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**COMBINED ORDINARY AND EXTRAORDINARY GENERAL SHAREHOLDERS'
MEETING OF MAY 31, 2017**

REPORT OF THE SUPERVISORY BOARD

Dear shareholders,

Pursuant to Article L. 225-68 of the French Commercial code, the Supervisory Board presents its comments on the Management Board Report and on the corporate and consolidated financial statements for the 2016 fiscal year.

The Management Board submitted these documents within the legally prescribed period to the Supervisory Board, which has examined them, has taken note of the opinion of the Audit Committee on the closure of the accounts and has held discussions with the auditors.

The Supervisory Board, having received all the information that it deemed useful, has no particular comment to make on these documents.

During its meeting of March 1, 2017, the Supervisory Board approved the report prepared by the Chair of the Supervisory Board pursuant to Article L. 225-68 paragraph 7 of the French commercial code.

In seeking to fulfill its task of continuously improving the governance of Publicis, the Supervisory Board is assisted by four specialized committees (Nomination committee, Compensation committee, Audit committee, and Risk and Strategy committee). These committees were reorganized on May 25, 2016 on account of the expiry of the term of office as a member of the Supervisory Board of Amaury de Seze, Chair of the Compensation Committee and member of the Nomination committee, and the appointments of André Kudelski and Thomas Glocer.

The main mission of the **Nomination committee** during 2016 has been to examine with all due attention the candidacies of key Groupe executives in the context of the selection of a successor to the Chairman of the Management Board. Ideas were exchanged with the Chairman of the Management Board concerning possible options for his succession and the continuing prosperity of the Groupe. The Committee also studied the composition of the Supervisory Board, and in particular the representation of independent members, and made recommendations to the members of the Board. The Committee also addressed the question of managerial appointments to the Solutions divisions.

The **Compensation committee** examined the elements of compensation of the Chairman of the Management Board (exclusively variable since 2012) and of the members of the Management Board (fixed and variable elements) and proposed decisions in this regard to the Supervisory Board. The Committee also addressed questions regarding the policy of share-based compensation. The Committee also studied the systems of compensation of key executives of the Groupe and possible promotion thereto. The Committee took note of the bonus policy in the context of the new Groupe organization and was consulted regarding a new bonus system for the Groupe.

The **Risk and Strategies committee** examined the distribution of risk throughout the Groupe, and in particular the risks relating to the Groupe's transformation and the integration of Sapient, and the measures taken to limit them. The Committee examined the Groupe's Social and Environmental Responsibility strategy. The Committee discussed the main strategic options for development and acquisitions.

The **Audit committee** oversees the organization and implementation of the Groupe audit, monitors the quality of internal control and ensures that the accounts are accurate and fairly stated. The Committee reviewed the fees payable for additional missions entrusted to the Statutory Auditors. The Committee examined the rotation of Cabinet Mazars, Ernst & Young et autres as Statutory Auditors, and also that of the partners signing on behalf of these two firms. The Committee took note of missions performed by the internal control department and warnings that were received. The Supervisory Board heard a report from the Committee with its opinion on the accounts closed on December 31, 2016 and more generally on the internal control and audit procedures.

The Supervisory Board accepted the proposals made by the Management Board, on one hand to increase the dividend to € 1.85 per share versus € 1.60 the previous year, and on the other hand to offer each shareholder the possibility of receiving the dividend either in the form of cash or of new shares.

The Supervisory Board proposes that you approve the corporate and consolidated financial statements for the 2016 fiscal year, allocate earnings from the aforesaid fiscal year, and decide on distribution of the dividend as proposed by the Management Board.

Your Statutory Auditors will present their special report on related party interests governed by Articles L. 225-86 *et seq.* of the French commercial code.

Following the recommendations of the Nomination committee, the Supervisory Board proposes that you renew the terms of office of Simon Badinter and Jean Charest as members of the Supervisory Board for terms of four years, and submits the candidacy of Maurice Lévy as a new member of the Supervisory Board for a term of office of four years.

The term of office of Cabinet Mazars is now at an end. Following the recommendations of the Audit committee we propose that you renew this term of office for a period of six fiscal years.

The Supervisory Board has no comments to make on the Say-on-Pay resolutions which are submitted for your approval regarding the Chair of the Supervisory Board and the members of the Management Board in respect of the 2016 fiscal year, and proposes that you vote in favor of these resolutions.

The Supervisory Board invites you to approve the Say-on-pay resolutions relating to the principles and criteria governing the setting, apportionment and attribution of the fixed, variable and exceptional compensation comprising the total compensation and various benefits attributable to members of the Supervisory Board, and present and future members of the Management Board. These principles and criteria, determined by the Supervisory Board following the recommendations of the Compensation committee, are presented in the report drawn up as prescribed by Article L. 225-82-2 of the French commercial code and mentioned in section 2.2, "Report on compensations of Corporate officers" of the 2016 Registration Document.

The Supervisory Board has signified its agreement to the Management Board concerning the proposed requests made to the general shareholders' meeting for renewal of delegations of powers and financial authorizations.

The Supervisory Board invites you to adopt a modification to the Articles of Incorporation with a view to determining the modes of appointment of members of the Supervisory Board representing salaried employees pursuant to Article L. 225-79-2 of the French commercial code.

The Supervisory Board invites you to adopt all the resolutions submitted to the general shareholders' meeting.

The Supervisory Board