Bezons, May 6, 2021

Vote for all resolutions at the Worldline 2021 AGM including items 11, 13 and 14

Dear Worldline Shareholder,

We are writing to you today as Lead Independent Director, Chair of the Nomination Committee and Chair of the Remuneration Committee to address some concerns raised by two proxy advisory firms about certain resolutions that will be presented to Worldline shareholders at our Annual General Meeting that will be held on Thursday May 20, 2021.

In this context, we would like to explain why we strongly believe shareholders should support all of this year's resolutions including Resolutions 11, 13 and 14.

- **Resolution 11 – Renewal of Mr. Johannes Dijsselhof as censor**

While we recognize that the appointment of censors on a Board is a practice that some proxy advisors and investors question the utility, in our case, we believe that the role of a censor has merit to the Board and is a benefit to all shareholders.

Worldline uses the censor role as a preparatory opportunity for potential future board members. This was the case for current members Daniel Schmucki and Gilles Arditti. The tenure of a censor mandate is short (one year) so is reviewed by the Nominations Committee annually.

Resolution 11, proposes the re-election of Mr. Johannes Dijsselhof, Chief Executive Officer of SIX Group AG, as censor. Since his appointment last year, Mr. Dijsselhof has and will continue to make a highly positive impact to the initiatives and functioning of the Board. Worldline benefits from his extensive experience in banking, finance and payment services. His 97% attendance rate demonstrates a high degree of implication and commitment to Worldline. Also, the involvement of SIX Group's CEO on our Board underscores the strategic nature of its shareholding in Worldline.

Mr. Johannes Dijsselhof proposed one-year mandate as censor is part of the history of the agreements concluded with SIX Group AG when Worldline acquired SIX Payment Services in 2018 and later in the context of the acquisition of Ingenico (details of these arrangements can be found in the Company's 2020 Universal Registration Document (Section G.2.3.1) and the Board of Directors' report). A portion of Worldline's transformative growth has come through acquisitions – SIX Payments but also Ingenico last year. During the planning of the Ingenico acquisition, SIX Group AG's full support as main shareholder was a key success factor and this strategic partner agreed a new lock-up period as confirmed in Resolution 4.

These two acquisitions included agreements to ensure adequate representation of the main shareholders post-acquisition (shares held as well as voting rights). Along with ensuring appropriate and balanced board representation of these anchor shareholders, the Board composition must also take into account the overall level of independence, gender-balance, diversity, the skills required for the Board and the integration of new Directors from Ingenico.

This balance aims to reflect SIX Group AG's status as a key partner of the Group and take into account its weight in Worldline share capital (10.69%) and voting rights(18.90%) while avoiding the pitfall of an over representation of SIX Group AG.

The use of a censor provides an efficient mean to maintain this balance, to allow us to benefit from additional highly valued competencies and to contribute to the quality of the initiatives and efficient functioning of the Board in the interest of all of Worldline's shareholders and stakeholders.

For the reasons presented above, your Board of Directors reiterates its recommendation that shareholders vote in favor of the renewal of Mr. Johannes Dijsselhof as censor.

- **Resolutions 13 & 14 – Approval of the elements of compensation and benefits paid for the financial year ending December 31, 2020 or awarded for the same financial year to Mr. Gilles Grapinet, Chairman and Chief Executive Officer and to Mr. Marc-Henri Desportes, Deputy Chief Executive Officer**

The Board is of the opinion that Mr. Gilles Grapinet and Mr. Marc-Henri Desportes' 2020 compensation are in full alignment with shareholder interest.

The proposed elements of compensation and benefits of the CEO and Deputy CEO for 2020 are compliant with the shareholder approved (96.5%) 2020 compensation policy which was also favorably recommended by these two proxy advisors.

Worldline's rationale for re-adjusting the financial objectives for the year 2020 of the 2018 and 2019 LTI plans with the revised guidance communicated during the first semester 2020 in the Covid-19 pandemic context, was explained to many large investors in corporate governance roadshows lead by the Lead Independent Director (LID-lead CGRS) and was detailed in our 2020 Universal Registration document (URD) (Sections G.3.3.4 and G.3.3.6). A concerted effort was made to explain the appropriateness of these modifications and why overall corporate officer compensation remained aligned with shareholder interest. The following main points stood out to the Board in assessing the need for these adjustments:

- The alignment with the revised guidance communicated in Q1 2020;
- The 2020 performance of the Company under the top management's leadership;
- The entrance of Worldline into the CAC 40 index (France's blue-chip index);
- The total target compensation of the corporate officers in 2020 which falls well below their CAC 40 peers;
- The very material impact of Covid-19 on the CEO and the Deputy CEO's 2020 compensation;
- The excessive and unfair damage to Worldline's corporate officers potential compensation without the re-alignment of the financial targets with the revised guidance as the 2018 and 2019 LTI plans would have otherwise failed.

In the face of the global pandemic, the full commitment of the management allowed the Group to leverage its resilient and diversified business model as well as its customer-focused organization to implement an early and effective response to the Covid crisis:

- Worldline's 2020 revenue reached € 2.7 billion, +15.4% compared to 2019 statutory revenue, with an organic decline for the year limited to -4.6%.
- Group's OMDA reached € 700 million or 25.5% of revenue representing an increase of +60 basis points compared to 2019 at constant scope and exchange rates. This solid performance reflects the ongoing transformation and synergy plans of the combined Group, as well as the strong actions taken to adapt the cost base to mitigate the pandemic's impact on the Group's profitability while continuing investing in strategic projects to feed future growth.

- Normalized net income Group share (excluding unusual and infrequent items, Group share, net of tax) stood at € 361 million (€+61 million vs. FY 2019) or 13.1% of revenue (+50 basis points improvement year-on-year).
- Free cash flow in 2020 was € 295 million, including € 54 million of Ingenico transaction acquisition costs. Excluding these costs, the Group free cash flow increased by +21.3% compared to 2019, representing a 49.8% cash conversion of OMDA, well above the objective of the year and representing a strong improvement by +200 basis points year-on-year.

This performance in this challenging context has been and remains recognized by the financial market as reflected by the stock market value of the share which has increased by more than 23% in 2020, allowing Worldline to create value for its shareholders, among other stakeholders.

When making its decision, the Board then took into account:

- the resilience of Worldline's financial achievements in 2020 against the backdrop of the global pandemic: despite the exceptional context, top managers of Worldline successfully worked to ensure business continuity, control costs, support business operations and succeeded in mitigating the impact of Covid-19 on the Company's financial results;
- the successful completion of the Ingenico acquisition against this global pandemic context; which is a key success of the year for the Group and a strategic milestone in its accelerated growth trajectory ;
- the evolution in the share price which almost doubled for the period 2018-2020 and increased by +25% in year 2020 despite the pandemic, enabling Worldline to create value for its shareholders.

Secondly, as detailed in Sections G.3.1.4 and G.3.1.5 of our 2020 URD and the LID-lead CGRS, given the recent entry of the Company in the CAC 40, the Board completed a comparative analysis of the compensation policies of comparable peers in the CAC 40 rather than a limited number of comparable companies in terms of business sector, market capitalization and size.

This analysis showed important discrepancies in the total target compensation of Worldline's corporate officers in comparison to those of its CAC 40 peers in 2020:

- For the Chief Executive Officer: 21% inferior to the 25th percentile of the CAC 40 and 35% inferior to the median of the CAC 40;
- For the Deputy Executive Officer: 31% inferior to the 25th percentile of the CAC 40 and 43% inferior to the median of the CAC 40.

Thirdly, the 2020 compensation of the CEO and Deputy CEO were already severely impacted by the Covid-19 context as already presented in the Company's 2020 URD (Sections G.3.2.2 for the CEO and G.3.2.3 for the Deputy CEO). In that respect, it is worth mentioning notably that:

- As required by the corporate officers in relation to the global pandemic, the <u>non</u>-implementation of the 2020 fixed and variable cash compensation increase initially decided by the Board despite the fact that their total target compensation was well below market practices as explained above;

- The Board's decision <u>not</u> to re-adjust the targets of the annual bonus 2020 for the corporate officers already significantly impacted their 2020 bonus (the average payout of semester 1 and semester 2 amounts to 56.08% of the annual target variable compensation for 2020) despite the resilience of the Group and its stock performance.

Finally, the Board highlighted that, contrary to more recent plans, the 2018 and 2019 LTI plans vest after a 3-year period depending on meeting each year the annual internal performance conditions. Moreover, these two past LTI plans are on/off plans with no achievement curves. Consequently, due to the plan design, failure to meet the KPIs in 2020 would have definitively prevented the 2018 LTI plan from vesting (despite the achievement of the performance conditions in 2018 and 2019) as well as the 2019 plan (despite the achievement of the performance conditions in 2019 and the remaining year 2020 before the end of the plan). The Board felt discretion was appropriate because for the three years the external performance criteria linked to social and environmental responsibility were met and the annual internal performance conditions were met in 2018 and 2019. Ultimately, the Board decided that it would be unfair to the corporate officers as well as the employees participating in these plans and detrimental to the Company and its shareholders to allow these two LTI plans to expire with no vesting possibility due to Covid's impact on Worldline.

For the reasons described above, last July your Board decided to align the 2020 internal performance conditions applicable to the 2018 and 2019 LTI plans with the 2020 budget revised on the basis of the 2020 market guidance as revised end of Q1 2020 (for the stock options plans) and with the 2020 market guidance as revised end of Q1 2020 (for the performance shares plans).

If the pandemic had not occurred, the Board would have made no adjustment to these plans (except for the changes in scope). The structures, indicators and potential grant amounts of the plans remained unchanged; only the target levels were adjusted to be aligned with the revised guidance. Based on the Company's 2020 performance and taking into account the targets re-aligned with the revised guidance communicated in Q1 2020, the Board acknowledged in February 2021 that the internal conditions for the year 2020 were fulfilled for the 2018 LTI plan ended in 2020 performance year (so it can vest since the 2018 and 2019 internal performance conditions were also met) and the 2019 LTI plan ended in 2021 performance year (which remains subject to the achievement of the 2021 internal performance conditions).

The Board considered many factors before making this important decision. While conscious of the detrimental impact that the public health crisis has had on all of us, it remained convinced that it would be neither fair to LTI plan participants nor in shareholder interest to allow these historic LTI plans to fail. Overall, when examining the reduction of corporate officer bonuses and Worldline's compensation levels versus its CAC40 peers, the 2020 Remuneration Report remains very reasonable and applies the "Pay for Performance" principal.

Moreover, to ensure the success of the Ingenico integration process, the Board considers it to be essential to maintain the motivation of the beneficiaries, including our corporate officers, and to allow Worldline to achieve its short and long-term objectives while ensuring a community of interests with its shareholders.

LTI plans are a key motivational tool to create shareholder value and foster loyalty from our employees. By not allowing the 2018 and 2019 LTI plans to fail, the Company ensures that it maintains the development of the community of interest with its shareholders.

We also note that other voting agencies, such as Proxinvest, do not share ISS and Glass Lewis' opinions and recommend voting in favor of resolutions 13 and 14.

Shareholder support for 2020 Remuneration Report for the corporate officers is warranted in our case. We recognize that proxy advisory recommendations play a part in your overall voting decision but given all the detailed explanations provided above and the consequences for the Company, the Worldline Board believes that is important that our shareholders make their own analysis concerning the 2020 Say on Pay.

Your Board of Directors reiterates its recommendation that shareholders vote FOR Resolutions 13 and 14 to approve respectively the CEO's 2020 remuneration report and the Deputy CEO's 2020 remuneration report.

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We remain at your disposal to discuss any concerns that you may have about any of this year's resolutions including items 11, 13 and 14.

Worldline has been transformed very quickly and its Board has strove to apply our local French governance code as well as international best corporate governance practice. We believe that all the resolutions presented this year are in the best interest of shareholders and stakeholders. Where we have made adjustments, the Board has made a sincere and concerted effort to engagement with investors and proxy advisory directly about the rationale behind these decisions and their ultimate alignment with the interests of all our shareholders and wider stakeholders.

Your Board of Directors considers that a vote against these resolutions would be unfair and could be highly detrimental to the Company.

As a consequence of the above, the Board of Directors strongly reiterates its recommendation that shareholders vote FOR all resolutions, including resolutions 11, 13 and 14.

We thank you in advance for your time and consideration.

Best regards,

Georges PAUGET
Lead Independent Director

Lorenz von HABSBURG LOTHRINGEN
Chairman of the Nomination Committee

Luc REMONT
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