



### Extract of the 2016 Registration Document

“The english language version of this report is a free translation from the original, which was prepared in French. All possible care has been taken, to ensure that the translation is an accurate presentation of the original. However, in all matters of interpretation, views or opinion expressed in the original language version of the document in French take precedence over the translation.”

## 2.2 Report on Corporate officers' compensation

Publicis Groupe has introduced a stringent and attractive compensation policy, designed to motivate employees to become fully involved in helping the Group achieve its strategic goals and to ensure long-term performance.

The compensation structure is communicated to employees, shareholders and investors in a clear and transparent manner.

The following information describes the philosophy and principles behind compensation for Corporate officers.

Since 2008, Publicis Groupe has referred to the Afep/Medef Corporate Governance Code to draw up the compensation report provided for in article L. 225-68 of the French Commercial Code.

In accordance with article L. 225-82-2 of the French Commercial Code, this report now includes the principles and criteria for the determination, distribution and allocation of the fixed, variable and exceptional elements of the total compensation and benefits of all kinds due to Executive corporate officers and Supervisory Board members.

The General Shareholders' Meeting of May 31, 2017 will be called to approve the compensation policies for the 2017 financial year for members of the Supervisory Board and Management Board (as detailed in Sections 2.2.1.1, 2.2.1.2, 2.2.2.2, and 2.2.3.1 below). For such purpose, eight resolutions will be proposed (eighth, eleventh, and fifteenth to twentieth resolutions). Resolutions of this nature will be submitted to the General Shareholders' Meeting each year for approval under the terms set forth by law. If shareholders at the General Meeting of Publicis Groupe S.A. fail to approve these resolutions, compensation shall be determined in accordance with compensation granted in the previous year, or in the absence of compensation granted in the previous year, in accordance with Company policy.

Please note that payment in 2018 of the variable and exceptional elements of compensation in respect of financial year 2017 which are set forth below for the Chairman of the Supervisory Board, Chairman of the Management Board, and members of the Management Board, will be subject to approval from the Ordinary General Shareholders' Meeting for these elements of compensation as provided for in article L. 225-100 of the French Commercial Code.

In addition, pursuant to article 26 of the Afep/Medef Corporate Governance Code, elements of the compensation due or paid to the Chairman of the Supervisory Board, Chairman of the Management Board and members of the Management Board in respect of financial year 2016 will be submitted to the General Shareholders' Meeting of May 31, 2017 for opinion (see Section 2.2.4.2, below).

### 2.2.1 Compensation of the Supervisory Board members

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Supervisory Board decisions related to compensation are made after obtaining the opinion of the Compensation Committee.

The following information will set forth the general principles of compensation, and principles specific to the Chairman and Vice-Chairperson of the Supervisory Board.

#### 2.2.1.1 Compensation policy for members of the Supervisory Board

The compensation policy for members of the Supervisory Board of Publicis Groupe SA aims to reward the expertise, involvement and independence of its members, against the backdrop of their ever-increasing commitment.

##### **Overall budget for attendance fees**

The total amount of attendance fees allocated to members of the Supervisory Board is determined by the Publicis Groupe SA's General Shareholders' Meeting.

The Group's General Shareholders' Meeting of May 28, 2014 set an annual envelope of euro 1.2 million for attendance fees for members of the Supervisory Board, valid for each financial year and until a new decision by shareholders.

Going beyond the recommendations of the Afep-Medef Corporate Governance Code, the Supervisory Board decided that the allocation of attendance fees among the members of the Supervisory Board will be solely based on actual attendance at Supervisory Board and committee meetings.

In accordance with the total maximum budget for attendance fees approved by the General Shareholders' Meeting, each member of the Supervisory Board receives €5,000 for each Supervisory Board meeting and each committee meeting attended.

For your information, the total amount of attendance fees used in 2016 was 65%.

##### **Exceptional compensation**

According to article 17 III of the Company's bylaws, the Supervisory Board may grant, in accordance with applicable laws, exceptional compensation for specific assignments and duties entrusted to its members.

This compensation shall be determined by the Supervisory Board by taking into account the length and complexity of the assignment after obtaining the Compensation Committee's opinion.

For your information, this option was not used in 2016.

This compensation policy of Supervisory Board members will be subject to the approval (*ex ante* vote) of the General Shareholders' Meeting of May 31, 2017 in its fifteenth resolution.

### **2.2.1.2 Compensation policy for the Chairman and Vice-Chairperson of the Supervisory Board**

In accordance with article 17 I of the Company's bylaws, the Chairman and Vice-Chairperson may, in addition to attendance fees, receive specific compensation in respect of these duties (which are not included in the total annual amount of attendance fees). The amount of this compensation will be determined by the Supervisory Board by taking into account market levels, upon the Compensation Committee's proposal.

The compensation awarded is a fixed amount, and excludes variable elements, additional benefits, and stock-based incentives.

The gross fixed compensation for Élisabeth Badinter as Chairperson of the Supervisory Board, is €240,000 (gross) per year. This compensation has remained unchanged since 2012.

Sophie Dulac does not receive any compensation as Vice-Chairperson.

Following the announcement on January 26, 2017 of the Supervisory Board's decision to appoint Arthur Sadoun effective from June 1, 2017 to succeed Maurice Lévy as Chairman of the Management Board of Publicis Groupe SA, Élisabeth Badinter proposed Maurice Lévy to join the Supervisory Board and succeed her as Chairman. Élisabeth Badinter would be appointed Vice-Chairperson. The appointment of Maurice Lévy as a member of the Company's Supervisory Board will be submitted to the General Shareholders' Meeting of May 31, 2017.

Élisabeth Badinter will not receive any compensation in her capacity as Vice-Chairperson of the Supervisory Board effective from June 1, 2017.

Élisabeth Badinter does not have an employment contract with Publicis Groupe SA or any of its subsidiaries.

This compensation policy for the Chairperson of the Supervisory Board is subject to the approval of the General Shareholders' Meeting (*ex ante* vote) of May 31, 2017 in its sixteenth resolution.

The compensation policy for Maurice Lévy as Chairman of the Supervisory Board is detailed in Section 2.2.2.2 B below, and is subject to the approval of the General Shareholders' Meeting (*ex ante* vote) of May 31, 2017 in its eighth resolution.

### **2.2.1.3 Amounts paid in 2016 to members of the Supervisory Board**

The total compensation including all benefits of any kind paid during the financial year ended December 31, 2016 to each member of the Supervisory Board, both by the Company and by the companies controlled by the Company as defined by article L. 233-3 of the French Commercial Code, is indicated hereafter. For certain members of the Supervisory Board, this compensation includes both a fixed salary and variable compensation. Total compensation is expressed in euros. The amounts indicated are gross amounts before deductions relating to taxes or social charges.

**COMPENSATION (IN EUROS) PAID DURING 2016 TO MEMBERS OF THE SUPERVISORY BOARD (GROSS AMOUNTS BEFORE SOCIAL SECURITY AND TAXES)**

	2016 Total gross compensation :	Fixed salary	Variable compensation	Attendance fees	Benefits in kind	2015 Total gross compensation	Including fixed salary
Élisabeth Badinter	295,000	240,000	-	55,000	-	310,000	240,000
Sophie Dulac	35,000	-	-	35,000	-	55,000	-
Simon Badinter	35,000	-	-	35,000	-	55,000	-
Claudine Bienaimé	105,000	-	-	105,000	-	120,000	-
Michel Cicurel	65,000	-	-	65,000	-	95,000	-
Hélène Ploix <sup>(1)</sup>	30,000	-	-	30,000	-	90,000	-
Amaury de Seze <sup>(2)</sup>	70,000	-	-	70,000	-	80,000	-
Henri-Calixte Suaudeau <sup>(3)</sup>	25,000	-	-	25,000	-	65,000	-
Gérard Worms <sup>(4)</sup>	35,000	-	-	35,000	-	95,000	-
Véronique Morali	75,000	-	-	75,000	-	85,000	-
Marie-Josée Kravis	50,000	-	-	50,000	-	60,000	-
Marie-Claude Mayer <sup>(5)</sup>	370,000	250,000	70,000	50,000	-	350,000	250,000
Jean Charest	50,000	-	-	50,000	-	50,000	-
Jerry Greenberg <sup>(6)</sup>	30,000	-	-	30,000	-	-	-

(1) End of term of office as a member of the Supervisory Board on May 27, 2015.

(2) End of term of office as a member of the Supervisory Board on May 25, 2016.

(3) End of term of office as a member of the Supervisory Board on May 27, 2015.

(4) End of term of office as a member of the Supervisory Board on May 27, 2015.

(5) Marie-Claude Mayer, member of the Supervisory Board, has an employment contract with Publicis Conseil.

(6) Appointment as member of the Supervisory Board on May 27, 2015.

The summary table of the elements of compensation awarded for the year ended December 31, 2016 to Élisabeth Badinter in Section 2.2.4.2 below will be submitted to the General Shareholders' Meeting of May 31, 2017 for opinion in its tenth resolution in accordance with the Afep/Medef Corporate Governance Code of November 2016.

## 2.2.2 Compensation structure for Maurice Lévy

### 2.2.2.1 Compensation for Maurice Lévy in respect of the 2016 fiscal year

#### Compensation mechanism

As proposed by Maurice Lévy, compensation for the Chairman of the Management Board does no longer include a fixed part and is be entirely variable and linked to Publicis Groupe performance from January 1, 2012 to December 31, 2016.

The Chairman of the Publicis Groupe SA Management Board receives no other element of compensation: he benefits from no share-based compensation programs put in place for the benefit of the other Group executives and he has no supplementary pension plan or lump-sum severance payment.

The compensation of the Chairman of the Management Board is calculated based on a theoretical maximum of €6 million.

However, total annual compensation cannot exceed €5 million. According to actual performance and to the assessment of the qualitative targets reached, Maurice Lévy's compensation can therefore vary from €0 to €5 million.

These conditions were set as of January 1, 2012 and maintained during his last reappointment on September 15, 2014.

#### CRITERIA CHOSEN FOR ASSESSING PERFORMANCE

The compensation of Maurice Lévy is based on financial and stock exchange performance criteria, essentially based on a comparison with the main competitors of Publicis Groupe (Omnicom, WPP and IPG) and on non-financial, individual performance criteria annually defined by the Supervisory Board, following a proposal made by the Compensation Committee depending on objectives considered as major for the future of the Group.

The compensation of the Chairman of the Management Board is thus based on three types of criteria:

- **three financial criteria** taking into account the development of the Group's growth and profitability compared with those of a peer group consisting of three other leading global communication groups (Omnicom, WPP and IPG):
  - the Group's organic revenue growth,
  - the net income rate versus Group revenue, and
  - the rate of change of the net income per diluted share of the Group (earnings per share or "EPS"), comparing the EPS of the financial year and the average EPS of the previous two financial years;
- **a criterion of value creation for the shareholder:** TSR (Total Shareholder Return) reflecting the variation of the share price of Publicis Groupe between the start and end of the related financial year concerned (on the basis of the average of the first listed prices recorded in the last 20 sessions of the year, compared with the average of the first listed prices in the first 20 sessions in the year), increased by the amount of the dividends paid during the financial year. This criterion is directly linked to the immediate interests of shareholders.

These four financial and stock exchange performance criteria were chosen by the Supervisory Board, following the proposal of the Compensation Committee, because they best express the quality of the Company's performance. Three out of four criteria are measured in comparison with the main competitors of Publicis Groupe, to encourage over-performance;

- **non-financial individual criteria** in order to value the implementation of key strategic actions which will yield long-term effects corresponding to a third of the overall weight of the criteria. Each year the Supervisory Board decides on the strategic objectives assigned to Maurice Lévy.

For 2016, these individual criteria focused equally weighted on the following:

- full and operational implementation of the new organization that arose from the Group's transformation; and
- finalization of the succession plan.

#### CRITERIA WEIGHTING AND MEASUREMENT OF THE FINANCIAL AND STOCK EXCHANGE PERFORMANCE

- weighting:
  - financial and stock exchange criteria account for two-thirds of the theoretical compensation of the Chairman of the Management Board:
    - 3/4 of this total amount is attributed on the basis of organic growth and net profit criteria, both equally weighted
    - 1/4 of this total amount is attributed on the basis of earnings per diluted share and TSR, each one being taken into account on an equal basis,
  - the non-financial individual criteria together account for a third of the compensation, with each criterion having the same weight;
- performance relating to each criterion, and the compensation to which this performance confers entitlement, is assessed separately, with each criterion being independent from the others;
- the compensation to be paid in respect of each of the financial and stock exchange criteria is surrounded by a minimum performance threshold, below which the compensation in respect of the criterion in question is zero, and a maximum cap that must be reached to achieve payment of the maximum corresponding amount. These thresholds and caps are shown in the table below:

	Minimum performance/compensation threshold	Maximum performance/compensation threshold
Financial criteria		
Rate of organic growth	80% of the average rate of organic growth of the peer group	Equal to or greater than 120% of the average rate of the peer group
Net income rate	80% of the highest peer group rate	Equal to or greater than the highest rate of the peer group
Evolution in the rate of diluted earnings per share	80% of the average peer group rate	Equal to or greater than the average rate of change of the peer group
TSR	Zero or negative	Positive

For the first three criteria, below the minimum performance threshold, no compensation is paid and between the two limits (minimum and maximum) the compensation to be paid is calculated in a linear manner between 0 and the maximum amount.

#### STABILITY OF THE FINANCIAL PERFORMANCE CONDITIONS

The Supervisory Board considers that consistency in the performance conditions is one of the factors for creating long-term value. Therefore the criteria of organic growth of revenue and net income rate of the Group compared with those of the Group's main competitors have been used as the basis for the calculation of Maurice Lévy's compensation for over ten years. With regard to the other two criteria (rate of net profit per diluted share and the change in the TSR), they were added in 2012 when the structure for the compensation of the Chairman of the Management Board was modified in order to maintain a strong alignment of interest with the shareholders. These two new parameters were applied to financial years

from 2013 to 2016.

In total, the Supervisory Board consequently wanted to base the compensation of the Chairman of the Management Board on diversified, financial and non-financial criteria, representative of the results to be achieved regarding crucial dimensions for the future of Publicis. The need for Publicis Groupe to outperform its main competitors (so that the maximum amount possible could be attributed) illustrates the demanding nature of the financial objectives in respect of which the extent of achievement is measured in a completely transparent manner on the basis of well-known figures or figures published by Publicis Groupe as they are by its competitors.

#### MEASURING PERFORMANCE IN THE 2016 FINANCIAL YEAR

In terms of financial criteria, performance is calculated based on figures published by the companies in the benchmark group (Omnicom, WPP and IPG). For individual non-financial criteria, performance was assessed by the Compensation Committee, and then by the Supervisory Board by examining in detail the achievements of the financial year in each of the two areas considered.

The Board, on the Compensation Committee's recommendation, noted that the organization that arose from the transformation decided in 2015 was actually implemented in 2016. This transformation has been far-reaching and difficult as it challenges both the processes and the staff. It has involved overcoming a number of obstacles, including psychological ones, but the planned organization, barring a few adjustments, is in place and operational. It even began generating its first profits from the very first year. The Committee considers this to be an exceptional performance. Consistent with the target, the succession plan was prepared throughout 2016 with the Appointments Committee, and harmoniously and consensually with the Supervisory Board and Group management, up until it was announced in January 2017. The entire plan was warmly received by both analysts and clients.

Publicis Groupe criteria	Performance level	Amount of variable compensation
Rate of organic growth	Organic growth for Publicis Groupe was 0.7%, which represented 18.1% of the average rate of organic growth of the peer group	No compensation
Net income rate	Publicis Groupe showed a net income rate of -5.4%	No compensation
Rate of change of diluted earnings per share	The change in the rate of diluted earnings per share between 2016 and the average for the 2014 and 2015 financial years was negative	No compensation
TSR	The TSR was €11.5	€500,000
Non-financial individual criteria	Objectives reached 100%	€2,000,000

#### Compensation paid in 2017 for financial year 2016

On March 1, 2017, having heard the recommendations of the Compensation Committee, the Supervisory Board set the variable compensation for 2016 payable in 2017 to the Chairman of the Management Board as follows:

- for financial criteria: €500,000, i.e. 12.5% of the theoretical maximum amount;
- for individual non-financial criteria: €2,000,000 (100% of theoretical maximum amount);

i.e. a total gross amount of €2,500,000.

#### Employment contract

The employment contract entered into with Maurice Lévy at the time of his arrival at the Group in 1971 has since been performed by various Group companies, and lastly by Publicis Conseil, where this contract had been suspended since Maurice Lévy's appointment as Chairman of the Management Board on January 1, 1988. Following the end of his term for the period between 2008 and 2011, Maurice Lévy decided to terminate his appointment as Chairman and Chief Executive Officer of Publicis Conseil and his employment contract.

#### Non-compete agreement of the Chairman of the Management Board

Under the non-compete agreement signed by Maurice Lévy, Mr. Lévy will not, for at least three years following the termination of his duties as Chairman of the Management Board of Publicis Groupe SA, for any reason whatsoever, work in any manner whatsoever with a company operating in the field of advertising, and more generally with a competitor of Publicis, nor can he invest in a competitor of Publicis.

In consideration of the observance of this non-compete agreement, Maurice Lévy shall receive a total amount equal to 18 months of total gross compensation (fixed compensation and maximum variable compensation as defined by the Supervisory Board on March 17, 2008), paid in equal monthly advance installments of €150,000 over the period covered by the non-compete clause, i.e. €5,400,000 (gross) in total for the three years.

This non-compete agreement, authorized by the Supervisory Board on March 17, 2008 and approved by a very large majority of 99.85% at the General Shareholders' Meeting of June 3, 2008, continues its effects without any change after the start of the new term of office of the Chairman of the Management Board on January 1, 2012 and its renewal on September 15, 2014.

The table summarizing the remuneration package due or awarded to Maurice Lévy for the period ended December 31, 2016 and appearing in Section 2.2.4.2 below will be submitted for approval at the General Shareholders' Meeting of May 31, 2017 in the eleventh resolution, in accordance with the Afep-Medef Code of November 2016.

### 2.2.2.2 Compensation of Maurice Lévy in respect of the 2017 fiscal year

#### A. Compensation of Maurice Lévy as Chairman of the Management Board until May 31, 2017

Since January 1, 2012, Maurice Lévy's compensation as Chairman of the Management Board has been entirely variable and related to achieving financial performance criteria of the Group, and related to non-financial individual criteria.

However, since his term as Chairman of the Management Board will end on May 31, 2017, the Supervisory Board has found it impossible to measure the Group's performance for only the first five months of 2017. The Supervisory Board of Publicis Groupe SA therefore decided to extend the amount of the compensation obtained for financial year 2016 and to prorate it over 2017.

This compensation policy for Mr. Maurice Lévy as Chairman of the Management Board for 2017 is subject to approval by the General Shareholders' Meeting (*ex ante* vote) of May 31, 2017 in the eleventh resolution.

#### B. Compensation of Maurice Lévy as Chairman of the Supervisory Board beginning June 1, 2017

Mr. Maurice Lévy's term of office as Chairman of the Management Board will expire at the end of the General Shareholders' Meeting of May 31, 2017.

At this crucial moment in the history of the Publicis Groupe, combining the succession of Maurice Lévy with the transformation of the Group, the Supervisory Board has asked Maurice Lévy to take an active role in supporting the transition and to that end wishes to appoint Mr. Lévy Chairman of the Supervisory Board as of June 1, 2017. The appointment of Maurice Lévy as a member of the Supervisory Board of the Company is subject to approval of the General Shareholders' Meeting of May 31, 2017.

In his new role as Chairman of the Supervisory Board, Mr. Lévy would assist, though without operating responsibility, the new Management Board in this phase of gradual transition, and more specifically, maintain with the Group's major clients the relationship of trust established in many cases decades ago, be consulted by the members of the Management Board about all important occurrences, coordinate efforts made with the public authorities in countries where Publicis operates and give the Group the benefit of his 46 years of experience.

In consideration of this investment and waiving the gross annual non-compete compensation of €1,800,000 for three years which he received under his non-compete agreement authorized by the Supervisory Board on March 17, 2008 and approved by the General Shareholders' Meeting of June 3, 2008, the Supervisory Board would set the gross annual compensation of Mr. Lévy as Chairman of the Supervisory Board beginning June 1, 2017 at €2,800,000.

This compensation policy for Mr. Lévy as Chairman of the Supervisory Board is subject along with his appointment to the Supervisory Board to approval by the General Shareholders' Meeting (*ex ante* vote) of May 31, 2017 in the eighth resolution.

## 2.2.3 Compensation of the Management Board

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In accordance with article 10 IV of the Company's bylaws, compensation for the Chairman and members of the Management Board will be set by the Supervisory Board and reviewed on the recommendation of the Compensation Committee. For members of the Management Board other than the Chairman, the Chairman of the Management Board shall make proposals to the Compensation Committee.

### 2.2.3.1 Compensation policy regarding the Management Board

The compensation policy of the Publicis Groupe SA Management Board aims to align the interests of the Group's Executives with those of the shareholders by establishing a clear link between performance and compensation. Within this context, its essential purpose is to encourage the achievement of ambitious objectives and create value on a long-term basis, by setting stringent performance criteria.

In order to do so, the compensation structure of the Publicis Groupe SA Executives is mainly based on variable compensation directly linked to their individual performance as well as their contribution to Group performance.

Furthermore, it is based on an in-depth analysis of market trends observed in France and abroad, both in major international companies in general and, more specifically, in the companies competing with Publicis Groupe in terms of both business and talents. It should be noted that the main competitors of Publicis Groupe are American and British companies.

This compensation policy is based on the following objectives:

- attract, develop, retain and motivate the most talented individuals in a sector fundamentally based on the quality of employees, and where competition for talent is particularly fierce, especially in the context of the digital transformation, underway throughout the industry;
- encourage the management to achieve a level of performance which is high, growing and long-lasting within a very competitive environment, where new players from consulting or technological firms have become direct competitors of Publicis Groupe.



It is guided by three principles:

- a competitive and coherent compensation package with regard to market trends;
- internal equality, based on individual and collective performance, in order to ensure fair and balanced compensation reflecting the level of individual success of each person, measured both quantitatively and qualitatively;
- achieving all the short, medium and long-term financial and operating results directly linked with the Group's strategic objectives and for the benefit of all stakeholders, our customers, our employees and our shareholders.

These principles apply to all Group Executives and are adapted based on the geographical location of the individuals, and take into consideration the differences in terms of regulations, market practices and the competitive environment.

## **Compensation for the Management Board may include the following elements:**

### **FIXED COMPENSATION**

The fixed salary is determined by taking into account:

- the scope of responsibility and its complexity;
- the career path and experience of the person holding the position;
- consistency in relation to the other Group functions (internal equality);
- market practice for identical or comparable positions (external competitiveness).

The level fixed compensation is reviewed every two years, for the Management Board members and for the other Group Executives in order to regularly assess its relevance and competitiveness.

Compensation for Management Board members is generally reassessed at relatively long intervals, in accordance with the Afep/Medef Corporate Governance Code, and when such a revision is justified, for example in the event of a change in scope or an adjustment relative to market practices.

### **ANNUAL VARIABLE COMPENSATION**

Variable compensation is intended to represent a substantial part of the overall annual compensation of executives, if set objectives are achieved. It encourages them to outperform as it rewards objectives when they are exceeded.

Annual variable compensation is subject to financial and non-financial performance conditions.

No minimum amount is guaranteed. It is calculated on a pro rata basis from the year of the start of the term of office to the year of the end of the term of office.

It is based on several, quantifiable criteria assessed separately and takes into account:

- the Group's overall performance (organic growth and operating margin) and/or the performance of the network to which the beneficiary belongs;
- achieving the personal objectives of the manager assessed a posteriori by taking into account the items of context in which the performance was achieved.

These parameters are determined in advance for each financial year and proposed by the Compensation Committee to the Supervisory Board for approval.

Detailed elements of annual variable compensation are explained below in Section 2.2.3.2 for the future Chairman of the Management Board and Section 2.2.3.4 to 2.2.3.6 for the other present and future members of the Management Board.

### **VARIABLE LONG-TERM COMPENSATION**

The share-based compensation program should incentivize on a long-term basis. It is subject to stringent performance conditions to develop the loyalty of those holding key positions within the organization while encouraging executives over the long term in a community of interests with Publicis Groupe SA shareholders (see Section 4.6 Note 28 to the consolidated financial statements).

## **Free share plan**

Management Board members can benefit from two types of share-based compensation programs awarded every three years:

- Three-year long-term incentive plan, called "**Management Board LTIP**":

Under this plan, Management Board members are awarded free shares subject to the fulfillment of performance and continued presence conditions.

**Performance:** free shares are subject to performance criteria that are measured following a three-year period, such that the total number of shares awarded will depend on the growth and profitability objectives attained at the end of the period under review. The shares ultimately awarded in accordance with the level of attainment of these performance targets will be deliverable at the end of the three-year period, subject to the fulfillment of the other conditions.

**Presence:** free shares are subject to a continued presence, during the three-year vesting period.

- Three-year free share plan called "**LionLead**":

Under this plan, shareholding members of the Management Board are awarded free shares, subject to the fulfillment of performance and presence conditions, as well as a commitment to personally investing in Publicis shares.



**Performance:** free shares are subject to performance criteria that are measured following a three-year period, namely achieving – or exceeding – a target operating margin set in the annual budget, as well as achieving a certain rate of organic growth and an operating margin compared to a peer group of companies competing with Publicis. In addition, a portion of these shares is subject to market performance conditions: Publicis Groupe SA share price after the plan's previous year-end closing in relation to the price at grant date. The total number of shares delivered will depend on the attainment of all these criteria for the period under review.

**Presence:** free shares are subject to the fulfillment of a continued presence, during the three-year vesting period.

The characteristics of these plans for Management Board members are as follows:

Type of plan	LTIP	
Performance conditions	Organic growth rate of Publicis Groupe compared to a peer group	Operating margin of Publicis Groupe compared to a peer group
Type of performance conditions	Relative performance compared to a peer group Omnicom, WPP, IPG, Publicis Groupe	
Weighting	50% of shares awarded	50% of shares awarded
Vesting criteria	<p>≥ of the peer group average: 100% of the shares delivered</p> <p>≤ 80% of the peer group average: 0</p> <p>Between 80% and 100%: number of shares delivered is reduced by 5% for each 1% of performance recorded below 100%</p>	<p>Highest margin compared to the peer group: 100% of the shares delivered</p> <p>Margin in 2<sup>nd</sup> position: 50%</p> <p>Margin in 3<sup>rd</sup> position: 15%</p> <p>Margin in 4<sup>th</sup> position: 0%</p>
Performance period	Following a three-year period after which performance is calculated	

Type of plan	LionLead		
Performance conditions	Organic growth rate of Publicis Groupe compared to a peer group	Operating margin of Publicis Groupe compared to a peer group	Operating margin in value terms attained (million of euros) as set out in the Publicis Groupe's budget
Type of performance conditions	Relative performance compared to a peer group Omnicom, WPP, IPG, Publicis Groupe		Absolute internal performance
Weighting	25% of shares awarded	25% of shares awarded	50% of shares awarded
Vesting criteria	<p>≥ of the peer group average: 100% of the shares delivered</p> <p>≤ 80% of the peer group average: 0</p> <p>Between 80% and 100%: number of shares delivered is reduced by 5% for each 1% of performance recorded below 100%</p>	<p>Highest margin compared to the peer group: 100% of the shares delivered</p> <p>Margin in 2<sup>nd</sup> position: 50%</p> <p>Margin in 3<sup>rd</sup> position: 15%</p> <p>Margin in 4<sup>th</sup> position: 0%</p>	<p>= to target margin: 100% of the shares delivered</p> <p>No shares will be delivered if the margin achieved is less than €50 million or more compared to the target range</p> <p>Between this threshold of -€50 million of the target and the margin set out in the budget: straight-line calculation of the number of shares delivered</p> <p>If &gt; than the target margin with a maximal performance ceiling of €150 million: performance shares for generating returns in excess of a set target are delivered</p>
Performance period	Following a three-year period for which performance is calculated		

#### STRINGENT CRITERIA

These criteria are particularly stringent because they are based on an assessment relating to performance (encouraging the Publicis Groupe management to deliver the best figures in the market) and on complete transparency, as the results are measured on the basis of public data for the most part. Publicis Groupe demonstrates both the demands and the reality of the expected performance.

The rate of achievement observed over the past three years clearly shows the ambitious nature of our plans. The performance conditions applied are adapted and stringent, while allowing the plans to be a way to motivate and retain Publicis Groupe's Executives.

The rates of attainment of performance conditions for plans awarded in 2013 demonstrate that grants are based on strict conditions and that they are consistent with shareholders' interests over the long term.

Plan	2013-2015 LionLead2	Management Board LTIP 2013-2015:
Percentage	50%	53.2%

#### STABILITY OF THE PERFORMANCE CONDITIONS

The Supervisory Board considers that consistency in the performance conditions is one of the factors for creating long-term value. This is why the performance criteria concerning organic revenue growth and the Group's operating margin have been put in place since 2003.

The third criterion relating to attaining the operational margin in value terms set out in the budget for each year of the plan has been added to the two historical criteria for the LionLead3 plan.

#### UNIQUENESS OF THE PERFORMANCE CONDITIONS

The same performance conditions are used for all of the Group's long-term compensation programs, whether they relate to Management Board members or other executives. The aim is to ensure perfect cohesion among Publicis Groupe's entire management team.

#### VESTING PERIOD

In order to favor the retention of executives, no shares are acquired by the beneficiaries before they have been working in the Group for a defined period of time, and subject to the performance conditions being satisfied. This period is three years.

#### CONTINUED PRESENCE CONDITION

Except in the specific case of death, disability or retirement, or in exceptional circumstances explained by the Supervisory Board and made public, the acquisition of shares is subject to compliance with the continued presence condition for Management Board members until the end of the vesting period.

This condition may only be waived on a prorata basis upon approval of the Supervisory Board after obtaining the opinion of the Compensation Committee.

#### MAXIMUM SHARE GRANT LEVEL

Free share grants to Management Board members are limited to 0.3% of the Company's share capital and this ceiling is far from being reached considering the actual level of shares acquired following the performance period. This ceiling is overarching and common to the 0.3% ceiling for stock options.

#### MANDATORY HOLDING

The Supervisory Board has decided that, in addition to the specific rules in the LTIP and LionLead plans, Management Board members must maintain ownership of 20% of the shares they were awarded in registered form throughout their term of office. In addition, in accordance with the Afep/Medef Corporate Governance Code, Management Board members undertake not to use hedging instruments on shares to be received or shares received but which are non-transferable.

#### GRANT FREQUENCY

No share grants are planned in 2017, as the LTIP 2016-2018 and LionLead3 plans were awarded in 2016 for a three-year period, and the next grant is scheduled for 2019.

### **Stock options**

The Management Board reserves the right to grant stock options under authority granted by the General Shareholders' Meeting of May 25, 2016. These grants are limited to 0.3% of the Company's share capital. This ceiling is overarching and common to the 0.3% ceiling for free share plans.

#### SUPPLEMENTARY PENSION PLAN

The Group has not elected to implement a supplementary pension plan for Board members provided for under the French system.

#### COLLECTIVE HEALTH AND WELFARE INSURANCE AND SYSTEMS

Management Board members may benefit from collective health and welfare insurance based on applicable local regulations.

#### UNEMPLOYMENT INSURANCE FOR CORPORATE OFFICERS

Implementing private insurance coverage is currently under review for Management Board members subject to the French system who might not be able to benefit from the compulsory unemployment insurance for employees.

#### EMPLOYMENT CONTRACT

The members of the Management Board, with the exception of the Chairman of the Management Board, may be bound by an employment contract to a Group subsidiary.

The employment contract of the Chairman of the Management Board will be suspended during the course of his term. This contract may also be terminated through departure by mutual agreement or the employee's resignation.

#### SEVERANCE PAY

The members of the Management Board may be entitled to severance pay in case of imposed departure, granted in accordance with current law and the Afep/Medef Corporate Governance Code. In accordance with said code, the cumulative amount of the severance pay and non-compete compensation may not exceed twenty-four months of total compensation (fixed and variable compensation).

#### NON-COMPETE AGREEMENT

The members of the Management Board may be bound by a non-compete agreement and benefit from non-compete compensation in accordance with current law and the Afep/Medef Corporate Governance Code. The Supervisory Board reserves the right to forgo this commitment. In accordance with said code, the cumulative amount of the severance pay and non-compete compensation may not exceed twenty-four months of total compensation (fixed and variable compensation).

#### OTHER ELEMENTS

Management Board members may be entitled to benefits based on local regulations and compensation practices, such as the use of a Group company car.

Where a member of the Management Board has been hired from outside the Group, the Supervisory Board may decide to compensate the loss of benefits, in whole or in part, due to his or her leaving the previous employer.

The quantified, specific components of the compensation of each member and future member of the Management Board from June 1, 2017 forward are detailed in the following sections.

### 2.2.3.2 Compensation of Arthur Sadoun, Chairman of the Management Board from June 1, 2017

The compensation of Arthur Sadoun is set in accordance with the compensation policy described in Section 2.2.3.1 above.

#### A. Compensation of Arthur Sadoun from June 1, 2017

The Supervisory Board voted to submit to the General Shareholders' Meeting of May 31, 2017 in the seventeenth resolution the principles and criteria used in setting the compensation of Arthur Sadoun beginning June 1, 2017 as Chairman of the Management Board.

#### ANNUAL FIXED COMPENSATION

The gross fixed salary of Arthur Sadoun as Chairman of the Management Board of the Publicis Groupe SA will total €1,000,000 per year effective from June 1, 2017.

#### STRUCTURE OF THE VARIABLE COMPENSATION

The Supervisory Board, upon the Compensation Committee's recommendation, decided that the variable part of his compensation, effective from June 1, 2017, of a target amount of up to 200% of his fixed salary, will be based on:

The variable compensation of Arthur Sadoun is based on financial and stock exchange performance criteria, essentially based on a comparison with the main competitors of Publicis Groupe (Omnicom, WPP and IPG) and on non-financial individual performance criteria considered as major for the development of the Group.

The compensation of the Chairman of the Management Board is thus based on two types of criteria:

- **three financial criteria and a value creation criterion corresponding to 75% of the overall weight of the criteria**, taking into account the development of the growth and profitability of Publicis Groupe compared with that of a peer group consisting of three other leading global communication groups (Omnicom, WPP and IPG):
  - the Group's organic revenue growth for 25%,
  - the operating margin (the highest in the market) for 25%,
  - and for 25%, the rate of change of the Group's net income per diluted share (earnings per share or "EPS"), comparing the EPS of the financial year and the average EPS of the two previous financial years and the TSR (Total Shareholder Return) which reflects the variation of the share price of Publicis Groupe SA between the start and the end of the financial year under review (on the basis of the average of the first listed prices recorded in the last 20 sessions in the year, compared to the average of the first listed prices in the first 20 sessions of the year), increased by the amount of the dividends paid during the financial year. This criterion is directly linked to the immediate interests of shareholders.

These financial and stock exchange performance criteria were chosen by the Supervisory Board, following the proposal of the Compensation Committee, because they best express the quality of the Company's performance. Three out of four are measured in comparison with the main competitors of Publicis Groupe, they encourage over-performance;

- **non-financial individual criteria** corresponding to 25% of the overall weight of the criteria in order to value the implementation of strategic actions which will yield long-term effects on the Group's development:
  - 8% for implementation of "The Power of One"
  - 9% for implementation of the Big Data software
  - 8% for creating and reinforcing to senior management team, Executive Committee and other groups of executives

#### VARIABLE LONG-TERM COMPENSATION

Since the frequency of share-based compensation plans is triennial, Arthur Sadoun will be eligible for an award in 2019. In accordance with the compensation policy described above at 2.2.3.1, it is the wish of the Supervisory Board that this long-term variable compensation represent a significant portion of the compensation of the future Chairman of the Management Board, to act as a long-term incentive and be in line with the interests of the shareholders.

Should he resign, Arthur Sadoun will lose any rights awarded but not vested.

#### COLLECTIVE HEALTH AND WELFARE INSURANCE AND SYSTEMS

Arthur Sadoun benefits from such a coverage as other executives at his level under the French system.

#### EMPLOYMENT CONTRACT

His employment contract with Publicis Conseil dated December 5, 2006 will be terminated when he assumes the Chairmanship of the Management Board.

#### SEVERANCE PAY

The Supervisory Board has decided that in the event of a forced departure or due to a change in control or strategy and other than in the case of

serious or gross misconduct, Arthur Sadoun would be entitled to severance pay.

The amount of the payment would equal one year of total gross compensation (fixed and targeted variable portions) calculated using the average of the latest 24 months of compensation.

He would also have the right to exercise the options to subscribe to and/or to purchase the shares that have been awarded to him, and to retain on a prorated basis the bonus shares already granted to him more than two years prior, subject to the performance conditions set out in the regulations for the plan in question being satisfied.

This benefit would be subject to a performance condition: the termination benefit would only be due in its full amount if the average annual amount of the bonus acquired by Arthur Sadoun for the three years prior to the termination of his duties is equal to at least 75% of his "target bonus". If the average annual amount is less than 25% of the "target bonus", no sum or benefits will be due. If the average annual amount is between 25% and 75% of the "target bonus", the payments and benefits will be calculated on a proportional basis between 0% and 100% using the rule of three.

The termination benefit may only be paid after the determination by the Supervisory Board that the performance conditions had been achieved at the date on which his term as a member of the Management Board ended.

In the event of a forced departure or one related to a change in control or strategy, Arthur Sadoun will not be subject to a non-compete commitment or to non-solicitation.

This severance compensation is specifically subject to the approval of the General Shareholders' Meeting as of May 31, 2017 in the twenty-first resolution.

#### NON-COMPETE AGREEMENT

The Supervisory Board voted to require from Arthur Sadoun in the event of his resignation a non-compete agreement and an agreement not to solicit personnel during the two years following the end of his Chairmanship of the Publicis Groupe SA Management Board.

In consideration of his observance of this non-compete agreement, Mr. Sadoun will receive monetary compensation (payable monthly in advance) in an amount equal to two years of total gross compensation (fixed and targeted variable portions) calculated using the average of the latest 24 months of compensation.

The Supervisory Board may waive this clause.

Arthur Sadoun will not be held to a non-compete obligation in the event of a forced departure.

This non-compete compensation is specifically subject to the approval of the General Shareholders' Meeting of May 31, 2017, in the twenty-first resolution.

#### OTHER COMPONENTS

Arthur Sadoun will have a contract with a taxi company and be repaid for his taxis and entertainment expenses.

### B. Long-term variable compensation awarded in 2016

For your information, Arthur Sadoun was the beneficiary of the following share-based compensation plans:

	LionLead		LTIP		Maximum annual number of performance shares potentially vesting <sup>(1)</sup>	
	Description	Date	Description	Date	Total annual number	Of which shares subject to performance conditions
Arthur Sadoun	LionLead3	6/16/2016	LTIP 2016-2018	6/23/2016	67,915	67,915

(1) Maximum annual amount that can become vested if all performance conditions are met. Awards under the LionLead and LTIP plans for the Management Board are triennial, subject to continued presence and stringent performance conditions. As an illustration, the rates at which performance conditions were met under the preceding plans were around 50%.

### 2.2.3.3. Compensation of Kevin Roberts, member of the Management Board until August 31, 2016

Kevin Roberts was Executive Chairman of Saatchi & Saatchi Worldwide, Head Coach of Publicis Groupe and member of the Management Board until his resignation on August 31, 2016.

#### ANNUAL FIXED COMPENSATION FOR FINANCIAL YEAR 2016

The annual fixed compensation for Kevin Roberts for the performance of his duties from January 1 to August 31, 2016 was paid on a prorata basis, amounting to US\$666,667 (gross) (i.e. €597,840).

#### VARIABLE COMPENSATION PAID IN 2017 FOR FINANCIAL YEAR 2016

Following the resignation of Kevin Roberts effective from September 1, 2016, the Supervisory Board, upon the Compensation Committee's recommendation taking into account usual Group practices, decided on November 30, 2016 to pay the gross amount of US\$800,000 which represents variable compensation on a pro rata basis for the performance of his duties from January 1 to August 31, 2016 as Head Coach of the Publicis Groupe. He received no bonus as Chairman of Saatchi & Saatchi.

#### VARIABLE LONG-TERM COMPENSATION

The Supervisory Board, in light of the substantial contribution of Kevin Roberts throughout his long career with the Group, decided on November 30, 2016 that he would retain his rights to performance shares not yet vested and stock options not yet exercised under the LionLead2 and LTIP 2013-2015 plans for which the performance measurement period had elapsed and their delivery date was close to the time of Kevin Roberts's resignation.

#### NON-COMPETE AGREEMENT

Lastly, in view of the responsibilities involved in defining the Group's new strategy and organization, the Supervisory Board on November 30, 2016 also decided subsequent to his departure to impose a non-compete obligation on Kevin Roberts for a period of three years in consideration for which gross compensation of US\$500,000 will be granted. This non-compete compensation will be paid on a quarterly basis to Kevin Roberts over a 36-month period.

The summary table of the elements of compensation due or paid for the year ended December 31, 2016 to Kevin Roberts in Section 2.2.4.2 below will be submitted to the General Shareholders' Meeting of May 31, 2017 for opinion in its twelfth resolution in accordance with the Afep/Medef Corporate Governance Code of November 2016.

### 2.2.3.4 Compensation of Jean-Michel Etienne, member of the Management Board

#### A. Compensation of Jean-Michel Etienne for financial year 2016

The philosophy underlying the compensation of Jean-Michel Etienne remains unchanged in relation to previous financial years.

#### ANNUAL FIXED COMPENSATION

From January 1, 2014 to December 31, 2015, the gross annual fixed compensation of Jean-Michel Etienne was €720,000. The Supervisory Board, upon the Compensation Committee's recommendation, decided to raise this compensation effective from January 1, 2016 to the gross amount of €840,000, to be consistent with:

- his experience and performance as Financial Director;
- the widened scope of his duties following the acquisition of Sapient; and
- practices in compensation observed for this level of responsibility in France and for this Publicis Groupe business sector abroad.

#### STRUCTURE OF THE VARIABLE COMPENSATION

The Supervisory Board, upon the recommendation by the Compensation Committee, decided that the variable part of Jean-Michel Etienne's compensation for 2016, of a target amount of up to 100% of his fixed salary, would be based on:

- two criteria linked to the financial performance of the Group in relation to the objectives, for 40% of the variable part, each being taken into account on an equal basis:
  - organic growth, and
  - operating margin;
- three financial and non-financial individual criteria (including two governed by precise quantitative objectives), for 60% of the variable part, each one being taken into account on an equal basis:
  - treasury management,
- personnel costs, and
  - ERP rollout.

#### VARIABLE COMPENSATION PAID IN 2017 FOR 2016

After studying the performance achieved for each of the criteria indicated above during the 2016 financial year, the Supervisory Board set the

variable part of Jean-Michel Etienne's gross compensation at €630,000. This amount results from the following facts and assessments:

Criteria	Performance level	Amount of variable compensation
Organic growth	Objective not achieved	no compensation
Operating margin	Objective 100% achieved	€168,000
Managing cash and cash equivalents	Objective 75% achieved	€126,000
Employee expenses	Objective 100% achieved	€168,000
Non-financial individual criterion: ERP rollout.	Objective 100% achieved	€168,000

#### VARIABLE LONG-TERM COMPENSATION

Jean-Michel Etienne benefited from the following share-based compensation plans:

	LionLead		LTIP		Maximum annual number of performance shares potentially vested <sup>(1)</sup>	
	Description	Date	Description	Date	Total annual number	Of which shares subject to performance conditions
Jean-Michel Etienne	LionLead3	06/16/2016	LTIP 2016-2018	06/23/2016	67,915	67,915

(1) Maximum annual amount that can become vested if all performance conditions are met. Awards under the LionLead and LTIP plans for the Management Board are triennial, subject to continued presence and stringent performance conditions. As an illustration, the rates at which performance conditions were met under the preceding plans were around 50%.

#### COLLECTIVE HEALTH AND WELFARE INSURANCE AND SYSTEMS

Jean-Michel Etienne is enrolled in coverage applicable to executives of his level under the French system.

#### EMPLOYMENT CONTRACT

Jean-Michel Etienne continues to benefit from an employment contract with one of the Group's subsidiaries.

#### SEVERANCE PAY

Following the renewal of the Management Board members' term of office effective from January 1, 2012, upon the Compensation Committee's proposal on March 6, 2012, the Supervisory Board reviewed the existing agreements with Jean-Michel Etienne to allow him to receive severance pay in the event he ceases to serve as a member of the Management Board. These commitments were notified to the Statutory Auditors as related-party agreements and were approved by the General Shareholders' Meeting of May 29, 2012.

The Supervisory Board meeting of March 12, 2015 revised these commitments to take into account recommendations of the Afep/Medef Corporate Governance Code. They were notified to the Statutory Auditors as related-party agreements and were approved by the General Shareholders' Meeting of May 27, 2015. The current commitments to Jean-Michel Etienne provide that in the event of a forced departure due to a change in control or strategy and other than in the case of serious or gross misconduct, Jean-Michel Etienne would be entitled to a termination benefit if this departure should occur before the normal term (September 15, 2018).

Providing that Jean-Michel Etienne does not continue to be employed by Publicis Groupe, the amount of the benefit would be equal to one and a half years' total gross compensation (fixed compensation and target variable component). He would also have the right to exercise the options to subscribe to and/or to purchase the shares that have been awarded to him, and to retain the free shares already granted to him, subject to the performance conditions set out in the regulations for the plan in question being satisfied.

This benefit would be subject to a performance condition: the termination benefit would only be due in its full amount if the average annual amount of the bonus acquired by Jean-Michel Etienne for the three years prior to the termination of his duties is equal to at least 75% of his "target bonus". If the average annual amount is less than 25% of the "target bonus", no sum or benefits will be due. If the average annual amount is between 25% and 75% of the "target bonus", the payments and benefits will be calculated on a proportional basis between 0% and 100% using the rule of three.

The termination benefit may only be paid after the determination by the Supervisory Board that the performance condition had been achieved at the date on which his term as a member of the Management Board ended.

In application of articles L. 225-90-1 and R. 225-60-1 of the French Commercial Code, the details of the regulated agreements described above may be viewed on [www.publicisgroupe.com](http://www.publicisgroupe.com).

The summary table of the elements of compensation due or paid for the period ended December 31, 2016 to Jean-Michel Etienne in Section 2.2.4.2 below will be submitted to the General Shareholders' Meeting of May 31, 2017 for opinion in its thirteenth resolution in accordance with the Afep/Medef Corporate Governance Code of November 2016.



## **B. Compensation of Jean-Michel Etienne for financial year 2017**

The amount of fixed compensation, the variable compensation limit and the other elements of compensation for 2017 remain unchanged compared with financial year 2016. As share-based compensation plans are triennial, Jean-Michel Etienne will be eligible for a new grant in 2019.

This compensation policy for Jean-Michel Etienne is subject to approval by the General Shareholders' Meeting (*ex ante* vote) of May 31, 2017 in the eighteenth resolution.

### **2.2.3.5. Compensation of Anne-Gabrielle Heilbronner, Member of the Management Board**

#### **A. Compensation of Anne-Gabrielle Heilbronner for financial year 2016:**

The philosophy behind the remuneration of Anne-Gabrielle Heilbronner is unchanged from previous years.

##### **ANNUAL FIXED COMPENSATION**

From January 1, 2014 to December 31, 2015, the gross annual fixed compensation of Anne-Gabrielle Heilbronner was €480,000.

The Supervisory Board, upon the Compensation Committee's recommendation, decided to raise Anne-Gabrielle Heilbronner's fixed salary, effective from January 1, 2016, to the gross amount of €600,000, to be consistent with:

- the widened scope of her responsibilities as the Group's Secretary General, which include legal and corporate governance functions, human resources, internal audit, internal control and risk management, procurement, including the added complexity following the acquisition of Sapient;
- her appointment as member of the Management Board of Publicis Groupe on September 15, 2014 and related increased duties, which have not to date been the subject of a compensation review;
- practices in compensation observed for this level of responsibility in France and for this Publicis business sector abroad; and
- internal equality.

##### **STRUCTURE OF THE VARIABLE COMPENSATION**

The Supervisory Board, upon the Compensation Committee's recommendation, decided that the variable part of her compensation for 2016, of a target amount of up to 100% of her fixed salary, would be based on:

- two criteria linked to the financial performance of the Group in relation to the objectives, for 40% of the variable part, each being taken into account on an equal basis:
  - organic growth, and
  - operating margin;
- four non-financial individual criteria consistent with her main areas of responsibility, for 60% of the variable part, each being taken into account on an equal basis:
  - human resources: training client teams on the Group's new positioning and improving talent management, especially as regards compensation, performance assessment, management tools, etc.,
  - internal controls and audits: developing tools and resources to reduce fraud and improve compliance, legal: developing an awareness-raising program for managers to reduce litigation risks,
  - procurement: introducing an aggressive procurement program to substantially improve the Group's performance (broaden the scope of central purchasing methods, improve control procedures, etc.).

Each one of these criteria is subject to an assessment of the measurable elements: number and cost of training programs, personnel cost control, achievement of audit plans, number of lawsuits, procurement savings and the number of global contracts signed.

##### **VARIABLE COMPENSATION PAID IN 2017 FOR FINANCIAL YEAR 2016**

The Supervisory Board took note of Anne-Gabrielle Heilbronner's achievements with regard to non-financial criteria for financial year 2016, which notably include:

- human resources: setting up nine new team training sessions on the Group's new positioning and specific training for Global Client Leaders; Global Client Finance Leaders and Global Client Legal Leaders, negotiations training launched with Procurement, improving Talent management (launching a mobility policy, implementing a new assessment tool, etc.);
- internal controls and audits: number of audits conducted higher than the audit plan, improvement of monitoring (reducing the open recommendations by half);
- legal: launch and deployment of a Group compliance program (training modules in personal data and anti-corruption management), nomination of a Group Chief Data Officer, reorganizing the legal teams to take into account the Group's new organization;
- procurement: 23 global contracts signed in 2016, and implementation of measures to increase the savings generated.

After reviewing the performance delivered for the criteria related to Group performance and each of the non-financial criteria in financial year 2016, the Supervisory Board set the variable part of gross compensation for Anne-Gabrielle Heilbronner at €480,000. This amount results from the following facts and assessments:

Criteria	Performance level	Amount of variable compensation
<b>Organic growth</b>	Objective not achieved	No compensation
<b>Operating margin</b>	Objective 100% achieved	€120,000
<b>Non-financial individual criteria :</b>		
human resources	Objectives 100% achieved	€90,000
internal controls and audits	Objectives 100% achieved	€90,000
legal	Objectives 100% achieved	€90,000
procurement	Objectives 100% achieved	€90,000

#### VARIABLE LONG-TERM COMPENSATION

Anne-Gabrielle Heilbronner benefited from the following share-based compensation plans:

	LionLead		LTIP		Maximum annual number of performance shares potentially vested <sup>(1)</sup>	
	Description	Date	Description	Date	Total annual number	Of which shares subject to performance conditions
Anne-Gabrielle Heilbronner	LionLead3	06/16/2016	LTIP 2016-2018	06/23/2016	28,166	28,166

(1) Maximum annual amount that can become vested if all performance conditions are met. Awards under the LionLead and LTIP plans for the Management Board are triennial, subject to continued presence and stringent performance conditions. As an illustration, the rates at which performance conditions were met under the preceding plans were around 50%.

#### COLLECTIVE HEALTH AND WELFARE INSURANCE AND SYSTEMS

Anne-Gabrielle Heilbronner is enrolled in coverage applicable to executives of her level under the French system.

#### EMPLOYMENT CONTRACT

Anne-Gabrielle Heilbronner continues to benefit from an employment contract with one of the Group's subsidiaries.

#### SEVERANCE PAY

Commitments entered into with Anne-Gabrielle Heilbronner related to severance pay in the event she ceases to serve as a member of the Management Board were approved by the Supervisory Board at its meeting on March 12, 2015. These commitments were notified to the Statutory Auditors as related-party agreements and were approved by the General Shareholders' Meeting of May 27, 2015.

The current commitments to Anne-Gabrielle Heilbronner provide that in the event of a forced departure due to a change in control or strategy and other than in the case of serious or gross misconduct, Anne-Gabrielle Heilbronner would be entitled to a termination benefit if this departure should occur before the normal term (September 15, 2018).

Providing that Anne-Gabrielle Heilbronner does not continue to be employed by Publicis Groupe, the amount of the benefit would be equal to one years' total gross compensation (fixed compensation and target variable component). She would also have the right to exercise the options to subscribe to and/or to purchase the shares that have been awarded to her, and to retain the free shares already granted to her, subject to the performance conditions set out in the regulations for the plan in question being satisfied.

This benefit would be subject to a performance condition: the termination benefit would only be due in its full amount if the average annual amount of the bonus acquired by Anne-Gabrielle Heilbronner for the three years prior to the termination of her duties is equal to at least 75% of her "target bonus". If the average annual amount is less than 25% of the "target bonus", no sum or benefits will be due. If the average annual amount is between 25% and 75% of the "target bonus", the payments and benefits will be calculated on a proportional basis between 0% and 100% using the rule of three.

The termination benefit may only be paid after the determination by the Supervisory Board that the performance condition had been achieved at the date on which her term as a member of the Management Board ended.

In application of articles L. 225-90-1 and R. 225-60-1 of the French Commercial Code, the details of the regulated agreements described above may be viewed on [www.publicisgroupe.com](http://www.publicisgroupe.com).

#### NON-COMPETE AGREEMENT

Anne-Gabrielle Heilbronner is not subject to a non-compete agreement as a member of the Management Board. She is subject to a non-compete clause in her employment contract concluded upon her arrival at Publicis Groupe in 2012, i.e. before her appointment as a member of the Management Board. This non-compete clause is valid for a maximum of two years and includes maximum financial compensation to be paid equal to 30% of the gross salary, excluding variable elements. Publicis Groupe may waive this clause.

The summary table of the elements of compensation due or paid for the period ended December 31, 2016 to Anne-Gabrielle Heilbronner in Section 2.2.4.2 below will be submitted to the General Shareholders' Meeting of May 31, 2017 for opinion in its fourteenth resolution in accordance with the Afep/Medef Corporate Governance Code of November 2016.

#### **B. Compensation of Anne-Gabrielle Heilbronner for financial year 2017**

The amount of fixed compensation, the ceiling on variable compensation and the other components of her compensation for 2017 remain unchanged from financial year 2016. Since the frequency of share-based compensation plans is triennial, Anne-Gabrielle Heilbronner will be eligible for a new award in 2019.

This remuneration policy for Anne-Gabrielle Heilbronner is subject to approval by the General Shareholders Meeting (*ex ante* vote) of May 31, 2017 in the nineteenth resolution.

### **2.2.3.6. Compensation of Steve King, member of the Management Board from June 1, 2017**

#### **A. Compensation of Steve King from June 1, 2017**

Going beyond legal obligations, the Supervisory Board decided to submit to the General Shareholders' Meeting of May 31, 2017, in its twentieth resolution, the principles and criteria for determining the compensation which will be granted Steve King effective from June 1, 2017 as a member of the Management Board.

#### ANNUAL FIXED COMPENSATION

As of June 1, 2017, his gross fixed salary will amount to £900,000.

#### STRUCTURE OF THE VARIABLE COMPENSATION

The Supervisory Board, upon the Compensation Committee's recommendation, decided that the variable part of his compensation, effective from June 1, 2017, of a target amount of up to 160% of his fixed salary, would be based on:

- two criteria linked to the financial performance of the Group in relation to the objectives, for 20% of the variable part, each being taken into account on an equal basis:
  - organic growth, and
  - operating margin;
- three criteria linked to the financial performance of Publicis Media in relation to the objectives, for 60% of the variable part, each being taken into account on an equal basis:
  - organic growth,
  - operating margin, and
  - cash generation;
- two non-financial individual criteria consistent with his main areas of responsibility, for 20% of the variable part, each being taken into account on an equal basis:
  - rollout of the Big Data software, and
  - ramp-up of "The Power of One" strategy.

#### VARIABLE LONG-TERM COMPENSATION

Since the frequency of share-based compensation plans is triennial, Steve King will be eligible for an award in 2019. In accordance with the compensation policy described above at 2.2.3.1, it is the wish of the Supervisory Board that this long-term variable compensation represent a significant portion of the compensation of Steve King, to act as a long-term incentive and be in line with the interests of the shareholders.

Should he resign, Steve King will lose any rights awarded but not vested.

#### BENEFITS IN KIND

Steve King will continue to be reimbursed for expenses related to his vehicle.

#### COLLECTIVE HEALTH AND WELFARE INSURANCE AND SYSTEMS

Steve King will continue to be enrolled in coverage applicable to executive of his level in the United Kingdom.

#### EMPLOYMENT CONTRACT

Steve King continues to benefit from an employment contract with one of the Group's UK subsidiaries.

#### SEVERANCE PAYMENT AND NON-COMPETE AGREEMENT

The Supervisory Board kept in place the amount of severance pay and the terms of the non-competes agreement of Steve King as they appear in his employment contract with one of the Group's subsidiaries in the United Kingdom. No other compensation will be due.

The Supervisory Board has decided that in the event of a forced departure due to a change in control or strategy and other than in the case of serious or gross misconduct, Steve King would be entitled to this single severance payment.

Providing that Steve King does not continue to be employed by Publicis Groupe, the amount of the benefit would be equal to one year total gross compensation (fixed compensation and target variable component). He would also have the right to exercise the options to subscribe to and/or to purchase the shares that have been awarded to him, and to retain the free shares already granted to him, subject to the performance conditions set out in the regulations for the plan in question being satisfied.

This severance pay would be subject to a performance condition. The severance pay would only be due in its full amount if the average annual amount of the bonus acquired by Steve King for the three years prior to the termination of his duties is equal to at least 75% of his "target bonus". If the average annual amount is less than 25% of the "target bonus", no sum or benefits will be due. If the average annual amount is between 25% and 75% of the "target bonus", the payments and benefits will be calculated on a proportional basis between 0% and 100% using the rule of three.

The severance pay may only be paid after the determination by the Supervisory Board that the performance conditions had been achieved at the date on which his term as a member of the Management Board ended.

Steve King is subject to a non-competes obligation in his employment contract with a British subsidiary of the Group. This obligation does not give rise to financial consideration as permitted by applicable local regulations.

The Supervisory Board reaffirmed that this severance pay and any compensation for a non-competes obligation may not exceed 12 months of total compensation (fixed and targeted variable remuneration).

This severance pay is specifically subject to the approval of the General Shareholders' Meeting of May 31, 2017 in the twenty-second resolution.

#### PENSION PLANS

Steve King will continue to benefit from the British pension plan applicable to management positions at his level.

### B. Long-term variable compensation awarded in 2016

For your information, Steve King benefited from the following share-based compensation plans:

	LionLead		LTIP		Maximum annual number of performance shares potentially vested <sup>(1)</sup>	
	Description	Date	Description	Date	Total annual number	Of which shares subject to performance conditions
Steve King	LionLead3	06/16/2016	LTIP 2016-2018	06/23/2016	67,915	67,915

(1) Maximum annual amount that can become vested if all performance conditions are met. Awards under the LionLead and LTIP plans for the Management Board are triennial, subject to continued presence and stringent performance conditions. As an illustration, the rates at which performance conditions were met under the preceding plans were around 50%.

## 2.2.4 Compensation summary table

### 2.2.4.1 AMF and Afep-Medef compensation tables

The 2009-16 position-recommendation of the AMF and the Afep-Medef Code of November 2016 propose a standardized presentation of the compensation of Executive corporate officers of companies whose securities are traded on a regulated market.

**TABLE 1 (AMF NOMENCLATURE) COMPENSATION SUMMARY TABLE IN RESPECT OF THE COMPENSATION DUE AND THE OPTIONS AND SHARES GRANTED TO EACH EXECUTIVE CORPORATE OFFICER (IN EUROS)**

	2016	2015
<b>Management Board</b>		
<b>Maurice Lévy, Chairman of the Management Board</b>		
Compensation due for the year <sup>(1)</sup>	2,500,000	3,917,500
Valuation of options granted during the year	-	-
Valuation of performance shares awarded during the year	-	-
<b>TOTAL</b>	<b>2,500,000</b>	<b>3,917,500</b>
<b>Kevin Roberts, Head Coach of Publicis Groupe, Executive Chairman of Saatchi &amp; Saatchi Worldwide</b>		
Compensation due for the year <sup>(1)(2)</sup>	2,033,787	3,055,854
Valuation of options granted during the year	-	-
Valuation of performance shares awarded during the year	-	-
<b>TOTAL</b>	<b>2,033,787</b>	<b>3,055,854</b>
<b>Jean-Michel Etienne, Executive Vice-President – Group Finance</b>		
Compensation due for the year <sup>(1)</sup>	1,470,000	1,406,250
Valuation of options granted during the year	-	-
Annual maximum valuation of performance shares awarded during the year <sup>(3)</sup>	1,911,444	-
<b>TOTAL</b>	<b>3,381,444</b>	<b>1,406,250</b>
<b>Anne-Gabrielle Heilbronner, Secretary General</b>		
Compensation due for the year <sup>(1)</sup>	1,080,000	1,080,000
Valuation of options granted during the year	-	-
Valuation of performance shares awarded during the year <sup>(3)</sup>	822,226	-
<b>TOTAL</b>	<b>1,902,226</b>	<b>1,080,000</b>

(1) See details in Table 2.

(2) Compensation calculated and paid in US dollars. The euro conversion is carried out at the average rate of \$1 = €0.89676 in 2016 and \$1 = €0.90161 in 2015.

(3) Annual maximum cumulative amount under the LionLead3 and LTIP 2016-2018 plans. Awards under the LionLead and LTIP plans for the Management Board are triennial, subject to continued employment and stringent performance conditions. As an illustration, the rates at which performance conditions were met under the preceding plans were around 50%. See details in Table 6. Two overall allocations each covering the financial years 2016, 2017, 2018.

**TABLE 2 (AMF NOMENCLATURE) SUMMARY TABLE OF THE COMPENSATION FOR EACH EXECUTIVE CORPORATE OFFICER (IN EUROS)**

In general, the compensation paid corresponds to the fixed compensation for the specified year and the variable portion corresponds to that of the previous year.

No exceptional compensation was paid to the corporate officers.

	2016 - Amounts:		2015 - Amounts:	
	due	paid	due	paid
<b>Management Board</b>				
<b>Maurice Lévy, Chairman of the Management Board</b>				
Fixed compensation	-	-	-	-
Variable compensation	2,500,000	3,917,500	3,917,500	2,833,333
Benefits in kind <sup>(1)</sup>	-	-	-	-
<b>TOTAL</b>	<b>2,500,000</b>	<b>3,917,500</b>	<b>3,917,500</b>	<b>2,833,333</b>
<b>Kevin Roberts, Head Coach of Publicis Groupe, Executive Chairman of Saatchi &amp; Saatchi Worldwide<sup>(2)</sup></b>				
Fixed compensation	597,840	597,840	901,610	901,610
Variable compensation <sup>(3)</sup>	1,407,315	2,122,390	2,122,390	3,204,322
Benefits in kind <sup>(1)</sup>	28,632	28,632	31,854	31,854
<b>TOTAL</b>	<b>2,033,787</b>	<b>2,748,862</b>	<b>3,055,854</b>	<b>4,137,786</b>
<b>Jean-Michel Etienne, Executive Vice-President – Group Finance</b>				
Fixed compensation	840,000	840,000	720,000	720,000
Variable compensation	630,000	686,250	686,250	720,000
Benefits in kind <sup>(1)</sup>	-	-	-	-
<b>TOTAL</b>	<b>1,470,000</b>	<b>1,526,250</b>	<b>1,406,250</b>	<b>1,440,000</b>
<b>Anne-Gabrielle Heilbronner, Secretary General</b>				
Fixed compensation	600,000	600,000	480,000	480,000
Variable compensation	480,000	600,000	600,000	336,000
Benefits in kind	-	-	-	-
<b>TOTAL</b>	<b>1,080,000</b>	<b>1,200,000</b>	<b>1,080,000</b>	<b>816,000</b>

(1) Benefits in kind relating to the use of a company-provided vehicle are not mentioned when they are for an immaterial amount.

(2) Compensation calculated and paid in US dollars. The euro conversion is carried out at the average rate of \$1 = €0.89676 in 2016 and \$1 = €0.90161 in 2015.

(3) The variable compensation component includes a contractual annual pension disbursement instead of the complementary pension contracts provided for at the time of the acquisition of Saatchi & Saatchi. A commitment had been made to pay Kevin Roberts a gross amount of \$ 1,154,000 per year until he left his functions as member of the Group's Management Board. As such, he received \$769,333 for 2016, and his effective departure date was September 1, 2016.

**TABLE 3 (AMF NOMENCLATURE) DETAILS OF ATTENDANCE FEES (IN EUROS)**

	<b>Attendance fees paid in 2016</b>	Attendance fees paid in 2015
<b>Supervisory Board</b>		
Élisabeth Badinter, Chairperson	55,000	70,000
Sophie Dulac	35,000	55,000
Simon Badinter	35,000	55,000
Claudine Bienaimé	105,000	120,000
Michel Cicurel	65,000	95,000
Michel Halpérin <sup>(1)</sup>	-	50,000
Hélène Ploix <sup>(2)</sup>	30,000	90,000
Amaury de Seze <sup>(3)</sup>	70,000	80,000
Henri-Calixte Suaudeau <sup>(4)</sup>	25,000	65,000
Gérard Worms <sup>(5)</sup>	35,000	95,000
Véronique Morali	75,000	85,000
Marie-Josée Kravis	50,000	60,000
Marie-Claude Mayer	50,000	60,000
Jean Charest	50,000	50,000
Jerry Greenberg <sup>(6)</sup>	30,000	-
<b>TOTAL</b>	<b>710,000</b>	<b>1,030,000</b>

(1) Died on August 11, 2014.

(2) End of term of office as a member of the Supervisory Board on May 27, 2015.

(3) End of term of office as a member of the Supervisory Board on May 25, 2016.

(4) End of term of office as a member of the Supervisory Board on May 27, 2015.

(5) End of term of office as a member of the Supervisory Board on May 27, 2015.

(6) Appointment as member of the Supervisory Board on May 27, 2015.

**TABLE 4 (AMF NOMENCLATURE) STOCK OPTIONS ATTRIBUTED DURING THE FINANCIAL YEAR TO EACH EXECUTIVE CORPORATE OFFICER BY THE ISSUER AND BY ANY GROUP COMPANY**

None, no stock options were attributed in 2016.



**TABLE 5 (AMF NOMENCLATURE) STOCK OPTIONS EXERCISED DURING THE FINANCIAL YEAR BY EACH EXECUTIVE CORPORATE OFFICER (NOMINATIVE LIST)**

	Description and date of plan	Number of options exercised during the year	Average exercise price (in euros)	Year granted
<b>Management Board</b>				
<b>Maurice Lévy, Chairman</b>		No exercise in 2016	-	-
<b>Kevin Roberts</b>		No exercise in 2016	-	-
<b>Jean-Michel Etienne</b>	LTIP II 08/21/2006	6,331	29.27	2006
<b>Anne-Gabrielle Heilbronner</b>	LionLead2 04/30/2013	13,607	52.76	2013

**TABLE 6 (AMF NOMENCLATURE) PERFORMANCE SHARES GRANTED TO EACH EXECUTIVE CORPORATE OFFICER**

	First plan			Second plan			Number of performance shares granted Position at December 31, 2016	
	Description	Date	Acquisition date <sup>(2)</sup>	Description	Date	Acquisition date <sup>(2)</sup>	Total annual number <sup>(1)</sup>	Of which subject to performance conditions
<b>Management Board</b>								
<b>Maurice Lévy Chairman</b>		-	-	-	-	-	-	-
<b>Kevin Roberts</b>		-	-	-	-	-	-	-
<b>Jean-Michel Etienne</b>	LionLead3	06/16/2016	06/16/2019	LTIP 2016-2018	06/23/2016	06/23/2019	67,915	67,915
<b>Anne-Gabrielle Heilbronner</b>	LionLead3	06/16/2016	06/16/2019	LTIP 2016-2018	06/23/2016	06/23/2019	28,166	28,166

(1) The performance shares awarded to the Management Board members under the LionLead3 plan are definitively acquired (contingent upon three years of continued presence) depending on Publicis Groupe's relative performance on organic growth and operating margin criteria compared to the benchmark group (Omnicom, WPP, IPG, Publicis Groupe), the change in Publicis Groupe's share price and the out-performance compared to the financial objectives. The result is measured as an average over the period 2016-2018.

The performance shares awarded to Management Board members under the LTIP 2016-2018 plan are definitively acquired (contingent upon three years of continued employment) depending on Publicis Groupe's relative performance on organic growth and operating margin criteria compared to the benchmark group (Omnicom, WPP, IPG, Publicis Groupe). 100% of the shares are awarded if Publicis Groupe achieves organic growth greater than the benchmark group's average, and the highest operating margin rate. No shares are awarded if Publicis Groupe achieves less than or equal to 80% of the benchmark group's average organic growth and the lowest operating margin rate. The result is measured as an average over the period 2016-2018. The Management Board members must retain 20% of the vested shares throughout their term of office. See Section 2.2.3 "Compensation of the Management Board".

(2) Subject to fulfilling the required performance conditions.

**TABLE 7 (AMF NOMENCLATURE) PERFORMANCE STOCK VESTED FOR EACH EXECUTIVE CORPORATE OFFICER**

	First plan		Second plan		Number of performance shares vested in 2016
	Description	Date	Description	Date	Total number
<b>Management Board</b>					
<b>Maurice Lévy, Chairman</b>		-	-	-	-
<b>Kevin Roberts</b>		-	-	-	-
<b>Jean-Michel Etienne</b>	LTIP 2013-2015 <sup>(1)</sup>	06/17/2013	Co-investment Plan <sup>(1)</sup>	04/30/2013	22,603
<b>Anne-Gabrielle Heilbronner</b>	LTIP 2013 <sup>(2)</sup>	04/16/2013	Co-investment Plan <sup>(1)</sup>	04/30/2013	5,364

(1) The Management Board members must retain 20% of the vested shares throughout their term of office.

(2) Allocation carried out before the appointment to the function of Management Board member.

**TABLE 8 (AMF NOMENCLATURE) HISTORY OF OPTIONS AND SHARES GRANTED OVER THE LAST TEN YEARS**

	Stock option plans		
	2007	Plan originally from Digitas <sup>(1)</sup>	2013 Co-investment Plan
Date of authorization by the Extraordinary General Shareholders' Meeting (EGM)			
Date of the Board of Directors or Management Board's meeting deciding the allocation	08/24/2007		04/30/2013
Total number of allocated share subscription options (S) or of share purchase options (A)	1,574,400 <sup>(2)</sup> A	3,199,756 A	5,949,305 <sup>(2)</sup> S/A <sup>(3)</sup>
of which corporate officers	-	-	198,687
of which first ten beneficiary employees (excluding corporate officers)	258,000 <sup>(2)</sup>	-	653,299 <sup>(2)</sup>
Start date for exercise of the options	50% <sup>(4)</sup> 2009 <sup>(4)</sup> 50% 2010	01/31/2007	04/30/2016 <sup>(5)</sup> 04/30/2017
Expiry date	8/23/2017	2009 to 2017	04/30/2023
Subscription or purchase price in euros	31.31	2.47 to 58.58	52.76
Total number of allocated share subscription options or share purchase options adjusted as at 12/31/2016	1,574,400 <sup>(2)</sup>	3,199,756	5,949,305 <sup>(2)</sup>
Total number of shares subscribed or purchased as at 12/31/2016	(542,177)	(2,439,845)	(75,317)
Total number of canceled subscription options or purchase options as at 12/31/2016	(920,804)	(759,911)	(3,760,255)
Number of share purchase options, share subscription options or shares remaining as at 12/31/2016	111,419	-	2,113,733

(1) Options granted under the Digitas option plans that existed when Digitas was acquired in January 2007 were converted into purchase options on Publicis Groupe shares using the existing ratio of the purchase price established under the offer for Digitas stock (restated in euros) and the market value of Publicis Groupe shares on the date of the merger. The purchase price was adjusted as a result.

(2) Conditional options, the exercise of which is contingent on the achievement of objectives under the three-year plan. The achievement level of objectives in the 2006-2008 plan was measured in 2009.

(3) The Management Board may decide, before the beginning of the exercise period, to deliver existing shares when the options are exercised instead of delivering shares to be issued.

(4) Exercise period started in 2009, after determining levels at which the objectives were achieved and thus the number of exercisable options. Half of the total exercisable number can be exercised after this date, the other half in 2010. Non-exercisable options were canceled.

(5) Concerns French employees.

**TABLE 9 (AMF NOMENCLATURE) STOCK OPTIONS GRANTED TO THE FIRST TEN EMPLOYEES (NON-CORPORATE OFFICERS) AND OPTIONS RAISED BY THE LATTER**

	Plan	Number of options granted/purchased	Weighted average price (in euros)
Options granted between January 1, and December 31, 2016, by the issuer and by any company included in the scope of option allocation to their ten respective employees, whose number of options thus extended is the highest (overall information).	-	-	-
Options held from the issuer and the aforementioned companies, exercised between January 1, and December 31, 2016, by their respective ten employees who bought or subscribed to the greatest number of options (overall information).	LTIP II 2006	66,220	29.27
	LTIP II 2007	5,692	31.31
	2013 Co-investment plan Purchase options	37,892	52.76
<b>TOTAL</b>		<b>109,804</b>	<b>37.48</b>

**TABLE 10 (AMF NOMENCLATURE) HISTORY OF OPTIONS AND SHARES GRANTED OVER THE LAST TEN YEARS**

Date of authorization by the Extraordinary General Shareholders' Meeting (EGM)	Free share plans										Free share plans												
	2009 <sup>(6)</sup> Employees in France	2009 <sup>(7)</sup> Co-Investment	Plan originally from Razorfish <sup>(8)</sup>	LTIP 2010	LTIP 2010-2012	2010 <sup>(6)</sup> Employees in United States	LTIP 2011	2011 <sup>(10)</sup> International employees	LTIP 2012	2013 <sup>(10)</sup> International employees	LTIP 2013	2013 Co-investment Plan <sup>(11)</sup>	LTIP 2013-2015	LTIP 2014	LTIP 2015	Sapient Plan 2015 <sup>(15)</sup>	LTIP 2016	Sapient Plan 2016 <sup>(16)</sup>	LTIP 2016-2018	LionLead 3 France	LionLead3 International	LionLead3 Management Board/Directoire+	
Date of the Board of Directors or Management Board's meeting deciding the allocation	05/20/09	03/19/09	12/01/09	08/19/10	09/22/10	11/19/10	04/19/11	11/21/11	04/17/12	02/1/13	4/16/13	4/30/13	6/17/13	3/20/14	4/17/15	4/17/15	6/23/16	4/15/16	6/23/16	6/16/16	6/16/16	6/16/16	6/16/16 06/23/19 <sup>(17)</sup>
Total number of free shares allocated	210,125	3,544,176	493,832	667,600	252,000	658,400	674,650	533,700	681,550 <sup>(12)</sup>	320,475	636,550	846,288	105,000	639,750	639,800	422,970	770,300	442,604	120,000	509,652	3,250,962	1,007,721	
of which corporate officers	-	225,506	-	2,000	252,000	-	2,000	-	2,000	-	1,500	28,263	105,000	-	-	-	-	-	45,000	-	-	-	243,243
of which first ten beneficiary employees (excluding corporate officers)	500	447,890	-	54,000	-	500	62,000	500	54,000	500	44,000	92,931	-	44,000	52,000	197,680	40,400	189,177	75,000	289,575	613,899	764,478	
Delivery date	05/20/11	03/19/2012 <sup>(9)</sup> 03/19/13	Between 01/1/2010 and 12/2018	08/19/2013 <sup>(9)</sup> 08/19/14	09/22/2013 <sup>(9)</sup> 09/22/14	12/1/14	04/19/2014 <sup>(13)</sup> 04/19/15	12/01/2013 <sup>(14)</sup> 12/01/15	04/17/2015 <sup>(13)</sup> 04/17/16	02/01/17	4/16/2016 <sup>(13)</sup> 4/16/17	4/30/2016 <sup>(13)</sup> 4/30/17	6/17/2016 <sup>(13)</sup> 6/17/17	3/20/2017 <sup>(13)</sup> 3/20/18	4/17/2018 <sup>(13)</sup> 4/17/2019	4/17/2016 <sup>(16)</sup> 4/17/2019	6/24/19	4/15/2017 4/15/20	6/24/19	6/17/19	6/17/20	6/24/19	
Total number of free shares allocated adjusted as at 12/31/2016	210,125	3,544,176	493,832	667,600	252,000	658,400	674,650	533,700	681,550	320,475	636,550	846,288	105,000	639,750	639,800	422,970	770,300	442,604	120,000	509,652	3,250,962	1,007,721	
Total number of free shares delivered as at 12/31/2016	(150,575)	(2,972,121)	(314,102)	(468,450)	(248,387)	(248,900)	(478,023)	(238,150)	(481,569)	-	(39,779)	(106,102)	(18,632)	(1,000)	(2,000)	(83,392)	-	-	-	-	-	-	-
Total number of free shares canceled as at 12/31/2016	(59,550)	(572,055)	(179,730)	(199,150)	(3,613)	(409,500)	(196,627)	(295,550)	(199,981)	(204,075)	(343,781)	(236,068)	(67,736)	(374,644)	(354,417)	(19,461)	(24,700)	-	-	-	(11,583)	(173,745)	
Number of free shares outstanding as at 12/31/2016	-	-	-	-	-	-	-	-	-	116,400	252,990	504,118	18,632	264,106	283,383	320,117	745,600	442,604	120,000	509,652	3,239,379	833,976	

- (1) Options granted under the Digitas option plans that existed when Digitas was acquired in January 2007 were converted into purchase options on Publicis Groupe shares using the existing ratio of the purchase price established under the offer for Digitas stock (restated in euros) and the market value of Publicis Groupe shares on the date of the merger. The purchase price was adjusted as a result.
- (2) Conditional options, the exercise of which is contingent on the achievement of objectives under the three-year plan. The achievement level of objectives in the 2006-2008 plan was measured in 2009.
- (3) The Management Board may decide, before the beginning of the exercise period, to deliver existing shares when the options are exercised instead of delivering shares to be issued.
- (4) Exercise period started in 2009, after determining levels at which the objectives were achieved and thus the number of exercisable options. Half of the total exercisable number can be exercised after this date, the other half in 2010. Non-exercisable options were canceled.
- (5) Concerns French employees.
- (6) This is the plan awarding 50 free shares to all of the Group's employees.
- (7) Co-investment plan offered to 160 key Group managers, of which 136 subscribed.
- (8) Shares granted under the Microsoft option plans that existed when Razorfish was acquired in October 2009 were converted into stock purchase options on shares of Publicis Groupe using the existing ratio of the purchase price established for Microsoft (restated in euros) and the market value of Publicis Groupe stock on the date of the acquisition.
- (9) Concerns French employees, who are subject to a two-year period of non-transferability.
- (10) This is the plan awarding 50 free shares to all of the Group's employees.
- (11) Co-investment plan offered to 200 key Group managers.
- (12) Under the LTIP 2012 plan, 11,965 free shares were granted by the Management Board on July 16, 2012.
- (13) Concerns French employees, who are subject to a two-year period of non-transferability.
- (14) Concerns Italian and Spanish employees, who are, in addition, subject to a three-year period of non-transferability.
- (15) Sapient Plan 2015 consists of three distinct plans. Two of these plans are conditional only upon continued employment and, in the case of the first plan, give rise to the delivery of one-quarter of the shares awarded, on the dates of the first four anniversaries of the plan (i.e. in April 2016, 2017, 2018 and 2019) and, in the case of the second plan, to the delivery of all shares awarded, at the end of a four-year period, i.e. in April 2019. The third plan, in addition to the condition of continued employment, is conditional upon performance criteria, such that the total number of shares delivered shall depend on the level of attainment of targets in respect of 2015, 2016 and 2017. The shares ultimately awarded in accordance with the level of attainment of these performance targets will be deliverable at the end of a three-year period, i.e. in April 2018.
- (16) Sapient Plan 2016 consists of two distinct plans. One of these plans is conditional only upon continued employment and gives rise to the delivery of one-quarter of the shares awarded on the dates of the first four anniversaries of the plan (i.e. in April 2017, 2018, 2019 and 2020). The second plan, in addition to the condition of continued employment, is conditional upon performance criteria, such that the total number of shares delivered shall depend on the level of attainment of targets in respect of 2016, 2017 and 2018. The shares ultimately awarded in accordance with the level of attainment of these performance targets will be deliverable at the end of a three-year period, i.e. in April 2019.
- (17) Allocation granted on June 16, 2016 and submitted for approval by the Supervisory Board on June 23, 2016.

**TABLE 11 (AMF NOMENCLATURE) OTHER INFORMATION CONCERNING THE EXECUTIVE CORPORATE OFFICERS**

Executive corporate officers	Employment contract	Supplementary pension plan	Indemnities or benefits due or payable on cessation or change in functions	Indemnities under a non-compete clause
<b>Management Board</b>				
<b>Maurice Lévy, Chairman</b>	No	No	No	Yes <sup>(1)</sup>
<b>Jean-Michel Etienne</b>	Yes	No	Yes <sup>(1)</sup>	No
<b>Anne-Gabrielle Heilbronner</b>	Yes	No	Yes <sup>(1)</sup>	Yes <sup>(2)</sup>

(1) See Section 2.2.2 "Compensation of the Chairman and the members of the Management Board" of this document.

(2) A non-compete clause in Anne-Gabrielle Heilbronner's favor was included in her employment contract upon her arrival at the Publicis Groupe in 2012, i.e. before her appointment as a member of the Management Board. This non-compete clause is valid for a maximum of two years and includes maximum financial compensation to be paid equal to 30% of the gross salary, excluding variable elements. Publicis Groupe may waive this clause.

#### **2.2.4.2 Elements of the compensation due or paid to Corporate officers in respect of the 2016 fiscal year, and presented to the Ordinary General Shareholders' Meeting in accordance with the Say-on-Pay principle**

In accordance with the recommendations of the Afep-Medef Code (in article 26) to which the Company refers, the following elements of compensation due or paid in respect of the financial year 2016 to Executive corporate officers of the Company are subject to the opinion of shareholders:

- fixed compensation;
- variable compensation;
- attendance fees;
- exceptional compensation;
- granting of options and/or performance shares;
- indemnities when taking or leaving a function;
- supplementary pension plan;
- collective health and welfare insurance and systems;
- other benefits.

The tenth to fourteenth resolutions submitted to a vote by shareholders at the General Shareholders' Meeting aim to obtain their opinion on the elements of compensation and advantages due or paid with respect to the 2016 financial year to the Company's Executive corporate officers, Élisabeth Badinter, Chairperson of the Supervisory Board, Maurice Lévy, Chairman of the Management Board, and Jean-Michel Etienne, Kevin Roberts, and Anne-Gabrielle Heilbronner, members of the Management Board.

**SUMMARY TABLE OF ELEMENTS OF COMPENSATION FOR ÉLISABETH BADINTER, CHAIRPERSON OF THE SUPERVISORY BOARD**

In the tenth resolution, the General Shareholders' Meeting of May 31, 2017 will be asked to issue a favorable opinion on the following elements of compensation due or paid with respect of the 2016 financial year to Elisabeth Badinter, Chairperson of the Supervisory Board:

Elements of compensation	Amounts (in euros) or accounting valuation submitted for vote	Presentation
<b>Fixed compensation</b>	240,000	This compensation has remained unchanged since 2012
<b>Variable compensation</b>	N/A	N/A
<b>Attendance fees</b>	55,000	Payment resulting from her participation in Supervisory Board meetings where she serves as Chairperson, Appointments Committee meetings where she also serves as Chairperson of the Strategy and Risk Committee of which she is a member
<b>Exceptional compensation</b>	N/A	N/A
<b>Granting of options and/or performance shares</b>	N/A	N/A
<b>Indemnities when taking or ceasing a function</b>	N/A	N/A
<b>Supplementary pension plan</b>	N/A	N/A
<b>Collective health and welfare insurance and systems</b>	N/A	N/A
<b>Other benefits</b>	N/A	N/A

**SUMMARY TABLE OF ELEMENTS OF COMPENSATION FOR MAURICE LÉVY, CHAIRMAN OF THE MANAGEMENT BOARD**

In the eleventh resolution, the General Shareholders' Meeting of May 31, 2017 will be asked to issue a favorable opinion on the following elements of compensation due or paid with respect to the 2016 financial year to Maurice Lévy, Chairman of the Management Board:

Elements of compensation	Amounts (in euros) or accounting valuation submitted for vote	Presentation
<b>Fixed compensation</b>	N/A	N/A
<b>Variable compensation</b>	2,500,000	This amount is determined by the assessment of the performance on the financial, stock market and non-financial individual criteria.
<b>Attendance fees</b>	N/A	N/A
<b>Exceptional compensation</b>	N/A	N/A
<b>Granting of options and/or performance shares</b>	N/A	N/A
<b>Indemnities when taking or ceasing a function</b>	N/A	N/A
<b>Supplementary pension plan</b>	N/A	N/A
<b>Collective health and welfare insurance and systems</b>	3,477	This is the employer's contribution to the collective health and welfare insurance.
<b>Other benefits</b>	N/A	N/A

**SUMMARY TABLE FOR THE ELEMENTS OF COMPENSATION FOR KEVIN ROBERTS, MEMBER OF THE MANAGEMENT BOARD**

In its twelfth resolution, the General Shareholders' Meeting of May 31, 2017 will be asked to issue a favorable opinion on the following elements of compensation due or paid with respect to the 2016 financial year (for the period between January 1 and August 31, 2016) to Kevin Roberts, member of the Management Board:

Elements of compensation	Amounts (in euros) or accounting valuation submitted for vote*	Presentation
<b>Fixed compensation</b>	597,840	For the period between January 1 and August 31, 2016, compensation unchanged compared to 2015.
<b>Variable compensation</b>	1,407,315 <sup>(1)</sup>	This amount is determined by the assessment of the performance on the financial and non-financial individual criteria.
<b>Attendance fees</b>	N/A	N/A
<b>Exceptional compensation</b>	N/A	N/A
<b>Granting of options and/or performance shares</b>	N/A	N/A
<b>Indemnities when taking or ceasing a function</b>	N/A	N/A
<b>Supplementary pension plan</b>	N/A	Instead of the complementary pension contracts provided for at the time of the acquisition of Saatchi & Saatchi, a commitment was made to pay this gross amount each year.
<b>Collective health and welfare insurance and systems</b>	28,632	This is a healthcare contract.
<b>Other benefits</b>	N/A	N/A

\* Compensation calculated and paid in US dollars. The euro conversion is carried out at the average rate of \$1 = €0.89676 in 2016 (average from January 1 to August 31, 2016).

(1) The variable compensation component includes a contractual annual pension prorata disbursement.



**SUMMARY TABLE FOR THE ELEMENTS OF COMPENSATION FOR JEAN-MICHEL ETIENNE, MEMBER OF THE MANAGEMENT BOARD**

In the thirteenth resolution, the General Shareholders' Meeting of May 31, 2017 will be asked to issue a favorable opinion on the following elements of compensation due or paid in respect of the 2016 financial year to Jean-Michel Etienne, member of the Management Board:

Elements of compensation	Amounts (in euros) or accounting valuation submitted for vote	Presentation
<b>Fixed compensation</b>	840,000	In line with Group policy, the compensation was reviewed during the two-year cycle.
<b>Variable compensation</b>	630,000	This amount is determined by the assessment of the performance on the financial and non-financial individual criteria.
<b>Attendance fees</b>	N/A	N/A
<b>Exceptional compensation</b>	N/A	N/A
<b>Maximum annual grant of options and/or performance shares</b>	1,911,444	This amount corresponds to the maximum annual value in the consolidated financial statements of shares granted under performance share plans LTIP 2016-2018 and LionLead3. The number of shares finally received at the end of the three-year vesting period will depend on the level of attainment of the criteria set for each plan, as well as the share price for LionLead3.
<b>Indemnities when taking or ceasing a function</b>	N/A	N/A
<b>Supplementary pension plan</b>	N/A	N/A
<b>Collective health and welfare insurance and systems</b>	4,644	This is the employer's contribution to the collective health and welfare insurance.
<b>Other benefits</b>	N/A	N/A

**SUMMARY TABLE OF ELEMENTS OF COMPENSATION FOR ANNE-GABRIELLE HEILBRONNER, MEMBER OF THE MANAGEMENT BOARD**

In the fourteenth resolution, the General Shareholders' Meeting of May 31, 2017 will be asked to issue a favorable opinion on the following elements of compensation due or paid with respect to the 2016 financial year to Anne-Gabrielle Heilbronner, member of the Management Board:

Elements of compensation	Amounts (in euros) or accounting valuation submitted for vote	Presentation
<b>Fixed compensation</b>	600,000	In line with Group policy, the compensation was reviewed during the two-year cycle.
<b>Variable compensation</b>	480,000	This amount is determined by the assessment of the performance on the financial and non-financial individual criteria.
<b>Attendance fees</b>	N/A	N/A
<b>Exceptional compensation</b>	N/A	N/A
<b>Maximum annual grant of options and/or performance shares</b>	822,226	This amount corresponds to the maximum annual value in the consolidated financial statements of shares granted under performance share plans LTIP 2016-2018 and LionLead3. The number of shares finally received at the end of the three-year vesting period will depend on the level of attainment of the criteria set for each plan, as well as the share price for LionLead3.
<b>Indemnities when taking or ceasing a function</b>	N/A	N/A
<b>Supplementary pension plan</b>	N/A	N/A
<b>Collective health and welfare insurance and systems</b>	4,644	This is the employer's contribution to the collective health and welfare insurance.
<b>Other benefits</b>	N/A	N/A

## 2.2.5 Investment in the share capital

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On December 31, 2016, no members of the Management Board and the Supervisory Board owned more than 1% of the Company's shares, with the exception of Élisabeth Badinter and her children (7.39%), and Maurice Lévy, who owns directly or indirectly 4,507,255 shares (1.99% of the Company's capital) including 2,364,748 shares owned through non-commercial companies belonging to Mr. Lévy and his family.

As of December 31, 2016, the members of the Management Board and the Supervisory Board (with the exception of Élisabeth Badinter and her children) directly and indirectly owned 6,469,828 shares, or 2.86% of the share capital of the Company, including 1.99% controlled by Maurice Lévy.

As of December 31, 2016, the members of the Management Board also owned 27,916 stock options, 27,916 of which are exercisable. The average weighted exercise price of the options is €52.76 per share and the expiry date of these options is 2023 (see Note 28 to the consolidated financial statements in section 4.6).

The following table shows the investment of each Supervisory or Management Board member in the share capital of the Company at December 31, 2016 by the number of shares and voting rights, as well as the number of shares that each Management Board member has the right to acquire through the exercise of new stock subscription options and existing stock purchase options.

**SHAREHOLDINGS AND STOCK OPTIONS OF THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BOARDS  
AS OF DECEMBER 31, 2016**

	Number of Publicis Groupe S.A. shares	Voting rights in Publicis Groupe S.A. <sup>(1)</sup>	Number of shares that may be acquired through the exercise of share subscription options	Shares that may be acquired through the exercise of share purchase options		Weighted average price (in euros)
				Total number	Including conditional options <sup>(2)</sup>	
Corporate officer						
<b>Members of the Management Board</b>						
Maurice Lévy <sup>(3)</sup>	4,507,255	9,014,510		-	-	-
Anne-Gabrielle Heilbronner <sup>(4)</sup>	7,512	7,512				
Jean-Michel Etienne	95,464	168,324		27,916	27,916	52.76
<b>Total Management Board</b>	<b>4,610,231</b>	<b>9,190,346</b>		27,916	27,916	52.76
<b>Members of the Supervisory Board</b>						
Élisabeth Badinter <sup>(5)</sup>	16,700,967	33,401,934				
Sophie Dulac	1,749,460	3,088,920				
Claudine Bienaimé	89,200	133,400				
Simon Badinter <sup>(6)</sup>	509	859				
Michel Cicurel	1,017	1,217				
Jean Charest	1,300	1,300				
Marie-Josée Kravis	500	500				
Véronique Morali	500	1,000				
Marie-Claude Mayer	12,920	22,944				
Jerry A. Greenberg	3,700	3,700				
André Kudelski	500	500				
Thomas H. Glocer	500	500				
<b>Total Supervisory Board</b>	<b>18,561,073</b>	<b>36,656,774</b>				

(1) Shows the impact of possible double voting rights.

(2) The conditions were taken into account to determine the final number of options definitively granted.

(3) Maurice Lévy directly owns 2,142,507 shares, and indirectly owns 2,364,748 shares of the Company through non-commercial companies, representing a total of 9,014,510 voting rights.

(4) Allocations prior to Ms. Heilbronner being appointed to the Management Board.

(5) Élisabeth Badinter fully owns 5,834,820 shares (representing 2.58% of the share capital and 4.66% of the voting rights) and has the right to income for 10,866,147 shares with her children owning the ownership shares (representing 4.81% of the share capital and 8.68% of voting rights).

(6) Excluding the 3,622,049 ownership shares held by Simon Badinter.

Note: the bylaws require members of the Supervisory Board to hold at least 500 shares (Combined General Shareholders' Meeting decision of May 27, 2015).

## 2.2.6 Transactions performed on Publicis Groupe securities by the managers and the persons related to them

The transactions performed by the Corporate Officers and the persons mentioned in article L. 621-18-2 of the French Monetary and Financial Code concerning Company stock during the financial year 2016 are as follows:

Name and Surname	Position	Description of the financial instrument	Type of transaction	Number of transactions	Amount of the transactions (in euros)
<b>Jean-Michel Etienne</b>	Member of the Management Board	Shares	Exercise of stock options	1	185,308
<b>Anne-Gabrielle Heilbronner</b>	Member of the Management Board	Shares	Dividends (in shares)	1	7,458
		Shares	Exercise of stock options	1	717,905
		Shares	Disposal	1	892,533
<b>Claudine Bienaimé</b>	Member of the Supervisory Board	Shares	Exercise of stock options	1	585,400
		Shares	Disposal	1	349,743
<b>André Kudelski</b>	Member of the Supervisory Board	Shares	Acquisition	1	33,024
<b>Thomas H. Glocer</b>	Member of the Supervisory Board	Shares	Acquisition	1	32,860
<b>Marie-Claude Mayer</b>	Member of the Supervisory Board	Shares	Exercise of stock options	1	236,326
		Shares	Disposal	1	532,238