NEW WORDING
Upon the Chief Executive Officer's proposal, the Boards of Directors can appoint one or several natural persons in charge of assisting the Chief Executive Officer with the title of ~~d~~eputy Chief Executive Officer.	Upon the Chief Executive Officer's proposal, the Boards of Directors can appoint one or several natural persons in charge of assisting the Chief Executive Officer with the title of **D**eputy Chief Executive Officer.
The maximum number of ~~d~~eputy Chief Executive Officers is 5.	The maximum number of **D**eputy Chief Executive Officers is 5.
No individual exceeding the age of 65 may be appointed as ~~d~~eputy Chief Executive Officer. If a ~~d~~eputy Chief Executive Officer in office exceeds the age limit of 65, the latter, at the close of the first General Meeting ~~**of shareholders**~~ held after his or her birthday, shall be deemed to have automatically resigned.	No individual exceeding the age of 65 may be appointed as **D**eputy Chief Executive Officer. If a **D**eputy Chief Executive Officer in office exceeds the age limit of 65, the latter, at the close of the first General Meeting held after his or her birthday, shall be deemed to have automatically resigned.
With the approval of the Chief Executive Officer, the Board of Directors determines the scope and duration of the powers granted to the ~~d~~eputy Chief Executive Officers.	With the approval of the Chief Executive Officer, the Board of Directors determines the scope and duration of the powers granted to the **D**eputy Chief Executive Officers.
Regarding third parties, the ~~d~~eputy Chief Executive Officers have the same powers as the Chief Executive Officer.	Regarding third parties, the **D**eputy Chief Executive Officers have the same powers as the Chief Executive Officer.
In the event of the resignation or the inability to perform of the Chief Executive Officer, the ~~d~~eputy Chief Executive Officers in office keep their duties and functions until the appointment of a new Chief Executive Officer, unless the Board of Directors decides otherwise.	In the event of the resignation or the inability to perform of the Chief Executive Officer, the **D**eputy Chief Executive Officers in office keep their duties and functions until the appointment of a new Chief Executive Officer, unless the Board of Directors decides otherwise.

16. decides to amend Article 20 (Remuneration of the directors – Chairman – Chief Executive Officer – Deputy Chief Executive Officers and Observers *(censeurs)* of the Board of Directors) of the bylaws as follows:

ARTICLE 20

PREVIOUS WORDING	NEW WORDING
The General Meeting can allocate to directors a fixed annual sum as ~~**directors' fees *(jetons de présence)***~~. The distribution of said sum between the directors, and if necessary the observers *(censeurs)*, is determined by the Board of Directors.	The General Meeting can allocate to directors a fixed annual sum as **compensation**. The distribution of said sum between the directors, and if necessary the observers *(censeurs)*, is determined by the Board of Directors **under the conditions provided for in the legal and regulatory provisions in force**.
~~T~~he Board of Directors can allocate exceptional compensation for assignments or roles entrusted to directors or observers *(censeurs)*.	**Under the conditions provided for in the legal and regulatory provisions in force, t**he Board of Directors can allocate exceptional compensation for assignments or roles entrusted to directors or observers *(censeurs)*.
It can authorize the repayment of expenses incurred by directors or observers *(censeurs)* in the interest of the Company.	It can authorize the repayment of expenses incurred by directors or observers *(censeurs)* in the interest of the Company.
The Board of Directors determines the compensation of the Chairman, Chief Executive Officer and Deputy Chief Executive Officers.	The Board of Directors determines the compensation of the Chairman, Chief Executive Officer and Deputy Chief Executive Officers **under the conditions provided for in the legal and regulatory provisions in force**.

17. decides to amend Article 21 (Observers *(censeurs)*) of the bylaws as follows:

ARTICLE 21

PREVIOUS WORDING	**NEW WORDING**
The Board of Directors, upon the Chairman's proposal, can appoint, up to a limit of a quarter of the number of directors in office, natural persons as observers *(censeurs)*. The latter attend Board meetings where they can cast an advisory vote.	The Board of Directors, upon the Chairman's proposal, can appoint, up to a limit of a quarter of the number of directors in office, natural persons as observers *(censeurs)*. The latter attend Board **of Directors'** meetings where they can cast an advisory vote.
Their role is fixed by the Board of Directors pursuant to the ~~law~~ and the by~~-~~laws.	Their role is fixed by the Board of Directors pursuant to **the legal and regulatory provisions in force** and the**se** bylaws.
Each observer *(censeur)* is appointed for a fixed term which is determined by the Board of Directors. The latter can however put an end to their duties at any time.	Each observer *(censeur)* is appointed for a fixed term which is determined by the Board of Directors. The latter can however put an end to their duties at any time.
The observers *(censeurs)* can, in consideration for services rendered, receive compensation that is determined by the Board of Directors.	The observers *(censeurs)* can, in consideration for services rendered, receive compensation that is determined by the Board of Directors **under the conditions provided for in the legal and regulatory provisions in force**.

18. decides to amend Article 22 (Statutory Auditors) of the bylaws as follows:

ARTICLE 22

PREVIOUS WORDING	**NEW WORDING**
The Statutory Auditors are appointed by the General Meeting upon the Board of Directors' proposal~~; t~~hey perform their audit engagement pursuant to the ~~law~~.	The Statutory Auditors are appointed by the General Meeting upon the Board of Directors' proposal **under the conditions provided for in the legal and regulatory provisions in force. T**hey perform their audit engagement pursuant to the **legal and regulatory provisions in force**.

19. decides to amend Article 23 (Convening notice for General Meetings) of the bylaws as follows:

ARTICLE 23

PREVIOUS WORDING	**NEW WORDING**
General Meetings are convened under the conditions set by ~~law~~.	General Meetings are convened under the conditions set by **the legal and regulatory provisions in force**.
Pursuant to the regulatory provisions in force, any shareholder has the right to attend General Meetings and to take part in the resolutions or to be represented by proxy, irrespective of the amount of shares it holds, if, under the ~~legal and regulatory~~ conditions, it justifies the registration of shares in its name – or as long as the Company's shares are admitted to trading on a regulated market, in the name of the intermediary registered on the shareholder's behalf pursuant to paragraph seven of Article L.228-1 of the French Commercial Code – on the second business day prior to the date on which the Meeting is held, at 12:00 am, Paris time, either in registered share accounts held by the Company, or, as long as the Company's shares are admitted to trading on a regulated market, in bearer share accounts held by one of the authorized intermediaries, referred to in paragraphs 2 to 7 of Article L.542-1 of the French Monetary and Financial Code.	Pursuant to the **legal and** regulatory provisions in force, any shareholder has the right to attend General Meetings and to take part in the resolutions or to be represented by proxy, irrespective of the amount of shares it holds, if, under the conditions **provided for in the legal and regulatory provisions in force**, it justifies the registration of shares in its name – or as long as the Company's shares are admitted to trading on a regulated market, in the name of the intermediary registered on the shareholder's behalf pursuant to paragraph seven of Article L.228-1 of the French Commercial Code – on the second business day prior to the date on which the **General** Meeting is held, at 12:00 am, Paris time, either in registered share accounts held by the Company, or, as long as the Company's shares are admitted to trading on a regulated market, in bearer share accounts held by one of the authorized intermediaries, referred to in paragraphs 2 to 7 of Article L.542-1 of the French Monetary and Financial Code.
The registration or accounting entry of shares in the bearer share accounts held by the authorized intermediary is recorded by a share ownership certificate issued, electronically if necessary, by the latter under the ~~legal and regulatory~~ conditions in force.	The registration or accounting entry of shares in the bearer share accounts held by the authorized intermediary is recorded by a share ownership certificate issued, electronically if necessary, by the latter under the conditions **provided for in the legal and regulatory provisions** in force.
The meetings are held at the registered office or at any other place specified in the convening notice.	The meetings are held at the registered office or at any other place specified in the convening notice.

20. decides to amend Article 24 (Holding of the General Meeting) of the bylaws as follows:

ARTICLE 24

PREVIOUS WORDING	NEW WORDING
Any shareholder has the right to take part in the General Meetings or to be represented by proxy under the conditions determined ~~**by law**~~.	Any shareholder has the right to take part in the General Meetings or to be represented by proxy under the conditions determined **in the legal and regulatory provisions in force**.
Shareholders can cast their vote by post pursuant to Article L.225-107 of the French Commercial Code. The proxy/postal voting form may be sent to the Company or to the Company's registrar in paper form or, by decision of the Board of Directors published in the notice of meeting, by electronic mail in accordance with the ~~**applicable laws and regulations**~~.	Shareholders can cast their vote by post pursuant to Article L.225-107 of the French Commercial Code. The proxy/postal voting form may be sent to the Company or to the Company's registrar in paper form or, by decision of the Board of Directors published in the notice of meeting, by electronic mail in accordance with the **conditions provided for in the legal and regulatory provisions in force**.
If the Board of Directors so decides when the General Meeting is convened, shareholders may also participate in and vote at the Meeting by videoconference or by any other means of electronic telecommunication or remote transmission that allows them to be identified in accordance with the ~~**current laws and regulations**~~.	If the Board of Directors so decides when the General Meeting is convened, shareholders may also participate in and vote at the **General** Meeting by videoconference or by any other means of electronic telecommunication or remote transmission that allows them to be identified in accordance with the **conditions provided for in the legal and regulatory provisions in force**.
In addition, and if the Board of Directors so decides when the General Meeting is convened, shareholders may also request an admission card electronically. Are deemed present, for the calculation of the quorum and the majority, the shareholders who take part in the General Meeting by videoconference or by any other means of electronic telecommunication or remote transmission that allow them to be identified, and the nature and conditions of application of which are determined by the ~~**law and regulations**~~ in force.	In addition, and if the Board of Directors so decides when the General Meeting is convened, shareholders may also request an admission card electronically. Are deemed present, for the calculation of the quorum and the majority, the shareholders who take part in the General Meeting by videoconference or by any other means of electronic telecommunication or remote transmission that allow them to be identified, and the nature and conditions of application of which are determined by the **legal and regulatory provisions** in force.
If the Board of Directors so decides when the General Meeting is convened, the entire Meeting may be publicly broadcast by videoconference or any other means of telecommunication or remote transmission, including *via* the Internet.	If the Board of Directors so decides when the General Meeting is convened, the entire **General** Meeting may be publicly broadcast by videoconference or any other means of telecommunication or remote transmission, including *via* the Internet.
In the event of an electronic signature of the postal voting form by the shareholder or its legal representative or in the event of an electronic signature of the proxy form by the shareholder, thus enabling it to be represented at a Meeting, such signature will have to:	In the event of an electronic signature of the postal voting form by the shareholder or its legal representative or in the event of an electronic signature of the proxy form by the shareholder, thus enabling it to be represented at a **General** Meeting, such signature will have to:
• either take the form of a secured electronic signature pursuant to the conditions determined by the ~~**laws and regulations**~~ in force, • or take the form of a registration by the shareholder *via* an access code and a unique password on the Company's website, if such website exists, pursuant to the ~~**laws and regulations**~~ in force; such procedure will be considered to be a reliable and secure identification procedure guaranteeing the shareholder's link with the instrument that contains the electronic signature, within the meaning of the first sentence of the second paragraph of Article 1316-4 of the French Civil Code.	• either take the form of a secured electronic signature pursuant to the conditions determined by the **legal and regulatory provisions** in force, • or take the form of a registration by the shareholder *via* an access code and a unique password on the Company's website, if such website exists, pursuant to the **legal and regulatory provisions** in force; such procedure will be considered to be a reliable and secure identification procedure guaranteeing the shareholder's link with the instrument that contains the electronic signature, within the meaning of the first sentence of the second paragraph of Article 1316-4 of the French Civil Code.

ARTICLE 24

PREVIOUS WORDING	NEW WORDING
Each share gives right to one vote, except in the case where the voting right is regulated by ~~**law**~~. A voting right that is double that of a right attached to the other shares, regarding the proportion of the share capital that they represent, is attributed to all the shares that are fully paid up and for which proof can be provided of registration of at least two years in the name of the same shareholder.	Each share gives right to one vote, except in the case where the voting right is regulated by **the legal and regulatory provisions in** force. A voting right that is double that of a right attached to the other shares, regarding the proportion of the share capital that they represent, is attributed to all the shares that are fully paid up and for which proof can be provided of registration of at least two years in the name of the same shareholder.
In addition, in case of an increase in the capital following the incorporation of reserves, profits or issue premiums, a double voting right applies to registered shares, as soon as they have been issued, that are allocated to a shareholder for free on the basis of old shares for which it benefits from said right.	In addition, in case of an increase in the capital following the incorporation of reserves, profits or issue premiums, a double voting right applies to registered shares, as soon as they have been issued, that are allocated to a shareholder for free on the basis of old shares for which it benefits from said right.
Any share that has been converted into a bearer share or that has seen its ownership changed loses the double voting right. However, the transfer following an inheritance, a liquidation of joint ownership between spouses or a donation between living persons for the benefit of a spouse or a parent entitling one to inherit does not result in the loss of the acquired right and does not interrupt the two-year period provided for in this Article. The merger of the Company has no effect on the double voting right, which can be exercised within the absorbing company, if this is established in its by-laws.	Any share that has been converted into a bearer share or that has seen its ownership changed loses the double voting right. However, the transfer following an inheritance, a liquidation of joint ownership between spouses or a donation between living persons for the benefit of a spouse or a parent entitling one to inherit does not result in the loss of the acquired right and does not interrupt the two-year period provided for in this Article. The merger of the Company has no effect on the double voting right, which can be exercised within the absorbing company, if this is established in its bylaws.
When shares are held by a beneficial and non-beneficial owner, the voting right attached to these shares belong to the beneficial owner in the Ordinary and Extraordinary General Meeting, subject to the non-beneficial owner's right to vote in person when a unanimous shareholders vote is required ~~**by law**~~.	When shares are held by a beneficial and non-beneficial owner, the voting right attached to these shares belong to the beneficial owner i n the Ordinary and Extraordinary General Meeting, subject to the non-beneficial owner's right to vote in person when a unanimous shareholders vote is required **in the legal and regulatory provisions in force**.
The General Meetings are chaired by the Chairman of the Board of Directors or, failing that, by a director who has been appointed especially for such purpose by the Board. Failing that, the General Meeting appoints its Chairman itself.	The General Meetings are chaired by the Chairman of the Board of Directors or, failing that, by a director who has been appointed especially for such purpose by the Board **of Directors**. Failing that, the General Meeting appoints its Chairman itself.
The duties of the Scrutineer (scrutateur) are carried out by the two present and consenting members of the General Meeting, who by themselves or as representatives have the largest number of votes. The General Meeting Committee (Bureau) that has so been constituted appoints the Secretary, who can be appointed from outside the shareholders.	The duties of the Scrutineer (scrutateur) are carried out by the two present and consenting members of the General Meeting, who by themselves or as representatives have the largest number of votes. The General Meeting Committee (Bureau) that has so been constituted appoints the Secretary, who can be appointed from outside the shareholders.
An attendance sheet is kept under the conditions provided for **by law**.	An attendance sheet is kept under the conditions provided for **in the legal and regulatory provisions in force**.
Copies or extracts of the minutes of Meetings are validly certified by the Chairman of the Board of Directors, by the Chairman of the meeting or by the Secretary of the Meeting.	Copies or extracts of the minutes of **General** Meetings are validly certified by the Chairman of the Board of Directors, by the Chairman of the meeting or by the Secretary of the General Meeting.
Ordinary and Extraordinary General Meetings fulfilling the conditions of quorum and majority required by the provisions that respectively govern them, exercise the powers that have been granted to them by ~~**law**~~.	Ordinary and Extraordinary General Meetings fulfilling the conditions of quorum and majority required by the provisions that respectively govern them, exercise the powers that have been granted to them by **the legal and regulatory provisions in force**.

21. decides to amend Article 26 (Distributable earnings) of the bylaws as follows:

ARTICLE 26

PREVIOUS WORDING	NEW WORDING
Distributable earnings are made up of the net profit for the fiscal year, decreased by previous losses and amounts carried to reserve, in application of the ~~law~~ and the by~~-~~laws, and increased by the retained earnings carried forward.	Distributable earnings are made up of the net profit for the fiscal year, decreased by previous losses and amounts carried to reserve, in application of the **legal and regulatory provisions in force** and the**se** bylaws, and increased by the retained earnings carried forward.
The General Meeting can decide, upon the Board of Directors' proposal, to distribute the sums deducted from the reserves which it has at its disposal; in such case, the decision expressly indicates the reserves from which the deductions are made.	The General Meeting can decide, upon the Board of Directors' proposal, to distribute the sums deducted from the reserves which it has at its disposal; in such case, the decision expressly indicates the reserves from which the deductions are made.
Following the approval of the accounts and the recognition of the existence of distributable sums (such sums including the distributable earnings as well as the sums deducted from the reserves, as indicated above), the General Meeting decides either to distribute all or part of them as dividends, the balance, in the second case, being allocated to one or several reserves still at its disposal, of which it determines the distribution or use, or to allocate all of the distributable sums to such reserves.	Following the approval of the accounts and the recognition of the existence of distributable sums (such sums including the distributable earnings as well as the sums deducted from the reserves, as indicated above), the General Meeting decides either to distribute all or part of them as dividends, the balance, in the second case, being allocated to one or several reserves still at its disposal, of which it determines the distribution or use, or to allocate all of the distributable sums to such reserves.
The Board of Directors may give the shareholders the choice, for all or part of the dividend distribution, or for interim dividend distributions, between payment in cash and payment in new Company shares or by remitting goods in kind pursuant to the conditions ~~set by law~~.	The Board of Directors may give the shareholders the choice, for all or part of the dividend distribution, or for interim dividend distributions, between payment in cash and payment in new Company shares or by remitting goods in kind pursuant to the conditions **provided for in the legal and regulatory provisions in force**.
The General Meeting will have the faculty to distribute interim dividend payments before the approval of the financial statements for the year, under the conditions provided for ~~by law~~.	The General Meeting will have the faculty to distribute interim dividend payments before the approval of the financial statements for the year, under the conditions provided for **in the legal and regulatory provisions in force**.

22. decides to amend Article 27 (Dissolution) of the bylaws as follows:

ARTICLE 27

PREVIOUS WORDING	NEW WORDING
Upon expiry of the Company or in the event of its early dissolution, the General Meeting determines how it will be liquidated and appoints one or several liquidators, whose powers are determined by the ~~latter~~ and who exercise their functions pursuant to the ~~law~~.	Upon expiry of the Company or in the event of its early dissolution, the General Meeting determines how it will be liquidated and appoints one or several liquidators, whose powers are determined by the **General Meeting** and who exercise their functions pursuant to the **legal and regulatory provisions in force**.

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Twenty-sixth resolution
Powers to carry out formalities

The General Meeting, voting under the quorum and majority conditions required for extraordinary general meetings, grants full powers to the bearer of an original, extract or copy of the minutes of this General Meeting to carry out any and all filing, legal publication, declarations and other formalities for the purposes of the resolutions above.

5.3 Statutory Auditors' special reports

5.3.1 Statutory Auditors' special report on related party agreements

This is a translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

General Meeting held to approve the financial statements for the year ended December 31, 2019

To the Annual General Meeting of Edenred,

In our capacity as statutory auditors of your Company, we hereby present to you our report on related party agreements.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements indicated to us, or that we may have identified in the performance of our engagement, as well as the reasons justifying why they benefit the Company. We are not required to give our opinion as to whether they are beneficial or appropriate or to ascertain the existence of other agreements and commitments. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code *(Code de commerce)*, to assess the relevance of these agreements prior to their approval.

We are also required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code *(Code de commerce)* of the continuation of the implementation, during the year ended December 31, 2019, of the agreements and commitments previously approved by the Annual General Meeting.

We performed those procedures which we deemed necessary in compliance with professional guidance issued by the French Institute of Statutory Auditors *(Compagnie nationale des commissaires aux comptes)* relating to this type of engagement.

Agreements submitted for approval to the Annual General Meeting

We hereby inform you that we have not been notified of any agreements authorized and concluded during the year ended December 31, 2019 to be submitted to the Annual General Meeting for approval in accordance with Article L. 225-38 of the French Commercial Code *(Code de commerce)*.

Agreements previously approved by the Annual General Meeting

We hereby inform you that we have not been notified of any agreements previously approved by the Annual General Meeting whose implementation continued during the year ended December 31, 2019.

Paris-La Défense, March 11, 2020

DELOITTE & ASSOCIES	ERNST & YOUNG Audit
Patrick E. Suissa	Philippe Diu

5.3.2 Statutory auditors' report on the share capital decrease

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

Combined (Ordinary and Extraordinary) General Meeting of May 7, 2020 (15th resolution)

To the Annual General Meeting of Edenred,

As statutory auditors of your Company and pursuant to the assignment set forth in Article L. 225-209 of the French Commercial Code (*Code de commerce*) concerning share capital decreases by cancellation of shares purchased, we hereby present our report on our assessment of the reasons for and terms and conditions of the proposed share capital decrease.

You are requested to confer all necessary powers on the Board of Directors, during a period of 26 months commencing the date of this Shareholders' Meeting, to cancel, on one or more occasions, up to a maximum of 10% of its share capital by 24-month period, the shares purchased by the Company pursuant to the authorization to purchase its own shares, as part of the provisions of the aforementioned article.

We performed the procedures that we considered necessary with regard to the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes)* applicable to this engagement. These procedures consisted in verifying the fairness of the reasons for and the terms and conditions of the proposed share capital decrease, which does not undermine shareholder equality.

We have no comments to make on the reasons for and the terms and conditions of the proposed decrease in share capital.

Paris-La Défense, March 11, 2020
The Statutory Auditors

DELOITTE & ASSOCIES	**ERNST & YOUNG Audit**
Patrick E. Suissa	Philippe Diu

5.3.3 Statutory Auditors' report on the issue of shares and/or various marketable securities with and/or without cancellation of the preferential subscription right

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

Combined (Ordinary and Extraordinary) General Meeting of May 7, 2020 (16th, 17th, 18th, 19th and 20th resolutions)

To the Annual General Meeting of Edenred,

In our capacity as Statutory Auditors of Edenred (the "Company") and in accordance with the procedures provided for in Articles L. 228-92 and L. 225-135 et seq. of the French Commercial Code (*Code de Commerce*), we hereby report to you on the proposed delegations to the Board of Directors for the various issues of shares and/or marketable securities with and/or without cancellation of the preferential subscription right, transactions on which you are asked to vote.

Your Board of Directors proposes that, having considered its report:

- you delegate it the authority, for a period of twenty-six months from the date of this Shareholders' Meeting, to decide on the following transactions set the final terms and conditions of thereof and, if necessary, cancel your preferential subscription right:
  - issue, with retention of the preferential subscription right (16'h resolution), (i) ordinary shares of the Company and/or (ii) marketable securities that are equity securities of the Company granting, by any means, immediate and/or future access to other equity securities, whether existing and/or to be issued, of the Company and/or any company in which the Company directly or indirectly holds more than half of the share capital (a "Subsidiary") and/or to existing equity securities of any company in which Edenred does not directly or indirectly hold more than half of the share capital, and/or granting access to debt securities of the Company, any Subsidiary and/or any company stipulated above, and/or (iii) any securities, whether hybrid or not, granting, by any means, immediate and/or future access to equity securities to be issued by the Company and/or any Subsidiary,
  - issue, with cancellation of the preferential subscription right through a public offering other than one of those mentioned in 1° or 2° of Article L. 411-2 of the French Monetary and Financial Code (*Code Monétaire et Financier*) or in Article L. 411-2-1 of the said Code (17th resolution), (i) ordinary shares of the Company and/or (ii) marketable securities that are equity securities of the Company granting, by any means, immediate and/or future access to other equity securities, whether existing and/or to be issued, of the Company and/or any Subsidiary or to existing equity securities of any company in which the Company does not directly or indirectly hold more than half of the share capital, and/or granting access to debt securities of the Company, any Subsidiary and/or any company stipulated above, and/or (iii) any securities, whether hybrid or not, granting, by any means, immediate and/or future access to equity securities to be issued by the Company and/or any Subsidiary, it being specified that such securities may be issued:
    - as consideration for the securities which would be contributed to the Company in the context of a public exchange offer of securities meeting the requirements of Article L. 225-148 of the French Commercial Code; and/or
    - following the issue, by one of the companies in which the Company directly or indirectly holds more than half of the share capital, of securities giving access to the capital of the Company under the conditions of Article L. 228 -93 of the French Commercial Code;
  - issue, with cancellation of the preferential subscription right through public offerings aimed exclusively at qualified investors or a restricted circle of investors without exceeding the annual limit of 10% of the share capital mentioned in 1° of Article L. 411-2 of the French Monetary and Financial Code (18th resolution), (i) ordinary shares of the Company and/or (ii) marketable securities that are equity securities of the Company granting, by any means, immediate and/or future access to other equity securities, whether existing and/or to be issued, of the Company and/or any Subsidiary or to existing equity securities of any company in which the Company does not directly or indirectly hold more than half of the share capital, and/ or granting access to debt securities of the Company, any Subsidiary and/or any company stipulated above, and/or (iii) any securities, whether hybrid or not, granting, by any means, immediate or future access to equity securities to be issued by the Company and/or any Subsidiary;
- you delegate it the necessary authority, for a period of twenty-six months from the date of this Shareholders' Meeting, to issue (i) ordinary shares of the Company and/or (ii) marketable securities that are equity securities of the Company granting, by any means, immediate or future access to other equity securities, whether existing or to be issued, of the Company and/or (iii) any securities, whether hybrid or not, granting, by any means, immediate or future access to equity securities to be issued by the Company, in consideration for contributions-in-kind to the Company and comprising equity securities or securities granting access to share capital of other companies (20th resolution).

According to the 16th resolution, the nominal amount of any share capital increases which may be performed immediately and/or in future may not exceed €160.515.215 pursuant to the 16th, 17th, 18th, 20th, 21st, 22nd and 23rd resolutions, it being specified that the nominal amount of these capital increases may not exceed €24.320.485 according to the 17th resolution and pursuant to the 17th, 18th, 20th, 22nd and 23rd resolutions.

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According to the 16th resolution, the nominal amount of any debt securities granting access to the Company's share capital, which may be issued, may not exceed €1.605.152.050 pursuant to the 16th, 17th, 18th and 20th resolutions, it being specified that the nominal amount of these debt securities may not exceed €750.000.000 according to the 17th resolution and pursuant to the 17th, 18th and 20th resolutions.

These ceilings take into account the additional number of new securities to be issued in the context of the implementation of the delegations stipulated in the 16th, 17th and 18th resolutions, under the terms and conditions of Article L. 225-135-1 of the French Commercial Code, should you adopt the 19th resolution.

It is the responsibility of the Board of Directors to prepare a report in accordance with Articles R. 225-113 et seq. of the French Commercial Code. Our role is to express an opinion on the fair presentation of the quantified information extracted from the financial statements, on the proposed cancellation of preferential subscription rights and on certain other information concerning these transactions, contained in this report

We performed the procedures that we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to this engagement. These procedures consisted in verifying the content of the Board of Directors' report relating to this transaction and the terms and conditions governing the determination of the issue price of the equity securities to be issued.

Subject to the subsequent review of the terms and conditions of the issues that may be decided, we have no comments on the methods, as presented in the Board of Directors' report, used to determine the issue price of the equity securities to be issued, pursuant to the 17th and 18th resolutions.

In addition, as this report does not specify the conditions governing the determination of the issue price for the equity securities to be issued in connection with the implementation of the 16th and 20th resolutions, we cannot express an opinion on the components used to calculate the issue price.

As the final terms and conditions under which the shares shall be issued has not been determined, we express no opinion thereon and, as such, on the proposed cancellation of the preferential subscription right on which you are asked to vote under the 17th and 18th resolutions.

In accordance with Article R. 225-116 of the French Commercial Code, we will prepare an additional report, if required, should this delegation be exercised by your Board of Directors, in the event of issues of ordinary shares, in the event of issues of marketable securities representing equity securities granting access to other equity securities or granting entitlement to debt securities and in the event of issues of marketable securities granting access to the equity securities to be issued.

Paris-La Défense, March 20, 2020
The Statutory Auditors

DELOITTE & ASSOCIES	**ERNST & YOUNG Audit**
Patrick E. Suissa	Philippe Diu

5.3.4 Statutory Auditors' report on the issue of shares or marketable securities giving access to the share capital reserved for the employees who participate in a savings plan of the company

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

Combined (Ordinary and Extraordinary) General Meeting of May 7, 2020 (22nd resolution)

To the Shareholders,

In our capacity as statutory auditors of your Company and in compliance with article L. 228-92 and L. 225-135 et seq. of the French Commercial Code (*Code de commerce*), we hereby report on the proposal to authorize your Board of Directors to decide whether to proceed with an issue of shares or securities giving access to the share capital with cancellation of preferential subscription rights reserved for the employees of your company and group companies in accordance with article L.225-180 of the French Commercial Code and which are included in the consolidation or combination perimeter of financial statements in accordance with article L.3344-1 of the Labour Code (*Code du travail*) if they participate in a savings plan of the Edenred Group, an operation upon which you are called to vote.

The total shares number issued or to be issued, immediately or in the future, according to this authorization, that could result from this issue is a maximum of 2% of the share capital of your company, as found on this annual general meeting, given that the total nominal amount of increase capital to be realized, immediately or in the future, in compliance with this resolution, shall be deducted from the overall ceiling set in paragraph 4 of the resolution seventeen and from the overall ceiling set in the paragraph 3 of the resolution sixteen of this annual general meeting.

This issue is submitted for your approval in accordance with articles L. 225-129-6 of the French Commercial Code (Code de commerce) and L. 3332-18 etc. of the French Labour Code (Code du travail).

Your Board of Directors proposes that, on the basis of its report, it be authorized for a period of twenty-six months to decide on whether to proceed with an issue and proposes to cancel your preferential subscription rights to the marketable securities to be issued. If applicable, it shall determine the final conditions of this operation.

It is the responsibility of the Board of Directors to prepare a report in accordance with articles R. 225-113 et seq. of the French Commercial Code (*Code de commerce*). Our role is to report on the fairness of the financial information taken from the accounts, on the proposed cancellation of preferential subscription rights and on other information relating to the issue provided in the report.

We have performed those procedures which we considered necessary to comply with the professional guidance issued by the French national auditing body (*Compagnie Nationale des Commissaires aux Comptes*) for this type of engagement. These procedures consisted in verifying the information provided in the Board of Directors' report relating to this operation and the methods used to determine the issue price of the capital securities to be issued.

Subject to a subsequent examination of the conditions for the issue that would be decided, we have no matters to report as to the methods used to determine the issue price of the capital securities to be issued provided in the Board of Directors' report.

As the final conditions for the issue have not yet been determined, we cannot report on these conditions and, consequently, on the proposed cancellation of preferential subscription rights.

In accordance with article R. 225-116 of the French Commercial Code (*Code de commerce*), we will issue a supplementary report, if necessary, when your Board of Directors has exercised this authorization.

Paris-La Défense, March 11, 2020
The Statutory Auditors

DELOITTE & ASSOCIES	**ERNST & YOUNG Audit**
Patrick E. Suissa	Philippe Diu

5.3.5 Statutory Auditors' report on the free allocation of existing shares and/or shares to be issued

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

Combined (Ordinary and Extraordinary) General Meeting of May 7, 2020 (23rd resolution)

To the Shareholders,

In our capacity as statutory auditors of your Company and in compliance with article L. 225-197-1 of the French Commercial Code (*Code de commerce*), we hereby report on the proposed free allocation of existing shares or shares to be issued, reserved for employees and/or eligible directors (in compliance with article L.225-197-1 II paragraph 1 of the French Commercial Code) and/or directors of your company and group of economics interest companies (under the conditions provided under article L.225-197-2 of the French Commercial Code), or certain categories among them, an operation upon which you are called to vote.

The total number of free shares to be issued under this authorization that could result from this issue is a maximum of 1,5% of your company share capital, as found on the decision date of their allocation by the Board of Directors, given that (i) the nominal amount of any capital increase realized pursuant to this delegation of authority shall be deducted from the overall ceiling set in paragraph 4 of the resolution seventeen and from the overall ceiling set in the paragraph 3 of the resolution sixteen of this annual general meeting and (ii) the shares number to be issued to directors that could result from this issue is a maximum of, in the course of a financial year, 0,1% of your company share capital, as found on the decision date of their allocation by the Board of Directors.

Your Board of Directors proposes that on the basis of its report it be authorized for a period of twenty-six months to allocate, for free, existing shares and/or shares to be issued.

It is the responsibility of the Board of Directors to prepare a report on the proposed operation. Our role is to report on any matters relating to the information regarding the proposed operation.

We have performed those procedures which we considered necessary to comply with the professional guidance issued by the French national auditing body (*Compagnie Nationale des Commissaires aux Comptes*) for this type of engagement. These procedures consisted mainly in verifying that the proposed methods described in the Board of Directors' report comply with the legal provisions governing such operations

We have no matters to report as to the information provided in the Board of Directors's report relating to the proposed free allocation of shares.

Paris-La Défense, March 11, 2020
The Statutory Auditors

DELOITTE & ASSOCIES
Patrick E. Suissa

ERNST & YOUNG Audit
Philippe Diu

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Additional information

6.1 Investor relations and documents available to the public

In addition to the Annual Shareholders Meeting and the events organized to present the annual results, Edenred keeps both individual and institutional shareholders informed of the latest developments in a highly responsive manner. This information is tailored to the specific needs of different types of shareholders and financial analysts while constantly complying with the principle of equal access to information.

Edenred maintains an open dialogue with its institutional shareholders ahead of the Annual Shareholders Meeting in order to identify their governance concerns as well as changes in their voting policies regarding the Group's proposed resolutions.

The Company's press releases and historical financial information are available on the Edenred website (www.edenred.com in the "Investors/Shareholders" section) and the website of the Autorité des marchés financiers (www.amf-france.org). Copies may also be obtained from the Company's headquarters, 14-16, boulevard Garibaldi – 92130 Issy-les-Moulineaux, France. The bylaws and the minutes of Shareholders Meetings, the financial statements of the Company and the Group, the Statutory Auditors' Reports and all other corporate documents are available for consultation in paper format at the Company's headquarters. This information is also available in the "Investors/Shareholders" section of edenred.com on the "Governance" and "Annual General Meeting" pages.

6.1.1 Meetings with investors

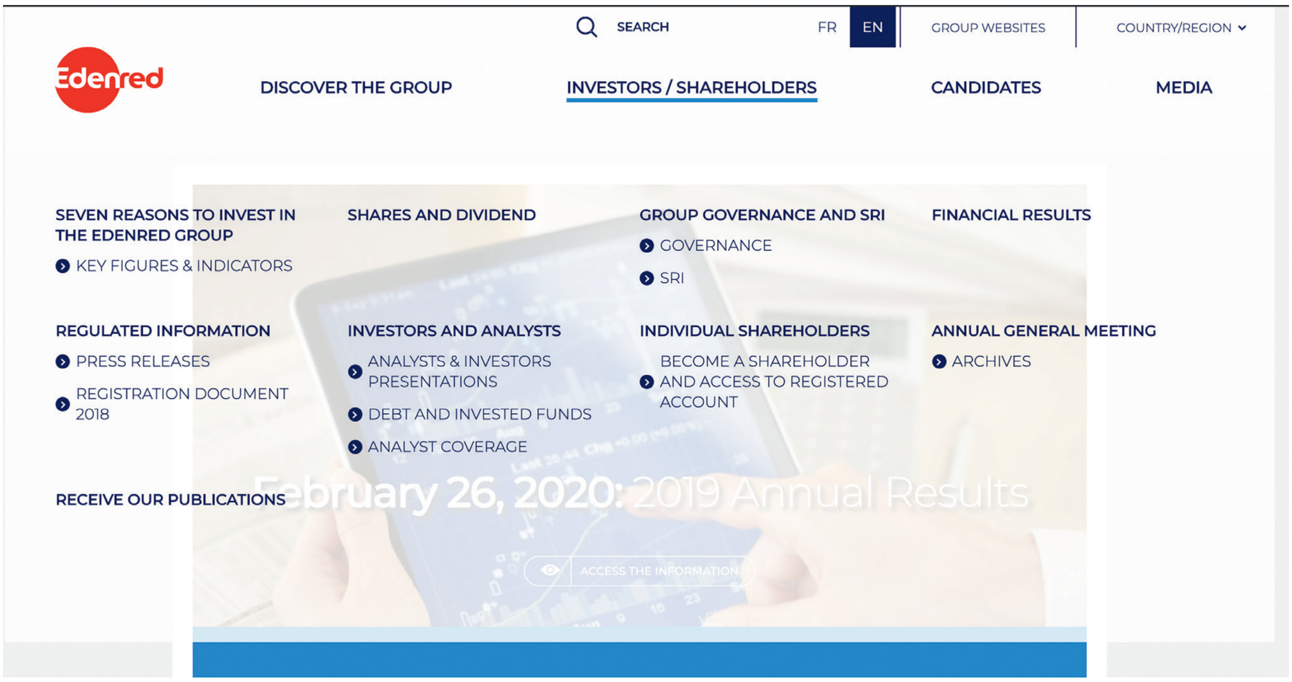
In 2019, Edenred met 977 representatives from 408 financial institutions. It also held 21 roadshows in Europe, the United States and Canada, and participated in 14 investor conferences in France, the United Kingdom, Germany, the United States and Spain.

On October 23, 2019, Edenred held a Capital Markets Day in London, where it unveiled its new strategic plan, "Next Frontier 2019-2022", to a panel of around 100 analysts, investors and banks, primarily from Europe and America. The event was also broadcast live on its financial website, www.edenred.com.

In addition, the Group met with individual shareholders at shareholder events in Marseille, Reims, Rennes and Strasbourg, France, during the year. The Financial Communications team also held two meetings with shareholders at the Company's headquarters.

6.1.2 Optimized and accessible investor and shareholder publications

The Edenred website has been optimized for viewing on smartphones and tablets. All of the Group's financial news and publications are available in the "Investors/Shareholders" section of edenred.com, which is organized into nine topics:



Statutory documents are available for consultation at Edenred SA's registered office, 14-16 boulevard Garibaldi – 92130 Issy-les-Moulineaux, France, as well as in the "Investors/Shareholders" section of edenred.com.

Regulatory filings are issued electronically through a professional disclosure service that complies with the criteria set out in the Autorité des marchés financiers' General Regulations. The filings are also available on the corporate website.

6.1.3 Contacts

Financial Communication and Investor Relations Department

Solène ZAMMITO
Financial Communication
& Investor Relations Director
Email: investor.relations@edenred.com
Phone: +33 (0)1 74 31 75 00

Institutional investors/analysts

Loïc DA SILVA
Investor Relations manager
Email: investor.relations@edenred.com
Phone: +33 (0)1 74 31 75 00

Individual shareholders

Élisabeth PASCAL
Regulated Information Distribution
and Shareholder Relations manager
Email: relations.actionnaires@edenred.com

6.2 Persons responsible for the Universal Registration Document and the audit of the accounts AFR

6.2.1 Persons responsible

6.2.1.1 Person responsible for the Universal Registration Document

Bertrand Dumazy, Chairman and Chief Executive Officer of Edenred.

6.2.1.2 Statement by the person responsible for the Universal Registration Document

I hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I declare that, to the best of my knowledge, (i) the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of Edenred and the consolidated companies, and (ii) the Management Report presented in section 2 represents a fair view of the business, results and financial position of Edenred and its consolidated companies and provides a description of the main risks and uncertainties to which they are exposed.

I obtained a statement from the Statutory Auditors at the end of their engagement affirming that they have examined the information about the financial position and the accounts contained in the Universal Registration Document and have read the whole of the document.

Bertrand Dumazy
Chairman and Chief Executive Officer of Edenred
Issy-les-Moulineaux, March 24, 2020

6.2.2 Statutory Auditors

Statutory Auditors

Deloitte & Associés

Patrick E. Suissa
6, place de la Pyramide
92908 Paris-La Défense Cedex, France
Appointed for six years at the May 3, 2018
General Meeting.

Ernst & Young Audit

Philippe Diu
La Défense 1
1-2, place des Saisons
92400 Courbevoie, France
Appointed for six years at the May 4, 2016
General Meeting.

Alternate auditors

Auditex

La Défense 1
1-2, place des Saisons
92400 Courbevoie, France
Appointed on the same basis
and for the same period as Ernst & Young Audit.

6.3 Fees paid to the Statutory Auditors

The table of fees paid by the Group for 2018 and 2019 is available in section 4, Note 11.4, page 256.

6.4 Information on holdings AFR

Information relating to the undertakings in which the Company holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses is provided in the notes to the consolidated financial statements (see Note 12 "List of consolidated companies at December 31, 2019" to the 2018 financial statements, page 258).

6.5 Third-party information

Not applicable.

6.6 Information incorporated by reference

In accordance with Delegated Regulation (EU) 2019/980 of March 14, 2019, supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council, the Universal Registration Document incorporates the following information by reference::

2018 Registration Document(1)

The 2018 Registration Document was filed on March 28, 2019 with the Autorité des marchés financiers (D.19-0217 registration). It concerns:

- the consolidated financial statements and corresponding Statutory Auditors' Report presented on pages 167 to 250 of Edenred's 2018 Registration Document;
- the financial review presented on pages 66 to 77 of Edenred's 2018 Registration Document;
- sections of these documents that are not mentioned above are either not applicable to investors or are covered in another part of this Document.

2017 Registration Document(2)

The 2017 Registration Document was filed on March 16, 2018 with the Autorité des marchés financiers (D.18-0139 registration). It concerns:

- the consolidated financial statements and corresponding Statutory Auditors' Report presented on pages 151 to 268 of Edenred's 2017 Registration Document;
- the financial review presented on pages 65 to 76 of Edenred's 2017 Registration Document;
- sections of these documents that are not mentioned above are either not applicable to investors or are covered in another part of this Document.

(1) https://www.edenred.com/sites/default/files/pdf/documentations/information-reglementee-et-communiques-eng/edenred2018registrationdocumentonlineversion.pdf
(2) https://www.edenred.com/sites/default/files/pdf/documentations/information-reglementee-et-communiques-eng/edenreddocumentdereferenceva2017def.pdf

6.7 Regulatory filings

The following information was published or announced by Edenred during the past 12 months (between February 28, 2019 and February 28, 2020):

- disclosure of number of shares and voting rights as of February 28, 2019;
- press release dated January 9, 2019 announcing Edenred's completion of the acquisition of CSI and that of TRFC;
- press release dated January 31, 2019 announcing Edenred's expansion of its Employee Benefits offering in Belgium;
- press release dated February 19, 2019 announcing the launch of Corporate Payment Services in Africa with Jumia Travel;
- press release dated February 22, 2019 announcing the 2018 annual results;
- press release dated March 26, 2019 announcing the dividend recommended for 2018 at the Annual Shareholders Meeting on May 14, 2019;
- press release dated March 28, 2019 announcing the publication of the 2018 Registration Document, including:
  - the 2018 Annual Financial Report,
  - fees paid to the Statutory Auditors,
  - report on corporate governance and internal control,
  - the description of the share buyback program;
- disclosure of number of shares and voting rights as of March 31, 2019;
- press release dated April 18, 2019 announcing that proxy documents for the May 14, 2019 Annual Shareholders Meeting had been made available to shareholders;
- press release dated April 18, 2019 announcing first-quarter 2019 revenue;
- disclosure of number of shares and voting rights as of April 30, 2019;
- press release dated May 2, 2019 announcing Edenred's participation in Fretlink's new €25 million funding round;
- press release dated May 14, 2019 on the payment of the dividend;
- press release dated May 14, 2019 on the Annual Shareholders Meeting;
- press release dated May 28, 2019 announcing the acquisition of Italian employee engagement platform Easy Welfare;
- disclosure of number of shares and voting rights as of May 31, 2019;
- press release dated June 11, 2019 on the results of the 2018 dividend reinvestment plan;
- disclosure of number of shares and voting rights as of June 30, 2019;
- press release concerning liquidity contract transactions in the six months ended June 30, 2019;
- press release dated June 18, 2019 announcing the launch of the new offer for the home-work commute: Ticket Mobilité®;
- press release dated June 26, 2019 announcing Edenred Capital Partners' investment in Fuse Universal;
- press release dated July 9, 2019 announcing Edenred's support of the French "Swave" innovation platform dedicated to fintech;
- press release dated July 15, 2019 announcing the appointment of the Vice-President, Communications, and member of the Group Executive Committee;
- press release dated July 23, 2019 announcing the Group's first-half 2019 results;
- press release dated July 23, 2019 announcing the publication of the 2018 Half-Year Financial Report;
- press release dated July 30, 2019 announcing the acquisition of Benefit Online, a Romanian employee engagement platform;
- disclosure of number of shares and voting rights as of July 31, 2019;
- press release dated August 20, 2019 announcing that Edenred would supply restaurant cards to the 2,000 journalists invited to attend the G7 Summit;
- disclosure of number of shares and voting rights as of August 31, 2019;
- press release dated September 2, 2019 announcing the launch of the partnership with Itaú Unibanco in the Brazilian Employee Benefits market;
- press release dated September 3, 2019 announcing the launch of an offering of bonds convertible into and/or exchangeable for new and/or existing shares (OCEANE) due 2024 for a maximum nominal amount of €500 million;
- press release dated September 3, 2019 announcing the successful placement of bonds convertible into and/or exchangeable for new and/or existing shares (OCEANE) due September 2024 for a nominal amount of approximately €500 million;
- press release dated September 25, 2019 announcing Edenred's continued expansion of its Fleet & Mobility Solutions offering in Europe;
- disclosure of number of shares and voting rights as of September 30, 2019;
- press release dated October 8, 2019 announcing Edenred Capital Partners' investment in the fleet management platform Avrios;
- press release dated October 18, 2019 announcing third-quarter 2019 revenue;
- press release dated October 23, 2019 announcing the new "Next Frontier" strategic plan for 2019-2022;
- disclosure of number of shares and voting rights as of October 31, 2019;
- press release dated November 22, 2019 announcing a malware attack;
- disclosure of number of shares and voting rights as of November 30, 2019;

- press release dated December 18, 2019 announcing Edenred's opposition to the decision of the French Antitrust Authority;
- disclosure of number of shares and voting rights as of December 31, 2019;
- press release concerning liquidity contract transactions in the six months ended December 31, 2019;
- press release dated January 8, 2020 announcing Edenred's completion of the acquisition of CSI and that of TRFC;
- press release dated January 8, 2020 announcing Edenred's strengthened leadership position in the United Arab Emirates payroll cards market;
- disclosure of number of shares and voting rights as of January 31, 2020;
- press release dated February 13, 2020 announcing Edenred's renegotiation of its syndicated credit facility, tying social and environmental criteria to one of its financing instruments for the first time;
- press release dated February 26, 2020 announcing the 2019 annual results;
- disclosure of number of shares and voting rights as at February 28, 2020.

6.8 Universal Registration Document cross-reference tables

The table below provides cross references between the information required under Annex 1 (with referral to Annex 2) of Commission Delegated Regulation (EU) 2019/980 of March 14, 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council, and repealing Commission Regulation (EC) no. 809/2004, and the relevant sections and pages in this Universal Registration Document.

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4.4	Domicile and legal form of the issuer, legislation under which the issuer operates, country of incorporation, address and telephone number of its registered office and website	2.1.1 The Company	30
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10.2	Any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year	4.2 Note 3.4 Subsequent events	204
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16.2	Different voting rights	2.1.2.1 Ownership of shares and voting rights	30
16.3	Statement of whether the issuer is directly or indirectly owned or controlled and description of the measures in place to ensure that such control is not abused	None	
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6.9 Annual Financial Report cross-reference table

The Universal Registration Document contains all of the information required to be included in the Annual Financial Report governed by Article L.451-1-2 of the French Monetary and Financial Code, in accordance with Article 222-3 of the AMF's General Regulations. To make this information easier to find, the following cross-reference table lists it by main topic.

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6.10 Cross-reference table for the registry office

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6.11 GRI cross-reference table

The Global Reporting Initiative (GRI) is an international organization involving companies, NGOs and other stakeholders to establish a framework for reporting on the different levels of a company's sustainability performance. It aims to draft and disseminate guidelines to help companies report on environmental, economic and social matters.

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GRI 101: Foundation				
GRI 102: General Disclosures				
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102-3	Location of headquarters	2.1.1 The Company	30	
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102-5	Ownership and legal form	2.1.1 The Company	30	
102-6	Markets served	1.1 Corporate profile	7	
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102-14	Statement from senior decision-maker	Message from the Chairman and CEO 2.4.1.7.2 Standards	2 85	
102-15	Key impacts, risks, and opportunities	2.2.1 Risks and measures to manage the risks 2.4.1.3 Materiality assessment 2.4.1.4 Risk analysis	43 79 80	
102-16	Values, principles, standards, and norms of behavior	2.4.4.1.1 Business ethics 2.4.1.5 CSR Strategy	113 83	**Principle 10: Anti-corruption**
102-17	Mechanisms for advice and concerns about ethics	2.4.4.1.1 Business ethics	113	Businesses should work against corruption in all its forms, including extortion and bribery.
102-18	Governance structure	3.1.1 The Board of Directors 3.1.2 Executive Management 2.4.1.1 Governance	124 150 77	
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102-21	Consulting stakeholders on economic, environmental, and social topics	2.4.1.3 Materiality assessment 2.4.4.3.3. Stakeholder dialogue	79 118	
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102-41	Accords de négociation collective	2.4.2.1.3 Labor and human rights	92	**Principle 3: Labour** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
102-43	Approach to stakeholder engagement	2.4.4.3.3. Stakeholder dialogue	118	
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201-3	Defined benefit plan obligations and other retirement plans	4.2.6 Notes to the consolidate statement- Note 9.2	247	
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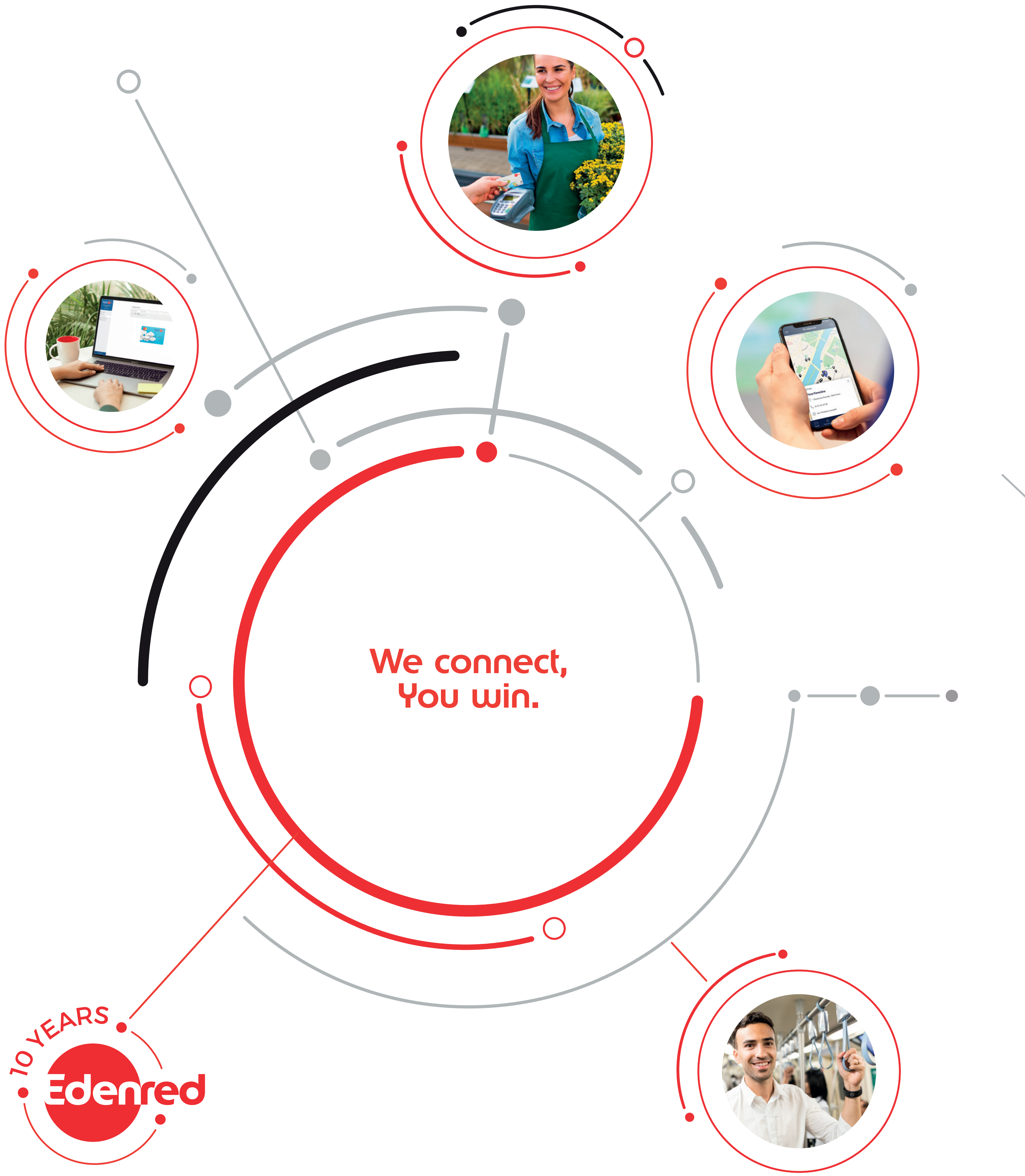

Immeuble Be Issy
14-16, boulevard Garibaldi
92130 Issy-les Moulineaux
France
Tél. : +33 (0)1 74 31 75 00