

INFORMATION ON THE COMPENSATION OF THE NEW CHIEF EXECUTIVE OFFICER

Puteaux, 10 May 2022 (6.30 pm CEST)

The appointment of Laurent Guillot as ORPEA's Chief Executive Officer effective July 1, 2022, was announced by press release on May 2, 2022.

At its meeting on April 28, 2022, upon the recommendation of the Nominating and Compensation Committee, the Board of Directors finalized the components of the new CEO's compensation for financial year 2022, as described below. Mr. Guillot will receive this compensation for his role as CEO beginning on July 1, 2022.¹

These components of his compensation were decided upon with the assistance of a compensation expert in light of ORPEA's corporate interest, taking into account the recommendations of the Afep-Medef Code as well as market practices.

They remain subject to the approval by the 2022 General Shareholders' Meeting of the 2022 CEO compensation policy, which will apply to him and which will be described in the Company's 2021 Universal Registration Document.

Fixed compensation

In light of Mr. Guillot's experience and skills, his previous level of compensation, and the practices of comparable companies (in particular the companies making up the SBF120 index), his gross annual fixed compensation has been set at €760,000, divided into twelve monthly payments. For 2022, this compensation will be prorated.

This amount is expected to be reviewed at relatively long intervals, in accordance with the Afep-Medef Code's recommendations.

Annual variable compensation

Mr. Guillot's gross annual variable compensation in his capacity as CEO for financial year 2022 will be 100% of his gross annual fixed compensation (€760,000) if the objectives are achieved at a level of 100% or higher², with no guaranteed minimum.

The performance conditions applicable to his 2022 annual variable compensation will be determined and disclosed in the coming weeks. However, it has already been decided that:

¹As compensation for the services that he will render to the Group beginning May 2, 2022, Mr. Guillot will receive gross annual fixed compensation of €750,000, on a pro rata basis.

² Beginning in fiscal year 2023, his gross annual variable compensation may represent up to 150% of his annual fixed compensation if the relevant objectives are exceeded, as the CEO compensation policy has provided for up to now.

- The performance criteria, which will be both quantifiable and qualitative, will be defined precisely and tied in a major part to the improvement of the wellbeing of the residents;³ and
- They will include a qualitative objective relating to the presentation to the Board of Directors of a plan for the improvement and transformation of the Group.

The Board of Directors will decide on the amount of his variable compensation for financial year 2022 based on the achievement of these performance conditions, and on a pro rata basis.

Payment of this compensation will be subject to the approval of the 2023 General Shareholders' meeting, in accordance with Article L. 22-10-34 of the French Commercial Code.

Long-term compensation

The CEO may receive a long-term incentive plan for the 2022 financial year in the form of free share grants, subject to performance and presence conditions, in an amount representing 160% of his (pro rata) gross annual fixed compensation, as of the date of the grant.

The performance conditions applicable to his long-term compensation, with a minimum duration of three years, and the lockup conditions applicable to the CEO will be decided and disclosed in the coming weeks.

By way of exception, the Board of Directors will waive the continued presence condition applicable to the compensation plan granted to the CEO for the 2022 financial year in the event of Mr. Guillot's forced departure prior to December 31, 2022, due to a disagreement between Mr. Guillot and the Board of Directors regarding one or more essential components of ORPEA's improvement and transformation plan.

Severance payment

Beginning on December 31, 2023, in the event of a forced departure, whatever the form of his departure from the position of CEO, Mr. Guillot will have the right to a severance payment of a maximum of twice his gross annual compensation (fixed and variable) actually paid over the twelve months preceding the date of his departure from the position of CEO, it being specified that his removal as CEO due to gross negligence or serious misconduct will not be deemed a forced departure.

Mr. Guillot will receive no severance payment in the event that:

- He leaves ORPEA on his own initiative (hence, excluding forced departures) or changes position within the Group;
- He has the right to claim retirement benefits; or
- His departure is due to reaching the applicable age limit for serving as CEO.

³ The performance criteria for 2023, which will be both quantifiable and qualitative, will also be defined precisely and tied in a major part to the improvement of the wellbeing of the residents.

Payment of this severance will be subject to compliance, duly recorded by the Board of Directors, with the conditions relating to Mr. Guillot's performance, assessed in light of the Company's own performance. The right to receive the severance payment, as well as its amount, will thus depend on the degree to which Mr. Guillot satisfies the performance criteria used to determine payment of the CEO's annual variable compensation, as set forth below:

- Mr. Guillot will have a right to the maximum severance payment if the average variable compensation that he has received over the two financial years preceding his departure was equal to or greater than 85% of his target annual variable compensation;
- This amount will be reduced proportionally in the event that the average variable compensation that he has received over the prior two financial years was between 70% and 85% of such target annual variable compensation; and
- No severance will be paid below a satisfaction rate of 70%.

By way of exception, in the event of Mr. Guillot's forced departure, whatever the form of his departure from the position of CEO, prior to December 31, 2023:

- In the event of a departure during the 2022 financial year, the amount of Mr. Guillot's severance payment will be equal to six months' total gross compensation (both fixed and target variable compensation), subject to performance conditions relating to (i) ORPEA's results, which will be defined and disclosed in the coming weeks, and (ii) Mr. Guillot's managerial performance. Mr. Guillot's managerial performance will be assessed solely with regard to his assignment to present a plan to the Board of Directors for the Group's improvement and transformation; his departure will be deemed a forced departure in the event of a disagreement between Mr. Guillot and the Board of Directors as to one or more essential elements of that plan.
- In the event of his departure during the 2023 financial year, Mr. Guillot's severance payment will be calculated on a pro rata basis⁴, subject to the degree to which he has satisfied the performance criteria applicable to the CEO's annual variable compensation for the 2022 financial year, as set forth below:
 - If the performance criteria are satisfied at a level of less than 70%, no severance will be paid;
 - If the performance criteria are satisfied at a level of between 70% and 85%, the CEO will receive between 70% and 85% of the maximum amount, calculated linearly based on the satisfaction rate;

⁴ One year of gross annual compensation (fixed and variable) in the event of departure before June 30, 2023 and eighteen months of gross annual compensation (fixed and variable) in the event of departure before December 31, 2023.

- If the performance criteria are satisfied at a level of 85% or higher, the CEO will receive the maximum amount.

Other benefits

Moreover, Mr. Guillot will receive the following benefits in kind:

- A company car; and
- Coverage under the Company's health and pension plans, on the same terms as those applicable to the category of employees with which he is associated.

In accordance with the Afep-Medef Code's recommendations, Mr. Guillot will not have an employment agreement.

The CEO will not receive any types of compensation, including exceptional compensation, other than those described above. In particular, he will not receive a welcome bonus.

It is noted that Mr. Guillot's appointment to the Board of Directors will be proposed at the 2022 General Shareholders' Meeting, and that he will receive no compensation for his services as a director.

About ORPEA (www.orpea-corp.com)

Founded in 1989, ORPEA is one of the world leaders in Dependency care (nursing homes, assisted living, post-acute and rehabilitation hospitals, mental health hospitals, home care services)

ORPEA is listed on Euronext Paris (ISIN code: FR0000184798) and is a member of the SBF 120, STOXX 600 Europe, MSCI Small Cap Europe and CAC Mid 60 indices.

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