



## **PUBLICIS GROUPE**

### **COMBINED ORDINARY AND EXTRAORDINARY GENERAL MEETING OF THE SHAREHOLDERS OF PUBLICIS GROUPE SA TO BE HELD ON MAY 27, 2015**

#### **REPORT OF THE SUPERVISORY BOARD**

Dear Shareholders,

Pursuant to Article L. 225-68 of the French Commercial Code, the Supervisory Board members familiarized themselves with the annual financial statements, the consolidated financial statements, and the management report provided to them by the Management 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.

On September 15, 2014, the Supervisory Board terminated the office of Mr. Jean-Yves Naouri as member of the Management Board and appointed a new Management Board, whose members include Mr. Maurice Lévy, Mrs. Anne-Gabrielle Heilbronner, Messrs. Kevin Roberts, and Jean-Michel Etienne. These Management Board members were appointed for a term of four years, to expire on September 14, 2018, except Messrs. Maurice Lévy and Kevin Roberts, whose offices will expire at the general shareholders' meeting convened to vote on the financial statements for the fiscal year ending December 31, 2016. In addition, an expanded Management Board known as the "Directoire +" was set up, made up of senior group executives who are not corporate officers and who are not entitled to vote but who may be involved in certain Management Board discussions in an advisory capacity. The new Management Board was appointed and the "Directoire +" was set up with a view to preparing for a new generation of Group Executives.

The Supervisory Board assessed its work in 2014 by examining a summary of work performed and addressing lessons learned. The assessment was led by Mrs. Hélène Ploix, an independent member of the Supervisory Board.

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** made recommendations on the composition of the Supervisory Board and discussed the composition of the Management Board, and made recommendations to the Board. The Board dealt with the appointments of executives of the Group's major networks.

The **Compensation Committee** considered the compensation of the Chairman of the Management Board (exclusively variable since 2012) and of the Management Board members (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 read information concerning the compensation of other members of the Executive Committee (P12) for information purposes. It considered the policy for paying compensation in the form of shares, reviewed the performance-related bonus policy that depends on the results of the Group and of each major network, and was consulted with respect to a new Group bonus system.

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 **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 public offer to purchase Sapient Corporation shares and how to finance the transaction, which are within the scope of its remit. The Committee presented the Supervisory Board with its opinion on the financial statements for the fiscal year ended December 31, 2014 and, more broadly, with regard to internal control and audit procedures.

The Supervisory Board approved the Management Board's proposals to increase the dividend per share from €1.10 for last year to €1.20 (i.e. a 9.1% dividend increase and a 37.3% payout rate) 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.

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.

After having obtained the opinion of the Appointment Committee, the Supervisory Board suggested putting forward the candidacy of a new Board member, Mr. Jerry A. Greenberg, co-founder and co-Chairman of the Board of Directors of Sapient, to the general shareholders' meeting.

Shareholders will also be asked to agree to amend the Company's articles of incorporation to permit the appointment of two non-voting Board members who may attend meetings of the Board and its Committees in an advisory capacity. These non-voting members (*censeurs*), who may not be elected for a term of more than two years, will notably be responsible for ensuring that the Group continually implements good governance rules.

In accordance with the advice of the Compensation Committee, the Board consented to the proposal to increase the number of shares to be held by Board members from 200 to 500.

These three proposals will strengthen governance at Publicis even further.

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

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

The Supervisory Board