

5.1 CHAIRWOMAN'S REPORT ON THE OPERATING PROCEDURES OF THE BOARD OF DIRECTORS AND ON INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

In accordance with article L.225-37 of the French Commercial Code, the Chairwoman of the Board of Directors is required to report on the composition, preparation and organization of the work of the Board of Directors and on internal control and risk management procedures put in place by the Group. This report has been prepared by the Chairwoman of the Board of Directors

after consultation with the Chief Executive Officer, the members of the Executive Committee and the Group's various support functions. It was reviewed by the Audit Committee and approved by the Board of Directors at the November 15, 2016 meeting. This report will be presented to the shareholders at the next Shareholders' Meeting on January 24, 2017.

5.1.1 COMPOSITION AND OPERATING PROCEDURES OF THE BOARD OF DIRECTORS

The rules and operating procedures of the Board of Directors are defined by the law, the Company's by-laws and the Internal Rules of the Board. In addition, specialized Committees have been established in accordance with these rules.

The sections of the Company's by-laws concerning directors are compliant with legal requirements. They include specific

provisions concerning the maximum term of office (three years) and the age limit (85 for the Chairman and the Chief Executive Officer). Further, the Internal Rules of the Board of Directors require each director to own at least 400 Sodexo shares, except for directors representing employees to whom no such requirement applies in accordance with French law.

5.1.1.1 Composition as of August 31, 2016

		First Elected	Term Expires	Independent directors ⁽¹⁾
Sophie Bellon	Chairwoman of the Board of Directors, Sodexo Member of the Management Board, Bellon SA	Jul. 26, 1989	2018	
Emmanuel Babeau	Deputy Chief Executive Officer in charge of Finance and Legal Affairs, Schneider Electric	Jan. 26, 2016	2019	X
Robert Baconnier	Director	Feb. 8, 2005	2019	X
Patricia Bellinger	Executive Director, Harvard Kennedy School's Center for Public Leadership	Feb. 8, 2005	2017 ⁽²⁾	X
Astrid Bellon	Member of the Management Board, Bellon SA	Jul. 26, 1989	2019	
Bernard Bellon	Member of the Supervisory Board, Bellon SA	Feb. 26, 1975	2018	
François-Xavier Bellon	Chairman of the Management Board, Bellon SA Chief Executive Officer, Bright Yellow Group Plc	Jul. 26, 1989	2019	
Nathalie Bellon-Szabo	Member of the Management Board, Bellon SA Chief Executive Officer, Sodexo Sports and Leisure	Jul. 26, 1989	2018	
Philippe Besson	Director representing employees	Jun. 18, 2014	2017	N/A ⁽³⁾
Françoise Brougher	Business Lead, Square	Jan. 23, 2012	2018	X
Soumitra Dutta	Dean and Professor of Management, Cornell College of Business, Cornell University	Jan. 19, 2015	2018	X
Paul Jeanbart	Chief Executive Officer, Rolaco	Feb. 13, 1996	2017 ⁽⁴⁾	X
Michel Landel	Chief Executive Officer, Sodexo	Jan. 19, 2009	2017 ⁽²⁾	
Cathy Martin	Director representing employees	Sept. 10, 2015	2018	N/A ⁽³⁾

(1) Independent director as defined by the AFEP-MEDEF Code of corporate governance of listed companies, except for the recommendation that a director should not serve on the Board for more than 12 years (in the case of Mr. Paul Jeanbart).

(2) The Board of Directors will propose the renewal of these mandates at the Shareholders' Meeting of January 24, 2017.

(3) In accordance with the law and the AFEP-MEDEF Code of corporate governance for listed companies, the directors representing employees are not included in the determination of the following: the minimum and maximum number of Board members, the representation of men/women on the Board, and the number of independent Board members.

(4) Mr. Paul Jeanbart has informed the Board of Directors of his decision not to stand for re-election at the next Shareholders' Meeting.

5.1.1.2 Chairman Emeritus

PIERRE BELLON – CHAIRMAN EMERITUS



Born January 24, 1930.
4 children.
Nationality: French.
Graduate of the *École des hautes études commerciales* (HEC).

Business address:
Sodexo
255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

Number of Sodexo shares held: 12,900.

Background

Pierre Bellon joined Société d'Exploitations Hôtelières, Aériennes, Maritimes et Terrestres in 1958 as Assistant Manager. He later served as Managing Director and then Chairman and Chief Executive Officer.

In 1966, he founded Sodexo SA. He served as Chairman and Chief Executive Officer until August 31, 2005, when Michel Landel was named Chief Executive Officer following the Board decision to separate the roles of Chairman and Chief Executive Officer. Pierre Bellon remained as Chairman of the Board of Directors of Sodexo SA (new name since January 2008) until the Shareholders' Meeting of January 26, 2016, when he was named Chairman Emeritus.

In 1988, Pierre Bellon was appointed Chairman and Chief Executive Officer of Bellon SA, the family holding company that controls Sodexo, before serving as

Chairman of the Management Board from 1996 to 2002 and Chairman of the Supervisory Board since February 2002.

Pierre Bellon has also served as:

- Vice President of CNPF (subsequently MEDEF), 1980-2005;
- National President of the French National Center for Young Business Leaders (formerly the Center for Young Employers), 1968-1970;
- President of the French National Federation of Hotel and Restaurant Chains, 1972-1975;
- Member of the French Economic and Social Council, 1969-1979.

Other positions and corporate offices held

- **Chairman of the Supervisory Board:** Bellon SA;
- **Member of the Supervisory Board:** Sobelnat SCA;
- **Member of the Board of Directors:** Association progrès du management (APM), created by Pierre Bellon in 1987;
- **Chairman and Founder:** Association Pierre Bellon;

Past corporate offices

- **Chairman of the Board of Directors:** Sodexo SA;
- **Member of the Board of Directors:** Kering (formerly PPR)*; CMA-CGM; Air Liquide*; *Association nationale des sociétés par actions* (ANSA).

* Listed company.

5.1.1.3 Board members as of August 31, 2016

SOPHIE BELLON



Born August 19, 1961.
4 children.
Nationality: French.
Graduate of the École des hautes études commerciales du Nord (EDHEC).

Number of Sodexo shares held: 7,964.

Business address:
Sodexo
255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

Background

Sophie Bellon began her career in 1985 with Crédit Lyonnais in the United States as a mergers and acquisitions advisor for the bank's French clientele in New York. She joined Sodexo in 1994 as a senior analyst in the Group Finance Department. In 2001, she was appointed Project Manager – Strategic Financial Planning within the Group Strategic Planning Department, to develop and implement key performance indicators for the Group. In September 2005, she was named Group Vice President of Client Retention and was responsible for the worldwide deployment of the initiative on client retention.

In September 2008, she was appointed Chief Executive Officer of Corporate Services for Sodexo France. In that capacity, she also took over responsibility for facilities

management (FM) activities in France in September 2010.

In November 2013, Sophie Bellon was appointed Vice Chairwoman of the Sodexo Board of Directors (replacing Robert Baconnier), with specific responsibility for increasing the pace of Research, Development and Innovation, particularly in Quality of Life Services.

On January 26, 2016, Sophie Bellon became Chairwoman of the Board of Directors of Sodexo.

Other positions and corporate offices held

- **Chairwoman:** PB Holding SAS;
- **Member of the Management Board:** Bellon SA;
- **Founding member:** Association Pierre Bellon;

- **Member of the Board of Directors:** L'Oréal*; Association nationale des sociétés par actions (ANSA).

Other corporate offices held within the past five years but no longer held

- **Chief Executive Officer:** Sodexo Entreprises SAS**;
- **Chairwoman of the Board of Directors:** Altys Multiservices SA**;
- **Chairwoman of the Management Board:** Bellon SA;
- **Legal Manager:** SORESCOM SARL**;
- **Member of the Management Board:** Société Française de Restauration et Services SAS**; Société Française de Propreté SAS**; Sodexo Santé Médico-Social**

* Listed company.

** Sodexo Group Company.

EMMANUEL BABEAU

Born February 13, 1967.
3 children.
Nationality: French.
Graduate of the École Supérieure de Commerce de Paris (ESCP, 1989); degree in accounting and finance (DESCF)

Number of Sodexo shares held: 400.

Background

Emmanuel Babeau is Deputy Chief Executive Officer of Schneider Electric, in charge of Finance and Legal Affairs.

He began his career at Arthur Andersen in late 1990. In 1993, he joined the Pernod Ricard Group as Internal Auditor and was appointed Head of Internal Audit, Corporate Treasury and Consolidation in 1996. He subsequently held several executive positions at Pernod Ricard, notably outside France, before becoming Vice President, Development in 2001. In June 2003, he was appointed Chief Financial Officer and in 2006 he was named Group Deputy Managing Director of Finance. He joined Schneider Electric in 2009 as Executive Vice President, Finance and a member of the Management Board, and in 2013 he

became Deputy Chief Executive Officer in charge of Finance and Legal Affairs.

Other positions and corporate offices held

- **Member of the Board of Directors:** Schneider Electric Industries SAS***; Schneider Electric USA Inc.***; Schneider Electric (China) Co., Ltd.***; Samos Acquisition Company Ltd.***; Schneider Electric Holdings Inc.***; Invensys Ltd.***; InnoVista Sensors Topco Ltd.***;
- **Member of the Supervisory Board:** InnoVista Sensors SAS***; Aster Capital Partners SAS***; Schneider Electric Energy Access representing Schneider Electric Industries SAS*** (corporate member);

Business address:
Schneider Electric
35, rue Joseph-Monier
92500 Rueil-Malmaison (France)

- **Member of the Managing Board:** Schneider Electric Services International***.

Other corporate offices held within the past five years but no longer held

- **Chairman of the Managing Board:** Schneider Electric Services International;
- **Member of the Management Board:** Schneider Electric SA;
- **Member of the Board of Directors:** Schneider Electric Taiwan Co. Ltd., Telvent GIT SA, Transformateurs SAS.

ROBERT BACONNIER

Born April 15, 1940.
3 children.
Nationality: French.
Degree in Literature, Graduate of the Institut d'études politiques de Paris and of the École nationale d'administration (1965-1967).

Number of Sodexo shares held: 410.

Background

Robert Baconnier began his career in 1967 as a civil servant at the French Ministry of Economy and Finance, and was assigned to the Internal Revenue Service (*Direction Générale des Impôts*). From 1977 to 1979, he was Technical Advisor to the office of the Minister of Economy and Finance, then Deputy Director in the office of the Minister for the Budget. From 1979 to 1983, he was Deputy Director in charge of the International Division of the Tax Legislation Department. In 1983, he was appointed head of the Litigation Department of the French Internal Revenue Service. In 1986, he became head of the French Internal Revenue Service. From 1990 to 1991,

he was Paymaster General at the French Treasury.

In 1991, he joined the law firm Bureau Francis Lefebvre, where he served as Chairman of the Management Board until 2004.

He then held office as Chairman and Chief Executive Officer of *Association nationale des sociétés par actions* (ANSA) until January 2012, when he was named Honorary Chairman. From 2010 to November 2013, he was Vice Chairman of the Board of Directors of Sodexo.

Other positions and corporate offices held

None.

Address:
11, avenue Théophile-Gautier
75016 Paris (France)

Other corporate offices held within the past five years but no longer held

- **Chairman and Chief Executive Officer:** *Association nationale des sociétés par actions* (ANSA);
- **Member of the Board of Directors:** Lafarge Ciments*;
- **Member of the Supervisory Board:** ELS (Éditions Lefebvre Sarrut);
- **Non-voting Board member and member of the Audit Committee:** Siparex Associés;
- **Other position:** Member of the *Conseil des Prélèvements Obligatoires* (the French Tax and Social Charges Board).

* Listed company.

***Schneider Electric Group company.

PATRICIA BELLINGER

Born March 24, 1961.
4 children.
Nationality: dual American and British.
BA in Literature, Harvard University.

Business address:
Sodexo
255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

Number of Sodexo shares held: 400.

Background

Patricia Bellinger began her career in Madrid, Spain in 1986 by founding a casting agency, and she continued to work in media and communications in Spain until 1995. In 1995, she returned to the USA and joined Bristol Myers Squibb (BMS), the pharmaceutical company, where she was successively Associate Director for Communications and Associate Director for Public Affairs. In 1998, she became the Corporate Director of Culture and Human Resources Diversity. In 2000, she joined BP in London as Vice President for Diversity and Inclusion; she was Group Vice President and director of the BP Leadership Academy until 2007. In March 2011, she was appointed Executive Director of Executive

Education, Harvard Business School. In August 2013, she was also appointed Executive Director at Harvard Kennedy School's Center for Public Leadership (CPL) as well as an adjunct lecturer at the School.

Hospital (Harvard Medical School); Diversity and Inclusion Advisory Board of Barilla SA.

Other corporate offices held within the past five years but no longer held**Other positions and corporate offices held**

- **Member of the Board of Trustees:** Facing History and Ourselves; U Aspire;
- **Member of the Board of Directors:** Pattern Energy Inc.;
- **Other:** Member of the Advisory Board of Program in Education, Afterschool and Resiliency (PEAR); McLean

- **Chairwoman of the Board of Directors:** Nordic Windpower, Ltd. (UK);
- **Member of the Board of Directors:** YMCA of Greater Boston (USA);
- **Member of the Business Advisory Board:** Sodexo, Inc.

ASTRID BELLON

Born April 16, 1969.
Graduate of ESLSCA.
Nationality: French.
Master of Arts in Cinema Studies, New York.

Business address:
Bellon SA
255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

Number of Sodexo shares held: 38,000.

Background

Astrid Bellon is a member of the Management Board of Bellon SA.

Other positions and corporate offices held

- **Chairwoman:** Sofrane SAS;
- **Member of the Management Board:** Bellon SA;
- **Legal Manager:** Sobelnat SCA (Permanent Representative of Sofrane SAS);
- **Founding member:** Association Pierre Bellon.

Other corporate offices held within the past five years but no longer held

None.

BERNARD BELLON

Born August 11, 1935.
5 children.
Nationality: French.
Degree in French Literature from IAE Aix-Marseille.

Business address:
14, rue Saint Jean
1260 Nyon (Switzerland)

Number of Sodexo shares held: 305,732.

Background

Bernard Bellon was director of Compagnie Hôtelière du Midi (part of the Compagnie de Navigation Mixte Group) from 1962 to 1970 and then held various managerial positions in banking at CIC-Banque de l'Union européenne Group from 1970 to 1988. He founded Finadvance SA, a venture capital company of which he was Chairman from its creation in 1988 until 2013.

Other positions and corporate offices held

- **Member of the Supervisory Board:** Bellon SA;
- **Founding member:** Association Pierre Bellon.

Other corporate offices held within the past five years but no longer held

- **Chairman of the Board of Directors:** Finadvance SA;
- **Member of the Board of Directors:** Copelia.

FRANÇOIS-XAVIER BELLON

Born September 10, 1965.
4 children.
Nationality: French.
Graduate of the European Business School.

Business address:
Bright Yellow Group Plc
2 East Throp House, 1 Paddock Road
Reading RG4 5BY (United Kingdom)

Number of Sodexo shares held: 36,383.

Background

François-Xavier Bellon is the CEO of Bright Yellow Group, a company he acquired in 2007. This company based in the United Kingdom specializes in providing in-home services to dependent persons.

Previously, François-Xavier Bellon was Sales and Marketing Director of the Global Temporary Work Division of the Adecco Group, where he spent more than seven years. His last posting was in London.

François-Xavier Bellon also spent ten years with Sodexo, where he was Chief

Executive of Sodexo United Kingdom at the time of his resignation in 2004. After joining the Healthcare subsidiary in 1995, he was successively Head of Sector, Head of Development, based in Paris, and then Chief Executive Officer of the Mexican subsidiary for five years.

Other positions and corporate offices held

- **Chairman of the Management Board:** Bellon SA;
- **Chief Executive Officer:** PB Holding SAS; Bright Yellow Group Plc;

- **Member of the Board of Directors:** Footprint Ltd; LifeCarers Ltd; Bright Yellow Group Plc;
- **Advisor:** French Foreign Trade Commission; U1st Sports SA; The home of HR.

Other corporate offices held within the past five years but no longer held

- **Advisor:** Dr Clic Sociedad Limitada.

NATHALIE BELLON-SZABO

Born January 26, 1964.
3 children.
Nationality: French.
Graduate of the European Business School.

Number of Sodexo shares held: 1,147.

Background

Nathalie Bellon-Szabo began her career in the foodservices industry in 1987. From 1989, she was an account manager for Scott Traiteur, and then Sales Manager of Le Pavillon Royal.

She joined Sodexo in March 1996 as Sales Director for Sodexo Prestige in France, becoming a Regional Manager in 1999. In September 2003, she was appointed Managing Director of Sodexo Prestige, and Managing Director of L'Affiche in January 2006. She was named Chairwoman of the Management Board of the Lido in 2009. She became Chief Executive Officer of Sodexo Prestige Sports and Leisure in France on September 1, 2010 and Chairwoman of the Management Board of Lenôtre in 2012. She is also Chief Executive Officer of Sodexo Sports and Leisure.

On September 1, 2015, she was appointed Chief Operating Officer of Sodexo Sports and Leisure worldwide.

Other positions and corporate offices held

- **Chairwoman:** Yachts de Paris SAS**;
Compagnie d'Armateur Fluvial et Maritime SAS**;
Société d'Exploitation des Vedettes Paris Tour Eiffel (SEVPTE) SAS**;
Excel SAS**;
Gedex**;
- **Chairwoman of the Board of Directors:** L'Affiche SA**;
Millenia SA**;
- **Chairwoman of the Management Board:** Société du Lido (SEGSHMI)**;
Lenôtre SA**;
- **Member of the Board of Directors:** Altima SA**;

Business address:

Sodexo Prestige Sports and Leisure/
Sodexo Prestige Sites and Brands
Tour Horizons
CP H 200
30, cours de l'Île Seguin
92777 Boulogne Billancourt (France)

- **Member of the Management Board:** Bellon SA;
- **Chief Executive Officer:** Sodexo Prestige Sports and Leisure in France.

Other corporate offices held within the past five years but no longer held

- **Chairwoman:** SAS Lenôtre Cote d'Azur;
- **Chief Executive Officer:** Millenia SA**;
L'Affiche SA**;
- **Chairwoman:** Holding Bungener et Compagnie SAS**;
- **Chairwoman of the Supervisory Board:** Lenôtre SA**;
- **Legal Manager:** Courcelles Miromesnil SARL**.

PHILIPPE BESSON

Born September 21, 1956.
4 children.
Nationality: French.

Background

Philippe Besson joined the Sodexo Healthcare Division in 1981, as foodservices manager for the Paris Ile de France region. He took part in the World Youth Days in Paris, Rome and Cologne,

was responsible for the Tour de France departure villages for Sodexo and managed athlete foodservices for the Pacific Games.

He has been Head of Projects and Sponsorship and has served as a director representing employees since June 2014.

Business address:

Sodexo
255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

Other positions and corporate offices held

None.

** Sodexo Group company.

FRANÇOISE BROUGHER

Born September 2, 1965.
3 children.
Nationality: dual French and American.
Graduate of ICAM-Lille (Institut catholique d'arts et métiers) (France) and Harvard University (United States).

Number of Sodexo shares held: 400.

Background

Françoise Brougher began her career in 1989 in a production unit of L'Oréal in Japan. After receiving her MBA in 1994, she joined the strategy consulting firm Booz Allen & Hamilton, dividing her time between Europe and the United States. In 1998, she joined the San Francisco-based Ocean Gem Pearl Corporation, an importer

of black Tahitian pearls, as Chief Executive Officer. From 2000 to 2005, she was Vice President of Strategy at California-based brokerage firm Charles Schwab & Co. In March 2005, she joined Google, where she managed the Business Operations Group for four years, becoming Vice President, Global SMB Sales & Operations in 2009. In April 2013, she joined San Francisco-based Square as Business Lead.

Business address:
Square
1455 Market Street
San Francisco, CA 94103 (USA)

Other positions and corporate offices held

- Business Lead, Square.

Other corporate offices held within the past five years but no longer held

None.

SOUMITRA DUTTA

Born August 27, 1963.
1 child.
Nationality: Indian
Doctorate in Computer Sciences, Artificial Intelligence, University of California, Berkeley, USA.

Number of Sodexo shares held: 400.

Background

Soumitra Dutta began his career in 1985 as a research assistant at University of California, Berkeley, USA. Between 1988 and 1990, he gained further research experience at General Electric. He then joined Insead, the international management school based in Fontainebleau (France), where he served as lecturer then dean of technology and e-learning. In 1999, he set up eLab@Insead, the school's research

and analytics center focused on big data analytics for businesses, which he headed until 2012. In 2002, he was named dean of Executive Education at Insead. During his tenure at Insead, Soumitra Dutta also participated in setting up and managing three strategy consultancies specialized in new technologies and innovation, which he developed before selling them. Since 2012, he has been dean and professor of Management at Cornell College of Business at Cornell University, Ithaca, New York.

Business address:
College of Business
Cornell University
Ithaca, New York (USA)

Other positions and corporate offices held

- **Member of the Board of Directors:**
The Association to Advance Collegiate Schools of Business (AACSB), USA.

Other corporate offices held within the past five years but no longer held

- **Chairman of the Board of Directors:**
Fisheye Analytics Ltd, Singapore.

PAUL JEANBART

Born August 23, 1939.
3 children.
Nationality: dual Canadian and Swiss.
Civil engineer.

Business address:
Immeuble Président Mouawad
Rue Pierre Hélou, Hazmié, Beirut
(Lebanon)

Number of Sodexo shares held: 400.

Background

Co-founder, partner and Chief Executive Officer of the Rolaco Group since 1967.

Other positions and corporate offices held

- **Chairman:** Oryx Finance Limited;

- **Chairman of the Board of Directors:** Hôtels Intercontinental Genève SA; Luxury Brand Development SA, parent company of Orfèverie Christofle;
- **Member of the Board of Directors:** Semiramis Hotel Co.; Rolaco Holding SA (Executive Director) and subsidiaries/affiliates of the Rolaco Group.

Other corporate offices held within the past five years but no longer held

- **Member of the Supervisory Board:** Club Méditerranée SA*.

MICHEL LANDEL

Born November 7, 1951.
3 children.
Nationality: French.
Graduate of the European Business School.

Business address:
Sodexo
255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

Number of Sodexo shares held: 202,360.

Background

Michel Landel began his career in 1977 with Chase Manhattan Bank, then in 1980 became manager of a building materials plant belonging to the Poliet Group.

He was recruited by Sodexo in 1984 as Head of Operations for East and North Africa, and was promoted in 1986 to Vice President for Remote Site Management in Africa. In 1989, he took over the management of activities in North America, where he notably worked on the 1998 merger with Marriott Management Services and creation of Sodexo Marriott Services. In 1999, he became Chief Executive Officer of Sodexo Marriott Services, now Sodexo, Inc.

Michel Landel was named Vice Chairman of the Executive Committee of Sodexo in February 2000.

From June 2003 through August 2005, Michel Landel served as Group Co-President and Co-Chief Operating Officer in charge of North America, the United Kingdom and Ireland, together with Remote Site Management.

He has been Chief Executive Officer of Sodexo since September 1, 2005 and Chairman of the Executive Committee.

Other positions and corporate offices held

- **Chief Executive Officer:** Sodexo**;
- **Member of the Board of Directors:** Sodexo, Inc.**; Catalyst in the United States; Louis Delhaize, a Franco-Belgian food company;

- **Member of the Management Board:** Sodexo Pass International SAS**;
- **Permanent representative of Sodexo SA, corporate member of the Supervisory Board of One SCA;**
- **Permanent representative of Sodexo SA, corporate Chairman of the Board of Directors of Stop Hunger.**

Other corporate offices held within the past five years but no longer held

- **Chairman:** Stop Hunger;
- **Chairman:** Executive For Excellence.

* Listed company.

** Sodexo Group company.

CATHY MARTIN

Born June 5, 1972.
3 children.
Nationality: Canadian

Business address:
Sodexo Canada
740 Rue Saint-Maurice, bureau 106
Montreal, Quebec
Canada H3C 1L5

Background

After completing her studies in nutrition, Cathy Martin began her career in the foodservices industry in 1998. In January 2000, she joined Sodexo as an on-

site foodservices manager. Over the past 15 years, she has held various operating and project management positions. In December 2014, she was named Regional Manager, On-site Services in the Education segment in Quebec, Canada.

Other positions and corporate offices held

None.

Election of a new member of the Board of Directors

At the Shareholders' Meeting on January 24, 2017, shareholders will be asked to elect Ms. Cécile Tandeau de Marsac as a director for a three-year term expiring at the close of the Shareholders' Meeting to be called to approve the financial statements for the

fiscal year ending August 31, 2019. On the recommendation of the Nominating Committee, the Board of Directors considers that Ms. Tandeau de Marsac will qualify as an independent director based on the criteria in the AFEP-MEDEF Code of corporate governance for listed companies.

CÉCILE TANDEAU DE MARSAC

Born April 17, 1963.
2 children.
Nationality: French.
Graduate of the École supérieure de Commerce de Rouen

Business address:
Solvay
Rue de Ransbeek, 310
B-1120 Brussels, Belgium

Background

Cécile Tandeau de Marsac began her career with Nestlé in 1987, holding various positions in Marketing and Communications before joining the Human Resources Department in 2002 where she was in charge of career development in France. In 2005, she became Human

Resources Director for certain businesses and corporate functions at Nestlé France. In 2007, she joined Rhodia as HR Director of a business unit in France, responsible for talent development for the Group. She subsequently took part in two major projects to transform Rhodia's organizational structure and to integrate

Rhodia's teams following its acquisition by Solvay. In July 2012, she was appointed General Manager of Human Resources at Solvay.

Other positions and corporate offices held

None.

5.1.1.4 Principles governing the composition of the Board of Directors

As of August 31, 2016, the Board of Directors had 14 members, of which six (42% of all Board members⁽¹⁾) are women, including one woman director representing employees. This is evidence that women are well represented on the Board and that the Group complies with the Copé-Zimmerman Act passed in France on gender-balanced representation on Boards. Nine Board members hold French nationality only and the others hold American, British, Canadian, Indian and Swiss nationalities.

The Board takes particular care in the selection of its members. Directors are chosen for their ability to act in the interests of all shareholders and for their expertise, experience and understanding of the strategic challenges in markets where Sodexo operates. The composition of the Board is intended to adhere closely to the principles of diversity and to reflect the geographic mix of the business (insofar as possible), to provide a range of technical skills, and to include individuals with in-depth knowledge of Sodexo's activities. To this end, each year the Board discusses the Company's policy on equal opportunities and pay.

During Fiscal 2016, six⁽¹⁾ Board members were deemed independent directors (see section 5.1.1.1). No independent director has any business ties with the Company or any other Group entity.

Directors hold office for a term of three years and may be re-elected. Exceptionally, the Shareholders' Meeting may, on the recommendation of the Board of Directors, appoint or re-elect one or several directors for a period of one or two years.

On January 21, 2014, the Shareholders' Meeting decided on the conditions of appointment to the Board of Directors of one or more directors representing employees. Directors representing employees are appointed for three-year terms. A first director representing employees – Mr. Philippe Besson – was appointed by the trade union that obtained the most votes in the first round of the most recent elections in France of union representatives and took his seat on the Board at its meeting on June 18, 2014. A second director representing employees – Ms. Cathy Martin – was appointed by the European Works Council and became a member of the Board at its meeting on September 10, 2015.

5.1.1.5 Preparation and organization of the work of the Board of Directors

Sodexo is governed by a Board of Directors which is chaired by Ms. Sophie Bellon since January 26, 2016.

Role of the Chairman of the Board of Directors

The Chairman of the Board of Directors represents the Board and organizes and directs its work, and reports to the shareholders at the Shareholders' Meeting. The Chairman also represents the Board in matters concerning third parties such as employee representatives, external auditors and shareholders. The Chairman oversees the functioning of all of the Company's Corporate Governance structures and, in particular, ensures that the Board members are able to fulfill their mission.

Operating procedures of the Board of Directors

In addition to the Company's bylaws, the Board of Directors is governed by the Board's internal rules, which set forth the Board's mission, the required number of Board members, the Directors' charter, the minimum number of Board meetings and the rules for allocating directors' fees. The internal rules also set the criteria for assessing the performance of the Board, organize the delegation of powers to the Chief Executive Officer, and define the policy for issuing guarantees. The principal elements of the Board's internal rules are described in this section.

Mission of the Board of Directors

The Board of Directors defines Sodexo's strategy, long-term objectives and overall policies.

It regularly supervises the management of the business and in particular progress made on metrics it has identified.

It appoints corporate officers to manage Group policies.

It ensures the existence and effectiveness of risk management and internal control procedures, and oversees the quality of information provided to shareholders and to the financial markets in the financial statements and in connection with major financial transactions.

As required by law, the Board of Directors approves the financial statements for publication, proposes dividends, and makes decisions on significant investments and financial policy.

At least three days ahead of Board meetings, each Board member is given briefing documents so that he or she can review and/or investigate the issues to be discussed.

(1) In accordance with the law and the AFEP-MEDEF Code of corporate governance for listed companies, the two directors representing employees are not included in the determination of the following: the minimum and maximum number of Board members, the representation of men and women on the Board, and the number of independent Board members.

The Group's senior executives make regular presentations to the Board, in particular at the beginning of September, when the budget, the five-year plans and the ten-year financing plan are discussed:

- the Chief Executive Officer and the other operational executives in each area of responsibility discuss the potential for growth, competitive positions, the ambition, the strategy for achieving it and the principal elements of their action plans;
- Group executives in each functional area (Human Resources, Finance, Brand and Communication, Strategy, Organization, and Research & Development and Innovation) present their recommendations regarding strategy and policy developments, progress achieved and to be achieved, and action plans for implementation in the Group.

The Board of Directors performs periodic in-depth reviews of the financial statements at meetings attended as necessary by members of the Group's operational and functional management teams as well as by the external auditors.

The Board of Directors is also kept regularly informed of questions, comments or criticism from shareholders, whether at meetings with shareholders or by mail, e-mail or telephone.

The Directors' charter

The main elements of the Directors' charter are described below.

Each director should constantly be mindful of the corporate interest, exercise good judgment (particularly of situations, strategies and people), and look to the future in order to identify the risks and strategic challenges that lie ahead. Each director should also be focused, active and engaged, and act with integrity.

Each director must personally own at least 400 Sodexo shares (except for directors representing employees to whom no such requirement applies in accordance with French law).

Except in cases of *force majeure*, all directors of Sodexo must attend Shareholders' Meetings.

Directors are required to disclose to the Board all actual or potential conflicts of interest and must abstain from voting on those matters.

Any director of Sodexo who obtains unpublished information during the course of his or her duties is bound by a duty of confidentiality.

Directors are also prohibited from trading in Sodexo securities as follows:

- during the period commencing thirty calendar days before the Board meeting that approves the interim and annual consolidated financial statements for publication and up to and including the date of publication of those interim and annual financial statements;

- during the period commencing fifteen calendar days prior to the date of publication of the consolidated financial information for the first and third quarters up to and including the date of their publication.

Transactions by directors in the Company's shares must be disclosed to the public. Consequently, directors are required to inform the Group Legal Department of all transactions in Sodexo shares.

Induction and training of directors

Upon joining the Board, all directors receive training aligned with their specific needs. They meet the Chairwoman of the Board of Directors, the Chief Executive Officer and the Group's senior executives. Meetings are also organized with certain executives and external advisors. Site visits are arranged to provide an overview of the Group's businesses and a better understanding of each one. Board members continue to receive training for as long as they remain on the Board on a continuous basis.

In addition, in accordance with decree n° 2015-606 of June 3, 2015 intended to ensure that directors representing employees are given the necessary time and training to enable them to fulfill their duties, at its meeting in November 2015, the Board of Directors decided that directors representing employees would be allowed the time necessary to prepare their participation in each Board meeting and would also be given at least twenty hours' training per year during their mandate. Since joining Sodexo's Board of Directors, Mr. Philippe Besson and Ms. Cathy Martin have participated in several training seminars organized by the French Institute of Directors (IFA).

Board Committees

To support its decision-making process, the Board has created three committees, each with its own charter approved by the Board of Directors. Broadly, their role is to examine specific issues ahead of Board meetings, and to submit opinions, proposals and recommendations to the Board.

AUDIT COMMITTEE

Composition as of August 31, 2016:

- Mr. Robert Baconnier, who chairs the Committee in his capacity as a "financial expert";
- Ms. Sophie Bellon;
- Mr. Soumitra Dutta;
- Mr. Paul Jeanbart.

In accordance with the recommendations concerning Audit Committee membership set out in the AFEP-MEDEF Code of corporate governance for listed companies, as of September 1, 2016, Sophie Bellon is no longer a member of the Audit Committee.

As of September 1, 2016 the Audit Committee comprised the following members:

- Mr. Robert Baconnier, who chairs the Committee in his capacity as a "financial expert";
- Mr. Emmanuel Babeau;
- Mr. François-Xavier Bellon;
- Mr. Soumitra Dutta.

All Audit Committee members have recognized expertise in finance and accounting, as confirmed by their professional background (see section 5.1.1.3).

The Audit Committee is responsible for ensuring that the Group's accounting policies are appropriate and consistently applied.

It examines the Company's fraud detection procedures and its whistleblowing system. It is notably in charge of ensuring that a procedure is in place for dealing with complaints from third parties or employees (which may be anonymous) about any irregularities concerning accounting or internal control practices or any other area.

It issues observations and recommendations to the Company's senior management team about risk management governance, particularly the structure, scope and organization of risk management.

It periodically reviews senior management reports on risk exposure and prevention, and ensures that effective internal controls are applied.

The Committee assesses proposals from external auditor firms and submits candidate firms for approval by the Shareholders' Meeting.

It also performs an annual review of the fees paid to the external auditors of Sodexo and its subsidiaries, and assesses auditor independence. In addition, it reviews the annual payment due under the service contract signed between Sodexo and Bellon SA (detailed in section 6.2), as well as any changes in its amount from one year to the next.

To perform its role, the Audit Committee is assisted by the Chief Executive Officer, the Group Chief Financial Officer, the Group Internal Audit Director and the external auditors. It may also make inquiries of any Group employee and seek advice from outside experts.

During Fiscal 2016, the Chief Executive Officer of Sodexo, the Group Chief Financial Officer and the Group Internal Audit Director were regularly invited to attend Audit Committee meetings to discuss their activities and answer questions.

The Audit Committee met four times during the fiscal year, with a 94% attendance rate.

Issues addressed by the Committee included:

- review of the main risks and the risk management process;
- progress report on the evaluation of internal control;
- approval of the Internal Audit Plan for Fiscal 2016;
- reports issued by the Internal Audit Department and progress reports on the implementation of its recommendations;
- supervision of the independence, terms of engagement and fees of the external auditors of Sodexo and its subsidiaries in connection with the audit of the consolidated financial statements for Fiscal 2016. The Audit Committee also approved in advance all other engagements performed by the Group's external auditors and by member firms of their networks;
- re-appointment of one of the external auditors;
- the new EU tax reporting requirements;
- review of the compensation to be paid under the service contract signed between Sodexo and Bellon SA for Fiscal 2017;
- review of the consolidated financial statements and notes, including note 4.24 on off-balance sheet commitments.

The Audit Committee also reviewed the annual consolidated financial statements for Fiscal 2015 and the interim consolidated financial statements for the first half of Fiscal 2016. In addition to four formal meetings, the Chairman of the Audit Committee also had periodic meetings during the fiscal year with the Chief Executive Officer, the Group Internal Audit Director, the Group Chief Financial Officer and the external auditors.

NOMINATING COMMITTEE

Composition as of August 31, 2016:

- Ms. Patricia Bellinger, who chairs the Committee;
- Ms. Nathalie Bellon-Szabo;
- Ms. Sophie Bellon;
- Ms. Françoise Brougher.

This Committee:

- examines proposals made by the Chairwoman of the Board of Directors in relation to director nominations. The Nominating Committee assesses the knowledge and experience represented on the Board, as well as directors' level of independence, and prepares a description of the skills that should be sought in new candidates for election to the Board. The Group may retain the services of external executive search firms to identify a certain number of candidates, while ensuring that the backgrounds of short-listed candidates are sufficiently diversified;
- provides an opinion to the Board on the director nominations. The Committee reviews nominees prior to their election as directors, and where it sees fit assesses the situation of

directors in relation to the criteria concerning the composition of the Board specified in the relevant legislation and in the Board's Internal Rules. For compliance reasons, the Committee also provides the Board of Directors from time to time with a list of directors qualifying as independent;

- provides an opinion to the Board on the nomination of the Chief Executive Officer and as appropriate one or more deputy Chief Executive Officers;
- examines proposals made by the Chief Executive Officer on nominations and succession plans for members of the Executive Committee and other key executives, and advises the Board on these proposals;
- ensures that the Chief Executive Officer is able to propose potential replacements at any time if a position suddenly becomes vacant, while maintaining confidentiality;
- proposes procedures that enable the Board of Directors to assess the efficiency of its own operations, and notably to determine the terms and conditions for carrying out the periodic self-assessment of the operations of the Board of Directors and its Committees, or any such assessment that may be performed by an external consultant;
- regularly reviews the training plans for directors as well as the welcome and induction process for new directors.

The Nominating Committee met four times in Fiscal 2016, notably to review the succession plans for the members of the Group Executive Committee, the training of directors representing employees, the composition of the Board Committees, and the nomination proposals for the new director. The average attendance rate at these meetings was 94%.

COMPENSATION COMMITTEE

Composition as of August 31, 2016:

- Ms. Patricia Bellinger, who chairs the Committee;
- Mr. Robert Baconnier,
- Ms. Sophie Bellon;
- Mr. Philippe Besson, director representing employees.

In accordance with the recommendations concerning Compensation Committee membership set out in the AFEP-MEDEF Code of corporate governance for listed companies, as of September 1, 2016, Sophie Bellon is no longer a member of the Compensation Committee.

As of September 1, 2016 the Compensation Committee comprised the following members:

- Ms. Patricia Bellinger, who chairs the Committee;
- Mr. Emmanuel Babeau;
- Mr. Robert Baconnier.
- Mr. Philippe Besson, director representing employees.

This Committee makes proposals relating to compensation packages for corporate officers, executive compensation policy, performance-based incentives, and in particular, performance share grants (including the related performance conditions), as well as employee share ownership plans. The principles and rules applied by the Board of Directors in determining the compensation and benefits of any nature provided to the corporate officers are described in section 5.3 of this document.

The Compensation Committee met five times during the fiscal year and the attendance rate was 100%.

The Compensation Committee made recommendations to the Board on issues such as the compensation packages for the Company's corporate officers, a review of executive incentive programs, and performance share grants and the related performance conditions. Accordingly, the Committee proposed to the Board that 866,075 shares should be granted to 1,264 people on April 27, 2016 (with some of the shares subject to performance conditions), and expressed its opinion on individual grants and the performance conditions proposed by the Chief Executive Officer.

Board meetings during the year

BOARD MEETINGS

The Board of Directors met nine times during Fiscal 2016, fulfilling the minimum requirement of four meetings per year as stated in the internal rules. The Board of Directors has decided that its annual September meeting would include a review not only of the annual budget but also of the largest entities' strategic plans. Plans not reviewed during the September meeting are examined at subsequent Board meetings held during the fiscal year.

The average attendance rate at Board meetings during Fiscal 2016 was 95%.

Date	Main items on the agenda	Attendance rate
September 10, 2015	Strategic planning. Human resources. Benefits and Rewards business. Approval of the Fiscal 2016 budget. Policy for equal opportunities and equal pay. Organizational transformation.	100%
November 17, 2015	Approval of the Fiscal 2015 financial statements for publication. Finalization of the Board Report. Review of the annual earnings press release. Re-examination of regulated related-party agreements and commitments. Convening and preparation of the Shareholders' Meeting. Nomination proposal for a new director. Pierre Bellon's succession. Organizational transformation. Approval of the share repurchase program.	93%
December 1, 2015	Adoption of another free share plan.	100%
January 26, 2016 Pre-Annual Shareholders' Meeting	Business review for the opening months of Fiscal 2016. Main human resources policies.	87%
January 26, 2016 Post-Annual Shareholders' Meeting	Appointment of Sophie Bellon as Chairwoman of the Board of Directors. Approval of Sophie Bellon's compensation package.	93%
March 8, 2016	Business review for the first five months of Fiscal 2016. Governance and operating procedures of the Board of Directors. Cost-efficiency plan. Approval of the fee payable under the service contract between Bellon SA and Sodexo for the period April 2016 to March 2017. Organizational transformation.	93%
April 12, 2016	Approval of the interim consolidated financial statements for the first half of Fiscal 2016 for publication. Achievement of the performance condition applicable to the April 2013 performance share plan. Approval of the performance conditions for the April 2016 performance share plan. Acquisitions and acquisition opportunities. Approval of the Interim Report for the first half of Fiscal 2016. Review of the first-half earnings press release.	100%
April 27, 2016	Adoption of the 2016 performance share plan.	100%
June 14, 2016	Business review for the first nine months of Fiscal 2016. Strategic planning process. On-site Services: Energy and Resources. Innovation and Digital. Refinancing options. Directors' fees. Re-appointment of the external auditors. Capital reduction following the cancellation of shares.	86%

DIRECTORS' PARTICIPATION RATES

	Participation rate
Pierre Bellon	100%*
Sophie Bellon	100%
Emmanuel Babeau	100%
Robert Baconnier	100%
Patricia Bellinger	89%
Astrid Bellon	89%
Bernard Bellon	100%
François-Xavier Bellon	100%
Nathalie Bellon-Szabo	100%
Philippe Besson	100%
Françoise Brougher	89%
Soumitra Dutta	78%
Paul Jeanbart	100%
Michel Landel	100%
Cathy Martin	89%
Peter Thompson	75%*

* The directorships of Pierre Bellon and Peter Thompson expired at the close of the Shareholders' Meeting on January 26, 2016.

ASSESSMENT OF BOARD OPERATING PROCEDURES

The most recent formal assessment of the Board's operating procedures was carried out in Fiscal 2014, and the next formal evaluation will take place in Fiscal 2017. At least once a year, the Board of Directors devotes an agenda item to discussing its operating procedures.

The findings of the formal assessment carried out in Fiscal 2014 provided confirmation that the Board's operating procedures were generally considered satisfactory and that the number of directors was deemed adequate. The directors expressed satisfaction with the significant role played by the Audit Committee. They also expressed their confidence in the work of the Nominating Committee and the Compensation Committee, but suggested that these Committees' expertise should be enhanced, bearing in mind the need to plan the succession of their Chairwomen.

It was suggested that the Board reinforce its international dimension and progressively renew its membership to bring in new expertise and better reflect the generations. In connection with this, an induction process for new directors has been put in place.

The directors all considered that their fellow members participate actively in the work of the Board. They appreciate the atmosphere at meetings of the Board and the climate of trust that prevails among its members. They are willing to become even more involved, suggesting in particular that strategic issues be discussed in more detail, that human resources policies be discussed once a year, along with the main risk factors, and that post mortem analyses of the main investments be performed.

The directors were unanimous in their appreciation of the strategic review conducted at the September meeting, welcoming this unique opportunity for an exchange of views with the senior management team.

Role of the Chief Executive Officer and the Executive Committee

On September 1, 2005, the roles of the Chairman of the Board of Directors and the Chief Executive Officer were separated and Mr. Michel Landel became the Chief Executive Officer of Sodexo, succeeding Mr. Pierre Bellon. This governance structure creates a clear separation between the strategic planning and oversight functions that are the responsibility of the Board of Directors, and the operational and executive functions that are the responsibility of senior management.

The Chief Executive Officer has the authority to manage the operations and functions of the Group. Limits are placed on the powers of the Chief Executive Officer. These limits are set by the Board of Directors based on the recommendations of the Chairwoman of the Board.

As of August 31, 2016 the Chief Executive Officer was required to obtain the prior consent of the Board to pledge corporate assets as collateral (for amounts exceeding 25 million euro for a duration of less than 5 years, for amounts exceeding 15 million euro for a duration of between 5 and 10 years, and for all guarantees covering a longer period), or to bind the Company beyond specific limits such as for the acquisition of shareholdings exceeding 25 million euro per transaction, disposals of shareholdings exceeding 20 million euro per transaction, or additional medium and long-term borrowings exceeding 50 million euro.

As of September 14, 2016, these limits were revised. Accordingly, the Chief Executive Officer is required to obtain the prior consent of the Board to pledge corporate assets as collateral as follows:

- term greater than 15 years regardless of the amount (except in cases where term is less than 25 years and amount less than €100 million, subject to prior approval of the Chairman of the Audit Committee);
- term between 10 and 15 years and amount greater than or equal to € 15 million;
- term between 5 and 10 years and amount greater than or equal to €30 million;
- term less than 5 years and amount greater than or equal to €50 million.

The total amount for which the Chief Executive Officer may issue guarantees between Board meetings is limited to 150 million euro. The Chief Executive Officer must also obtain prior consent from the Board to commit the Company beyond certain amounts related notably to acquisitions of shares in companies greater than 50 million euro per transaction (100 million euro with the approval of the Chairwoman of the Board), to disposals of shares in companies greater than 20 million euro per transaction, and for medium and long-term borrowing greater than 100 million euro. The Chief Executive Officer must also obtain the prior consent of the Board for decisions relating to the start-up of new activities. These limits are not enforceable against third parties, as the Chief Executive Officer has the broadest powers to bind the Company in its dealings with third parties.

In his role as Chief Executive Officer, Michel Landel is supported by an Executive Committee.

The Executive Committee had thirteen members as of August 31, 2016 (including Michel Landel).

The Executive Committee meets once a month, and is the linchpin of the management structure. It is responsible not only for discussing and developing strategies to be recommended to the Board of Directors, but also for monitoring implementation of these strategies once the Board has approved them. The Executive Committee tracks implementation of action plans, monitors business unit performance, and assesses the potential benefits of growth opportunities and the risks inherent in its business operations.

Members of the Group Executive Committee as of September 1, 2016:

- **Michel Landel**, Chief Executive Officer and member of the Board of Directors of Sodexo, Chairman of the Executive Committee;
- **Ana Busto**, Group Chief Brand and Communication Officer;
- **Elisabeth Carpentier**, Group Chief Human Resources Officer;
- **Patrick Connolly**, CEO, Schools and Universities, On-site Services;
- **Lorna Donatone**, CEO, Geographic Regions and Region Chair for North America, On-site Services;
- **Pierre Henry**, Vice Chairman of the Group Executive Committee, CEO Sports & Leisure, On-site Services;
- **Nicolas Japy**, CEO, Energy & Resources, On-site Services;
- **Denis Machuel**, CEO, Benefits and Rewards Services and Personal and Home Services, Group Chief Digital Officer;
- **Satya-Christophe Menard**, CEO, Service Operations;
- **Sylvia Métayer**, CEO, Corporate Services, On-site Services;
- **Marc Rolland**, Group Chief Financial Officer;
- **Damien Verdier**, Group Chief Strategic Planning, Organization, Research & Development and Innovation Officer;
- **Debbie White**, CEO, Government and Healthcare, On-site Services.

The Executive Committee is supported by a **Group Investment Committee** whose members comprise the Group Chief Executive Officer, the Group Chief Financial Officer and one or more CEOs depending on the investment projects concerned. The Committee considers and approves:

- significant new contracts (corresponding to all new contracts with estimated annual revenues of higher than an amount between 25 and 45 million euro depending on the business unit);
- all plans to acquire shareholdings or any other plan to invest in property, plant and equipment or intangible assets exceeding an amount in the range of between 2 and 6 million euro, depending on the business unit, as well as cumulative overruns of any investment budget approved at the beginning of the fiscal year;
- disposals of shareholdings exceeding 1 million euro.

This Committee formally met nine times during Fiscal 2016 and its members also reviewed a number of time-sensitive items.

Compliance with the AFEP-MEDEF Code of corporate governance for listed companies

Currently, the term "independent director" has no definition in French law. However, the AFEP-MEDEF Code of corporate governance for listed companies specifies that "a Board member is independent if he or she has no relationship of any kind whatsoever with the Company, its Group, or the Management of either that is such as to compromise his or her judgment."

Based on this definition, the Board of Directors considers that all Sodexo directors are independent insofar as considering them not to be independent would be tantamount to questioning their loyalty and integrity.

This is because the Board of Directors is a collegiate body that collectively represents all shareholders. Each Board member has a duty to act in the interest of Sodexo and all shareholders.

However, to comply with the criteria of director independence stated in the AFEP-MEDEF Code mentioned above, the Nominating Committee periodically provides the Board of Directors with a list of directors considered independent under those criteria (see section 5.1.1.1).

Sodexo complies with the AFEP-MEDEF Code of corporate governance for listed companies, except for the following recommendations:

AFEP-MEDEF Recommendations	Sodexo practice/Explanations
<p>Independence criteria for Board members (section 9.4 of the Code) – Among the criteria to be evaluated in considering whether a Board member is independent is not having been a Board member for more than 12 years.</p>	<p>The Board of Directors decided not to apply the independence criteria limiting Board members’ mandates to 12 years (with respect to Mr. Paul Jeanbart). In accordance with the advice of the Nominating Committee, the Board of Directors considers that such seniority is a positive factor for his knowledge of the Group, its history and its activities, and also that the ability to make independent decisions is the main criterion for a Board member to be independent. It should be noted that Mr. Paul Jeanbart is not seeking the renewal of his directorship which expires after the January 24, 2017 Shareholders’ Meeting.</p>
<p>Meetings not attended by executive directors (section 10.4 of the Code) – The Code recommends that non-executive directors hold periodic meetings that are not attended by executive or in-house directors.</p>	<p>The Board of Directors plans to implement the practice of holding meetings not attended by executive or in-house directors during Fiscal 2017.</p>
<p>Time available for the Audit Committee’s review of the financial statements (section 16.2.1 of the Code) – The Code states that the time available for reviewing the financial statements should be sufficient and recommends that the Audit Committee should receive them no less than two days before review by the Board.</p>	<p>In view of the fact that certain Audit Committee members travel from abroad to attend meetings, the meetings to review the accounts are held the day before their review by the Board. However, briefing files are sent to the Audit Committee members several days in advance to allow them to perform a satisfactory review ahead of the Board meeting.</p>
<p>Performance shares⁽¹⁾ (section 23.2.4 of the Code) – The Code recommends that corporate officers be required to purchase a defined quantity of shares when the performance shares become available.</p>	<p>The Chief Executive Officer is already subject to presence and performance conditions; in addition he is required to hold in registered form a defined number of these shares for the duration of his mandate when exercising stock options and acquiring performance shares. Consequently, the Board of Directors did not wish to add an additional requirement for the Chief Executive Officer to acquire additional shares on the market when the performance shares become available.</p>

(1) See glossary.

Attendance of shareholders at the Shareholders’ Meeting

Specific procedures pertaining to the participation of shareholders at the Shareholders’ Meeting are indicated in article 16 of Sodexo’s bylaws (see section 6.5.12 of this document).

Information that could have a material impact in the event of a public tender offer

The share ownership and voting rights in the Company, provided in section 6.2.2 of this document, are considered to be the decisive factors among those referred to in article L.225-100-3 of the French Commercial Code.

5.1.2 RISK MANAGEMENT AND INTERNAL CONTROL PROCEDURES IMPLEMENTED BY THE COMPANY

Sodexo faces a number of internal and external risks and uncertainties in the conduct of its business and in the implementation of its strategy. To confront these risks and uncertainties, it has established an organization and policies intended to identify, evaluate, prevent and manage these risks in order to limit any adverse impacts.

Internal control procedures are established by the Company and implemented under its responsibility, and are intended to ensure:

- compliance with laws and regulations and application of Group policies;
- the effectiveness of the Company's internal processes, notably those concerning the safeguarding of its assets;
- the reliability of financial and non-financial information.

Internal control procedures play a major role in the conduct of the Group's business, by contributing to the prevention and management of risks.

5.1.2.1 Strategy, long-term objectives and overall policies of the Group

The Group's strategy, long-term objectives and overall policies, as defined at the outset by Mr. Pierre Bellon and subsequently adjusted over the years by the Board of Directors, the Chief Executive Officer and the Executive Committee, are set out in the first chapter of this Registration Document and are presented at the start of each Shareholders' Meeting.

The Group's internal control procedures rely on these principles and on the related policies.

5.1.2.2 Overall policies of the Group

Group policies cover such areas as strategic planning, human resources development, finance, procurement, consumer and customer focus, food safety and hygiene, sustainable development and internal audit. They comprise four parts: goals, procedures, improvement metrics, and research and innovation. The policies are in the process of being re-drafted in simpler terms to make them easier to understand and apply. The Group is also continuing to work on adding new policies on internal and brand communication, research and innovation and the development of digital technologies.

In light of the Group's changing environment and its expanding portfolio of services and solutions, these policies are regularly updated and approved by the Board of Directors.

Strategic planning process

The Board of Directors and senior management work together to constantly improve the strategic planning process and promote buy-in at all levels of the organization.

Seven fundamental principles demonstrate how Sodexo was able to start from nothing in 1966 and then become a major international group with 425,000 employees, in 80 different countries, and the world leader in Quality of Life Services. In a profoundly changing world, Sodexo has defined five priorities to enable it to continue to grow its operating profit and revenues in the future.

Periodically, and particularly during the September Board meeting, the Group Chief Executive Officer, the heads of the Group corporate functions and the Chief Executive Officers of the main entities present their five year plans. Through this process, directors and senior executives all contribute to evolving the strategy and policies of the Group.

The process leads to the preparation of a five year strategic plan and a consolidated annual budget. In addition, a ten-year consolidated financing plan is prepared by the Group Finance Department. All of these documents are submitted to the Board of Directors for approval.

Human resources development policy

The Group's three overriding human resources priorities are:

- to meet staffing requirements in terms of numbers, quality and competencies;
- to rank among the world's employers most appreciated by its employees;
- to promote the emergence of a growing number of internal entrepreneurs by giving priority to internal promotions.

The main human resources policies are focused on: the profile of a Sodexo leader and senior manager, Group organizational rules, succession planning for senior managers, international mobility, senior managers' training and skills enhancement, employee engagement, senior managers' compensation, and innovation and research in the area of human resources administration.

Finally, annual tracking of improvement metrics by the Executive Committee and Board of Directors should serve to validate action plans aimed at advancing these policies, including engagement surveys, employee retention, internal promotion, and the representation of women in senior management.

Sodexo is also making significant advances in the area of diversity, particularly in relation to gender balance at all levels of the organization, and is establishing partnerships with organizations for people with disabilities.

Financial policies

The Group's financial objectives are twofold, namely:

To preserve the Group's financial independence.

Financial independence is a fundamental principle, because it enables the Group to hold firm to its values, pursue a long-term strategic vision, ensure management continuity and guarantee the business's lasting success.

Sodexo's financial independence is guaranteed by the family shareholder. As of August 31, 2016, Sodexo's holding company, Bellon SA, held 39.61% of the shares and 54.8% of the exercisable voting rights. It is based on three simple principles:

- choosing low capital intensive activities;
- continuously maintaining sufficient liquidity to fund growth, reimburse medium-term debt, and pay dividends to shareholders;
- preserving a strong balance sheet and sound financial ratios.

Enhancing the attractiveness of Sodexo shares to loyal, long-term shareholders.

Financial policies establish rules applicable to areas such as investment approvals, and the management of working capital, cash and debt.

Group financial policies require all decisions involving external financing to be made by the Group Chief Financial Officer, the Chief Executive Officer or the Board of Directors, depending on the amount and type of the transaction.

The Group Finance Department prepares a ten-year financing plan for the Group each year.

Group financial policies are designed to prevent any speculative positions being taken and to avoid risk in connection with financing and cash management activities.

Procurement policy

The objectives of the procurement function are documented in the Group's procurement policies and processes. The performance of Sodexo's procurement teams in the main countries where it does business is measured through the "5 Star" program, which enables the Group to gauge the impacts of procurement initiatives and demonstrate the savings achieved.

The Group's priority is to ensure that suppliers and subcontractors that deliver Sodexo products and services have the right skills, capabilities and potential to carry out the tasks assigned to them. The Group's risk management guidelines set out the procurement procedures that its teams are required to follow in terms of working with and managing suppliers and subcontractors. The level of the initial evaluation process and type of on-going management procedures for suppliers and subcontractors directly depend on the product supplied or service rendered and include verifying issues such as food safety and traceability.

In line with the Group's procurement policy, suppliers and subcontractors must sign the Sodexo Supplier Code of conduct

which sets out Sodexo's requirements for adopting responsible best practices concerning ethical, social and environmental issues.

Sustainable development policy

Since its creation in 1966, Sodexo's vocation has been to "improve the Quality of Life" and contribute to the economic, social and environmental development of local communities. In 2003, the Group formalized a sustainable development strategy and policy that sets the following priorities:

- **improve nutrition for the health and wellness of consumers:** Sodexo is committed to food safety and the promotion of a balanced diet for its consumers. Sodexo plays a critical role in the fight against obesity and malnutrition and provides solutions that make health and wellness a priority.
- **contribute to the social, economic, and environmental development in the cities, regions or countries where Sodexo is present:**
 - for the past 20 years, Sodexo has been supporting the fight against hunger and malnutrition through Stop Hunger,
 - the Partner Inclusion Program allows thousands of SMEs to integrate Sodexo's value chain;
- **protect the environment:** implement a responsible procurement policy, reduce energy and water consumption, cut food waste and reduce waste materials.

In September 2016, Sodexo, world leader in Quality of Life Services, was named Global Sustainability Industry Leader in its sector for the 12th year in a row by the Dow Jones Sustainability Index (DJSI).

Information systems policies

The Group Information Systems and Technologies Department (Global IS&T) has defined three core objectives:

- improve the productivity of the Group's teams and bring them closer to their customers and consumers by leveraging new information and communication technologies;
- resolutely focus on serving users and keep pace with their changing needs and expectations;
- standardize information systems in order to continue partnering the Sodexo Group's growth, while also developing more robust performance measurement systems and control environments for our activities.

To meet these three core objectives, the Information Systems and Technologies Department has deployed numerous procedures, notably in the following areas:

- Group Information Systems Governance;
- Systems Security;
- Mobile Terminal Allocation and Security;
- IS&T Capital Expenditure Programs.

Health and safety policies

Achieving best-in-class occupational health and safety performances is key to the Group's future commercial success and its reputation as a responsible global corporation.

Taking care of people is a number one priority for Sodexo and lies at the heart of its commitment to preserve the health and safety of its employees and the 75 million consumers served every day. In turn, this commitment is an integral part of Sodexo's corporate mission to improve quality of life.

Sodexo's global Health and Safety policy sets out the Company's expectations and guides its actions in this area. Sodexo's global Health and Safety management system which defines the Group's minimal standards, is based on the OHSAS 18001 standard⁽¹⁾ and includes 18 mandatory core processes.

Internal audit policy

Internal audit activities include reviewing and assessing the adequacy and effectiveness of governance, risk management and internal control systems and processes. This includes assessing:

- the reliability of financial and non-financial information;
- compliance with existing policies, procedures, laws and regulations;
- the methods used to safeguard assets;
- the effectiveness of operations and the resources used.

The internal audit team is also responsible for warning the Chairwoman of the Board of Directors, the Audit Committee and the Executive Committee of any material risks and informing them of the causes of identified weaknesses.

The internal audit team has defined several procedures, primarily covering the identification of internal audit priorities for the coming fiscal year, the planning and execution of internal audits, the drafting of internal audit reports and the follow up of action plans to implement the team's recommendations.

A series of internal audit performance indicators has been developed, covering such issues as the percentage of internal audit recommendations that have been implemented, the average time required to issue internal audit reports, the annual audit plan completion rate, internal auditor training and rotation rates, the satisfaction rate among audited units, etc.

5.1.2.3 Delegations of authority

Principles and policies in this area are supplemented by job descriptions, annual targets and, for senior executives, clearly defined delegations, which are reviewed annually and formally communicated to each executive by his or her superior.

The Chief Executive Officer delegates certain powers to the members of the Group Executive Committee, who themselves delegate to members of their executive teams.

Delegations of authority cover development, human resources, procurement, investments and finance.

Delegations of authority are generally implemented via "accountability contracts" in the form of one- and five-year plans, and must comply with the Group's general policies.

5.1.2.4 Improvement metrics

All progress can be measured. Accordingly, Sodexo has developed improvement metrics allowing for progress to be measured in five main areas: Development, Management, Procurement, Human Resources and Sustainable Development.

The Group Finance Department coordinates the process and monitors operational improvement metrics for activities and subsidiaries using a Group scorecard.

Making progress in these areas is critical for future growth of operating profit, operating cash flow and revenue.

The improvement metrics are presented each year to the Board of Directors and the Group Executive Committee in order to track progress in the areas concerned.

Development metrics:

- total growth potential for the Group over the next ten years, separated into potential by activity, by country and by client segment;
- client retention rate;
- client and consumer satisfaction rates;
- comparable unit growth;
- new business development rate compared to competitors;
- return on investments in development (particularly non tangible investments).

Management metrics:

- contract profitability;
- profitability of the different activities and client segments;
- gross operating margin and on-site costs;
- reduction in general and administrative expenses by subsidiary, by client segment and by function.

Procurement metrics:

- percentage of purchases made from referenced suppliers;
- reduction in the number of referenced products, reduction in the number of deliveries on a site, etc.

(1) See glossary.

Corporate Responsibility metrics

Employer metrics, including:

- employee engagement rate, for which the Group has targeted a level comparable to that of firms ranked as the best employers worldwide. Based on the most recent engagement survey carried out in April 2016, this rate was 68%;
- employee retention for all personnel and for site managers. This rate was 66% overall in Fiscal 2016 and 81% for on-site managers;
- internal promotion, which is measured by the number of employees promoted to site manager, to a middle management or a senior management position; representation of women in senior management, with a target for women in senior management positions of 25% by 2015, versus 18% in 2009. This proportion reached 30% in Fiscal 2016. In addition, it should be noted that 42% of the members of the Board of Directors and 38% of the Executive Committee members are women.
- percentage of Group revenues in countries having at least one OHSAS 18001 certification;
- number of work related accidents

Nutrition, health and wellness metrics, including:

- percentage of On-site Services revenues derived from activities with ISO 22000- or ISO 9001-certified food safety management systems;
- number of dietitians employed by Sodexo.

Economic, social and environmental development metrics, including:

- number of countries fighting hunger and malnutrition through Stop Hunger;
- percentage of Group revenues derived from On-site Services in countries that have SMEs (small and medium-sized enterprises) in their supply chain.

Environmental protection metrics, including:

- percentage of Group revenues derived from activities with ISO 14001-certified environmental management systems;
- percentage of suppliers having signed a supplier Code of conduct;
- percentage of sites implementing heightened awareness and behavior steps to reduce their consumption of water and energy;
- percentage of sites implementing equipment and processes to reduce their waste;
- certified sustainable fish and seafood as a percentage of total fish and seafood purchases.

In accordance with the April 24, 2012 decree on implementing the provisions of the January 12, 2010 "Grenelle II" act, Sodexo

selected an independent firm to audit a representative selection of social, environmental and societal data demonstrating the progress made in the area of corporate social responsibility. The conclusions of this audit are presented in section 2.6.3 of this document.

5.1.2.5 Description of the integrated risk management and internal control process

Sodexo has put in place a robust procedure for the identification of major risks, designed to ensure that risks are evaluated and managed at the appropriate level within the organization. Measures to manage risks are implemented either at the local or the Group level, depending on their nature.

The Group's internal control procedures rely on the fundamental principles defined by the Board of Directors.

The risk identification process is carried out in parallel at the central level for the Group, and locally

- The Group risk matrix is regularly updated and submitted to the Audit Committee and the Board of Directors.
- The Chief Executive Officers of the main Group subsidiaries assess the subsidiaries' main risks and describe the controls in place in order to manage them and evaluate the effectiveness of those controls.
- These self-assessments are aggregated at Group level and presented annually to the Audit Committee.

The Group is putting in place internal control procedures to manage newly identified risks.

The main risk factors to which the Group is exposed are described in section 3.6.1 of this Registration Document.

Internal control procedures are part of an ongoing process of identifying, evaluating and managing the Group's risk exposures. The internal control and risk management process is based on the internal control reference framework recommended by the *Autorité des marchés financiers* (AMF). The five components of the reference framework are the control environment (integrity, ethics, competencies, etc.), evaluation of risks (identification, analysis and management of risks), control activities (methods and procedures), information and communication (collection and sharing of information) and monitoring (follow-up and eventual updating of processes). In the coming years, further action will be taken to strengthen internal control, based increasingly on the COSO (Committee of Sponsoring Organizations) framework published in May 2013 (see glossary). Strongly endorsed by the Chief Executive Officer and Group Chief Financial Officer, the internal control and risk management approach was approved by the Board of Directors and the Audit Committee, and also has the backing of the Group Executive Committee.

The risk management and internal control approach applied within the Group consists of:

- the identification and assessment of risks;
- the description of the control environment, both at Group and subsidiary levels;
- documentation and self-assessment of these control points, both in subsidiaries and at Group level;
- independent testing of the effectiveness of these control points, by independent persons.

A very large number of Group subsidiaries, representing almost 98% of Sodexo's revenues, prepare a detailed report (Company Level Control Report) on their control environment based on the five components of the reference framework and which includes an evaluation of the subsidiary's principal risks, a description of risk management measures and an assessment of their effectiveness.

The most significant Group subsidiaries together representing more than 92% of Group revenues, go beyond this initial phase, and evaluate the effectiveness of their controls. Some of these controls are also subject to effectiveness tests performed by independent persons (Group internal auditors).

An executive summary of the status of internal controls and the progress achieved is submitted to the Audit Committee at the end of the fiscal year. In nine main areas, 1,901 controls were independently tested by Group Internal Audit in different subsidiaries. Twenty-nine percent of the recommendations made by Internal Audit in Fiscal 2016 have already been satisfactorily implemented and confirm actual progress, while action plans are underway to implement the other recommendations.

Description of internal controls relating to the preparation of accounting and financial disclosure

The **Group Finance Department** is responsible for ensuring the reliability of financial and accounting information.

The production and analysis of financial information is conducted through a collection of procedures put in place at both operational sites and in the Group and subsidiaries' Finance Departments.

The subsidiaries' Finance Departments produce monthly a cumulative income statement since the beginning of the fiscal year, a balance sheet, and a statement of cash flows. They also regularly produce projections for the full year. Financial statements are consolidated on a monthly basis by the Group Finance Department.

At the end of the first half, the external auditors conduct a limited review of the interim financial statements.

At the end of the fiscal year, the Chief Executive Officers and Chief Financial Officers of the business units certify the reliability of

their financial statements, prepared in accordance with the IFRS standards adopted by the European Union. The external auditors of the main subsidiaries express a view on these financial statements in connection with the mission referred to them by the Group auditors. The Group Finance Department monitors changes to IFRS standards and interpretations and ensures that the accounting treatments applied by all subsidiaries are compliant with Group rules.

Twice a year, the Group Finance Department identifies the events that may have led to one or several assets being impaired, notably goodwill and intangible assets (in accordance with IFRS). Where appropriate, the carrying amount of the asset concerned is written down in the financial statements.

Operational and financial reporting (comprising improvement metrics for client retention, sales development and revenue growth on existing comparable sites) is discussed within each business unit by its segment Chief Executive Officer and Executive Committee and is then presented to the Group Executive Committee, and then to the Chairwoman of the Board of Directors. In addition, quarterly reviews with each of the Group's business units give the Group Chief Executive Officer and Group Chief Financial Officer insight into performance trends for the business unit based on the financial reporting and operational information.

Procedures are in place to identify off-balance sheet commitments. This term covers all rights and obligations that may have an immediate or future impact on Sodexo's financial position but are not recognized (or are only partially recognized) in the balance sheet or income statement. These include items such as assets pledged as security; guarantees relating to operating contracts (for example bid bonds or performance bonds), to borrowings, or to claims and litigation; lease obligations not recognized in the balance sheet; commitments under call or put options, etc. Off-balance sheet commitments are presented regularly to the Board of Directors.

The Group Insurance Department works closely with the relevant executives in the subsidiaries to:

- put in place insurance coverage to protect the interests of the Group;
- identify and evaluate the key risk exposures faced by Sodexo, with particular attention to the emergence of new risk factors associated with changes in our activities, especially in facilities management;
- reduce contractual risk, in particular by means of limitation of liability clauses or hold-harmless agreements; and
- achieve the appropriate balance between risk retention (self-insurance) and the insurance market in covering the potential financial consequences of Sodexo's risk exposure.

The Group Legal Department works pro-actively with the operational teams and is supported by the legal teams at local levels.. It oversees compliance with legal requirements. It also ensures that contractual negotiations are handled in a balanced manner, and that risks pertain solely to contractual obligations for services and are limited in value and duration.

Lastly, using the financial information reported and consolidated, the Chief Executive Officer, assisted by the Group Finance Department, prepares the Group's financial communication. The Chief Executive Officer also relies on the operating data required to prepare the Registration Document. The interim and annual results Press releases are submitted to the Board of Directors for approval.

To enable the Chief Executive Officer to provide reliable information on the Group's financial situation, a Disclosure Committee comprising representatives from the Group's corporate functions reviews all financial information prior to publication. Members represent the following functions: Financial Control, Financial Communications, Legal, Human Resources, Sustainable Development, Communications and Corporate Governance.

5.1.2.6 Group Internal Audit Department

The Internal Audit Director reports directly to the Chairwoman of the Board, thus ensuring the independence of the Group Internal Audit Department within the organization. The Internal Audit Director meets the Chairwoman of the Board on a monthly basis and works closely with the Chairman of the Audit Committee, holding informal meetings (approximately four times per year).

Since 2015, Sodexo's Group Internal Audit activities have been certified by the French Internal Audit and Internal Control Institute (IFACI). This internationally recognized certification attests to Sodexo's compliance with and application of 30 general requirements of the Professional Internal Audit Standards (independence, objectiveness, competence, methodology, communication, supervision and continuous assurance program).

IFACI certification is a high-level confirmation of quality and performance that:

- powerfully conveys Sodexo's rigorous approach to evaluating its risk management and internal control processes;
- benchmarks Sodexo's processes against best market practices;
- enables the Group to sustainably strengthen its internal audit practices;
- unites employees around a challenging project.

The Internal Audit Department performs internal audits of Group entities based on an Internal Audit Plan. A review of potential risks, conducted by the Chairwoman of the Board of Directors,

the Group Chief Executive Officer, the Group Chief Financial Officer and the Internal Audit Director (with input from the external auditors and the Executive Committee), is used to prepare an annual list of organizational structures, subsidiaries, and issues eligible for internal audit. The Audit Committee reviews and approves this annual audit plan.

The responsibilities of the Internal Audit Department include:

- ensuring, with the related functional teams, that employees throughout the organization are aware of and diligently apply Group policies;
- ensuring that delegations of authority and procedures have been established and communicated to the appropriate levels of management, and checking that they are properly implemented;
- helping to assess subsidiaries' internal controls, issuing action plans designed to remedy identified control weaknesses, and monitoring implementation of these action plans.

The Internal Audit Department may also conduct special assignments at the request of the Chairwoman of the Board, the Audit Committee, the Chief Executive Officer or the Executive Committee.

Most (68%) of the Group Internal Audit Plan approved by the Audit Committee at the start of Fiscal 2016 was completed during the year. The Group Internal Audit Department, with an average of 25 staff, conducted 75 audits in 31 countries. In addition, a network is in place of some 90 internal controllers (many of whom report to the finance managers). This network is coordinated by a central internal control team and enables specific support to be given to internal audit engagements and to rectifying weaknesses identified by the internal audit team.

The Internal Audit Department regularly tracks implementation of post-audit action plans by Group subsidiaries. An overall progress report is updated regularly and submitted on a semi-annual basis to the Chief Executive Officer, the Group Chief Financial Officer, the Chairwoman of the Board and the Audit Committee. Further progress was achieved in following up recommendations in Fiscal 2016. All audits are followed up on the ground within a maximum of 12 months.

Around 86% of recommendations made in years prior to Fiscal 2016 have been implemented by the subsidiaries' management. For Fiscal 2016, 29% of the 1,351 recommendations made by the Group Internal Audit Department have already been implemented and the other recommendations are addressed in action plans. The Audit Committee does not accept any refusal by a subsidiary to implement an internal audit recommendation. In Fiscal 2016, the Internal Audit Department carried out a survey of a sample of entities. The vast majority (98%) of them considered that the quality of audits was satisfactory; however, there were calls for Audit Reports to be issued more quickly.

Every year, the Group Internal Audit Department measures the savings made and the losses avoided through its audits. In Fiscal 2016, investigations, assistance engagements and process efficiency audits generated value added of 8.3 million euro (representing the sum of avoided costs and cost savings less internal audit costs).

The Group Internal Audit Department also conducts an independent evaluation of internal control.

Finally, the Internal Audit Department assesses the external auditors' independence and reviews the annual budgets for external auditors' fees (for both statutory audit work and other engagements) prior to their approval by the Audit Committee.

Risk management and the reinforcement of internal control are a permanent strategic priority for the Group.

However, internal controls cannot provide an absolute guarantee that all risks have been eliminated. Sodexo nevertheless endeavors to ensure that the most effective internal control procedures feasible are in place in each of its subsidiaries.

In the preparation of this report, and in compliance with the recommendation issued by the French securities regulator, the *Autorité des marchés financiers* (AMF), in July 2010, Sodexo has notably relied on the "Reference Framework" produced by the French Market Advisory Group and published by the AMF.

Sophie Bellon
Chairwoman of the Board of Directors

5.1.3 STATUTORY AUDITORS' REPORT, PREPARED IN ACCORDANCE WITH ARTICLE L.225-235 OF THE FRENCH COMMERCIAL CODE (CODE DE COMMERCE), ON THE REPORT PREPARED BY THE CHAIRWOMAN OF THE BOARD OF DIRECTORS OF SODEXO SA

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 with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

For the year ended August 31, 2016

In our capacity as Statutory Auditors of SODEXO SA, and in accordance with article L.225-235 of the French Commercial Code (*Code de commerce*), we hereby report to you on the report prepared by the Chairwoman of your Company in accordance with article L.225-37 of the French Commercial Code for the year ended August 31, 2016.

It is the Chairwoman's responsibility to prepare, and submit to the Board of Directors for approval, a report on the internal control and risk management procedures implemented by the Company and containing the other disclosures required by article L.225-37 of the French Commercial Code in particular relating to Corporate Governance.

It is our responsibility:

- to report to you on the information set out in the Chairwoman's Report on internal control and risk management procedures relating to the preparation and processing of the financial and accounting information; and
- to attest that this report contains the other disclosures required by article L.225-37 of the French Commercial Code, it being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

Information concerning the internal control and risk management procedures relating to the preparation and processing of financial and accounting information

The professional standards require that we perform procedures to assess the fairness of the information on internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairwoman's Report. These procedures mainly consisted in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the financial and accounting information on which the information presented in the Chairwoman's Report is based and of the existing documentation;

- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the financial and accounting information that we may have identified in the course of our work are properly described in the Chairwoman's Report.

On the basis of our work, we have no matters to report on the information given on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the Chairwoman of the Board's Report, prepared in accordance with article L.225-37 of the French Commercial Code.

Other disclosures

We attest that the Chairwoman's Report sets out the other disclosures required by article L.225-37 of the French Commercial Code.

Neuilly-sur-Seine and Paris La Défense, November 16, 2016

The Statutory Auditors

PricewaterhouseCoopers Audit

Jean-Christophe Georghiou

KPMG Audit

Department of KPMG SA

Hervé Chopin