



## PUBLICIS GROUPE

### COMBINED ORDINARY AND EXTRAORDINARY GENERAL SHAREHOLDERS' MEETING OF PUBLICIS GROUPE SA TO BE HELD ON MAY 25, 2016

#### SUPERVISORY BOARD REPORT

Dear Shareholders,

Pursuant to Article L. 225-68 of the French Commercial Code, the Supervisory Board has reviewed the annual financial statements of the Company, the consolidated financial statements and the management report provided to them by the Management Board.

Having received all the information that we deem useful, we do not have any particular observations to make with regard to these documents.

The Supervisory Board has approved the strategic orientations underpinning the reorganization, presented by the Chairman of the Management Board, aimed at transforming the way the Group is operated in order to provide clients with the entire array of Publicis' skills and expertise. The Supervisory Board wishes the Management Board and staff every success with this transformation in order to anticipate future changes within the profession.

\*\*\*

The Supervisory Board assessed the work it carried out during the 2015 financial year by examining a summary of the work performed and the lessons learned. This assessment was carried out by Claudine Bienaimé who is an independent member of the Supervisory Board.

Four expert committees – the Appointment Committee, the Compensation Committee, the Audit Committee, and the Strategy and Risk Committee - assist the Supervisory Board in its work in order to continually improve corporate governance at Publicis. In 2015, the committees were reorganized due to the resignations of H el ene Ploix, Henri-Calixte Suaudeau and G erard Worms, all members of the Supervisory Board and of certain committees, and as a result of the appointment of Jerry A. Greenberg.

**The Appointment Committee** reviewed the composition of the Supervisory Board, in particular the representation of independent members, and made recommendations to the

Supervisory Board. The Committee also reviewed the nomination of CEOs for the Solutions hubs.

**The Compensation Committee** considered the compensation of the Chairman of the Management Board (who has had no fixed component since 2012) and of the Management Board members (both fixed and variable components) and made recommendations to the Board in this regard. The Committee also reviewed the compensation of the other members of the P12 Committee for information purposes. It considered the policy of paying compensation in the form of shares, and reviewed the performance-related bonus policy based on the results of the Group and each of its main networks. It was also consulted with regard to a new bonus system based directly on the Group's new organization.

**The Strategy and Risk Committee** examined the Group's risk map and the measures taken to mitigate these risks. The Committee conducted a detailed analysis of the Group's exposure to certain major risks, notably legal risks and risks relating to the management of human resources and information systems. It also discussed the main strategic options in terms of development and acquisitions, and reviewed risks relating to the execution of the Group's transformation.

**The Audit Committee** oversees the organization and implementation of Group audits, monitors the quality of internal control and verifies the truth and accuracy of the financial statements. The Committee provided the Supervisory Board with an opinion on the public offer to purchase Sapient Corporation shares and on the financing of this transaction, which are both within the scope of its remit. The Committee presented the Supervisory Board with its opinion on the financial statements for the year ended December 31, 2015, and more generally with regard to internal control and audit procedures.

\*\*\*

The Supervisory Board has approved proposals by the Management Board to increase the dividend per share from €1.20 last year to €1.60 this year, and to grant each shareholder the possibility of receiving payment in cash or in new shares, at the shareholder's discretion.

The Statutory Auditors will present their special report on related-party agreements under Articles L.225-86 *et seq.* of the French Commercial Code.

On the recommendation of the Appointment Committee, the Supervisory Board proposes that you to reelect Marie-Josée Kravis, Sophie Dulac, Véronique Morali, Marie-Claude Mayer and Michel Cicurel to the Supervisory Board, as their terms of office are due to expire. In order to avoid large-scale renewal of the Board in the future, and in keeping with the recommendation of the Afep-Medep Code to stagger terms of office, you are asked, subject to approval of the 29<sup>th</sup> resolution proposing a statutory amendment of the terms of office of Supervisory Board members, to reelect Véronique Morali and Marie-Claude Mayer for a period of three years, and Michel Cicurel for a period of two years.

Re-elect of Marie-Josée Kravis and Sophie Dulac are proposed for the statutory four-year term of office.

Amaury de Seze, whose term of office is also about to expire, has decided not to seek reelection.

The Supervisory Board wishes to express its profound gratitude to Amaury de Seze for his commitment and for the quality of his involvement on the Supervisory Board and on its committees, notably as Chair of the Compensation Committee.

After having obtained the opinion of the Appointment Committee, the Supervisory Board is proposing that you elect André Kudelski and Thomas H. Glocer as new members of the Board for a period of four years.

Their technical expertise and international experience in areas directly related to our business – particularly information and digital – will be major assets for the Supervisory Board in view of the Group's new profile.

Gilles Rainaut's term of office as Alternate Statutory Auditor is about to expire. On the recommendation of the Audit Committee, we are proposing that you reelect him for a further period of six years.

The Supervisory Board has given the Management Board its consent in relation to the proposals to renew the delegations of authority and financial authorizations put before the shareholders for approval.

We invite you to approve the resolutions submitted for your approval.

The Supervisory Board