The Board of Directors of the Capgemini Group has set the 2017 compensation of Mr. Paul Hermelin, Chairman and Chief Executive Officer, and the elements relating to the 2018 compensation of the Chairman and Chief Executive Officer and of the Chief Operating Officers

I. 2017 Compensation of the Chairman and Chief Executive Officer

Strict application of the AFEP-MEDEF Code and "Say on Pay" principles

On February 14, 2018, the Board of Directors set the 2017 compensation of Group Chairman and Chief Executive Officer Mr. Paul Hermelin, in strict application of the recommendations of the revised AFEP-MEDEF Code and "Say on Pay" principles. In application of the AFEP-MEDEF Code recommendations, this compensation will be submitted to a mandatory vote at the next Combined Shareholders' Meeting on May 23, 2018.

The compensation structure is comprised of fixed and variable components, the granting of equity instruments, and supplementary pension benefits (whose corresponding plan was closed in October 2015 and whose rights were frozen on that date). In line with past Group practices, the Chairman and Chief Executive Officer is not entitled to termination benefits, is not covered by a non-compete clause, and receives no benefits in kind. Mr. Paul Hermelin has also waived entitlement to attendance fees since 2009. This compensation structure is in accordance with the compensation policy of the Chairman and Chief Executive Officer approved by the May 10, 2017 Shareholders' Meeting within its 5th resolution.

The Board of Directors has set this compensation in accordance with common practices in the consulting and technology services sector, both nationally and internationally. They also took into account common practices in French companies of a comparable size in terms of headcount, revenue and profitability, internationalization of activities and shareholdership structure. Given that practices concerning the publication and the structure of compensation varies significantly according to the country and the nature of competitors (whether they are listed companies, controlled companies, or partnerships), CAC 40 companies represent the most relevant benchmark.

2017 compensation components

Based on these elements, the Board has set the 2017 compensation of Mr. Paul Hermelin (Chief Executive Officer of Capgemini for more than 15 years) at €2,443,668, i.e. 101% of the total theoretical compensation, comprising fixed compensation of €1,452,000 and variable compensation of €991,668.

The amount of Mr. Paul Hermelin's fixed compensation is unchanged since 2013. This fixed compensation is paid in 12 monthly installments and represents, as does that of all key managers of the Group, 60% of the total theoretical compensation if objectives are achieved.

Therefore, variable compensation represents 40% of this total theoretical amount. This theoretical variable component is in turn split into two parts: a first part, called V1, tied to Group consolidated results, and a second part, called V2, based on individual objectives set by the Board of Directors which are either quantified or based on tangible results.

V1 – Economic and financial objectives

The economic and financial objectives underlying the V1 component for 2017 were measured against the objectives set by the Board at the beginning of the year, as follows:

- revenue — 30% weighting and achievement rate of 99.38%
- operating margin ratio — 30% weighting and achievement rate of 93.11%
- pre-tax net profit — 20% weighting and achievement rate of 98.77%
- free-cash flow for the period — 20% weighting and achievement rate of 103.6%

The overall weighted result for V1 stands at 98.22% and, after applying the acceleration formula which amplifies upward or downward an increase or a decline in economic performance, the multiple applied to the V1 theoretical V1 has been set at 92.89%.

V2 – Individual objectives

Individual objectives fall into three separate categories:

- digital and Cloud acceleration
- HR (diversity, mobility and talent management) and delivery strategy
- growth of North America

Each category has been subject to a detailed analysis (it being specified that 50% of the V2 objectives were quantifiable and 50% qualitative), followed by a global assessment of all of these objectives.

With regard to the **Digital and Cloud acceleration**, the Board highlighted the significant growth of 24% in these domains, a clear presentation made during the Group 50th anniversary “Rencontres”, new focused acquisitions realized or managed in 2017 and a defined road map for the go to market.

With regard to **HR topics and delivery strategy**, the Board took into consideration a high 5pts increase of the female representation in the Group Executive Committees and a strengthen senior offshore leadership presence in these committees from India in particular as well as a strong internal mobility within the Vice-President community. The Board recognized a progressive refreshment of the Group Executive Committee, as well as the creation of a global mobility function associated with a risk mitigation strategy around mobility.

With regard to **North American market growth**, the Board took into account the significant growth of our activities in the second semester with 8.3% organic growth, reflecting the success of the newly set North American governance.

The V2 weighted outcome based on this evaluation reaches 112, of which 63% are linked to the quantitative calculation and 49% to the qualitative one.

Overall, for these two components of Mr. Paul Hermelin’s variable compensation, the Board of Directors approved the recommendation of the Compensation Committee of an attainment rate of the variable compensation of 102.45%, with 92.9% for V1 and 112% for V2.

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Mr. Paul Hermelin’s 2017 total compensation can therefore be broken down as follows:

Compensation component	Reminder 2016 actual	Theoretical amount	Attainment %	Actual 2017 amount
Fixed	**€1,452,000**	**€1,452,000**	**N/A**	**€1,452,000**
Variable V1	€504,735	*484,000 €*	*92.89%*	*€ 449,588*
Variable V2	€571,120	*484,000 €*	*112.00%*	*€542,080*
Variable total	**€1,075,855**	**€968,000**	**102.45%**	**€ 991,668**
Total	**€2,527,855**	**€2,420,000**	**100.98%**	**€2,443,668**

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In addition, it should be reminded that the Board of Directors’ meeting of October 5, 2017 granted 35,000 performance shares to Mr. Paul Hermelin, representing 2.17% of the total amount granted in 2017. These share grants are subject to the internal and external performance conditions adopted by the Combined Shareholders’ Meeting of May 10, 2017.

The 2017 Registration Document, the Management Report and the Report presenting the resolution on the compensation of the executive corporate officer, to be submitted to a mandatory vote at the Combined Shareholders’ Meeting of May 23, 2018, will contain a detailed presentation relating to the determination of Mr. Paul Hermelin’s 2017 compensation.

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II. 2018 compensation components for Executive Officers

The February 14, 2018 Board of Directors set the 2018 compensation policy for i) the Chairman and Chief Executive Officer and ii) the Chief Operating Officers, based on the proposal submitted by the Compensation Committee, related to their executive corporate officer mandates while strictly respecting the AFEP-MEDEF recommendations and Say on Pay principles.

In accordance with Article L 225-37-2 of the “Code de Commerce », these compensation policies (comprising the structure and different components of the compensation of the executive corporate officers) will be submitted to a vote at the May 23, 2018 Combined Shareholder’s Meeting and will continue to apply further to the renewal of their mandates following the upcoming Shareholders’ Meeting. The key elements of this policy are indicated thereafter and will be presented by the Board of Directors to the Combined Shareholder’s Meeting in a detailed report, which is also included in the 2017 Registration Document.

A. 2018 compensation components of the Chairman and Chief Executive Officer

Fixed part

Given the last increase in Mr. Paul Hermelin’s compensation was decided in 2013, the Board – in accordance with the recommendations of the AFEP-MEDEF Code – decided, subject to the renewal of his mandate, to increase his 2018 theoretical compensation to 2,652,000 euros, considering in particular, the 27% growth of revenue, 52% headcount growth, 86% net result improvement and share price which has more than doubled over his mandate. Considering the present fixed compensation level in regard to market practice and contrary to historical Group practice, the Board has decided to leave the fixed compensation unchanged at €1,452,000 for 2018.

Variable part

The theoretical variable component is split into two parts: V1 tied to Group performance indicators and consolidated results and V2 based on the attainment of individual objectives set by the Board of Directors, with 50% minimum based on quantified objectives. Each of these components can vary between 0% and a ceiling equal to 200% of the theoretical amount. For 2018 the variable component may not represent more than 164% of the fixed compensation of the Chairman and Chief Executive Officer.

Concerning the variable component of Mr. Paul Hermelin’s 2018 compensation, the Board of Directors has decided to focus all the increase on the variable part and to raise the variable percentage in the theoretical annual compensation from 40 to 45% and therefore set the 2018 variable part at
€ 1,200,000. The Board also approved the conditions underlying the V1 calculation and the strategic indicators applicable, as well as the personal objectives set for 2018 and integrated into the calculation of the V2 component.

Consequently, the key performance indicators adopted for 2018 V1 compensation remain unchanged, and are as follows:

- revenue growth: 30% weighting;
- operating margin rate: 30% weighting;
- pre-tax net profit: 20% weighting;
- free cash flow: 20% weighting.

The level of attainment of these objectives will be determined based on a comparison of Group audited and consolidated results at year-end.

The personal objectives adopted for 2018 have been defined in accordance with Group strategy and the operational transformation of the Group, and following the Group governance evolution have been split in two main categories:

Shared objectives between executive officers which represent 60% of the CEO V2 and they relate to:

i) the effective implementation of the new Group governance and a reinforced collaboration between market units and service lines, positioning the Group on the path to achieve its growth ambition in the Digital and Cloud and its 2020 ambition for 30% (out of which 10% is quantifiable);

ii) the operational transformation of the Group with a renewed leadership structure for 30% (out of which 30% is quantifiable)

Specific objectives which represent 40% of the CEO V2 and they relate to:

i) the impact of M&A on the company growth and the successful post-merger integration for 15% weighting (out of which 7.5% quantifiable);

ii) the deployment of the CSR strategy around its three pillars (diversity, digital inclusion and sustainability), 15% weighting (out of which 10% quantifiable); and

iii) the strategic bets to accelerate the transition to innovative solutions, 10% weighting.

These objectives have been formalized in such a way that they can be clearly assessed on tangible grounds at the end of 2018, with a weight of 57.5% based on quantified objectives. Therefore 79% of the variable part will be subject to a quantitative evaluation in 2018.

Other elements
In addition to the fixed part and the variable part, the compensation structure includes the granting of performance shares. The number of shares granted is set so that their IFRS value aims at not exceeding 100 % of the theoretical cash compensation for the grant year.

The compensation structure also includes the continuation of a supplementary pension whose corresponding plan was closed in October 2015 and whose rights were frozen on that date.

In line with past Group practices, the Chairman and Chief Executive Officer is not entitled to termination benefits, is not covered by a non-compete clause, and receives no benefits in kind.

Mr. Paul Hermelin has also waived entitlement to attendance fees since 2009.

2018 compensation components of the Chief Operating Officers
As a reminder, the December 6, 2017 Board, upon a proposal of the Compensation Committee has set the compensation of MM Thierry Delaporte and Aiman Ezzat whose respective mandates are effective since January 1, 2018 and whose employment agreements have been suspended since then for the duration of their mandate.

These compensation elements have been reviewed by the Board during its February 14, 2018 session, to set the components applicable for 2018 within the Chief Operating Officers compensation policy review

Fixed part
As decided by the December 6, 2017 Board, the fixed part of Mr. Thierry Delaporte is set at € 885,000 representing 60% of his theoretical compensation and the fixed part of Mr.Aiman Ezzat is set at 936,000 euros representing 60% of his theoretical compensation.

Variable part
The theoretical variable component is split into two parts: V1 tied to Group performance indicators and consolidated results and V2 based on the attainment of individual objectives set by the Board of Directors, with 50% minimum based on quantified objectives. Each of these components can vary between 0% and a ceiling equal to 200% of the theoretical amount. For 2018 the variable component may not represent more than 133% of the fixed compensation of the Chief Operating Officers.

Concerning the variable component of the Chief Operating Officers, the February 14, 2018 Board of Directors approved in addition to the decisions made during the December 6, 2017 Board, the conditions underlying the V1 calculation and the strategic indicators applicable, as well as the personal objectives set for 2018 and integrated into the calculation of the V2 component.

Consequently, the key performance indicators adopted for 2018 V1 compensation are the same as the ones of the CEO, and are as follows:

- revenue growth: 30% weighting;
- operating margin rate: 30% weighting;
- pre-tax net profit: 20% weighting;
- free cash-flow: 20% weighting.

The level of attainment of these objectives will be determined based on a comparison of Group audited and consolidated results at year-end .

The personal objectives adopted for 2018 have been defined in accordance with Group strategy and the operational transformation of the Group, and following the Group governance evolution have been split in two main categories:

Shared objectives between executive officers which represent 40% of the Chief Operating Officers V2 and they relate to:

i) the effective implementation of the new Group governance and a reinforced collaboration between market units and service lines, positioning the Group on the path to achieve its growth ambition in the Digital and Cloud and its 2020 ambition for 20% (out of which 5% is quantifiable);

ii) the operational transformation of the Group with a renewed leadership structure for 20% (out of which 20% is quantifiable)

Specific objectives which represent 40% of the Chief Operating Officers V2 with:

For Mr. Thierry Delaporte

i) Through strong interaction with Business Units & Global Business Lines, acceleration of digital innovation and transformation for 15% weighting (out of which 15% is quantifiable);

ii) Improvement of the gross margin % vs. 2017 published results; 15% weighting (out of which 15% is quantifiable);

iii) Success of four alliances bets; 15% weighting (out of which 15% is quantifiable); and

iv) Redesign the India strategic positioning within our operational transformation; 15% weighting.

For Mr. Aiman Ezzat

i) Higher contribution of our top accounts to revenue growth; 15% weighting (out of which 15% is quantifiable);

ii) Improvement of the gross margin % vs. 2017 published results; 15% weighting (out of which 15% is quantifiable);

iii) Return to growth in one geography as decided by the Board; 15% weighting (out of which 15% is quantifiable) and

iv) Ensure a smooth transition of the CFO role to the new CFO to be appointed; 15% weighting.

These objectives have been formalized in such a way that they can be clearly assessed on tangible grounds at the end of 2018, with a weight of 70% based on quantified objectives. Therefore 85% of the variable part will be subject to a quantitative evaluation in 2018.

Other elements

In addition to the fixed part and the variable part, the Chief Operating Officers compensation structure includes the granting of performance shares. The number of shares granted is set so that their IFRS value aims at not exceeding 100 % of the theoretical cash compensation for the grant year.

The Chief Operating Officers, who do not benefit from a supplementary pension scheme as the one of the CEO, continue to benefit from the long saving mechanism, subject to performance condition, through the payment of an annual allowance, at least half of which shall be allocated to a third party body in the context of an optional pension vehicle (Article 82), the rest of the cash allowance being kept, considering the immediate taxation upon entry of this mechanism. This allowance is subject to performance conditions, the objectives of which are set in the same conditions as for the determination of the V1 variable part of the annual variable compensation and which will vary according to the weighted performance used for the V1 calculation.

The Chief Operating Officers compensation structure may also comprise the provision of a company car, if requested, under the prevailing conditions within the existing plan in place in France.

Capped severance indemnity and non-compete clause

At last, following the implementation of the new governance, the December 6, 2017 Board felt it was in the interest of the Company to decide that each Chief Operating Officers shall be subject to a non-compete clause and to implement to their benefit a severance indemnity in the event of a forced termination of their corporate office. These indemnities have been published in detail following the decision taken during the December 6, 2017 Board and it is available on the Company external site.

Pursuant to Article L. 225-42-1 of the French Commercial Code, the commitments made by the Board of

Directors vis-à-vis Mr. Thierry Delaporte and Aiman Ezzat, with respect to the severance indemnity and the non-compete clauses will be subject separately to the approval of the May 23, 2018 Shareholders' Meeting. These commitments will be detailed in a special report to be presented at the Shareholders' Meeting and will be included in the 2017 Reference Document.