

EXPLANATORY NOTICE
COMBINED GENERAL SHAREHOLDERS' MEETING
to be held at 3 p.m. on May 19, 2017

This explanatory notice has been prepared on behalf of the Supervisory Board on the recommendation of the Appointments and Compensation Committee of Elis (the "**Company**") regarding the compensation policy applicable to the members of the Management Board, referenced in Resolutions 12 and 13 submitted to shareholders' vote at the next Combined General Meeting to be held on May 19, 2017 in accordance with Article L.225-82-2 of the French Commercial Code introduced by Sapin Law II of December 9, 2016 and Article L.225-100 of said Code, and the compensation for executive corporate officers submitted to shareholders for advisement under Resolutions 15 and 16.

The compensation policy applicable to Elis corporate officers for 2017, specifically for Management Board members and Supervisory Board members, and the compensation payable or allocated for 2016, are described in Section 4.5 of the 2016 Reference Document, an excerpt from which is included in the Notice of Meeting sent to shareholders and available on the Company's website.

Severance Package

Under this compensation policy, the Supervisory Board proposes to maintain the severance package for Management Board members as previously approved by the General Shareholders' Meeting of June 24, 2015 in Resolutions 9, 10 and 11, which consists of a limited severance package that includes a non-compete compensation applicable to all members of the Management Board.

The purpose of this notice is to explain to shareholders that the total payable to members of the Management Board under the limited severance packages and non-compete compensation is capped at two years' normal compensation in accordance with the Afep-Medef Code, **which also covers compensation for contract termination.**

Hiring Package

The Supervisory Board has stated that the compensation policy approved by the shareholders for executive corporate officers will apply to all new executives hired.

In this respect, this notice includes the following clarifications:

- Regarding the variable annual compensation payable to a new executive in Year 1. If the executive arrives in the second half of the year, the variable compensation is left to the discretion of the Supervisory Board, but may not exceed *on a prorated basis* the maximum variable compensation (in accordance with the compensation policy applicable to executive corporate officers);
- Regarding possible compensation for loss resulting from hiring, the amount paid to the new executive will be separate from all contractual fixed and variable compensation and may not exceed his/her fixed annual compensation (which must comply with the compensation policy applicable to executive corporate officers).