

**COMBINED GENERAL  
SHAREHOLDERS'  
MEETING**

**31**  
**MAY 2017**





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# AGENDA



# ORDINARY GENERAL SHAREHOLDERS' MEETING

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## AGENDA1/6

### Reports :

- of the Management Board
- of the Supervisory Board
- of the Chair of the Supervisory Board
- of the Statutory Auditors



# ORDINARY GENERAL SHAREHOLDERS' MEETING

## AGENDA 2/6

### Resolutions :

- Approval of the corporate financial statements for fiscal year 2016
- Approval of the consolidated financial statements for fiscal year 2016
- Allocation of 2016 net income and declaration of dividend
- Option for payment of dividend in cash or shares
- Related-party agreements for fiscal year 2016
- Reappointment of members of the Supervisory Board:
  - Mr. Simon Badinter for a period of 4 years
  - Mr. Jean Charest for a period of 4 years



# ORDINARY GENERAL SHAREHOLDERS' MEETING

## AGENDA 3/6

### Resolutions (continued) :

- Appointment of Mr. Maurice Lévy to the Supervisory Board and approval of the principles and criteria governing the total compensation as Chairman of the Supervisory Board from June 1, 2017
- Reappointment of Cabinet Mazars as Statutory Auditors
- Say-on-Pay, in respect of the 2016 fiscal year for Mrs. Elisabeth Badinter, Chair of the Supervisory Board
- Say-on-Pay, in respect of the 2016 fiscal year for Mr. Maurice Lévy, Chairman of the Management Board, and approval of the principles and criteria governing the total compensation and various benefits attributable as Chairman of the Management Board from January 1 to May 31, 2017



# ORDINARY GENERAL SHAREHOLDERS' MEETING

## AGENDA 4/6

### Resolutions (continued) :

- Say-on-Pay, in respect of the 2016 fiscal year:
  - Mr. Kevin Roberts, Member of the Management Board up until August 31, 2016
  - Mr. Jean-Michel Etienne, Member of the Management Board
  - Mrs. Anne-Gabrielle Heilbronner, Member of the Management Board
- Approval of the principles and criteria governing the setting, apportionment and attribution of fees and exceptional compensation comprising the total compensation and various benefits attributable to the Members of the Supervisory Board, for year 2017
- Approval of the principles and criteria governing the total compensation for Mrs. Elisabeth Badinter, Chair of the Supervisory Board until May 31, 2017, for year 2017



# ORDINARY GENERAL SHAREHOLDERS' MEETING

## AGENDA 5/6

### Resolutions (continued) :

- Approval of the principles and criteria governing the total compensation of Mr. Arthur Sadoun, the incoming Chairman of the Management Board from June 1, 2017, for year 2017
- Approval of the principles and criteria governing the total compensation of:
  - Mr. Jean-Michel Etienne, member of the Management Board, for year 2017
  - Mrs. Anne-Gabrielle Heilbronner, member of the Management Board, for year 2017
  - Mr. Steve King, incoming Member of the Management Board from June 1, 2017, for year 2017



# ORDINARY GENERAL SHAREHOLDERS' MEETING

## AGENDA 6/6

### Resolutions (continued) :

- Approval of the related-party agreements referred to in Article L. 225-90-1 of the French Commercial Code, i.e. the termination or non-compete agreements and benefits entered into with:
  - Mr. Arthur Sadoun upon his appointment as Chairman of the Management Board as of June 1, 2017
  - Mr. Steve King upon his appointment as Member of the Management Board as of June 1, 2017
- Authorization to be granted to the Management Board entitling the Company to trade in its own shares





# EXTRAORDINARY GENERAL SHAREHOLDERS' MEETING

## AGENDA 1/2

### Report of the Management Board

### Reports of the Statutory Auditors

### Resolutions :

- Authorization to be granted to the Management Board to decide to reduce the share capital by cancelling treasury shares
- Authorization to be granted to the Management Board to determine the issue price of ordinary shares in the Company, in the case of capital increases without preemptive subscription rights, by public offering or by an offering under Article L. 411-2 II of the French Monetary and Financial Code, within the limit of 10% of the capital per annum

# EXTRAORDINARY GENERAL SHAREHOLDERS' MEETING

## AGENDA 2/2

### Resolutions (continued) :

- Delegation of authority to be granted to the Management Board to decide to issue ordinary shares in the Company and/or securities, without preemptive subscription rights, in consideration of contributions in kind made to the Company and constituting shares or other equity securities conferring equity rights in the Company, except in the case of a public exchange offering
- Employee share ownership: delegation of authority to be granted to the Management Board to decide to issue ordinary shares in the Company or securities, without preemptive subscription rights:
  - for the benefit of members of a Company savings plan
  - for the benefit of certain categories of beneficiaries
- Amendment of Article 13 of the Company's Articles of Incorporation with regard to the appointment of employee representatives to the Supervisory Board



# ORDINARY GENERAL SHAREHOLDERS' MEETING

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## Resolution :

- Powers to carry out formalities



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**PUBLICIS  
GROUPE**



## DISCLAIMER

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Certain information contained in this document, other than historical information, may constitute forward-looking statements or unaudited financial forecasts. These forward-looking statements and forecasts are subject to risks and uncertainties that could cause actual results to differ materially from those projected. These forward-looking statements and forecasts are presented as at the date of this document and, other than as required by applicable law, Publicis Groupe does not assume any obligation to update them to reflect new information or events or for any other reason. Publicis Groupe urges you carefully to consider the risk factors that may affect its business, as set out in the Registration Documents filed with the French Autorité des Marchés Financiers (AMF) and which is available on the website of Publicis Groupe ([www.publicisgroupe.com](http://www.publicisgroupe.com)), including an unfavorable economic climate, an extremely competitive market sector, the possibility that our clients could seek to terminate their contracts with us at short notice, the fact that a substantial part of the Group's revenue is derived from certain key clients, conflicts of interest between advertisers active in the same sector, the Group's dependence on its directors and employees, laws and regulations which apply to the Group's business, legal action brought against the Group based on allegations that certain of the Group's commercials are deceptive or misleading or that the products of certain clients are defective, the strategy of growing through acquisitions, the depreciation of goodwill and assets listed on the Group's balance sheet, the Group's presence in emerging markets, exposure to liquidity risk, a drop in the Group's credit rating and exposure to the risks of financial markets.

The texts of the agenda and proposed resolutions are free translations from the French language and are supplied solely for information purposes



# KEY EVENTS

# THE WORLD IN 2016

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## GEOPOLITICS

- Referendum on « Brexit » in the UK, US elections and referendum on the Constitution in Italy
- Geopolitical conflicts involving several major world powers – the United States, Russia, China – and tensions in North Korea
- Events in Nice, Brussel and Turkey



# THE WORLD IN 2016

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## THE MACROECONOMY

- Low growth, low inflation
- Activists intervention and new paradigms putting pressure on companies
- A disappointment: The Olympic Games in Rio
- A success: The European Football Championship in France

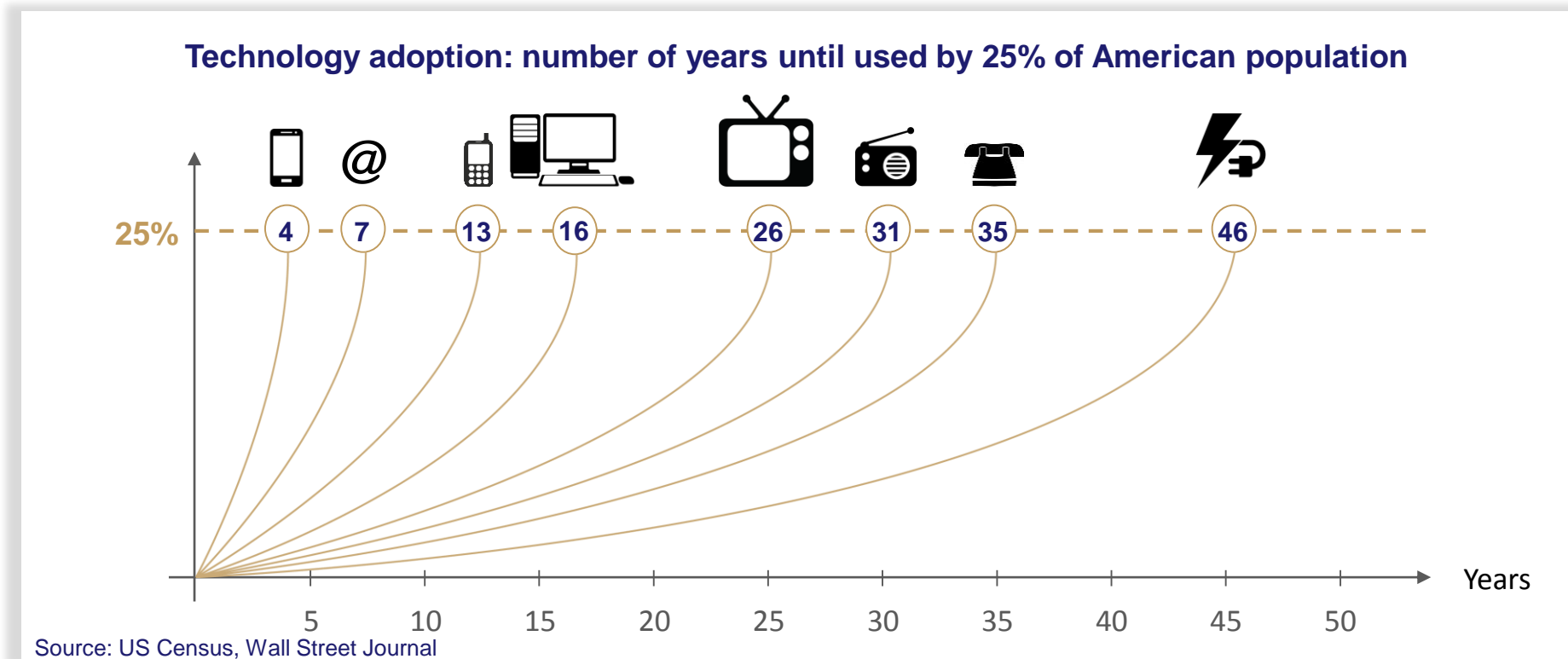


# THE WORLD IN 2016

## OUR SECTOR ENVIRONMENT (1/3)

### Acceleration of consumer autonomy and its empowerment

- Growth in mobile tools to share, choose, co-decide and take action, horizontally



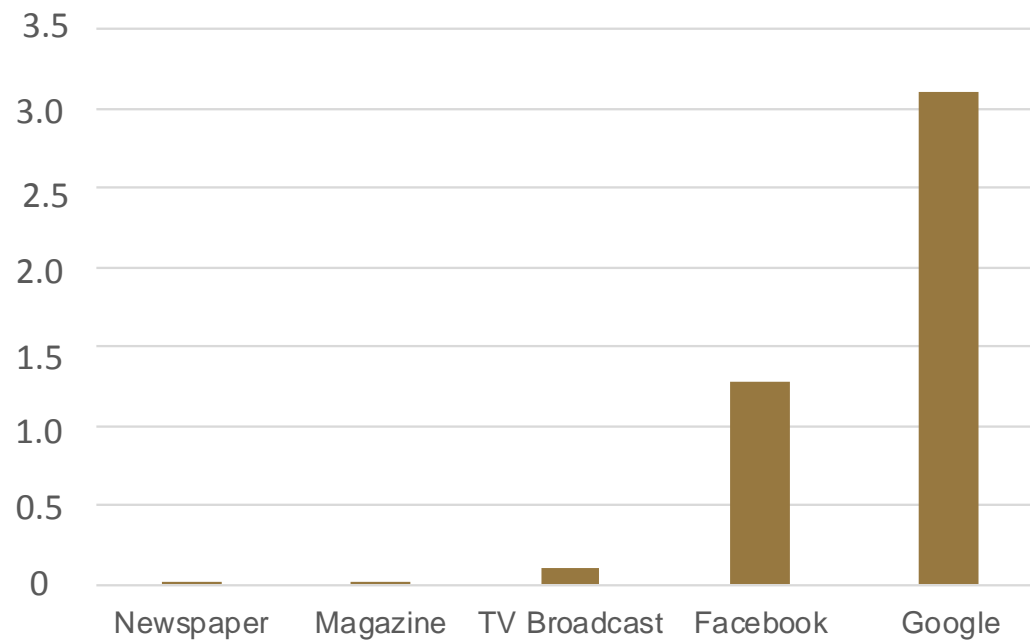
# THE WORLD IN 2016

## OUR SECTOR ENVIRONMENT (2/3)

### Deep transformation of the media landscape

- Emergence of global medias reaching more than one billions individuals

**Total Reach of Largest Properties by Media Channel (in billion individuals)**



# THE WORLD IN 2016

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## OUR SECTOR ENVIRONMENT (3/3)

- Acceleration of the pace of innovation
  - Connected objects, artificial intelligence
- New business life cycle
  - Disappearance of the borders between professions, rapid questioning of established business-models, rapid emergence of new global players: Uber, Airbnb ...
  - Needs for transformation
- marketing, technology and consulting
  - Appearance of new competitors from the consulting world

## ADAGE: RANKING OF THE FIRST 10 AGENCIES IN THE UNITED STATES

2016 REVENUE (US DOLLARS)

1	<b>Epsilon</b> (Alliance Data Systems Corp.)
2	<b>Accenture Interactive</b> (Accenture)
3	<b>Deloitte Digital</b> (Deloitte)
4	<b>PwC Digital Services</b> (PWC)
5	<b>SapientRazorfish</b> (Publicis)
6	<b>IBM iX</b> (IBM Corp.)
7	<b>Acxiom Corp.</b>
8	<b>Publicis Health</b> (Publicis)
9	<b>Ogilvy</b> (WPP)
10	<b>Advantage Marketing Partners</b> (Advantage Solutions)

# THE YEAR OF THE TRANSFORMATION OF THE PUBLICIS GROUPE MODEL

## A year ago, at the Shareholder's meeting of May 2016

- Redefinition of the strategic positioning of the Groupe in April 2015, strategic seminar in Silicon Valley in September 2015
  - The transformation “Power of One” announcement in December 2015

## In 2016, implementation of “Power of One”

- New organization
- End-to-end offer to meet clients' new needs
- Positive account winning momentum
- Attractive perspectives

**The “Power of One”: a new approach for a new era**

## 2016 KEY ACHIEVEMENT

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THE ORGANIZATION  
FOR A NEW ERA



Clients facing a new era  
**The Power of One**

FUEL  
THE GROWTH



**Integrated** offering  
and revenue **synergies**  
Improved account  
winning **momentum**

FOCUS ON MARGIN  
AND CASH GENERATION



Greater **efficiency**  
**Profitable**  
**Selective** capex policy

**Announcement of the management succession in Q1 2017**

# ACCOUNT WINNING MOMENTUM

MAIN WINS OF 2016 - 2017



## AN ABILITY TO RETAIN AND EXTEND RELATIONSHIPS WITH OUR CLIENTS



WIN BACK

MARS



RETAINED AND EXTENDED

GMC



RETAINED



RETAINED

COTY



RETAINED AND EXTENDED



## AN ABILITY TO RETAIN AND EXTEND RELATIONSHIPS WITH OUR CLIENTS

**P&G**

December 2015	January 2016	February 2016	May 2017
Media US <b>lost</b>	PR <b>gain</b>	Dish global <b>gain</b>	Media UK and Ireland, <b>retained and extended</b>

**Success of "The Power of One" and Publicis's innovation capability**

## GOVERNANCE: SUCCESSION

Proposal to the General Meeting to appoint Maurice Lévy  
to the Supervisory Board of Publicis Groupe with the aim to be Chairman



**Arthur Sadoun nominated CEO & Chairman of the Management Board of Publicis Groupe**

- 2006** : Joined Publicis Groupe in December as CEO of Publicis Conseil
- 2009** : CEO of Publicis France
- 2011** : Managing Director of Publicis Worldwide, in charge of western Europe and the activities « worldwide strategic planning and creative »
- 2013** : CEO of the network Publicis Worldwide
- 2016** : CEO of Publicis Communications



**Steve King joined the Management Board of Publicis Groupe**

- 2000** : Joined the Groupe following the acquisition of Zenith by Publicis Groupe, as member of the Zenith management, and overseen the merger with Optimedia
- 2001** : CEO of ZenithOptimedia EMEA
- 2004** : Global CEO of ZenithOptimedia, and one of the architect of VivaKi, regrouping the main media and digital assets of Publicis Groupe
- 2016** : CEO of Publicis Media



# **2016 RESULTS**



## **2016 FINANCIAL PERFORMANCES**

During a tough year, Publicis Groupe has announced the objective to increase in all financial indicators in 2016: revenue, operating margin, headline diluted EPS, *dividend pay-out*<sup>(1)</sup>

**Objective achieved**

(1) See last page for definitions

## 2016 KEY FIGURES

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Revenue <b>€ 9,733 m</b> <b>+1.4%</b>	Headline net income <b>€ 1,015 m</b> <b>+2.3%</b>	Free cash flow (before change in WCR) <b>€ 1,261 m</b> <b>+14.9%</b>
Operating margin <b>€ 1,516 m</b> <b>+2.0%</b>	Dividend <sup>(1)</sup> <b>€ 1.85</b> <b>+15.6%</b>	

## 2016 REVENUE BY GEOGRAPHY

(EUR million)	2016	2015	2016 vs. 2015	Organic growth
Europe	2,760	2,664	+3.6%	+5.9%
North America	5,236	5,184	+1.0%	-2.2%
Asia Pacific	1,085	1,066	+1.8%	+1.5%
Latin America	365	412	-11.4%	+2.9%
Middle East Africa	287	275	+4.4%	+1.1%
<b>Total</b>	<b>9,733</b>	<b>9,601</b>	<b>+1.4%</b>	<b>+0.7%</b>



## DIGITAL REVENUE

	2016	2015	2016 vs. 2015
EUR million	5,214	4,984	+4.6% <sup>(1)</sup>
% of Groupe revenue	53.6%	51.9%	

**2016 organic growth: +3.2%**

(1) Despite Razorfish performance



# UPDATE ON PUBLICIS.SAPIENT

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## 1. RAZORFISH

### Razorfish has been facing challenges over the past years including:

- Too much reliance on one-off projects
- Several management changes: Bob Lord until July 2013, Pete Stein until end 2014, Tom Adamski passed away in October 2015, Shannon Denton until merger of Razorfish and SapientNitro
- Good new business but insufficient to offset end of projects
- 2016 revenue: -15% year-on-year

### Actions have been taken:

- **Merger with SapientNitro** to create SapientRazorfish, combining consumer experience, omni-channel, and technology deployment
- Improving competitiveness of SapientRazorfish
  - Focused teams, simplification
  - Innovative products
  - New commercial dynamic



# PUBLICIS.SAPIENT

## 2. DIGITAL TRANSFORMATION

### Digital business transformation has become an increasing top priority focus for our clients in 2016

- The expected shift of client demand towards digital business transformation has sharply accelerated
- Requiring an even faster adaptation of clients' organization and Publicis.Sapient's services: combination of consulting, technology and creativity

### A very significant market

- Publicis.Sapient, a unique combination of communication & marketing assets and consulting capabilities to deliver end-to-end services to our clients
  - *Sapient Inside* leveraging “The Power of One”
  - Publicis Groupe to leverage its global delivery platform located in India
  - Promising results on clients' transformation business



## CONSOLIDATED INCOME STATEMENT

(EUR million)	2016	2015	2016 vs. 2015
Revenue	9,733	9,601	+1.4%
<b>EBITDA <sup>(1)</sup></b>	<b>1,682</b>	<b>1,661</b>	
As a % of revenue	17.3%	17.3%	
<b>Operating margin</b>	<b>1,516</b>	<b>1,487</b>	<b>+2.0%</b>
Non-current income and expenses	12	8	
Net financial income (expenses)	(74)	(77)	
Income taxes	(427)	(424)	
<b>Consolidated Headline Net Income</b>	<b>1,027</b>	<b>994</b>	<b>+3.3%</b>
Associates	(5)	8	
Minority interests	(7)	(10)	
<b>Headline Group Net Income <sup>(1)</sup></b>	<b>1,015</b>	<b>992</b>	<b>+2.3%</b>
Amortization of intangibles arising on acquisitions, net of tax	(51)	(61)	
Impairment loss, net of tax	(1,383)	(18)	
Revaluation of earn-out	(108)	(12)	
<b>Group Net Income</b>	<b>(527)</b>	<b>901</b>	

(1) See last page for definitions

# IMPAIRMENT

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## Impairment tests conducted at the level of the cash-generating units (CGUs)

### Market context & triggering events:

- Delayed Razorfish/SapientNitro integration
- Digital markets shift leading to higher investments requirements & slower short term growth
- Mid to long term prospects maintained

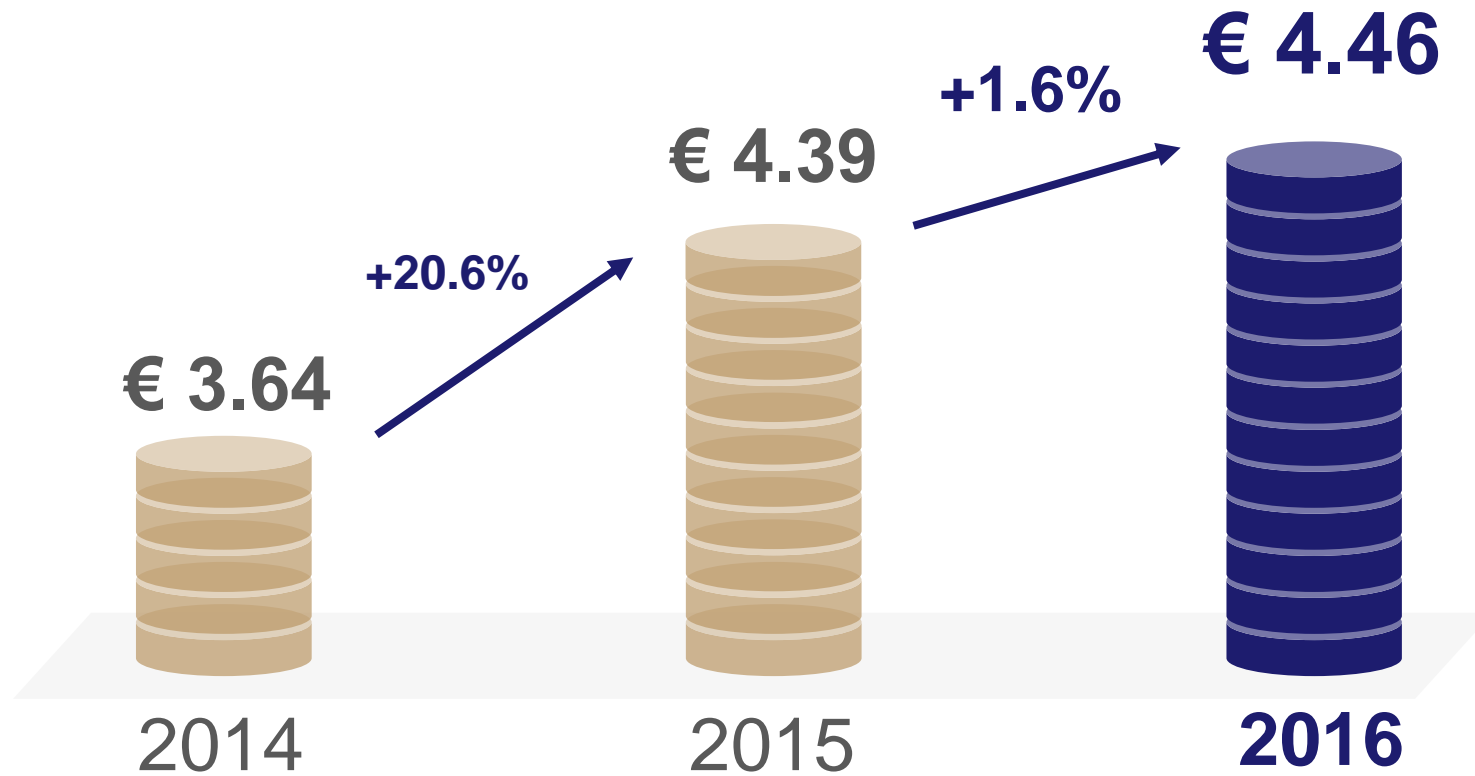
### Total impairment charge of €1,383 million, net of tax (€1,440 million before tax):

- €1,340 millions on Publicis.Sapient (out of €4.9 billion of goodwill & intangible assets)
- €43 millions other impairment

**Impairment charge has no impact on headline EPS, cash and dividend**

**New financial assumptions at Publicis.Sapient already reflected in 2018 margin objective**

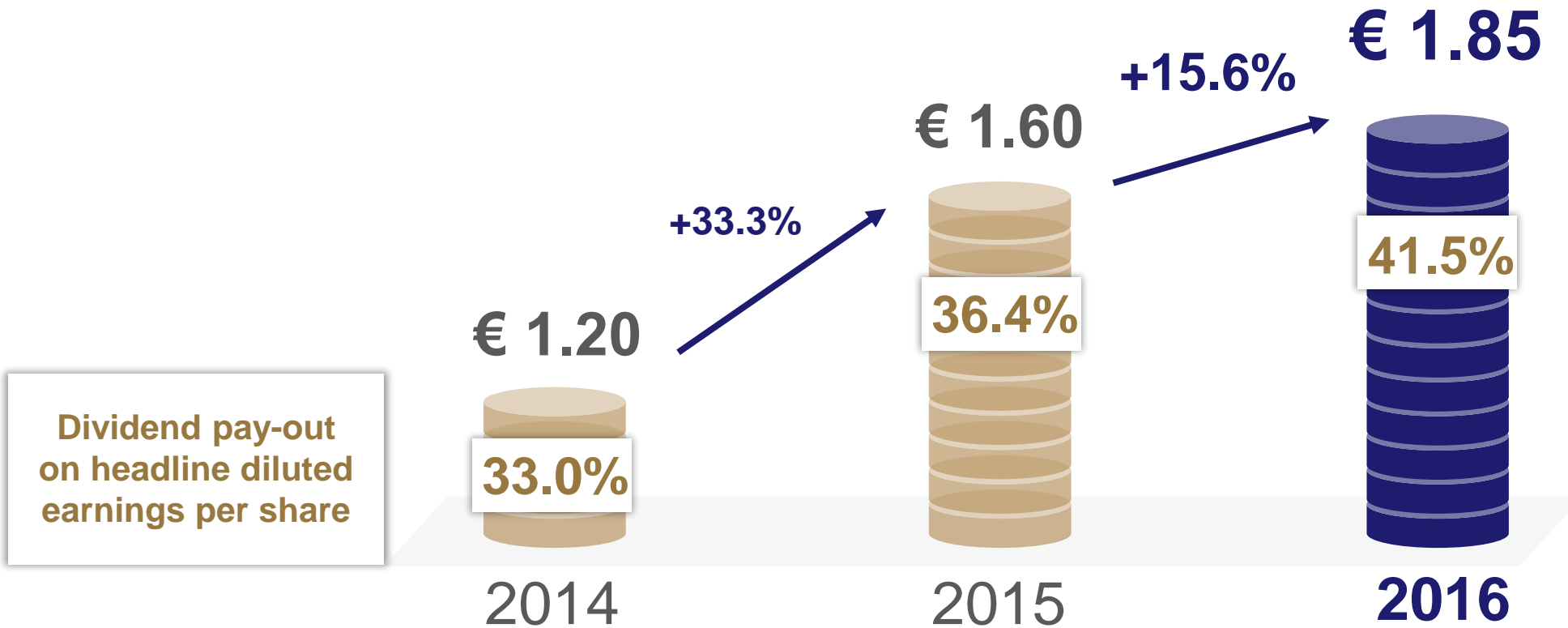
## HEADLINE EARNINGS PER SHARE, DILUTED <sup>(1)</sup>



(1) See last page for definitions

## DIVIDEND

PROPOSED DIVIDEND OF €1.85 PER SHARE,  
REPRESENTING CIRCA 42% OF HEADLINE DILUTED EPS



Option: cash or shares

To be submitted to May 31, 2017 AGM vote

## NET DEBT

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(EUR million)	2016	2015
Net Debt, average	2,385	2,429
Net Debt, at end of period	1,244	1,872

## FINANCIAL RATIOS

	2016	2015	Internal objectives
Average net debt / EBITDA <sup>(1)</sup>	1.42	1.46	< 1.50
Net Debt / Shareholders' Equity	0.21	0.28	< 0.50
Interest Cover <sup>(2)</sup>	23	22	> 7

(1) See last page for definitions

(2) EBITDA / Cost of Net Financial Debt



## Q1 REVENUE

(EUR million)	Q1
<b>2017 REVENUE</b>	<b>2,328</b>
2016 REVENUE	2,291
Reported growth	+1.6%
Change at constant FX	-0.6%
<b>Organic growth</b>	<b>-1.2%</b>

**Negative impact of past issues: more than 400 basis points**



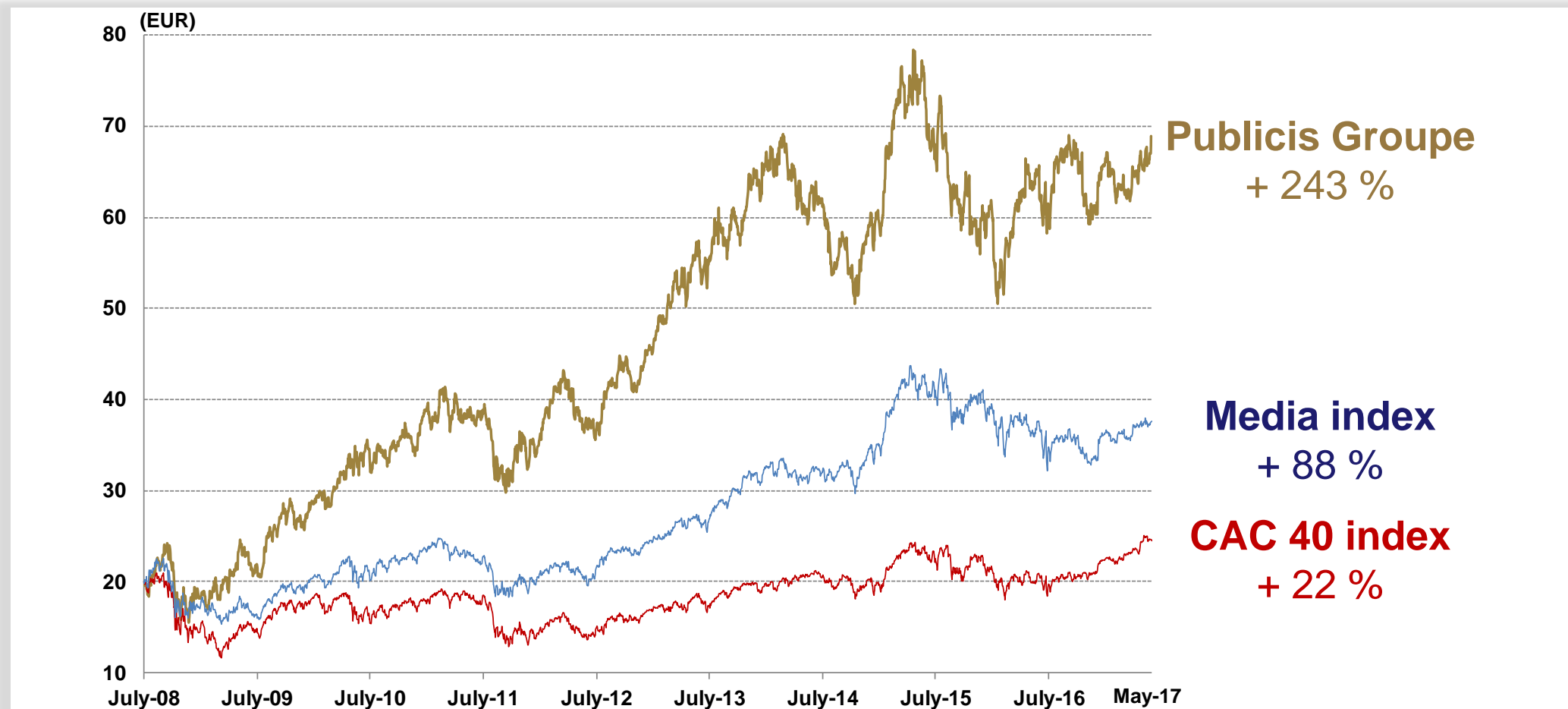
## CONCLUSION

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- Resilience of Publicis Groupe du business model
- Growth is our top priority for 2017-2018: **The Power of One**
  - Stimulate cross-selling across the group, in every country
  - Integrated offer, more capabilities, delivered faster
  - Promising first results
- Firing on all cylinders to achieve our 2018 objectives

# STRONG SHARE PRICE PERFORMANCE

## SINCE THE SUBPRIME CRISIS IN 2008 / 2009





**CSR**

## OUR CSR APPROACH

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### Key CSR stakeholders

- **Talents** = Focus on professional development, Diversity, Health & Well-being
- **Clients** and partners = Encouraging more “Responsible communication”, increasing our suppliers engagement with our CSR approach
- **Society** (consumers) = Priority to Data protection and Security, encouraging a more positive impact on Society

**Integrated reporting is still work in progress, an effort towards a better integration of CSR goals into overall management strategy**

**Evaluation of our business impact on 12 of the United Nations Sustainable Development Goals**

## “EMPLOYEES ARE THE LIFEBLOOD OF THE GROUP”

- **Viva La Différence:** Our motto promotes diversity and offers everyone the same opportunities for professional development within the Group
- Act for equality between men and women : **40% of women in agency executive committees**
- Encourage the development of everyone : **67% of employees attended training courses** in 2016, or a total of 1.4 million hours
- Listen to our teams to reconcile performance with well-being at work: **80% of employees** have participated in the first Groupe internal satisfaction survey: “The Power of One Talent survey”

VIVA  
WOMEN

ÉGALITÉ

## “OUR PURPOSE HAS ALWAYS BEEN, AND ALWAYS WILL BE, TO BETTER SERVE OUR CLIENTS”

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- Creation of campaigns that preserve the **free judgement** of the consumer and encourages **responsible consumption**
- **Innovate:** internal “creativity labs” with our clients: The Drugstore (London, New York, Sydney), Farm House (Chicago)
- **Involving our suppliers** in our CSR goals: 200 suppliers under evaluation (with EcoVadis), encouraging our suppliers diversity

## “BEING PROACTIVE ON PEOPLE’S EXPECTATIONS IS THE ESSENCE OF OUR WORK”

- Focusing on **personal data protection**:
  - appointment of a Chief Data Protection Officer, working with the Global Security Officer
  - participating in the design of our digital ecosystem
- Pursuing our **positive impact on local communities**: 67 million euros equivalent in 2016 across 750 projects: pro bono and voluntary work
- Maintaining our **engagement in favour of human rights**: Women’s Forum in Mexico, Dubai, Mauritius...



## “MAINTAINING HIGH ETHICS STANDARDS AND SHARING BEST PRACTICE”

- **Training** our teams regularly on our ethics standards (Janus)
- Participation in **self-regulation work of our industry** and communication of international and local professional ethic standards





## “CONSUME LESS & BETTER”

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- Reduction of energy consumption per employee: - **27%** (vs.2009)
- Reduction of overall travels and associated impacts
- Reduction of water consumption per employee: - **26%** (vs.2014)
- Reduction of paper consumption: - **33%** (vs.2009)
- Reduction of waste volume per employee: - **34%** (vs.2009)
- Set standards for our approach to recycling

## NON-FINANCIAL EVALUATION

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Continued work with CSR experts to improve external non-financial evaluation





# **SUPERVISORY BOARD REPORT**

## SUPERVISORY BOARD

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Élisabeth BADINTER

NOMINATION COMMITTEE  
RISK AND STRATEGY COMMITTEE



Sophie DULAC



Simon BADINTER



Claudine BIENAIME  
COMPENSATION COMMITTEE  
AUDIT COMMITTEE



Jean CHAREST  
AUDIT COMMITTEE  
NOMINATION COMMITTEE



Jerry A. GREENBERG  
COMPENSATION COMMITTEE  
RISK AND STRATEGY COMMITTEE



Marie-Josée KRAVIS

RISK AND STRATEGY COMMITTEE  
NOMINATION COMMITTEE



Marie-Claude MAYER

RISK AND STRATEGY  
COMMITTEE



Véronique MORALI

COMPENSATION COMMITTEE  
AUDIT COMMITTEE



Thomas H.GLOCER

COMPENSATION COMMITTEE



Michel CICUREL

COMPENSATION COMMITTEE  
NOMINATION COMMITTEE



André KUDELSKI

AUDIT COMMITTEE



# SUPERVISORY BOARD

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## 2016 REVIEW

- Chaired by Mrs. Elisabeth Badinter, the Supervisory Board was convened 7 times in 2016 with an attendance rate of 96%
- Comprised of 12 members: 6 women and 6 men of which 7 independent members and 5 members with foreign nationality
- 2 mandates of members of the Supervisory Board are proposed to reappoint: Mr. Simon Badinter and Mr. Jean Charest



# **SUPERVISORY BOARD**

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## **PROPOSAL OF NEW MEMBER**

**Nomination of Mr. Maurice LÉVY**

**as a new member of the Supervisory Board,**

**submitted to your approval**



# COMMITTEE REPORTS

## COMPENSATION COMMITTEE

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### Chaired by Mr. Michel Cicurel

- Currently comprised of 5 members: Mrs. Claudine Bienaimé and Mrs. Véronique Morali and Mr. Thomas H. Glocer, Mr. Michel Cicurel Mr. Jerry A. Greenberg
- This Committee puts proposals before the Supervisory Board:
  - The compensation policy of the Supervisory Board and Management Board
  - The remuneration of the Chair of the Supervisory Board, the Chairman and members of the Management Board
- This Committee examines compensation packages proposed to the senior executives of the main subsidiaries, and ratifies the Groupe's compensation policies
- 9 meetings held in 2016 with an attendance rate of 94%





# COMPENSATION COMMITTEE

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## WORK OF COMPENSATION COMMITTEE

- The Committee examined the remuneration of the current and future Chairman of the Management Board and of the current and future members of the Management Board
- The Committee was informed of the equity compensation policy, notably the launch of the LionLead3 and the implementation of the LTIP
- The Committee also took note of the bonus policy presented to accompany the transformation of the Group
- The Committee examined the remuneration systems of the Group's key employees

## COMPENSATION COMMITTEE

### COMPENSATION OF MAURICE LEVY IN 2016, AS THE CHAIRMAN OF THE MANAGEMENT BOARD

- Compensation uniquely variable and based entirely on performance
  - Calculation aimed at a theoretical target of 6 million euros
  - Annual compensation capped at 5 million euros
  - Ranging from 0 to 5 million euros depending on performance
- No fixed compensation
- No stock options, no performance-based shares
- No “top-hat” pension scheme

## COMPENSATION COMMITTEE

### CHAIRMAN OF THE MANAGEMENT BOARD'S COMPENSATION IN 2016

	2016 objectives	Performance	Amount
<b>Quantitative criteria (2/3)</b>	Total Shareholder Return	Achieved	
	Increased EPS	Not Achieved	€ 0.5 m
	Net Income rate	Not Achieved	
	Organic growth rate	Not Achieved	
<b>Qualitative criteria (1/3)</b>	The implementation of the new organization from the transformation of the Group with a comprehensive and operational manner	Achieved	€ 2.0 m
	The finalization of the succession plan	Achieved	
<b>Total compensation</b>			<b>€ 2.5 m</b>

## **COMPENSATION COMMITTEE**

### **COMPENSATION OF MR. MAURICE LEVY IN 2017 AS CHAIRMAN OF THE MANAGEMENT BOARD THEN AS CHAIRMAN OF THE SUPERVISORY BOARD**

#### **As Chairman of the Management Board until May, 31 2017**

- Impossible to measure the performance over 5 months of the year
  - Same compensation as 2016, *prorata temporis*, i.e. €1.041 m, gross

#### **As Chairman of the Supervisory Board as of June, 1<sup>st</sup> 2017, subject to the nomination of Maurice Lévy as member of the Supervisory Board**

- Active engagement but non-operational with Management Board during the transition period
- Abandonment of the non-compete indemnity of €5.4 m, i.e. €1.8 m per annum, over three years
  - €2.8 m per annum, gross

# COMPENSATION COMMITTEE

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## COMPENSATION OF THE MANAGEMENT BOARD

### **Fixed salary** determined by taking into account

- Scope of responsibility
- Experience
- Internal equality
- Market practice

### **Annual Variable** subject to **stringent performance conditions**

### **Variable long term**

- Triennial awards
- Subject to **stringent financial performance criteria**
  - Represent a substantial portion of the compensation to be long-term incentive and in line with the interests of shareholders

## COMPENSATION COMMITTEE

### COMPENSATION DUE OR ATTRIBUTED TO THE MEMBERS OF THE MANAGEMENT BOARD IN 2016 SAY-ON-PAY PURSUANT TO ARTICLE 26 OF THE AFEP-MEDEF CODE

MANAGEMENT BOARD MEMBERS	GROSS ANNUAL FIXED	VARIABLE ANNUAL	MAXIMUM ANNUAL NUMBER OF PERFORMANCE SHARES POTENTIALLY VESTING	WELFARE AND HEALTH
Kevin Roberts until August 31, 2016	€598 k	€1,407 k	—	€28,632
Jean-Michel Etienne	€840 k	€630 k	67,915	€4,644
Anne-Gabrielle Heilbronner	€600 k	€480 k	28,166	€4,644

## COMPENSATION COMMITTEE

### COMPENSATION POLICY FOR THE MANAGEMENT BOARD IN 2017 EX-ANTE VOTE PURSUANT TO THE « LOI SAPIN II » DATED DECEMBER 2017

MANAGEMENT BOARD MEMBER	GROSS ANNUAL FIXED	VARIABLE ANNUAL TARGET IF ALL OBJECTIVES ARE ACHIEVED	VARIABLE LONG TERM SUBJECT TO CONDITIONS OF PERFORMANCE AND PRESENCE	WELFARE AND HEALTH	LABOR CONTRACT	TERMINATION BENEFITS SUBJECT TO CONDITIONS OF PERFORMANCE	NON-COMPETE AGREEMENT INDEMNITIES	OTHERS
<b>Arthur Sadoun</b> Chairman as from June 1, 2017	€1,000 k	200% of annual fixed compensation	✓	✓	–	✓ Subject to the approval of the AGM of 5/31/17	✓ Subject to the approval of the AGM of 5/31/17	Subscription to a taxi firm & reimbursement of representation expenses
<b>Jean-Michel Etienne</b>	€840 k	100% of annual fixed compensation	✓	✓	✓	✓ Approved by the AGM of 5/27/15	–	Use of Groupe company car
<b>Anne-Gabrielle Heilbronner</b>	€600 k	100% of annual fixed compensation	✓	✓	✓	✓ Approved by the AGM of 5/27/15	✓	Use of Groupe company car
<b>Steve King</b> as from June 1, 2017	€900 k	160% of annual fixed compensation	✓	✓	✓	✓ Subject to the approval of the AGM of 5/31/17	✓	Reimbursement of costs relating to his car

## AUDIT COMMITTEE

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### Chaired by Mr. Jean Charest

- Currently comprised of 4 members: Mrs. Claudine Bienaimé and Mrs. Véronique Morali and Mr. Jean Charest and Mr. André Kudelski. Mr. Jean-Paul Morin is a permanent expert with the Committee
- The Committee oversees the organization and implementation of the Group's audit, ensures the quality of internal control and risk management and ensures the regularity and fairness of the accounts. The Committee examined the progress of the work of the adequate internal controls
- The Committee makes a recommendation to the Supervisory Board on the choice of auditors proposed for appointment or renewal by the General Meeting
- 5 meetings held in 2016 and an attendance rate of 87%



## **RISK AND STRATEGY COMMITTEE**

### **Chaired by Mrs. Marie-Josée Kravis**

- Currently comprised of 4 members: Mrs. Marie-Josée Kravis, Mrs. Elisabeth Badinter and Mrs. Marie-Claude Mayer, and Mr. Jerry A. Greenberg
- The Committee examined the Groupe's risk map, in particular the risks associated with the integration of Sapient and the Group's transformation, and the measures implemented to limit them
- The Committee analysed the legal risks and risks related to human resources management
- The Committee discussed the main strategic options in terms of development and acquisitions
- 2 meetings held in 2016 with 100% attendance

## NOMINATION COMMITTEE

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### Chaired by Mrs. Elisabeth Badinter

- Currently comprised of 4 members: Mrs. Elisabeth Badinter and Mrs. Marie-Josée Kravis, and Mr. Michel Cicurel and Mr. Jean Charest
- In 2016, the Committee's main mission was to carefully consider the candidacy of the Group's key executives in the selection process for the succession of the Chairman of the Management Board
- The Committee examined the composition of the Supervisory Board
- The Committee was submitted to the nominations of the management's Solutions
- 3 meeting held in 2016 with 96% attendance



# **STATUTORY AUDITORS' REPORTS**

# **REPORTS DRAWN UP BY THE STATUTORY AUDITORS**

## **FOR THE ORDINARY SHAREHOLDERS' GENERAL MEETING**

- On parent company's financial statements (1<sup>st</sup> resolution)
- On consolidated financial statements (2<sup>nd</sup> resolution)
- On related party agreements and commitments (5<sup>th</sup> resolution)
- On the report from the Chair of the Supervisory Board on internal control (1<sup>st</sup> resolution)

## **REPORTS DRAWN UP BY THE STATUTORY AUDITORS**

### **FOR THE EXTRAORDINARY SHAREHOLDERS' GENERAL MEETING**

- On reducing the Company's share capital (24<sup>th</sup> resolution)
- On determining the issue price within the limit of 10% of the share capital (25<sup>th</sup> resolution)
- On the issue of ordinary shares and/or securities in consideration of contributions in kind made (26<sup>th</sup> resolution)
- On the issue of ordinary shares or securities for the benefit of members of a Company savings plan (27<sup>th</sup> resolution)
- On the authorization to issue shares or securities without preemptive subscription rights, for the benefit of certain categories of beneficiaries (28<sup>th</sup> resolution)

# REPORTS ISSUED FOR THE ORDINARY SHAREHOLDERS' GENERAL MEETING

## REPORTS ON ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS (dated February 9<sup>th</sup> and April 28<sup>th</sup>, 2017)

### CONSOLIDATED FINANCIAL STATEMENTS

*Chapter 4.7, page 209,  
2016 Registration Document*

### PARENT COMPANY'S FINANCIAL STATEMENTS

*Chapter 5.6, page 235,  
2016 Registration Document*

### Auditors' opinion on financial statements

- Unqualified opinion

### Justification of our assessments

- Consolidated financial statements
  - Accounting policies and methods with respect to revenue recognition,
  - Impairment tests on intangible assets, goodwill and property, plant and equipment,
  - Accounting for all commitments related to the acquisition of companies as financial liabilities,
  - Valuation of provisions for risks and charges and provisions for pension and other post-retirement benefits obligation,
  - Valuation of options granted in the context of stock option plans.
- Parent company's financial statements
  - Valuation of investments.

### Specific verifications as required by law

# REPORTS ISSUED FOR THE ORDINARY SHAREHOLDERS' GENERAL MEETING

## REPORTS ON RELATED PARTY AGREEMENTS AND COMMITMENTS (dated May 5<sup>th</sup>, 2017)

**AUTHORIZED DURING THE  
PAST FINANCIAL YEARS  
AND SINCE THE LAST  
FINANCIAL YEAR**

*Chapitre 2.3.4,  
pages 104-105,  
2016 Registration Document*

**We were not informed of any agreement or commitments authorized during the year to be submitted to the approval of the General Assembly**

**We have been informed of the following agreements and commitments, previously authorized by the Supervisory Board since the last financial year**

- Agreement with Mr Arthur Sadoun, the incoming Chairman of the Management Board from June 1, 2017
  - Potential end-of-term indemnities
  - Non-compete agreement indemnities
- Agreement with Mr Steve King, incoming Member of the Management Board from June 1, 2017
  - Potential end-of-term indemnities
  - Non-compete agreement indemnities

# REPORTS ISSUED FOR THE ORDINARY SHAREHOLDERS' GENERAL MEETING

## REPORTS ON RELATED PARTY AGREEMENTS AND COMMITMENTS (dated May 5<sup>th</sup>, 2017)

### Already approved by your Shareholders' General Meeting in prior years:

**ALREADY APPROVED BY  
THE SHAREHOLDERS'  
GENERAL MEETING**

*Chapter 2.3.4,  
pages 106-107,  
2016 Registration Document*

- Credit agreements with Société Générale
- Non-compete agreement to Mr. Maurice Lévy
- Potential end-of-term indemnities for Mr. Kevin Roberts and Mr. Jean-Michel Etienne and for Mrs. Anne-Gabrielle Heilbronner



# REPORTS ISSUED FOR THE ORDINARY SHAREHOLDERS' GENERAL MEETING

REPORTS ON THE REPORT OF THE CHAIR OF THE SUPERVISORY BOARD  
(dated April 28<sup>th</sup>, 2017)

ON THE REPORT OF THE  
CHAIR OF THE  
SUPERVISORY BOARD ON  
INTERNAL CONTROL AND  
RISK MANAGEMENT

*chapter 2.1.5, page 71,  
2016 Registration Document*

**We have nothing to report on the information provided on the Company's internal control and risk management procedures relating to the preparation and processing of financial and accounting information, contained in the report of the Chair of the Supervisory Board.**

# REPORTS ISSUED FOR THE EXTRAORDINARY SHAREHOLDERS' GENERAL MEETING

(dated May 10<sup>th</sup>, 2017)

Reducing the Company's share capital (24<sup>th</sup> resolution)

Determining the issue price within the limit of 10% of the share capital  
(25<sup>th</sup> resolution)

Issue of ordinary shares and/or securities in consideration of contributions  
in kind made (26<sup>th</sup> resolution)

Issue of ordinary shares or securities for the benefit of members of a  
Company savings plan (27<sup>th</sup> resolution)

Authorization to issue shares or securities without preemptive subscription  
rights, for the benefit of certain categories of beneficiaries (28<sup>th</sup> resolution)

**We have no matters to report as to the terms and conditions of the proposed operations.**

**As some final issuance conditions have not yet been determined, we will issue, as needed, a supplementary report when your Board of Directors will use those authorizations.**



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# QUESTIONS ANSWERS



## WRITTEN QUESTIONS

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### **Publicis Groupe has received written questions:**

- 3 questions from PhiTrust
- 17 questions from Gouvernance en Action

**Pursuant to Article L. 225-108, paragraph 4, of the Commercial Code and in accordance with the opinion expressed by the Autorité des Marchés Financiers<sup>(1)</sup>, responses are available on the Company's website:**

<http://www.publicisgroupe.com/en/investors/answers-to-written-questions-of-the-agm-may-31-2017>

(1) in its "Final Report on General Meetings of Shareholders of Listed Companies" As of July 2, 2012"



# **VOTING OF THE RESOLUTIONS**

# VOTING OF THE RESOLUTIONS

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## HOW TO USE YOUR VOTING DEVICE

### Smart Card

- The voting device will not work if your smart card is not properly inserted

### How to vote:

- Simply press the button of your choice:
- 1 = For
- 2 = Against
- 3 = Abstain

### A message will appear on the bottom of the display:

- **"Acknowledged"** means your vote has been acknowledged but may still be modified
- **"Registered"** means the voting period has expired and your vote has been recorded



# PUBLICIS GROUPE SA ORDINARY GENERAL SHAREHOLDERS' MEETING

## 1<sup>ST</sup> RESOLUTION

### Approval of the corporate financial statements for fiscal year 2016

- Proposition to approve financial statements which show a net income of €220,372,146



**1 = For**

**2 = Against**

**3 = Abstain**

# PUBLICIS GROUPE SA ORDINARY GENERAL SHAREHOLDERS' MEETING

## 2<sup>ND</sup> RESOLUTION

### Approval of the consolidated financial statements for fiscal year 2016

- Proposition to approve the consolidated financial statements which show a net loss of €520 million, of which €527 million is attributable to the Group



**1 = For**

**2 = Against**

**3 = Abstain**



# PUBLICIS GROUPE SA ORDINARY GENERAL SHAREHOLDERS' MEETING

## 3<sup>RD</sup> RESOLUTION

### Allocation of net income and declaration of dividend

- Proposition to allocate income for fiscal year 2016 and distribute a dividend of € 1.85 per share, up 15.6% from last year and corresponding to a 41.5% pay-out ratio
- Dividend payment will take place on July 4, 2017



**1 = For**

**2 = Against**

**3 = Abstain**

# PUBLICIS GROUPE SA ORDINARY GENERAL SHAREHOLDERS' MEETING

## 4<sup>TH</sup> RESOLUTION

### Option for payment of the dividend in cash or shares

- Possibility of receiving payment of the dividend either in cash or in new shares. Issuance price of distributed shares is € 61.14 per share <sup>(1)</sup>
- The delivery of new shares will take place on July 4, 2017



**1 = For**

**2 = Against**

**3 = Abstain**

(1) 95% of the average of closing prices during 20 stock market days prior to the Shareholders' meeting, after deducting the net amount of cash dividend

# PUBLICIS GROUPE SA ORDINARY GENERAL SHAREHOLDERS' MEETING

## 5<sup>TH</sup> RESOLUTION

### Statutory auditors' special report on related-party agreements

- No new agreement not already approved by the shareholders' meeting



**1 = For**

**2 = Against**

**3 = Abstain**

# **PUBLICIS GROUPE SA ORDINARY GENERAL SHAREHOLDERS' MEETING**

## **6<sup>TH</sup> RESOLUTION**

**Reappointment of Simon Badinter to the Supervisory Board for a period of 4 years**



**1 = For**

**2 = Against**

**3 = Abstain**

# **PUBLICIS GROUPE SA ORDINARY GENERAL SHAREHOLDERS' MEETING**

## **7<sup>TH</sup> RESOLUTION**

**Reappointment of Jean Charest to the Supervisory Board for a period of 4 years**



**1 = For**

**2 = Against**

**3 = Abstain**

# **PUBLICIS GROUPE SA ORDINARY GENERAL SHAREHOLDERS' MEETING**

## **8<sup>TH</sup> RESOLUTION**

**Appointment of Maurice Lévy to the Supervisory Board for a period of 4 years and  
Approval of the principles and criteria governing his total compensation as Chairman of the  
Supervisory Board from June 1, 2017**



**1 = For**

**2 = Against**

**3 = Abstain**

# **PUBLICIS GROUPE SA ORDINARY GENERAL SHAREHOLDERS' MEETING**

## **9<sup>TH</sup> RESOLUTION**

### **Reappointment of Cabinet Mazars as Statutory Auditors**



**1 = For**

**2 = Against**

**3 = Abstain**

# **PUBLICIS GROUPE SA ORDINARY GENERAL SHAREHOLDERS' MEETING**

## **10<sup>TH</sup> RESOLUTION**

**Opinion on the elements of compensation due or paid to Elisabeth Badinter, Chair of the Supervisory Board, in respect of the year ended December 31, 2016**



**1 = For**

**2 = Against**

**3 = Abstain**



# **PUBLICIS GROUPE SA ORDINARY GENERAL SHAREHOLDERS' MEETING**

## **11<sup>TH</sup> RESOLUTION**

**Opinion on the elements of compensation due or paid to Maurice Lévy, Chairman of the Management Board, in respect of the year ended December 31, 2016**

**Approval of the principles and criteria governing his total compensation as Chairman of the Management Board from January 1 to May 31, 2017**



**1 = For**

**2 = Against**

**3 = Abstain**

# **PUBLICIS GROUPE SA ORDINARY GENERAL SHAREHOLDERS' MEETING**

## **12<sup>TH</sup> RESOLUTION**

**Opinion on the elements of compensation due or paid, in respect of the period ended December 31, 2016, to Kevin Roberts, Member of the Management Board up until August 31, 2016**



**1 = For**

**2 = Against**

**3 = Abstain**

# **PUBLICIS GROUPE SA ORDINARY GENERAL SHAREHOLDERS' MEETING**

## **13<sup>TH</sup> RESOLUTION**

**Opinion on the elements of compensation due or paid, in respect of the period ended December 31, 2016, to Jean-Michel Etienne, Member of the Management Board**



**1 = For**

**2 = Against**

**3 = Abstain**

# **PUBLICIS GROUPE SA ORDINARY GENERAL SHAREHOLDERS' MEETING**

## **14<sup>TH</sup> RESOLUTION**

**Opinion on the elements of compensation due or paid, in respect of the period ended December 31, 2016, to Anne-Gabrielle Heilbronner, Member of the Management Board**



**1 = For**

**2 = Against**

**3 = Abstain**

# **PUBLICIS GROUPE SA ORDINARY GENERAL SHAREHOLDERS' MEETING**

## **15<sup>TH</sup> RESOLUTION**

**Approval of the principles and criteria governing the setting, apportionment and attribution of fees and exceptional compensation comprising the total compensation and various benefits attributable to the members of the Supervisory Board, for year 2017**



**1 = For**

**2 = Against**

**3 = Abstain**

# **PUBLICIS GROUPE SA ORDINARY GENERAL SHAREHOLDERS' MEETING**

## **16<sup>TH</sup> RESOLUTION**

**Approval of the principles and criteria governing the total compensation of Elisabeth Badinter, Chair of the Supervisory Board up until May 31, 2017**



**1 = For**

**2 = Against**

**3 = Abstain**

# **PUBLICIS GROUPE SA ORDINARY GENERAL SHAREHOLDERS' MEETING**

## **17<sup>TH</sup> RESOLUTION**

**Approval of the principles and criteria governing the total compensation of Arthur Sadoun, the incoming Chairman of the Management Board from June 1, 2017, for year 2017**



**1 = For**

**2 = Against**

**3 = Abstain**

# **PUBLICIS GROUPE SA ORDINARY GENERAL SHAREHOLDERS' MEETING**

## **18<sup>TH</sup> RESOLUTION**

**Approval of the principles and criteria governing the total compensation of Jean-Michel Etienne, Member of the Management Board, for year 2017**



**1 = For**

**2 = Against**

**3 = Abstain**



# **PUBLICIS GROUPE SA ORDINARY GENERAL SHAREHOLDERS' MEETING**

## **19<sup>TH</sup> RESOLUTION**

**Approval of the principles and criteria governing the total compensation of Anne-Gabrielle Heilbronner, Member of the Management Board, for year 2017**



**1 = For**

**2 = Against**

**3 = Abstain**

# **PUBLICIS GROUPE SA ORDINARY GENERAL SHAREHOLDERS' MEETING**

## **20<sup>TH</sup> RESOLUTION**

**Approval of the principles and criteria governing the total compensation of Steve King, incoming Member of the Management Board from June 1, 2017, for year 2017**



**1 = For**

**2 = Against**

**3 = Abstain**

# **PUBLICIS GROUPE SA ORDINARY GENERAL SHAREHOLDERS' MEETING**

## **21<sup>ST</sup> RESOLUTION**

**Approval of the related-party agreements referred to in Article L. 225- 90-1 of the French Commercial Code, i.e. the termination or non-compete agreements and benefits entered into with Arthur Sadoun upon his appointment as Chairman of the Management Board as of June 1, 2017**



**1 = For**

**2 = Against**

**3 = Abstain**

# **PUBLICIS GROUPE SA ORDINARY GENERAL SHAREHOLDERS' MEETING**

## **22<sup>ND</sup> RESOLUTION**

**Approval of the related-party agreements referred to in Article L. 225-90-1 of the French Commercial Code, i.e. the departure and non-compete agreements and benefits entered into with Steve King upon his appointment as Member of the Management Board as of June 1, 2017**



**1 = For**

**2 = Against**

**3 = Abstain**

# **PUBLICIS GROUPE SA ORDINARY GENERAL SHAREHOLDERS' MEETING**

## **23<sup>RD</sup> RESOLUTION**

**Authorization to the Management Board entitling the Company to trade in its own shares for a period of eighteen months**



**1 = For**

**2 = Against**

**3 = Abstain**

# PUBLICIS GROUPE SA EXTRAORDINARY GENERAL SHAREHOLDERS' MEETING

## 24<sup>TH</sup> RESOLUTION

**Authorization to the Management Board, for a period of twenty-six months, to decide to reduce the share capital by cancelling all or part of the Company's treasury shares**



**1 = For**

**2 = Against**

**3 = Abstain**

# **PUBLICIS GROUPE SA EXTRAORDINARY GENERAL SHAREHOLDERS' MEETING**

## **25<sup>TH</sup> RESOLUTION**

**Authorization to the Management Board, for a period of twenty-six months, to determine the issue price of ordinary shares in the Company and/or securities in the case of capital increases without preemptive subscription rights, by public offering or by an offering under Article L. 411-2 II of the French Monetary and Financial Code, within the limit of 10% of the capital per annum**



**1 = For**

**2 = Against**

**3 = Abstain**

# **PUBLICIS GROUPE SA EXTRAORDINARY GENERAL SHAREHOLDERS' MEETING**

## **26<sup>TH</sup> RESOLUTION**

**Delegation of authority to the Management Board, for a period of twenty-six months, to decide to issue ordinary shares in the Company and/or securities without preemptive subscription rights, in consideration of contributions in kind made to the Company and constituting shares or other equity securities granting entitlement to share capital, except in the case of a public exchange offering initiated by the Company**



**1 = For**

**2 = Against**

**3 = Abstain**



# PUBLICIS GROUPE SA EXTRAORDINARY GENERAL SHAREHOLDERS' MEETING

## 27<sup>TH</sup> RESOLUTION

**Delegation of authority to the Management Board, for a period of twenty-six months, to decide to issue ordinary shares in the Company or securities without preemptive subscription rights, for the benefit of members of a Company savings plan**



**1 = For**

**2 = Against**

**3 = Abstain**

# PUBLICIS GROUPE SA EXTRAORDINARY GENERAL SHAREHOLDERS' MEETING

## 28<sup>TH</sup> RESOLUTION

**Delegation of authority to the Management Board, for a period of eighteen months, to decide to issue ordinary shares or securities without preemptive subscription rights, for the benefit of certain categories of beneficiaries**



**1 = For**

**2 = Against**

**3 = Abstain**

# **PUBLICIS GROUPE SA EXTRAORDINARY GENERAL SHAREHOLDERS' MEETING**

## **29<sup>TH</sup> RESOLUTION**

**Amendment of Article 13 of the Company's Articles of Incorporation with regard to the appointment of employee representatives to the Supervisory Board in pursuance of Article L. 225-79-2 of the French Commercial Code**



**1 = For**

**2 = Against**

**3 = Abstain**

# PUBLICIS GROUPE SA ORDINARY GENERAL SHAREHOLDERS' MEETING

## 30<sup>TH</sup> RESOLUTION

### Powers to carry out formalities



**1 = For**

**2 = Against**

**3 = Abstain**

**COMBINED GENERAL  
SHAREHOLDERS'  
MEETING**

**31**  
**MAY 2017**





## **DEFINITIONS**

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**EBITDA:** operating margin before depreciation.

**Operating margin:** Revenue after personnel costs, other operating expenses (excl. non-current income and expense) and depreciation (excl. amortization of intangibles arising on acquisitions).

**Operating margin rate:** Operating margin as a percentage of revenue.

**Headline Group Net Income:** Group net income after elimination of impairment charges, amortization of intangibles arising from acquisitions, main capital gains (or losses) on disposals and revaluation of earn-out payments.

**EPS (Earnings per share):** Group net income divided by average number of shares, not diluted.

**EPS, diluted (Earnings per share, diluted):** Group net income divided by average number of shares, diluted.

**Headline EPS, diluted (Headline Earnings per share, diluted):** Group net income after elimination of impairment charges, amortization of intangibles arising from acquisitions, main capital gains (or losses) on disposals and revaluation of earn-out payments, divided by average number of shares, diluted.

**Capex :** Net acquisitions of tangible and intangible assets, excluding financial investments and other financial assets.

**ROCE (Return On Capital Employed):** Operating Margin after Tax (using Effective Tax Rate) / Average employed capital. Capital employed include Saatchi & Saatchi goodwill which is not recognised in consolidated accounts under IFRS.

**Free Cash Flow before changes in working capital requirements:** Net cash flow from operating activities before changes in WCR linked to operating activities.

**Net Debt (or financial net debt):** Sum of long and short financial debt and associated derivatives, net of treasury and cash equivalents.

**Average net debt:** Average of monthly net debt at end of month.

**Dividend pay-out:** Dividend per share / Headline diluted EPS.