



## PUBLICIS GROUPE

### REPORT OF THE SUPERVISORY BOARD

The Supervisory Board assessed its work in 2013 by examining a summary of work performed and addressing lessons learned. The assessment was led by Mrs. H el ene Ploix, an independent member of the Supervisory Board, with the assistance of the Board's Secretary.

Four specialist committees—the Appointment Committee, the Compensation Committee, the Audit Committee and the Strategy and Risk Committee—assist the Supervisory Board in its work in the aim of continually improving corporate governance at Publicis.

**The Appointment Committee** dealt with the appointments of various executives of the Group's major networks. The Committee made recommendations on the composition of the Supervisory Board.

**The Compensation Committee** considered the compensation of the Chairman of the Management Board (entirely variable) and of members of the Management Board (fixed and variable components) and put a proposal to the Supervisory Board as to the decisions that should be taken in that respect. The Committee also considered the policy for paying compensation in the form of shares and reviewed the performance-related bonus policy that depends on the results of the Group and of each major network.

**The Strategy and Risk Committee** examined an overview of the risks faced by the Group as well as the measures taken to limit those risks. The Committee undertook a detailed analysis of a few of the major risks faced by the Group, particularly the legal risks and those associated with HR management. It also addressed the main strategic options in terms of development and acquisitions. The Committee also carefully considered the strategic objectives involved in the planned merger between Publicis Groupe and Omnicom Group as well as the potential risks associated with the transaction and the anticipated advantages of the alliance for employees, clients, shareholders and other parties involved.

**The Audit Committee** oversees the organization and implementation of Group audits, monitors the quality of internal control measures and verifies the truth and accuracy of the Group's financial statements. The Committee provided the Supervisory Board with its opinion on the proposed merger between Publicis Groupe and Omnicom Group within the scope of its remit. The Audit Committee presented the Supervisory Board with its opinion on the financial statements for the fiscal year ended December 31, 2013 and, more broadly, with regard to internal control procedures.

In accordance with Article L 225-68 of the French Commercial Code, the Management Board submitted the annual financial statements, consolidated financial statements and its management report to the Supervisory Board. Having received all of the information that we deem useful, we do not have any particular observations to make with regard to these documents.

The Supervisory Board approved the Management Board's proposals to increase the dividend per share from €0.90 for last year to €1.10 (i.e. a 22.2% dividend increase and 30% payout ratio) and to grant each shareholder the possibility of receiving payment of the dividend either in cash or in new shares, at the shareholder's discretion.

Pursuant to Article L. 225-86 of the French Commercial Code, in 2013, the Supervisory Board authorized the conclusion of two credit facilities with BNP Paribas and Societe Generale, of which Mrs. Hélène Ploix and Mr. Michel Cicurel, who are also members of the Company's Supervisory Board, are respectively directors. In accordance with Article L. 225-88 of the French Commercial Code, the parties concerned by these agreements did not take part in the vote on the Board's decisions.

The Group's auditors will present their special report on the agreements and commitments referred to in Articles L.225-86 et seq. of the French Commercial Code, which notably mention these agreements.

Mrs. Claudine Bienaimé's and Mrs. Michel Halpérin's offices as members of the Supervisory Board will expire at the close of this General Meeting. With the approval of the Appointment Committee, we propose that these two persons be renewed for a term of four years, to expire at the close of the Ordinary General Shareholder's Meeting convened to vote on the financial statements for fiscal year 2017.

The Supervisory Board gave the Management Board its consent in relation to the proposals to request financial authorizations at the General Meeting.

Accordingly, we invite you to approve the resolutions submitted for your approval.

The Supervisory Board