

Answer to the written question received by the Company

Question

The fifth resolution on Mr. Paul Hermelin's compensation provides an overview of his compensation letter. The annual compensation structure of Mr. Paul Hermelin, a Capgemini employee, therefore comprises a fixed component (FC = €1,452,000) representing 60% of his Theoretical Annual Compensation (TAC) and a variable component (VCo = €968,000 on target), representing 40% of his TAC.

A close reading of the document communicated shows that the definitive amount of this variable component is calculated as follows:

Variable component = $0.5 * VCo * V1 + 0.5 * VCo * V2$ where V1 and V2 result from an assessment of the objectives set for your employee for a (V1) sub-component based on quantitative criteria and a (V2) sub-component based on qualitative criteria. Account is also taken of Group standards (application of a 70/130 flex to V1 and V2, with each coefficient capped at 200%, etc.).

Why does the structure of Mr. Paul Hermelin's compensation letter differ from that applicable to Capgemini employees (in recent years) and Sogeti employees (since 2014), that is:

Variable component = $VCo * BPF * PCF$ where BPF (Business Performance Factor) is a coefficient based on quantitative criteria linked to the results of the entity (in the same way as V1) and PCF (Personal Contribution Factor) is a coefficient based on qualitative criteria (in the same way as V2)?

Answer

The Group's variable compensation policy varies according to the employee category, with :

- on the one hand, a compensation system applicable to the 1,400 Group Vice-Presidents, the terms of which are determined annually in a memorandum communicated to the business units for this entire population and the characteristics of which are disclosed in the Annual Report on pages 59 and 60. These include in particular a breakdown into two components (V1 and V2), application of an upward and downward flex, variability of the theoretical variable component between 0 and 200% and a calculation based on quantitative budgetary objectives and personal objectives set at the beginning of the year. The variable component of Mr. Hermelin's compensation falls within this compensation system;
- on the other hand, a compensation structure for non-Vice-President employees which is not governed by a single rule; the business units are responsible for the implementation of this structure which must nonetheless be based on two major principles:
 - a link with the economic performance of the related business unit reflected by the BPF (Business Performance Factor),
 - a link with individual performance in the context of the annual appraisal process applicable within the Group, represented by the PCF (Personal Contribution Factor).