

## **CAPGEMINI**

European Company (*Société Européenne*)  
with a share capital of €1,350,536,264  
Head Office: 11, rue de Tilsitt, 75017 Paris  
**330 703 844 RCS Paris**

### **SUPPLEMENTARY REPORT OF THE BOARD OF DIRECTORS ON THE ISSUANCE OF SHARES UNDER THE CAPGEMINI GROUP “ESOP 2018” EMPLOYEE SHAREHOLDING PLAN**

This supplementary report is prepared in accordance with Articles L.225-129-5 and R.255-116 of the French Commercial Code (*Code de commerce*).

In its twenty-fourth and twenty-fifth resolutions, the Combined Shareholders' Meeting of the Company of May 23, 2018, voting in accordance with quorum and majority rules for extraordinary general meetings, granted the Board of Directors, with power of sub-delegation under the conditions provided for by law, the powers necessary for proceeding with the increase in the share capital of the Company through the issuance of shares without preferential subscription rights and reserved (i) for employees and corporate officers of the Company and of its French and foreign subsidiaries that are members of a Capgemini Group company savings plan governed by Articles L.3332-1 *et seq.* of the French Labor Code (*Code du travail*) and (ii) for a banking institution, acting at the Company's request for the implementation of a subscription formula proposed to employees and corporate officers of the companies related to the Company under the conditions set forth by Articles L.225-180 of the French Commercial Code and L.3344-1 of the French Labor Code and the corporate headquarters of which are located outside of France, providing an economic profile comparable to the subscription formula offered to the Group employees within the framework of the transaction carried out pursuant to the aforementioned twenty-fourth resolution, it being specified that the total number of shares issued on the basis of the twenty-fourth and twenty-fifth resolutions shall not exceed 3,000,000 (three million) shares.

At its meeting of July 26, 2018, the Board of Directors of the Company, using its power of delegation, decided on the principle of an increase of the share capital of the Company by issuing shares to beneficiaries as defined by the aforementioned twenty-fourth and twenty-fifth resolutions, approved the main features of such issuances and delegated to the Chairman & Chief Executive Officer the powers required for their implementation, notably to set the subscription dates and subscription price of the shares to be issued.

On November 12, 2018, the Chairman & Chief Executive Officer, acting pursuant to this delegation of powers by the Board of Directors, fixed the subscription dates and subscription price of the shares to be issued on the basis of the above aforementioned decisions.

#### **1. Summary of the decisions of the governing bodies of the Company and main characteristics of the transaction**

##### ***Decision of the Board of Directors***

The Board of Directors, at its meeting of July 26, 2018, decided:

- 1) in accordance with the twenty-fourth resolution adopted by the General Shareholders' Meeting dated May 23, 2018, on the principle of an increase of the Company's share capital reserved for eligible employees and corporate officers of the Company and the French and foreign subsidiaries

of the Company, whether directly or indirectly held, that are members of a Capgemini Group French company savings plan governed by Articles L.3332-1 *et seq.* of the French Labor Code, within the limit of a maximum number of 2,500,000 (two million five hundred thousand) shares;

- that the shares issued pursuant to this decision will bear benefit entitlement as of January 1, 2018;

- that the subscription of the Capgemini shares can be carried out directly or via a French Employee Savings Mutual Fund (FCPE);

- that employees' subscription can be carried out through a leveraged subscription formula via a FCPE or within the framework of an equivalent subscription mechanism in order to account for the regulatory and fiscal legislation applicable in beneficiaries' various countries of residence;

- in accordance with article L.225-138-1 of the French commercial Code, that the capital increase completed on the basis of this decision can only be carried out up to the limit of the number of shares subscribed by the beneficiaries.

Within these limits and those set forth by the twenty-fourth resolution adopted by the General Shareholders' Meeting dated May 23, 2018, the Board of Directors decided to delegate the necessary powers to the Chairman & Chief Executive Officer for the purposes of completing the capital increase as well as that of postponing its completion. To this end, the Chairman & Chief Executive Officer has been granted all powers to set the terms and conditions of the transaction and, in particular:

- to set the opening and closing date of the subscription period, it being understood that the subscription period could be preceded by a reservation period for subscriptions;
- to set the maximum number of shares to be issued within the limit of 2,500,000 (two million five hundred thousand) shares;
- to set the subscription price of the shares which, in accordance with the provisions of the French Labor Code, will be equal to the average of the volume weighted average price (VWAP) of the listed prices of the Capgemini share during the 20 stock market trading days preceding the Chairman & Chief Executive Officer's decision that will set the dates of the subscription period, minus a 12.5 % discount;
- to set the terms and conditions for reducing subscriptions requested by beneficiaries of the reserved capital increase in the event that the total number of shares requested by these beneficiaries is higher than the maximum authorized amount, in accordance with the rules described in the documents approved by the *Autorité des Marchés Financiers* (AMF - French financial market authority);
- to set the timeframe and the terms and conditions for payment of the new shares;
- to acknowledge the completion of the capital increase up to the limit of the shares effectively subscribed, to adopt the report to the shareholders and to modify the bylaws in accordance with the transaction;
- to execute the issuance of the shares thus subscribed and take useful steps to ensure their listing and financial administration services;
- if applicable, to deduct the costs of the capital increase from the amount of the bonuses associated therewith and withdraw the necessary sums from this amount to increase the legal reserve to one tenth of the new share capital;

- more generally, to carry out all transactions and execute all formalities that render themselves necessary for the completion of the capital increase.
- 2) in accordance with the twenty-fifth resolution adopted by the General Shareholders' Meeting dated May 23, 2018, on the principle of an increase of the Company's capital reserved for a banking institution acting at the Company's request for the implementation of a subscription formula proposed to employees and corporate officers of the companies related to the Company under the conditions set forth by Articles L.225-180 of the French Commercial Code and L.3344-1 of the French Labor Code and the corporate headquarters of which are located outside of France, providing an economic profile that is comparable to the subscription formula offered to employees of the Group within the framework of the transaction carried out pursuant to paragraph 1. above, within the limit of a maximum number of 1,000,000 (one million) shares;
- decided that the shares issued pursuant to this decision will bear benefit entitlement as of January 1, 2018;
  - decided that the total number of shares issued pursuant to paragraphs 1. and 2. above cannot exceed 2,500,000 (two million five hundred thousand) shares;

Within these limits and those set forth by the twenty-fifth resolution adopted by the General Shareholders' Meeting dated May 23, 2018, the Board of Directors decided to delegate the necessary powers to the Chairman & Chief Executive Officer for the purposes of completing the capital increase as well as that of postponing its completion. To this end, the Chairman & Chief Executive Officer has been granted all powers to set the terms and conditions of the transaction, and, in particular:

- to set the subscription date and subscription price of the shares, which, in accordance with the provisions of the French Labor Code, will be equal to the average of the volume weighted average price (VWAP) of the listed prices of the Capgemini share during the 20 stock market trading days preceding the date of the Chairman & Chief Executive Officer's decision that will set the opening date of the subscription to the capital increase carried out pursuant to paragraph 1. above, minus a 12.5 % discount;
- to set the number of shares to be issued to the banking institution to be named;
- to acknowledge the completion of the capital increase, to adopt the report to the shareholders and to modify the bylaws in accordance with the transaction;
- to execute the issuance of the shares thus subscribed and take useful steps to ensure their listing and financial administration services;
- if applicable, to deduct the costs of the capital increase from the amount of the bonuses associated therewith and withdraw the necessary sums from this amount to increase the legal reserve to one tenth of the new share capital;
- more generally, to carry out all transactions and execute all formalities that render themselves necessary for the completion of the capital increase.

***Decision of the Chairman & Chief Executive Officer of the Company***

On November 12, 2018, the Chairman & Chief Executive Officer, acting pursuant to the delegation of authority by the Board of Directors:

(i) set the dates of the subscription period for the shares to be issued in accordance with, respectively, the twenty-fourth and twenty-fifth resolutions adopted by the General Shareholders' Meeting of the Company of May 23, 2018 as follow:

- the subscription period of Capgemini shares for Group employees enrolled in a company savings plan would be open from November 13 to 15, 2018, provided that employees who made a subscription request during the reservation period could revoke such subscription request during the subscription period whose dates are thus fixed;
- the subscription of Capgemini shares by Spade International Employees, a simplified joint stock company (*société par actions simplifiée*) with a share capital of €50,000, headquartered at 12, Place des Etats-Unis - CS 70052 - 92547 Montrouge Cedex, and registered with the Trade and Companies Register of Nanterre under number 834 217 259, would be carried out on December 18, 2018, it being understood that issuance of shares to Spade International Employees will be carried out on the basis of the twenty-fifth resolution of the General Shareholders' Meeting dated May 23, 2018 which authorizes the capital increase of the Company in favor of a banking institution acting at the Company's request for the implementation of a subscription formula proposed to employees and corporate officers of the companies related to the Company under the conditions set forth by Articles L.225-180 of the French Commercial Code and L.3344-1 of the French Labor Code and the corporate headquarters of which are located outside of France, providing an economic profile comparable to the subscription formula offered to Group employees within the framework of the transaction carried out pursuant to the aforementioned twenty-fourth resolution;

(ii) set the subscription price for the shares to be issued, in accordance with, respectively, the twenty-fourth and twenty-fifth resolutions adopted by the General Shareholders' Meeting of the Company of May 23, 2018 as follow:

- considering that the average of the volume weighted average price (VWAP) of the CAPGEMINI share, as published on the Bloomberg CAP FP EQUITY VAP website, during the 20 stock market trading days preceding the Chairman & Chief Executive Officer's decision of November 12, 2018, i.e. from October 15, 2018 to November 9, 2018 (inclusive), amounts to €105.46 (the "Reference Price");
- the subscription price of shares reserved for Group employees enrolled in a company savings plan is set at €92.28 corresponding, in accordance with the twenty-fourth resolution adopted by the General Shareholders' Meeting dated May 23, 2018, and the decision of the Board of Directors dated July 26, 2018, to the Reference Price minus a 12.5% discount and rounded up to the nearest hundredth of a euro ;
- the subscription price of shares reserved for Spade International Employees is set at €92.28, corresponding, in accordance with the twenty-fifth resolution adopted by the General Shareholders' Meeting dated May 23, 2018, and the decision of the Board of Directors dated July 26, 2018, to the Reference Price minus a 12.5% discount and rounded up to the nearest hundredth of a euro.

## **2. Further details regarding the transaction**

### ***Framework of the transaction***

In a press release dated September 24, 2018, the Company specified that this fifth international share ownership plan, proposed to approximately 98% of the employees of the Group, aims to associate all employees to the Capgemini development and performance.

The shares were subscribed to either directly or through a FCPE, in accordance with applicable regulatory and/or tax legislation in the various countries of residence of the beneficiaries of the capital increase.

Employees subscribed to Capgemini shares within the framework of a unique subscription formula called *leveraged and guaranteed*, allowing the employees to benefit from a guarantee on their investments made into this plan. In certain countries, employees will be allocated Stock Appreciation Rights (“SAR”) by their employer, the amount of which will be indexed in accordance with a formula similar to the one offered under the leveraged formula; a specific subscription formula was also proposed in the United States of America to take into account the applicable regulatory and tax legislation.

Subscribers to the offer shall hold either the shares subscribed to directly, or the corresponding units of the FCPEs, for a five-year period, except in the event of an authorized early exit.

### ***Other characteristics of the transaction***

The reservation period of the shares (at an unknown price), during which the employees and corporate officers of the Capgemini Group could request to subscribe, was opened from September 24 to October 11, 2018.

A subscription period, during which subscription requests made during the reservation period could be withdrawn, was opened from November 13 to 15, 2018 (inclusive), after communication to the beneficiaries of the subscription price established by the decision of the Chairman & Chief Executive Officer dated November 12, 2018.

Having taken into account all subscription requests, a reduction of the subscription requests has been made. Thus, all of the shares that may be issued within the framework of the transaction, or 2,500,000 (two million five hundred thousand) shares will be subscribed to. The number of subscribers equaled to 33,579 employees, or 17.0% of the eligible population, and similarly to the previous ESOP plans, the transaction was oversubscribed to in the amount of 191%.

The newly-issued shares will be fully assimilated with the existing ordinary shares comprising Capgemini’s share capital. These shares will bear benefit entitlement as of January 1, 2018.

The request to list the newly-issued Capgemini shares to trading on the same line of Euronext Paris (ISIN code: FR0000125338) as the existing shares will be made as soon as possible following the completion of the capital increase scheduled to take place on December 18, 2018.

## **3. Impact of the issuance of 2,500,000 shares on the stake of holders of shares and securities, their shareholders’ equity per share and the theoretical impact on the market value of the share price.**

### **3.1 Impact on shareholders’ stake in the share capital of the Company**

For illustrative purposes, on the basis of the share capital of the Company at June 30, 2018, or 168,817,033 shares, the impact of the issuance of new shares on the stake of a shareholder holding 1% of the share capital of the Company prior to, and not subscribing to, the issuance would be as follows:

	<b>Shareholder stake (in %)</b>	
	<i>Non-diluted basis</i>	<i>Diluted basis (1)</i>
Before issuance of the new shares resulting from the capital increase	1 %	0.97 %
After issuance of the new shares resulting from the capital increase	0.99 %	0.96 %

(1) Calculations are made assuming the delivery of the 4,496,144 performance shares granted on June 30, 2018 (assuming that all the performance conditions will be satisfied).

### 3.2 Impact of the issuance on the consolidated shareholders' equity per share

For illustrative purposes, the impact of the issuance on the consolidated shareholders' equity attributable to owners of the Company per share (calculations based on consolidated shareholders' equity attributable to owners of the Company at June 30, 2018, and the number of shares comprising the share capital at June 30, 2018 after deduction of treasury shares) would be as follows:

	<b>Consolidated shareholders' equity per share (in euros)</b>	
	<i>Non-diluted basis</i>	<i>Diluted basis (1)</i>
Before issuance of the new shares resulting from the capital increase	42.02 euros	40.92 euros
After issuance of the new shares resulting from the capital increase	42.77 euros	41.66 euros

(1) Calculations are made assuming the delivery of the 4,496,144 performance shares granted on June 30, 2018 (assuming that all the performance conditions will be satisfied).

### 3.3 Impact of the issuance on the statutory shareholders' equity per share

For illustrative purposes, the impact of the issuance on the statutory shareholders' equity per share of Capgemini SE (calculations based on statutory shareholders' equity attributable to owners of Capgemini SE at June 30, 2018, and the number of shares comprising the share capital at June 30, 2018 after deduction of treasury shares) would be as follows:

	<b>Statutory shareholders' equity per share (in euros)</b>	
	<i>Non-diluted basis</i>	<i>Diluted basis (1)</i>
Before issuance of the new shares resulting from the capital increase	82.99 euros	80.80 euros
After issuance of the new shares resulting from the capital increase	83.12 euros	80.97 euros

(1) Calculations are made assuming the delivery of the 4,496,144 performance shares granted on June 30, 2018 (assuming that all the performance conditions will be satisfied).

### 3.4 Theoretical impact on the stock market value of the Capgemini share

The theoretical impact of the issuance of 2,500,000 shares at the issuance price on the stock market valuation of the Capgemini share is calculated as follows:

Share price before the transaction = the average of the listed closing prices of the Capgemini share during the 20 stock market trading days preceding the fixing of the issuance price (calculated as the average of the closing share price between October 15 and November 9, 2018, inclusive). This price amounts to 105.46 euros.

Theoretical share price after the transaction = ((the average of the listed closing prices of the Capgemini share during the 20 stock market trading days preceding the fixing of the issuance price x the number of shares before the transaction) + (the issuance price x the number of newly-issued shares)) / (the number of shares before the transaction + the number of newly-issued shares).

The issuance price of the reserved capital increase is set at 92.28 euros.

Accounting for these assumptions, the theoretical post-transaction stock market value of the Capgemini share amounts to 105.21 euros.

It is recalled that this theoretical approach is provided for illustrative purposes and does not predict future evolutions in the share price.

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This supplementary report and the Statutory Auditors' report may be consulted by shareholders at the Company's head office and will be brought to the attention of shareholders at the next Shareholders' Meeting.

Signed in Paris, on December 5, 2018.

The Chairman and Chief Executive Officer  
Paul Hermelin