

Compensation of Mr. Paul Hermelin, Chairman and Chief Executive Officer

Strict application of the AFEP-MEDEF Code and “Say on Pay” principles by Capgemini

The Board of Directors decided Mr. Hermelin's compensation for 2013 in strict application of the recommendations of the revised AFEP/MEDEF Code issued in June 2013 and “say on pay” principles, regarding the structure of compensation comprising fixed and variable components, the grant of equity instruments and supplementary pension benefits. In line with past Group practice, 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. He has also waived entitlement to receive attendance fees since 2009.

The Selection & Compensation Committee and Board of Directors ensured the appropriateness of the Chairman and Chief Executive Officer's compensation compared with sector practice internationally as well as in French companies of a comparable size. As compensation publication practice varies significantly between the countries and legal structures of competitors, CAC 40 companies represent the most relevant benchmark. Based on a review of an international firm's report on management compensation in listed companies, it would appear that Mr. Hermelin's compensation is close to the median compensation for CAC 40 companies.

2013 compensation

Mr. Hermelin's total compensation for 2013 was set at €2,602,500, i.e. 107.5% of the total theoretical compensation, comprising fixed compensation of €1,452,000 and variable compensation of €1,150,900.

As indicated on the announcement of the 2012 results, the amount of Mr. Hermelin's compensation was approved by the Board meeting of February 20, 2013, which decided to increase his fixed compensation by 10% as it had not been increased since 2008 and the scope of Mr. Hermelin's responsibilities had been extended since this date. This fixed compensation is paid in 12 monthly instalments and represents, as does that of all key managers of the Group, 60% of the total theoretical compensation if objectives are achieved.

Variable compensation represents 40% of this total theoretical amount. This theoretical variable component is in turn split into two parts: V1 tied to Group performance indicators and consolidated results and V2 based on individual objectives set by the Board of Directors.

V1 – Economic and financial objectives

The economic and financial objectives underlying the V1 component for 2013 concerned revenues, operating margin, pre-tax net profits and free-cash flow for the period, with weightings of between 20% and 30% depending on the indicator and achievement rates of between 90% and 123%.

V2 – Individual objectives

Individual objectives fall into two separate categories relating to governance and performance. Each category comprises three sub-objectives, which were subject to an overall assessment on the following basis:

With regards to the role of Chairman and the organization of governance, the Board of Directors noted four positive changes:

- The strengthening of operational governance with the creation of a Group Management Board (GMB) comprising five members, on which the Chairman and Chief Executive officer relies for the operational management of the Group,
- The enhanced importance of the human capital development and human resources function, which was headed directly by the Chairman and Chief Executive Officer in the second-half of

the year before being entrusted at the beginning of January to an operational manager who joined the GMB,

- The organization of an independent assessment of the activities and organization of the Board of Directors, to enable them to be brought into line with the recommendations of the AFEP-MEDEF Code and international good practice,
- The progressive opening up of the Board of Directors to individuals with complementary profiles.

With regards to the sustainable performance of the Group, the Board highlighted the transactions performed during the year to improve the financial structure of the Group, such as the early redemption of the OCEANE bonds and the ORNANE bond issue acclaimed by the market, as well as the €235 million contribution in the first half of the year to finance the funding shortfall on a UK pension fund. It also assessed the impact of Mr. Hermelin's actions on the quality of long-term relationships with our key clients and partners, measured by the frequency of client visits and the presence of the Group's leading technology partners at the Group "Rencontres" conference in San Francisco. Finally, the Board took account of the results presented in the Group 2015 strategic transformation management report, a quantitative tool comprising key transformation indicators approved by the Board of Directors in its 3-year plan and comprising an annualized market plan.

Overall, for these two components of Mr. Hermelin's variable compensation, the Board of Directors approved the recommendation of the Committee of an attainment rate of 119%

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Mr. Hermelin's total compensation therefore breaks down as follows:

Compensation component	Theoretical amount	% attainment	Actual amount
Fixed	€1,452,000	N/A	€1,452,000
Variable	€968,000	119%	€1,150,600
Total	€2,420,000	107.5%	€2,602,500

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In addition, it is recalled that the Board of Directors' meeting of February 20, 2013 granted 50,000 performance shares to Mr. Hermelin, representing 4% of the total amount granted that day. These share grants are subject to the internal and external performance conditions adopted by the Combined Shareholders' Meeting of May 24, 2012. Mr. Hermelin will also be required to hold all vested shares until he is no longer a corporate officer.

2014 Compensation

Given the increase in Mr. Hermelin's compensation decided in 2013, the Committee – in accordance with the recommendations of the AFEP-MEDEF Code – considered it was not appropriate to increase his theoretical compensation in 2014. The Board of Directors followed the recommendation of the Committee and informed Mr. Hermelin of its decision, which he accepted.

The 2013 Registration Document and the Management Report and the Report presenting the resolution on the compensation of the executive corporate officer to be submitted to the Combined Shareholders' Meeting of May 7, 2014, will contain a detailed presentation of the Group's compensation policy and the determination of Mr. Hermelin's compensation for 2013.

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