Information concerning the financial conditions surrounding the departure of Mr Jean-Claude Brdenk and regulated agreement

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Puteaux, 6 November 2020

At its meeting on 2 November 2020, the Board of Directors, on the recommendation of the Appointments and Remuneration Committee, determined the financial conditions for the termination of Mr Jean-Claude Brdenk's duties as Chief Operating Officer of ORPEA, effective 31 December 2020.

Fixed annual remuneration

Mr Jean-Claude Brdenk will receive his fixed annual remuneration for the 2020 financial year (which has remained the same for the past five years) until the date on which his duties end. It is hereby noted that, at his request, his fixed annual remuneration was reduced by 25% for the second quarter of 2020 to account for the exceptional circumstances related to the COVID-19 pandemic.

Annual bonus payment

Mr Jean-Claude Brdenk's annual bonus payment for the 2020 financial year will be determined by the Board of Directors which will finalise the 2020 annual accounts[1], in accordance with the quantifiable and qualitative criteria set by the Board of Directors on 4 May 2020, based on the Company's performance in 2020—and calculated on a pro rata basis until the date on which his duties end (i.e. 100% pro rata).

Payment of this bonus will be subject to prior approval by the Annual General Meeting convened to approve the accounts for the financial year ending 31 December 2020 ("**2021 Annual General Meeting**").

Severance payment

In view of the Chief Operating Officer's considerable contribution to the Group's development over many years, and given his past waiver of his employment contract, an arrangement was granted so that, in the event of termination of his duties as an executive director, Mr Jean-Claude Brdenk would be entitled to remuneration corresponding to 24 months of gross fixed annual remuneration and bonus payments (multiple of the average monthly remuneration due and paid in the past two financial years), excluding any exceptional and/or long-term remuneration[2]. This arrangement, approved annually by the Annual General Meeting since 2011, was last approved as part of Mr Jean-Claude Brdenk's remuneration policy for the current financial year at the Annual General Meeting on 23 June 2020.

The Board of Directors noted that Mr Jean-Claude Brdenk's departure was the result of an operational development within the Group and that, over the past two financial years, Mr Jean-Claude Brdenk's average bonus payment was greater than 75% of the non-exceptional target bonus payment, thus meeting the conditions for disbursement of the full severance payment.

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[1] See description pages 184 and 186 of 2019 Universal Registration Document.

[2] See description pages 187 and 188 of 2019 Universal Registration Document

The Board of Directors also noted that Mr Jean-Claude Brdenk was not eligible for full entitlement to his basic pension within six months of the termination of his duties.

As a result of this commitment and in compliance with these terms and conditions, a severance payment of €2,539,036.44 is due to Mr Jean-Claude Brdenk.

This payment will be subject to prior approval by the 2021 Annual General Meeting.

Non-competition, non-solicitation and non-disparagement commitments

From the date on which Mr Jean-Claude Brdenk's duties come to an end until 23 June 2023, Mr Jean-Claude Brdenk has provided commitments to the group regarding (i) non-competition subject to the retention of free shares under acquisition as at 31 December 2020 and (ii) non-solicitation and reciprocal non-disparagement subject to the Board's proposal to shareholders that the attendance requirement stipulated by the corresponding plans be waived.

Performance shares

In view of Mr Jean-Claude Brdenk's length of service, his contribution to the Group's development, the circumstances of his departure and the non-competition and non-solicitation commitments he has agreed to with the Group upon termination of his duties, the Board of Directors decided to make a proposal at the 2021 Annual General Meeting that the attendance requirement stipulated by the free shares plans under acquisition (2018, 2019 and 2020 plans) be waived on a prorata basis.

Retaining the 38,558 performance shares not yet vested on the date of termination would depend on the performance conditions over the entire performance assessment period provided for in each plan and on Mr Jean-Claude Brdenk's adherence to his aforementioned non-competition, non-solicitation and non-disparagement commitments.

The Board noted the Company's interest in entering into this agreement with Mr Jean-Claude Brdenk, which strengthens the Company's protection upon the departure of an executive director with in-depth knowledge of the Group's operation and development, having been part of the Group for nearly 24 years, including nearly 10 years as Chief Operating Officer, and having spent most of his career in this sector. The right to retain free shares on a pro rata basis is proportionate to Mr Jean-Claude Brdenk's non-competition, non-solicitation and reciprocal to non-disparagement commitments. In accordance with the provisions of Article R225-30-1 of the French Commercial Code, retaining the performance shares not yet vested to the beneficiary on the date of termination is valued at €516,899.60[3].

Unemployment insurance

Mr Jean-Claude Brdenk benefits from unemployment insurance, the premiums for which will be paid by the Group until the date on which his duties end.

Company car

Mr Jean-Claude Brdenk will continue to benefit from his company car until the termination date.

[3] IFRS valuation based on the closing price on 30 October 2020.

About ORPEA (www.orpea-corp.com)

Founded in 1989, ORPEA is one of the major world leaders in long-term care, with a network of 1,028 facilities comprising 105,443 beds (21,137 of which are under construction) across 22 countries, which are divided into five geographical regions:

- France Benelux: 523 facilities/46,277 beds (of which 4,957 are under construction)
- Central Europe: 249 facilities/26,491 beds (of which 4,885 are under construction)
- Eastern Europe: 136 facilities/14,621 beds (of which 3,647 are under construction)
- Iberian Peninsula/Latin America: 119 facilities/17,914 beds (of which 7,648 are under construction)
- Rest of the world: 1 facility / 140 beds

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

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