REGISTRATION DOCUMENT
ANNUAL FINANCIAL REPORT
2017

Capgemini

People matter, results count.

CONTENTS

2017 Registration Document

Annual Financial Report

"A global leader in consulting, technology services and digital transformation, Capgemini is at the forefront of innovation to help its clients seize the full range of opportunities in the evolving world of cloud, digital and platforms. Building on its strong 50-year heritage and deep industry-specific expertise, the Group enables organizations to realize their business ambitions through an array of services from strategy to operations. Capgemini is driven by the conviction that the business value of technology comes from and through people."

The French version of this Registration Document (Document de Référence) was filled with the Autorité des marchés financiers (AMF – the French Financial Market Authority) on March 23, 2018, pursuant to Article 212-13 of its General Regulations. It may be used in connection with a financial transaction if it is accompanied by an Information Memorandum approve by the Autorité des marchés financiers (AMF – the French Financial Market Authority). This document was prepared by the issuer and engages the responsibility of its signatories.

For the fiscal year 2017

Board of Directors

Paul HERMELIN, Chairman and Chief Executive Officer

Daniel BERNARD, Vice-Chairman

Anne BOUVEROT

Yann DELABRIÈRE

Laurence DORS

Carole FERRAND

Robert FRETEL

Siân HERBERT-JONES

Phil LASKAWY

Kevin MASTERS

Xavier MUSCA

Patrick POUYANNÉ

Pierre PRINGUET, Lead Independant Director

Bruno ROGER

Lucia SINAPI-THOMAS

Caroline WATTEEUW-CARLISLE

Statutory Auditors

PricewaterhouseCoopers Audit Represented by Françoise GARNIER and Richard BÉJOT

KPMG S.A. Represented by Frédéric QUÉLIN

Financial highlights

Consolidated Financial Statements

in millions of euros	2013	2014	2015	2016	2017
Revenues	**10,092**	**10,573**	**11,915**	**12,539**	**12,792**
Operating expenses	(9,235)	(9,603)	(10,653)	(11,099)	(11,299)
Operating margin *	**857**	**970**	**1,262**	**1,440**	**1,493**
% of revenues	*8.5%*	*9.2%*	*10.6%*	*11.5%*	*11.7%*
Operating profit	**720**	**853**	**1,022**	**1,148**	**1,183**
% of revenues	*7.1%*	*8.1%*	*8.6%*	*9.2%*	*9.2%*
Profit for the year attributable to owners of the Company	**442**	**580**	**1,124** (1)	**921** (2)	**820**
% of revenues	*4.4%*	*5.5%*	*9.4%*	*7.3%*	*6.4%*
Earnings per share					
Average number of shares outstanding during the year	*158,147,868*	*157,855,433*	*168,452,917*	*169,450,721*	*168,057,561*
Basic earnings per share *(in euros)*	2.80	3.68	6.67	5.44	4.88
Normalized earnings per share * *(in euros)*	3.41	4.22	*7.67* (1)	*6.69* (2)	6.22
Dividend per share for the year *(in euros)*	1.10	1.20	1.35	1.55	1.70 (3)
Goodwill at December 31	**3,601**	**3,784**	**7,055**	**7,176**	**6,830**
Equity attributable to owners of the Company at December 31	**4,458**	**5,057**	**6,887**	**7,272**	**6,956**
(Net debt)/net cash and cash equivalents * at December 31	**678**	**1,218**	**(1,767)**	**(1,413)**	**(1,209)**
Organic free cash flow * at December 31	**455** (4)	**668**	**815**	**1,071**	**1,080**
Average number of employees	**128,126**	**137,747**	**161,268**	**185,593**	**196,755**
Number of employees at December 31	**131,430**	**143,643**	**180,639**	**193,077**	**199,698**

(1) Including the remeasurement of deferred tax assets on US tax loss carry-forwards in the amount of €476 million.
(2) Including tax income (net) of €180 million in respect of goodwill arising on legal restructurings.
(3) Subject to approval by the Combined Shareholders' Meeting of May 23, 2018.
(4) Before the €235 million exceptional contribution to a UK pension fund.
(*) The alternative performance measures monitored by the Group (operating margin, normalized earnings per share, net debt/net cash and cash equivalents and organic free cash flow) are defined in Note 3 - Alternative performance measures and broken down in Note 11 - Earnings per share, Note 21 - Net debt/Net cash and cash equivalents and Note 22 - Cash flows.

1

Presentation of the Group and its activities

1.1 Presentation of the Group

1.1.1 Capgemini at a glance

Capgemini

People matter, results count.

Driven by the conviction that the business value of technology comes from and through people

Global, entrepreneurial and multicultural

200,000 employees in

40+ countries from

120+ nationalities

7 founding values

- Honesty
- Boldness
- Trust
- Freedom
- Fun
- Modesty
- Team spirit

at the **heart** of **everything** we do

At the forefront of innovation

We provide unparalleled opportunities to spur innovation through our **Applied Innovation Exchange**, a network of 16 centers located throughout the world.

We leverage a **global ecosystem of partners**, including high-profile technology players and specialized startups.

We publish industry-recognized studies on the latest digital trends, notably through our **Digital Transformation Institute**, a network of dedicated research centers in India, the UK, and the US.

We share and discuss our business insights with industry peers through **Expert Connect**, our online community with more than 1,000 active Capgemini members.

— AT A GLANCE —

Enabling clients to realize their business ambitions through an array of services from strategy to operations

Leading expertise in consulting, technology services and digital transformation

Key service offers

• Digital Strategy, Innovation, and Transformation Consulting •
• Digital Manufacturing •
• Digital Customer Experience •
• *Insights & Data* • Engineering Services •
• *Cloud Choice* • Infrastructure Services •
• Application Development and Maintenance •
• Testing • Automation •
• Business and Platform Services •
• Cybersecurity •

Strong sectorial expertise with dedicated offers

• Consumer Products & Retail, Distribution & Transportation •
• Energy, Utilities & Chemicals •
• Financial Services •
• Manufacturing, Automotive & Life Sciences •
• Public Sector •
• Telecommunications, Media & Entertainment •

Delivering solid and sustainable performance

2017 full year results

€12.8bn
revenue

11.7%
operating margin

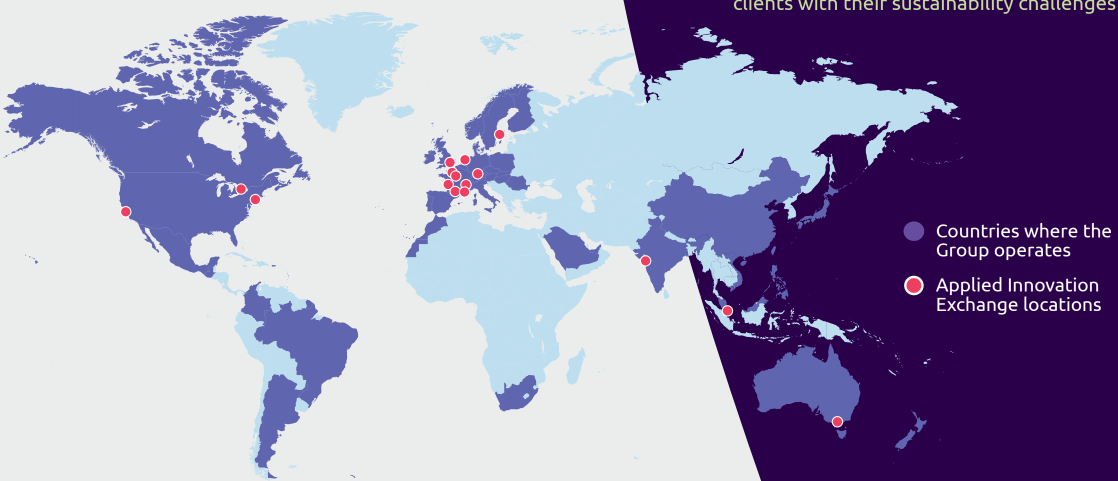
€1.1bn
Free cash-flow

Architects of positive futures

• Diversity •
Building an inclusive workplace, attracting and retaining a diverse workforce

• Digital inclusion •
Using our skills to help societies address the impact of the digital and automation revolution

• Environmental sustainability •
Minimizing our environmental impacts, building business resilience against climate change, and supporting clients with their sustainability challenges



1.1.2 Group milestones

1967	Creation of Sogeti by Serge Kampf, on October 1, in Grenoble (France).
1970	Sogeti and OBM (Organization Bossard Michel) agree to combine IT and Consulting Services.
1971	Creation of Eurinfor, "facilities management" company, by Sogeti with the Cofradel group and Lyonnaise de Banque.
1973	7th "Sogeti *Rencontres*" in Djerba (Tunisia), the last internal gathering to which all Group employees (440) are invited.
1974	Sogeti takes control of C.A.P. (the leading French IT services company at the time) and of Gemini Computer Systems (US).
1975	January 1 marks the official birth of the CAP GEMINI Sogeti group, which, with a headcount of 1,700, becomes Europe's top IT services company. 9th *Rencontres* in Istanbul (Turkey), with 270 participants.
1976	The Group moves its headquarters to 17, avenue George V, Paris. The first Annual Report is published (financial year 1975).
1977	The French authorities veto the acquisition of a stake in the Group by EDS.
1978	The Group takes on the US market and sets up its first "outpost" in Washington DC (Cap Gemini Inc.).
1980	After a long tussle with SESA, the Group wins the DGT contract to produce the French electronic phonebook.
1981	The sale of SORINFOR marks the Group's withdrawal from processing activities.
1982	Revenues exceed the one billion French franc (€150 million) mark, only half of which is generated outside France.
1984	To general surprise, Serge Kampf declares that English is to be the Group's official language.
1985	Spectacular initial public offering of the Group's shares on the Paris Stock Exchange (with demand 123 times the offer).
1987	The Group takes control of SESA, having held a 42% stake since 1982.
1989	The Group reports a record year-end after-tax profit of 7.4%.
1990	17th *Rencontres* in Marrakesh (Morocco): the 550 participants decide on an aggressive strategy including, if necessary, joining up with an industrial group. Shortly after, the Group makes several acquisitions: SCS in Germany, Hoskyns, the European leader in outsourcing activities, and two US companies (URC and Mac Group) that will make up the Group's consulting arm. The invasion of Kuwait triggers a global economic crisis, which lasts four years.
1991	Daimler-Benz takes a 34% stake in the holding company Sogeti (which itself controls 60% of the Group).
1992	Acquisition of Volmac in the Netherlands (3,200 employees) and Progamator in Sweden (1,600 employees). GENESIS is launched at the 18th *Rencontres*, which brings together 700 managers in Prague (Czechoslovakia). This is the Group's first transformation program, and mobilizes up to 5,000 employees for over a year. By the year-end, Cap Gemini – after 25 years of consecutive growth – announces the first losses in its history (it will be a similar story in 1993 and 1994).
1996	Under the combined pressure of the two other major shareholders, Serge Kampf accepts the "amalgamation" of the two-tiered control of SKIP and Sogeti within the listed company Cap Gemini Sogeti.
1997	Daimler-Benz exits from the Group's share capital. Bossard Consultants (in which the Group has held a 49% stake for more than 20 years) is integrated into the Group's consulting arm. Celebration of the Group's 30th birthday during a memorable evening at the Louvre Carrousel, Paris.
1998	Cap Gemini rejoins the Paris Stock Exchange's CAC 40 index (it had been on the index from August 1988 to November 1993).
2000	Acquisition of Ernst & Young Consulting (employing more than 12,000 consultants). The Cap Gemini share price rises to its highest ever level of €368.9 in March, making a stock market capitalization on that day of €44.5 billion.
2002	Creation of a subsidiary specializing in local services and taking over the Sogeti name.
2003	Sogeti acquires Transiciel (7,000 employees); the Group signs a major multi-year contract with the British tax authorities and opens its first offshore production center in Mumbai, India.
2006	Launch of the I.Cube (Industrialization, Innovation, Intimacy) transformation program.
2007	Acquisition of Kanbay, a US company with a strong presence in India and specializing in Financial Services (7,000 employees). Capgemini is the main sponsor of the 6th Rugby XV World Cup. Celebratory evening at the Louvre Carrousel, Paris, to mark the Group's 40th birthday.
2008	A number of small acquisitions, including Getronics PinkRoccade in the Netherlands.
2009	Acquisitions in Romania, Vietnam and Australia. Launch of five global service lines (Business Information Management, Application Lifecycle Services, Testing Services, Infostructure Transformation Services, Smart Energy Services).
2010	Acquisition of IBX in Sweden and CPM Braxis (5,500 employees) in Brazil. 23rd *Rencontres* in Barcelona (Spain) around the theme of *La Niaque* (fighting spirit). The Group ends the year with a headcount in excess of 100,000.
2011	Acquisition of eight companies, including Artesys, Avantias and Prosodie in France, and Praxis Technology in China. The Group restructures around six Strategic Business Units (SBUs). Launch of a new global service line (Mobile Solutions).
2012	Serge Kampf passes the torch of Chairman to Paul Hermelin during the Combined Shareholders' Meeting of May 24, 2012.

1

2013	Passing away of Michel Jalabert, a Cap Gemini S.A. Board member and one of the key figures in the Group's history since 1976, and of Odette Bernard-Colombat, the Group's longest-serving employee and Serge Kampf's personal assistant for over fifty years. 24th *Rencontres* in San Francisco: the top 450 Capgemini managers gather, joined for the first time by some of the Group's biggest technology partners, thereby confirming the Group's position as a major player in the "Champions League" of its industry. Launch of Digital Customer Experience, a new global service line.
2014	Acquisition of Euriware in France and signing of a contract with Areva.
2015	Acquisition of IGATE in the United States: North America becomes Capgemini's largest market.
2016	Passing away of Serge Kampf on March 15, 2016, founder of the Group.
2017	Capgemini celebrates its 50th anniversary and launches a new brand identity. The 26th *Rencontres* returns to Geneva, the first international city to host the internal gathering in 1971, to look back on past achievements and share a vision for the future.

1.1.3 Seven values at the heart of the Group

In 1967, Serge Kampf was amongst the very first to understand the added value a services company would bring to a world where the IT market had barely emerged. He created Sogeti, which became Cap Gemini Sogeti, then Capgemini Ernst & Young, and finally Capgemini, based on several major principles that continue to guide us in everything we do today: first and foremost, an entrepreneurial spirit, followed by a passion for clients, an obsession with drawing out the best from people, a commitment to being ethically irreproachable at all times, and extremely high expectations with regards to performance. From the very beginning, he understood that our industry is based on the contribution of both men and women who work hand-in-hand and share common values that cannot be compromised upon.

Seven values permeate Capgemini's corporate fabric, from the time of their inception by our founder. These values inspire and shape our corporate culture and professional conduct. They motivate us as a Group and as individuals. Intangible by nature, they lie at the heart of all our actions as an ethical and responsible company. They form the basis of Capgemini's reputation.

Honesty signifies loyalty, integrity, uprightness, a complete refusal to use any underhanded method to help win business or gain any kind of advantage. Neither growth nor profit nor independence have any real worth unless they are won through complete honesty and probity. And everyone in the Group knows that any lack of openness and integrity in our business dealings will be penalized at once.

Boldness, which implies a flair for entrepreneurship and a desire to take considered risks and show commitment (naturally linked to a firm determination to uphold one's commitments). This is the very soul of competitiveness: firmness in making decisions or in forcing their implementation, an acceptance periodically to challenge one's orientations and the *status quo*. This boldness also needs to be combined with a certain level of prudence and a particular clear-sightedness, without which a bold manager is, in reality, merely dangerously reckless.

Trust, meaning the willingness to empower both individuals and teams; to have decisions made as close as possible to the point where they will be put into practice. Trust also means giving priority, within the Company, to real openness toward other people and the widest possible sharing of ideas and information.

Freedom, which means independence in thought, judgment and deeds, and entrepreneurial spirit, creativity. It also means tolerance, respect for others, for different cultures and customs: an essential quality in an international group.

Fun means feeling good about being part of the Company or one's team, feeling proud of what one does, feeling a sense of accomplishment in the search for better quality and greater efficiency, feeling part of a challenging project.

Modesty, that is simplicity, the very opposite of affectation, pretension, pomposity, arrogance and boastfulness. Simplicity does not imply naivety ("simple does not mean simpleton!"); it is more about being discreet, showing natural modesty, common sense, being attentive to others and taking the trouble to be understood by them. It is about being frank in work relationships, having a relaxed attitude, having a sense of humor.

Team spirit, meaning solidarity, friendship, fidelity, generosity, fairness in sharing the benefits of collective work; accepting responsibilities and an instinctive willingness to support common efforts when the storm is raging.

These values are embodied in Capgemini's brand promise: "People matter, results count". We believe that our clients' success does not depend on technology only, but also on the women and men who give that technology life and who make all the difference. Our approach thus enables companies and organizations to respond faster to market trends, to adapt and to improve their performance.

Truly multicultural, Capgemini works on the basis of its trademark "Collaborative Business Experience™", which gives priority to the ability to listen, to be flexible, agile and creative — essential qualities to ensure the success of our clients.

1.1.4 New brand and visual identity

To celebrate and build on its 50-year heritage, Capgemini unveiled a new brand and visual identity in October 2017. This new identity reflects the unique character and strengths of the Group: dynamism, precision, and people.

The new logo contains a wordmark that has been handcrafted in a script directly inspired by Group founder Serge Kampf. Combined with the redesigned spade symbol, this logo can be seen as a unique and human company signature, encapsulating the belief that technology is nothing without the people behind it. The iconic Capgemini spade is now fluid and dynamic, reflecting the evolving technology landscape and an ability to constantly adapt with the precision and accuracy that are so fundamental to successful client delivery. Finally, the color palette is more vibrant and invigorating. The darker blue represents the depth of experience and the dependability of people, while the lighter blue represents the new world: energetic, inspiring, and free-thinking.

1.2 Group activities

A global leader in consulting, technology services and digital transformation, Capgemini is at the forefront of innovation to help its clients seize the full range of opportunities in the evolving world of cloud, digital and platforms. Building on its strong 50-year heritage and deep industry-specific expertise, the Group enables organizations to realize their business ambitions through an array of services from strategy to operations.

Capgemini is driven by the conviction that the business value of technology comes from and through people. It is a multicultural company of close to 200,000 team members in over 40 countries.

1.2.1 Areas of expertise and sectors of activity

Capgemini organizes its business to offer a **wide spectrum of expertise** to the clients it serves and the markets that it shapes around the world. The Group's depth of expertise is a hallmark of its capabilities: from IT infrastructure and the end-to-end management of IT applications, to digital transformation and innovation consulting.

The Group delivers global solutions across four businesses:

- **Consulting Services** (Capgemini Consulting), which help to enhance the performance of organizations, based on in-depth knowledge of client industries and processes;
- **Technology and Engineering Services** (Sogeti), which provide assistance and support to internal IT and engineering teams within client companies;
- **Application Services**, which devise, develop, implement and maintain IT applications covering the Group's system integration and application maintenance activities;
- **Other Managed Services**, which integrate, manage and/or develop either fully or partially, clients' IT Infrastructure systems (or that of a group of clients), transaction services and on demand services and/or business activities (Business Services).

The pace of business and technology innovation has a profound influence on every actor that expects to compete in today's market. The digital transformation is disrupting nearly every industry, and Capgemini works closely with its clients to help them rethink their business models and customer journeys to stay one step ahead.

To do so, Capgemini capitalizes on the complementary nature of its diverse businesses (consulting, design, engineering, Application Services, infrastructure) to develop digital transformation solutions for its clients' activities through a targeted, **sector-based approach**. The Group has created **expert panels** for each sector, comprised of experienced managers who directly collaborate with clients to establish a foundation for their growth and transformation.

The Group cultivates expertise across six major sector groupings:

- **Consumer Products, Retail, Distribution & Transportation**: As consumer expectations are quickly evolving, many companies are witnessing revolutionary changes in how their brands interact with their customers. Capgemini acts as their guide to navigate the changing consumer technology landscape and identify and implement solutions that can transform their business. The Group provides the technology and expertise that clients need to access platforms that combine flexibility and speed with the latest industry developments;
- **Energy, Utilities & Chemicals**: The Group helps companies in these sectors to transform their business and meet the challenges of constantly evolving regulatory policies, increasingly stringent environmental standards, and landmark technology developments that are disrupting the sector. Capgemini is the world leader in IT systems for electricity meters, or "smart meters," and continues to provide market-shaping thought leadership and industry-renowned expertise to these segments in countries all over the world;
- **Financial Services (Insurance & Banking)**: The Group supports the rationalization and simplification of financial institutions' applications and infrastructure. Its main fields of expertise are mobility, intelligent data management, client experience improvement, and regulation compliance;
- **Manufacturing, Automotive & Life Sciences**: These activities may be fertile ground for innovation, but improving competitiveness remains a constant challenge. Through its Application Services and Business Services teams, among others, Capgemini enables companies in these industries to achieve significant savings in their business technology areas, as well as to transform and shape these industries as they evolve;
- **Public Sector:** Capgemini assists administrations, companies and public agencies, as well as major local authorities, to implement their programs and plans for modernization, with an ever-growing focus on digital;
- **Telecommunications, Media & Entertainment**: Operators in this sector are often faced with challenges resulting from digital disruption, including competition from emergent competitors and the saturation of networks due to the explosion of content. Having supported the sector grouping for over thirty years, Capgemini offers access to talented thought leaders who provide a rich knowledge of telecommunications, digital content, and delivery expertise.

1.2.2 Global portfolio of innovative offers

Over the past few years, Capgemini has strategically shaped its portfolio of innovative products and services to help its clients successfully make the jump into the digital era.

The Group is constantly adapting and strengthening its **catalog of products and services** across different sectors and businesses:

- **ADMnext** (Application Development and Maintenance) delivers a wealth of service options focused on increasing business agility, expanding the business value of applications, and cutting cost across the client enterprise environment;
- **Automation Drive** is a key enabler of competitiveness and is designed to help companies and organizations achieve the efficiency, productivity, quality, and agility that automated and intelligent, or smart systems, offer today. The service line brings together;
- **Cloud Choice** is a complete portfolio of services that deliver a cloud-first way of working for the enterprise. Through a combination of advisory, applications and infrastructure services, the offer helps overcome the constraints which limit cloud adoption, and enable a transformation from legacy to cloud technology. This increases clients' capacity to absorb innovation, equipping them to adapt and stay relevant in a fast-paced digital world;
- **Cybersecurity** helps clients strengthen their enterprise security as they undergo their digital transformation journey. This includes helping them to define and implement their cybersecurity strategy, while protecting their IT, enterprise systems, and connected devices;
- **Digital Customer Experience** helps companies to identify and define their digital strategy and then select the most appropriate platforms and solutions to optimize the client experience. This service is often complemented by mobility solutions, which increase accessibility for end users across all mobile devices;
- **Digital Manufacturing** helps clients in the industry and energy sectors make the transition toward the complete digitalization of their production tools and processes, aligned with the current revolution known as Industry 4.0.
- **Insights & Data** enables companies and institutions to derive meaningful insights about their business by using data to their full advantage. This includes managing and analyzing vast quantities of data using proven Capgemini methodologies to facilitate decision-making processes;
- **Testing Services** offer industrialization solutions for testing and quality assurance of software, in particular for mobile and social applications.

1.2.3 Applied Innovation Exchange (AIE)

The Applied Innovation Exchange (AIE) is Capgemini's global platform designed to enable enterprises to discover relevant innovations; to contextualize and experiment with them within their specific industry; and to deploy, adopt, and sustain innovation globally. The AIE leverages a framework for action, a network of exchange locations, and a high-performance engagement experience with a global curated ecosystem of partners and startups to proactively plan for shifts in technology and disruptions in business. The AIEs provide a platform for clients to learn how to apply innovation at the right speed and scale, in a secure and sustainable manner.

The Applied Innovation Exchange relies on Capgemini's ability to both tackle the challenges of its client's sectors, and to select the emerging technologies that are most suited to each specific need. Clients are given the opportunity to test out the most innovative technologies related to the Internet of Things, artificial intelligence, data analysis, cloud, cybersecurity and even cutting-edge computing to facilitate digital transformation. The 16 AIEs (Bordeaux, Grenoble, Lille, London, Marseille, Melbourne, Mumbai, Munich, New York, Paris, San Francisco, Singapore, Stockholm, Toronto, Toulouse, and Utrecht) are networked, meaning that clients in any region benefit from industry expertise developed in any center.

1.2.4 Digital Transformation Institute (DTI)

Drawing on a worldwide network of experts, academics, and technology partners, the Digital Transformation Institute (DTI) is Capgemini's in-house think tank on all things digital. With dedicated research centers in the UK, USA, and India, the DTI produces numerous publications each year on the latest digital trends, innovation, disruption and businesses who have mastered their digital transformation. It often partners with major institutions, such as MIT, and cooperates with leading startups across the world.

For a list of key reports and studies published in 2017, see section 1.5.6.

1.2.5 Ecosystem of technology partners

Capgemini has always forged strategic partnerships with high-profile technological players and startups with specialist skills. The Group adopts an independent posture in order to select on a case-by-case basis those partners that offer the best response to its client's expectations and challenges.

Capgemini aggressively rotates its offerings portfolio. In 2017, for example, the Group drove several joint initiatives with its partners to better help clients manage and accelerate their digital transformation journey:

- **"Fast Digital 4 Discrete Industries" with SAP**: This suite of solutions deploys an agile methodology based on Capgemini's highly successful Digital Transformation Framework, tailored for the discrete manufacturing industry (*e.g.* Industrial Machinery & Components, Aerospace & Defense, High Tech, and Automotive);
- **"Cognitive IoT" with IBM**: In line with the market shift towards cloud and digital, this solution suite addresses the growing need to conduct smart analytics on the explosive amounts of Big Data generated by connected devices;
- **"Cloud Native Transformation" with Microsoft and Pivotal**: This solution accelerates digital transformation by helping clients to transform existing applications to the cloud, as well as to build new applications directly in the cloud for high-quality, agile software at startup speeds;
- **"Cloud migration" with Amazon Web Services (AWS)**: This range of market solutions focuses on a cloud-first strategy to enable growth, innovation, cost-efficiency, and business model disruption.

In addition to these new initiatives, Capgemini continues to build its innovation-centric ecosystem which now contains over 200 participants covering a range of subjects including artificial intelligence, deep learning, data analytics, augmented/virtual reality, cybersecurity, digital, and FinTech technologies. In this context, the Group constantly renews a flexible and forward-looking roster of partners, many of which directly engage through the Capgemini Applied Innovation Exchange, and in doing so, represent a significant asset in terms of helping clients quickly turn innovation into valuable, business-focused solutions.

Capgemini has a global sales and delivery partner network with companies whose solutions are complementary to its own. Its areas of expertise, in collaboration with the products and services offered by its partners, allows Capgemini to build new and valuable business solutions for its clients in less time and with a degree of accuracy not possible without this approach.

Capgemini's partnerships and ecosystems provide the crucial synergy necessary to solve the toughest challenges of its clients, be it in new business model creation, new technology solution implementation, or progression into new global markets. These partnerships and ecosystems are generally non-exclusive and can generate revenue from both the implementation and resale of related products and services.

Capgemini's **global ecosystem** includes the following key partners:

- Adobe
- Amazon Web Services
- AppDynamics
- Appian
- Backbase
- Blueprint
- Blueprism
- BMC
- Cisco
- Citrix
- Cloudera
- CA Technologies
- Dassault Systems
- Dell Technologies
- Duckcreek
- Fireeye
- Forgerock
- Fortinet
- GE Digital
- Gemalto
- Google
- Guidewire
- Hortonworks
- HPE
- HPI
- IBM
- Infor
- Informatica
- Intel
- Juniper Networks
- Lenovo
- Microsoft
- Mulesoft
- NetSuite
- OpenText
- Oracle
- Palo Alto Networks
- Pega
- Pitney Bowes
- Pivotal
- PTC
- Redhat
- RSA
- Salesforce
- SAP
- SAS
- Schneider Electric
- Siemens
- Sitecore
- Software AG
- Talend
- Temenos
- Trend Micro
- UI Path
- Virtustream
- VMware
- Workday
- Workfusion

1.2.6 Organization centered around client needs

Capgemini is organized at the global level into **major operational units** (Strategic Business Units, or SBUs) to provide the best response to client expectations and market developments:

- **Capgemini Consulting** is renowned for strategy and transformation consulting, particularly within digital transformation. The unit enhances the performance of organizations based on intimate client relationships and in-depth knowledge of client industries and processes;
- **Sogeti**, with a presence in approximately fifteen countries, brings expertise and client delivery experience in the areas of technology and engineering services;
- **Cloud Infrastructure Services** helps clients build—what has become over time—the foundation for their digital and business platforms. The Cloud Infrastructure Business enables clients to unlock the agility and innovation they need to achieve growth;
- **Application Services One** and **Application Services Two** are two SBUs that encompass, as two distinct geographic entities, systems integration and application maintenance capabilities (outside of Financial Services activities). AppsOne and AppsTwo strive to transform their markets and help clients innovate by devising, developing, implementing, and maintaining a client's business and technology landscape;
- **Financial Services** develops and promotes Group offers dedicated to financial services and manages the business activities of clients in this sector, in close coordination with all other entities;
- **Business Services** comprises business process services that serve as the backbone of the operations of most enterprise businesses today;
- **LatAm** (Latin America) encompasses the Group's operations in Latin America covering Application Services and Infrastructure Services (Argentina, Brazil, Colombia and Mexico).

Rightshore®: A model for globalized, distributed client delivery

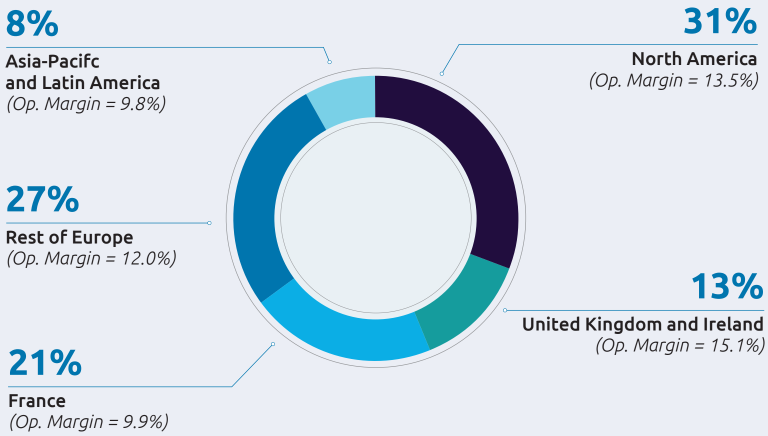
Capgemini's Rightshore® industrial model is a unique asset, enabling the Group to provide clients with the right resources, in the right place, at the right time. It is also a powerful catalyst for competitiveness, for both the Group itself and the solutions it sells to clients. The guiding principle is the ability to mobilize, at any moment, the most suitable teams and technical resources to meet the needs of clients, no matter where they are in the world.

1

1.2.7 Analysis of 2017 revenue and operating margin

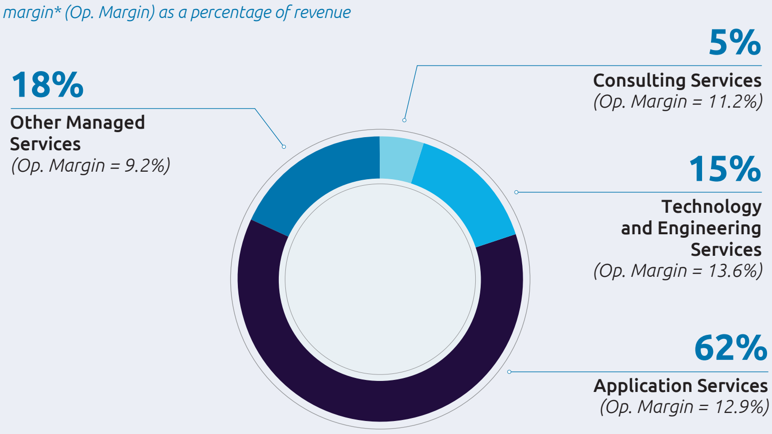
Breakdown of revenue by region

and operating margin (Op. Margin) as a percentage of revenue*

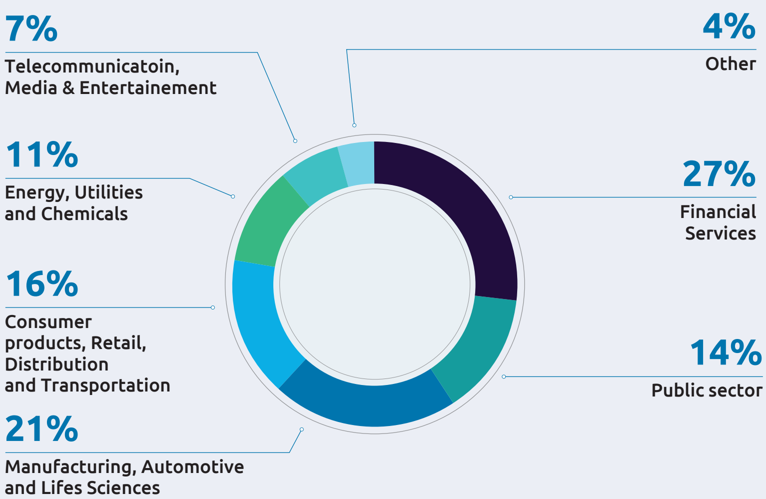


Breakdown of revenue by business

and operating margin (Op. Margin) as a percentage of revenue*



Breakdown of revenue by sector



(*) The operating margin is an alternative performance measure monitored by the Group (see Note 3 to Capgemini's consolidated financial statements).

1.3 Main Group subsidiaries and simplified organization chart

The Group performs its business activities in more than forty countries and through subsidiaries of which the main are listed in Note 32 of the consolidated financial statements.

The parent company, Capgemini SE, defines the strategic objectives of the Group via its Board of Directors, and ensures their implementation. In its role as a shareholder, Capgemini SE contributes, in particular, to the financing of its subsidiaries, either in the form of equity or loans. Finally, it makes the trademarks and methodologies it owns available to its subsidiaries, notably "*Deliver*", and receives royalties in this respect.

Capgemini SE holds:

- the entire capital of an inter-company service company, Capgemini Service S.A.S.;
- the entire share capital of Capgemini Gouvieux S.A.S., which operates the campus Serge Kampf Les Fontaines, housing the Group's international training center;

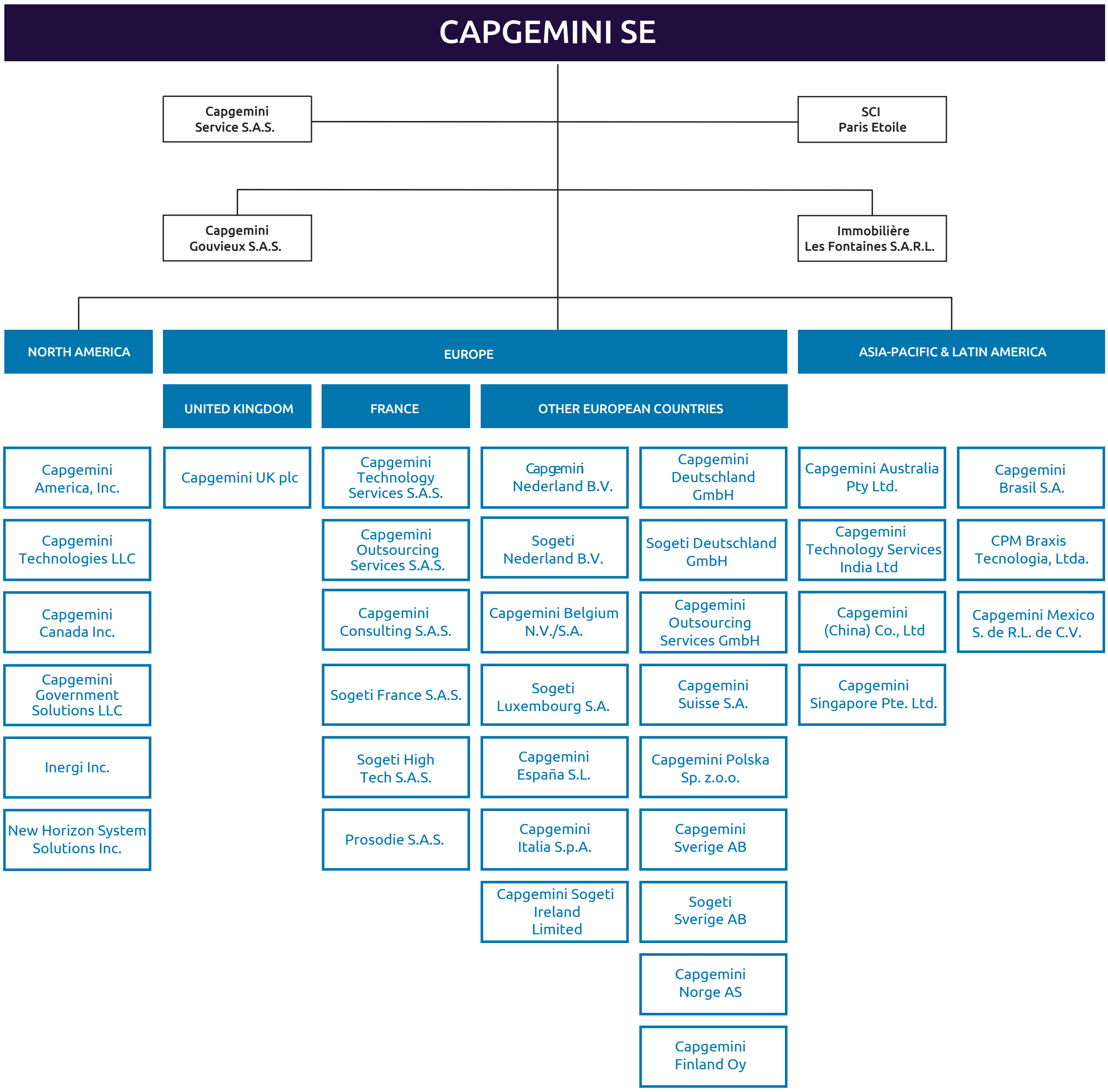
as well as operating subsidiaries held directly or indirectly *via* regional holding companies. The main operating subsidiaries are presented in the simplified organization chart below.

Finally, it is Group policy not to own its business premises, except in India where the significant growth and workforce concentration justify real estate property. The other Group subsidiaries rent their business premises from third-party lessors. There is no relationship between these lessors and the Group and its senior executive management.

The sole real estate assets owned by the Group are:

- a building owned by SCI Paris Étoile and housing Capgemini SE's headquarters, located at Place de l'Étoile, 75017 Paris;
- the Group's international training center in Gouvieux owned by a real estate limited liability company, "Immobilière Les Fontaines"; and
- nine campus located in India (situated in Mumbai, Bangalore, Hyderabad, Chennai and Noida).

The organization chart of the main operating subsidiaries (reporting revenues in excess of €50 million) and the Group's support and resource subsidiaries, directly or indirectly wholly-owned by Capgemini SE, with the exception of Capgemini Brasil S.A. and its subsidiary (held 78.61%, representing 76.83% of voting rights) and Capgemini Technology Services India Ltd. and its subsidiaries (held 99.77%, representing 99.77% of voting rights) is presented below.



1.4 Capgemini market and the competitive environment

Capgemini Group is active in the global professional IT services market, which as defined by Gartner [(1)] grew by approximately 4.3% in 2017. The IT services market has a global value of approximately $930 billion.

- North America is the largest global market representing approximately 46% of worldwide activity at $420 billion [(2)].
- Western Europe is the second largest market representing approximately 26% of worldwide activity at $250 billion.
- Rest of Europe, Eurasia, Middle East and Africa, Asia Pacific and Latin America makes up the balance at $260 billion.

The below table approximates Capgemini market sizing.

Capgemini Market	North America	France	United Kingdom and Ireland	Rest of Europe	Asia Pacific and Latin America
Size of market	$420B	$30B	$80B	$140B	$260B
Top 5 Capgemini Competitors in Regional Market	Accenture, Cognizant, Deloitte, IBM and TCS	Accenture, Atos, CGI, IBM, Sopra Steria	Accenture, CGI, IBM, Infosys and TCS	Accenture, Deloitte, IBM, Tieto and TCS	Accenture, Cognizant, Deloitte, IBM and TCS

Capgemini Group competes primarily in six sectors, which are listed in section 1.2.1.

Observations on the market

- The worldwide consulting market is worth nearly $160 billion in total according to Gartner. In this cyclical market, Capgemini maintains strong market positions notably in the business and technology consulting areas.
- The combined worldwide implementation and IT outsourcing market is estimated to be worth a total of approximately $520 billion according to Gartner. The system integration and outsourcing markets are more predictable and activities are based on long term relationships with clients.
- The combined worldwide business process management, hardware and customer software market is estimated to be worth a total close to $250 billion according to Gartner.
- Capgemini sees a growing addressable market [(3)] beyond the "traditional" Chief Information Officer (CIO) perimeter driven by the business CXOs notably with:
  - The Chief Marketing Officer (CMO) whose spend on technology continues to increase notably due to the growth of digital marketing which has become a key enabler for the CMO to deliver his "end to end customer experience". The IT spend on Digital Marketing is largely incremental to the traditional IT budget.
  - The Chief Operating Officer (COO) and/or Manufacturing Executives control approximately 5% of spend across operations and process. There is a growing focus on enabling an Industry 4.0 delivery model, through increased efficiency, intelligent production and ongoing product customization (to meet changing consumer demands). Here again the IT spends is largely incremental to the traditional IT budget.

(1) a global market analyst specialising in the IT sector.

(2) Source: Gartner Forecast: IT Services by Geography, 2015-2021, 4Q17 Update (Dec 2017)

(3) Source: Gartner Forecast: IT Services by Geography, 2015-2021, 4Q17 Update (Dec 2017), Gartner CMO Spend Survey 2016-2017 (Oct 2016) and CMO Spend Survey 2017-2018 (Oct 2017)

Note on Capgemini taxonomy for market comparisons: Gartner's market segmentation (consulting, implementation, IT outsourcing, business process management, hardware and custom software support) broadly reflects the Group's businesses, except that development and integration activities (i.e., implementation) and systems management activities align together in the Application Services business (with some overlaps) For example, the applications market encompasses both development and maintenance activities and is at the crossroads of two Group businesses (Application services and Technology and Engineering Services), as is IT infrastructures.

Competition

Our global marketplace is rapidly evolving and we compete with a variety of organizations that offer solutions comparable to ours:

- Traditional Global Players (e.g., Accenture, IBM, Atos or CGI)
- Advisory Service Players (e.g., Deloitte, KPMG, PwC or EY)
- Indian Players (e.g., TCS, Infosys, Cognizant, Wipro or HCL);
- Regional and Boutique Players (e.g., Sopra Steria or Tieto)
- We also observe the emergence of Digital Agencies focused on Digital Marketing for instance SapientRazorfish or divisions of global players such as Accenture Interactive or Deloitte Digital.

The main competitive factors that we believe exist in the marketplace are:

- **ability to deliver** – in both individuals and products;
- **expertise** - in business, technology as well as industry knowledge;
- **innovation** – through partner ecosystems, services and product offerings;
- **reputation and integrity** – in both testimonials and client references;
- **value** – in adding and improving business performance;
- **pricing** – in contractual terms and pricing;
- **service and scope** – in bringing the right people and products to clients;
- **delivery** – quality results on a timely basis;
- **global reach and scale** – in providing the right level of presence in key markets.

Our clients typically use multiple service providers to address their professional services needs from strategy to operations.

Market Trends

As the market continues to evolve and clients look to harness the benefits of new solutions with an emergence of new enterprise buyers, it is important to stay close to our clients' decision-makers, which now include marketing and operational Executives, to meet their new needs. This reflects a buoyant and natural market position for Capgemini.

Rapid innovation continues across all market segments. Consultants and Systems Integrators are acquiring and building new capabilities to address the broader digital spend. IT service providers are re-focusing efforts on new solutions and setting up digital centers of excellence to be more responsive to client needs. In addition, intelligent automation is pushing clients to assess their core processes and address the opportunity for increased digitization.

We see a market where, as a function of digital transformation, digital spend alignment has been disrupted from functional silos to a cluster orientated around the value chain:

- The true "end to end customer experience" (digital customer engagement, digital marketing, systematic and algorithmic use of data, interactions on all platforms/channels, AI, etc.).
- The industrial revolution (with digital manufacturing).
- Business platforms to drive efficacy and efficiency and enable the emergence of new business models.
- All powered by "the new" infrastructure (cloud centric) - while leveraging existing Core IT assets and investments.

This disruption is underpinned by:

- Digital transformation is now the new normal, and is consistently driving a new digital landscape for the enterprise based on the key foundations of CORE IT. According to Gartner, through 2020 50% of IT services market growth will be directly attributable to digital technologies.
- The infusion of increasingly ubiquitous and transversal digital enablers (AI, deep learning, analytics, automation, DevOps, public or hybrid cloud) whilst protecting from cyber-attacks.
- The speed of adoption of new technologies is changing business behavior as the new products and services become a major driver for companies' profitability, thus bringing CMO/CXOs to join the CIO (IT) in exploring and applying new technologies across the value chain. Therefore, CMO/CXOs have an increasing influence on technology spend.

Technological needs related to marketing expenses (mainly managed by CMO)

Marketing budgets are rising as CMOs are increasingly responsible for the end to end customer experience [(1)]:

- CMOs are increasingly reliant on service providers to realize their marketing outcomes;
- CMOs are allocating 10% of budget to spend on innovation according to Gartner;
- the provider landscape for Digital Agencies is extremely complex with high levels of fragmentation;
- CMOs are increasingly looking for partners who can provide a full range of end to end customer engagement and experience services.

(1) Source: Gartner CMO Spend Survey 2016-2017 (Oct 2016) and CMO Spend Survey 2017-2018 (Oct 2017)

Industry 4.0

The industrial revolution will become an increasingly fertile market space, with spend controlled by a range of CxO stakeholders.

For example, autonomous vehicles have a tremendous complexity, each car having millions of lines of IT code embedded in each car combined with sensors and computing power.

Capgemini is well positioned to bring value across the end to end customer experience and Industry 4.0 space.

Core IT remains the largest market with growth opportunities linked to the enhancement, upgrade or replacement of existing systems driven by business requirements (regulation, new markets…) or technology evolution such as Artificial Intelligence, Automation, Blockchain, Cybersecurity or Cloud.

Going forward, we foresee an increasing importance of digital and cloud in the Group offering mix (38% of Group revenue in 2017). According to Gartner market reports, over 50% of growth in IT spending in the next 5 years will come from digital and cloud.

Therefore, we should notice the following in the forthcoming years:

- An increasingly fragmented marketing technology and advertising technology market: CMO and digital stakeholders will seek guidance and support in how they execute their end to end customer experiences.
- The increase in complex, embedded systems for autonomous vehicles (cars, trucks, drones and in the longer term, aircraft and shipping).
- The deployment of IoT solutions for both the connected home, with multiple devices controlled by mobile and voice, and industry, supporting highly connected and intelligent production capabilities.
- The rise of artificial intelligence driving increases in both business and consumer productivity, and increasingly embedded into both existing and new IT platforms & applications.
- Automation as a driver for time to market, scalability, quality and cost reduction.
- Continued growth of the “data disruptors” – e.g. Amazon, and Alphabet with their highly capable, data driven ecosystems
- Growth of cloud technologies and services (IaaS, PaaS, SaaS, BPaaS) coupled with the requirements for integration and security.
- The integration of virtual personal assistants (e.g. Alexa, Siri, Google assistant) into both services and devices (e.g. office, hotel room, cars, kitchens).
- Continued experimentation with Blockchain

Such disruptions continue to contribute to our clients’ desire to harness disruption to enable Digital Transformation at each level of their business. The ongoing challenge of integration – developing, connecting, integrating, testing and securing - the existing IT investments and new capabilities presents significant opportunity for systems integrators as clients look for the scale, experience and reach to execute at an enterprise level.

1.5 Excellent performance in 2017

Capgemini recorded an excellent performance in 2017, reflecting its ability to create value for its clients and capture the demand fueled by their digital transformation. In parallel the Group pursued a profitable growth journey, witnessing revenue growth higher than the objective set and ending the year with very good momentum, particularly in North America, its largest market. The operating margin rate continued to progress towards the medium-term ambition of the Group.

Throughout the year, Capgemini won significant contracts to help its customers to attain their objectives in terms of both productivity and innovation. The Group enriched its offerings in these areas with several bolt-on acquisitions, particularly in e-commerce and digital design, including the acquisition of the digital customer engagement firm, LiquidHub, announced at the start of 2018.

In 2018, the Group will continue to develop its service portfolio while strengthening its sectoral expertise. With 200,000 employees, 57% of whom are located across a global network of delivery centers, the Group intends to continually invest in its talent through sustained training. Finally, together with the Group Board of Directors, Capgemini has redefined its corporate social responsibility priorities with specific and quantifiable commitments in the areas of diversity, environmental protection, and digital inclusion.

1.5.1 Acceleration in digital and cloud

Capgemini is in a strong position to continue to harness the potential of digital, with leading companies increasingly viewing the Group as the partner of choice for their digital transformation. This strong acceleration in digital and cloud continues to drive growth across Capgemini. In 2017, digital and cloud revenues reached close to €5 billion and accounted for 38% of total Group revenue, representing 24% year-on-year growth at constant exchange rates.

Capgemini partners with the world’s leading brands to define and deliver their digital ambition, new business models, and agile operations. In these exciting areas, clients expect a comprehensive range of services and a quick return on investment. Capgemini meets these expectations by offering the perfect combination of business lines, particularly in consulting and applications services, an in-depth knowledge of its clients’ business needs, and an intimate understanding of how to best apply innovation.

To further accelerate the evolution of its portfolio, Capgemini strengthened its end-to-end capabilities in digital, cloud, innovation, business, and IT transformation services through a series of bolt-on acquisitions in 2017 and early 2018:

- **TCube Solutions** is an IT services firm specialized in property and casualty insurance software and services;
- **Idean** combines expertise in user experience (UX), customer experience (CX), and digital strategy with a commitment to providing clients with user-centered, digital-first solutions;
- **Itelios** is a European consulting firm specialized in connected, omnichannel commerce and a leading provider of Salesforce Commerce Cloud services in France;
- **Lyons Consulting Group** is an award-winning digital and global commerce service provider (comparable to Itelios) with an established expertise in Salesforce Commerce Cloud in the US;
- **LiquidHub** is a recognized leader in digital customer engagement. The firm designs and delivers solutions across the entire customer lifecycle (including marketing, sales, commerce, and services) and boasts remarkable experience across the healthcare and financial services sectors. This addition was announced in March 2018.

These acquisitions help strengthen the Group’s **core digital and cloud offers**:

Digital Customer Experience

In a world where new technologies drive new behaviors, it’s no longer enough to rely on products as the critical differentiator; what counts nowadays is the ability to provide a compelling, engaging customer experience. To do so requires an extensive knowledge of a company’s customer ecosystem, and necessitates a radical transformation of the organization and its IT systems. Capgemini is fully equipped to handle this complexity because it encompasses transformation consultancy, customer experience design, and the integration of IT systems, which are becoming increasingly intelligent and adaptive. The Digital Customer Experience service line draws from its full range of expertise across all other service lines (including Insights & Data, Digital Manufacturing, Cybersecurity, and Cloud) to enable companies to undergo a full, end-to-end transformation.

Today, the Group is a recognized leader in the areas of consumer products, retail, distribution, finance, insurance and automotive. In 2017, the Group’s expertise in these areas was reinforced thanks to key acquisitions of Idean, Itelios and Lyons Consulting Group.

Insights & Data

As people and things become more and more connected *via* the Internet of Things, insights from rich, real-time data will act as the most effective driver of business competitiveness in the decades to come. In such a context, the role of the Insights & Data service is to provide clients with relevant actionable insights to their business and ensure they are delivered at the right time to the right decision centers. To this end, the Group combines three fields of expertise: data collection, in particular from sensors; conversion of data, first into useful information and then into business insights; and finally, the creation of IT platforms to manage Insights & Data.

Digital Manufacturing

Digital—and more particular the Internet of Things—is changing the game for manufacturers. The exciting new field is replete with smart and connected products, assets, and operations offering the potential for productivity gains, cost savings, and increased revenue. Transforming digitally, however, demands new thinking as operations and information technology converge. Capgemini's Digital Manufacturing service supports this objective by meeting two key needs: the optimization of industrial operations management (remote management, preventive and proactive maintenance, etc.) and the configuration of intelligent production processes, factories, and infrastructure. As a provider of both technological and consulting expertise, the Group is one of the few players that brings together Operations Technology (OT) and the Company's IT systems to provide expertise in the mechanical and electronic design of products, as well as in the onboard telematics for data collection. Capgemini's worldwide presence also makes it a partner of choice to support manufacturers in widespread locations, with the same quality of service across the globe.

Cloud and Cybersecurity

Five to ten years ago, most enterprises saw the cloud primarily as an enabler of cost reduction, while also improving the agility and elasticity of their infrastructure. Today CIOs increasingly see the cloud as an enabler of top-line revenue growth, digital innovation, and business agility and velocity. The Group supports clients in all stages of their journey to becoming cloud-first enterprises, but focuses on three types of transformation:

- **Migrating applications to public cloud and modernizing the on-premise data center**. Automating the provisioning of infrastructure and deployment of applications delivers a seamless, self-service experience in a hybrid, multi-cloud environment;
- **Modernizing the applications portfolio.** Legacy applications can be replaced with Software as a Service (SaaS) and pre-built solutions on the public cloud. Applications that have been migrated to the cloud can also be modernized while implementing a full DevOps model;
- **Becoming a nimble enterprise:** Enterprises are increasingly developing cloud-native applications and aiming to deploy software into production more rapidly. The integration of existing applications in the cloud leveraging Platform as a Service (PaaS), Integrated Platform as a Service (iPaaS), and DevOps also delivers new services and APIs to capture new business opportunities.
- **Securing digital transformation** by protecting critical business resources.

The Group's portfolio of services addresses the full spectrum of clients' needs, from forming a cloud strategy, to migrating, developing and integrating applications, deploying SaaS, and providing Apps, Infra and cloud managed services. This is underpinned by an ecosystem of partners including AWS, Azure, Google, Salesforce, SAP, Mulesoft, Dell EMC, IBM, Oracle, and HP.

In May 2017 the Group published *Cloud native comes of age*, a thought leadership report based on a survey of over 900 business and IT leaders worldwide. The findings revealed that the proportion of new enterprise apps that are cloud-native is set to double by 2020. Additionally, in the *Cloud Choice* podcast series, Capgemini experts explored how cloud-native development was changing the dynamics of business, interviewing thought leaders from Pivotal, AWS, Forrester, Uber, and Cloud Foundry Foundation.

Group expertise in these areas has led to multiple projects, including with Enexis Groep (the energy network provider in the Netherlands) to transform more than 200 enterprise applications to a public cloud environment; and with Schlumberger in North America (the world's leading provider of technology for reservoir characterization, drilling, production, and processing to the oil and gas industry) to secure a cloud and migration project to Google Cloud Platform (GCP) and Microsoft Azure.

1.5.2 Collaborative innovation: Applied Innovation Exchange

The world of tech moves fast. To help organizations cope with a paradigm that demands continuous innovation, Capgemini offers the discipline and global platform of its **Applied Innovation Exchange**. Clients gain a guided, hands-on approach to applying innovation at the right speed and scale, in a secure and sustainable manner.

In 2017, the AIEs hosted nearly 2,000 client visits and events worldwide, each engagement being enriched by a collaborative process of helping clients discover, devise, deploy, and sustain the innovative business outcome their organizations require. The network continued its expansion in 2017 with three new openings in New York, Singapore, and Mumbai, for a total of **sixteen innovation centers** spread over four different continents. To continue to support its clients through their innovation horizon, Capgemini has plans to open additional Exchanges in 2018, as well as to launch enriched AIE products and an expanded global service catalog.

1.5.3 Driving growth through competitiveness

Success in today's competitive marketplace requires speed and agility to enable peak performance, reduce production costs, and achieve digital transformation. To that end, Capgemini's Competitiveness program offers a portfolio of strategic tools and services which are designed to ensure seamless and efficient delivery by one team, anytime, anywhere. The program increases the quality and productivity of Group services, as well as establishes the next generation of global delivery models and platforms for its clients.

In 2017, several key projects provided employees with new perspectives. For example, a new global resource management tool more closely aligns project resource requirements to available resources. Each expertise profile is now listed according to nomenclature common to the entire Group; to date, this tool covers 75% of Capgemini's employees. In addition, seamless cross-deployment between units in India has contributed to improved resource utilization and timeliness. The Group is also deploying new technologies to enhance team productivity by sharing good professional practices.

The deployment of a next generation **Distributed Digitized Delivery** suite also brought an efficient collaborative delivery environment for engagement teams and clients. This was complemented by the launch of a unified **Global Quality Management System**, enabling the Group to adhere to stringent quality standards across engagements. The global revamp of the architect community and the upskilling of more than 1,500 certified architects further equipped the teams to respond better to client demands.

The Group has also been actively leveraging **Automation Drive**, a suite of services which bridges human and artificial intelligence to help clients transform their business through advanced automation. In addition, several enabling platforms were introduced, including **Automation Drive Store**, a one-stop automation tool shop driving standardization and industrialization with 100+ validated automation tools, **Automation Drive Academy**, a Group-wide learning program enrolling more than 10,000 team members in less than six months, and **Automation Drive Library**, a global knowledge hub with an inventory of over 2,700 use cases, 700 scripts, 110 client case studies and more. In 2017, together with Zurich Insurance Group, Capgemini was recognized with the (ISG) Paragon Award™ Europe in the "Collaboration" category for its joint robotic process automation projects.

To maximize the **global procurement** power of the Group, a strategic sourcing initiative achieved significant and increased savings in 2017. The launch of SubCo staffing centers for subcontractor sourcing complemented the resource optimization efforts of the Group. End of 2017, Capgemini was awarded the prestigious EIPM Peter Kraljic Award for purchasing excellence.

1.5.4 Major contracts

Bookings totaled €12,890 million during 2017, up slightly compared to the previous year. The renewal or strengthening of existing engagements shows that our clients trust Capgemini to support them in their digital transformation, creation of new business models, consolidation of operational efficiency, and their capacity for innovation. Below are some examples of key contracts signed in 2017:

McDonald's Corporation

A multi-year IT strategic provider agreement has been signed with McDonald's Corporation. Capgemini will be McDonald's global IT strategic provider for restaurant and digital capabilities. Capgemini plans to open a new Global Digital Retail Center in Chicago to support the relationship, develop and showcase industry-applied business innovation, and attract talent to its growing North American operations.

UK Central Government

Capgemini announced a two-year agreement with the UK Cabinet Office to develop a Robotic Process Automation (RPA) Center of Excellence (CoE). The CoE, which is now up and running, will help to accelerate the take-up of RPA across central government by supporting departmental plans to automate some of their clerical processes. Widely seen as a major enabler of public sector transformation, RPA describes a process in which software is programmed to autonomously carry out basic tasks across applications, reducing the burden of repetitive, simple tasks on employees.

Horizon Nuclear Power in the UK

Capgemini signed a three-year agreement with Horizon Nuclear Power to provide the Company with innovative IT services as it grows into a world leading nuclear energy company. The agreement will see Capgemini draw on its global expertise of work in the energy and utilities sector to develop a new Nuclear Centre of Excellence (NCoE). This will build on the success of Capgemini's French NCoE, and become an exemplar for other New Nuclear Build (NNB) projects in the UK.

UK Environment Agency

The Environment Agency in the UK agreed to extend its contract with Capgemini to continue to deliver its award-winning IT service for a further 18 months. The extended contract will see Capgemini continue to deliver its cost effective, sustainable outsourcing IT service, while allowing the Environment Agency to carry out due diligence as part of its tendering process for new suppliers as it transitions to a multi-sourced supply of IT services. Since 2009, when the provision of the green IT service contract first began, the project has been recognized as a leader in the field – winning the 2016 ISG Paragon Award for "Pragmatic Project Delivery".

National Grid in the UK

A deal was agreed with National Grid of the UK to support the Company through the legal separation of two of its major UK business entities following the tripartite announcement by UK Government, the energy regulator, Ofgem and National Grid. Taking place over a two-and-a-half-year period, it will see Capgemini Consulting support National Grid to legally separate the Electricity GB System Owner (GBSO) unit from its Electricity Transmission Owner (TO) business.

Ikano Bank in Sweden

Capgemini was signed to a five-year contract to provide Ikano Bank with cost-efficient and effective operating of its IT landscape to support its growth and performance. Capgemini will provide agile and mature IT and business transformation services. The first step in the process is to transform the "as is" IT environment into a next Generation Information Communications Technology services platform, that will help launch Ikano Bank's key objective to transform into an industrialized digital operation.

Marine Nationale (French Navy) in France

Capgemini teamed up with Bertin Technologies, a CNIM Group company and manufacturer of radiological detection beacons under the Saphymo brand, to win a French Navy contract to install a new nuclear surveillance system. As a key user of nuclear technology, the French Navy will use the system to ensure continuous surveillance environmental radiation around its main installations.

BSH Hausgeräte GmbH in Germany

Capgemini will help BSH Hausgeräte GmbH to achieve its digital transformation vision by improving its worldwide B2B commerce portal, as well as increasing BSH's retail efficiency and agility. In close collaboration with the client, Capgemini has already carried out a review, rebuild and rerun of BSH's B2B order management solution.

C&J Energy Services in the US

Capgemini successfully deployed EnergyPath for Houston-based C&J Energy Services, a leading provider of well completion and production services to oil and gas exploration and production companies. Powered by SAP S/4HANA®, EnergyPath will now serve as C&J's single cloud-based system, allowing it to integrate and harness the power of emerging digital and cloud technologies. Capgemini was selected to consolidate legacy financial, procurement, manufacturing, maintenance, and health, safety and environmental systems on a single cloud-based platform to streamline processes, provide real-time business intelligence and lay the foundation for operating as one company.

Vattenfall in Sweden

Operating against a back drop of increased competition, regulatory changes, and environmental pressures, Vattenfall is a large and diverse organization that has completed a number of acquisitions over the years. Capgemini was selected for a multi-year contract to optimize and implement industry best practice finance and procurement processes across Europe using its global delivery network, process automation, and the application of its Global Enterprise model (GEM) approach.

House of Fraser in the UK

An agreement was reached for Capgemini to extend its current remit with House of Fraser, the UK and Ireland's premium department store, to support the retailer's ongoing IT simplification strategy. The three-year deal will build on seven-year relationship to provide IT infrastructure and application support, alongside additional new services designed to unlock further innovation across House of Fraser's IT network.

TenneT in the Netherlands and Germany

In a three-and-a-half-year agreement, Capgemini has signed a new contract with TenneT, a leading European electricity transmission system operator with its main activities in the Netherlands and Germany. Capgemini will deliver Application Services for TenneT's generic IT landscape, including application development, maintenance, and innovation.

Swedish Armed Forces

Capgemini was selected as the exclusive consulting provider to develop and manage the Swedish Armed Forces' SAP® solutions in the areas of economics, logistics, and technology. The contract has a duration of three years, with the option to extend for another four years.

1.5.5 Honors and awards

2017 saw Capgemini receive considerable recognition from independent bodies, analysts, and our technology partners.

Partners awards

Partner of the Year by CA Technologies

Capgemini, including its subsidiary Sogeti, won two "Partner of the Year" awards from CA Technologies in the following categories: "Global Partner of the Year: Enablement and Engagement," and "LatAm Partner of the Year: Top Enablement Partner." Each year, CA Technologies recognizes the outstanding contributions of its partner community through its awards program, and celebrates their shared agenda of driving innovation and business transformation for customers worldwide.

Big Data Partner of the Year by Informatica®

Capgemini was named as the "Big Data Partner of the Year" by Informatica®, the enterprise cloud data management leader. The award highlights Capgemini's strengths as a market-leading service provider on Informatica technology across all aspects of the data lifecycle, including master data management, data quality, data masking and archiving, and big data.

Growth Partner of the Year by Backbase

Capgemini was recognized as the "Growth Partner of the Year" by Backbase, the world's fastest-growing FinTech software company, thanks to its high number of Backbase implementations in 2017. Capgemini is deploying the innovative Backbase platform to deliver personalized, omni-channel banking customer journeys that provide exceptional brand experiences across all digital touchpoints.

SAP® Pinnacle Award: Customers' Choice Partner of the Year by SAP®

Capgemini received the "SAP® Pinnacle Award: Customers' Choice Partner of the Year," which recognizes its outstanding contributions as a customer-preferred SAP partner. The award marks a 10th consecutive win for Capgemini as an SAP Pinnacle award recipient, and the second year in a row in the Customer Choice Partner category. The win highlights Capgemini's Collaborative Business Experience™ model along with overall excellence in SAP project delivery especially around new wave SAP technologies such as SAP S/4 HANA, SAP Hybris, and SAP SuccessFactors.

Award for Partner Excellence in Accelerating Growth by Pegasystems Inc.

For the 6th year running, Capgemini won the "Pega Partner Award for Partner Excellence in Accelerating Growth" from Pegasystems Inc., the software company empowering customer engagement at the world's leading enterprises. Capgemini was presented with the award at the 2017 PegaWorld conference held in Las Vegas.

Global and Regional Architecture Excellence Award by iCMG

Capgemini won the "Global Architecture Excellence Award" in the category of "Transformation and Planning" from iCMG, a leading full-service enterprise & IT architecture firm. The Group also received the "Regional Architecture Excellence Award" for India. Capgemini was chosen for its "Architects Revival Program," a transformational program to redefine the role and career path of more than 6,700 architects across the Group.

Leader in Business Intelligence Platform Implementation Service Providers by Forrester Wave™

Capgemini was designated as a "Leader" in the 2017 report, "The Forrester Wave™: Business Intelligence Platform Implementation Service Providers." The Group was listed among the leaders for its solid offerings and compelling business intelligence (BI) strategies, as well as for delivering comprehensive BI platform implementation services for a large number of leading BI platforms.

Analyst awards

Winner's Circle in Salesforce Services, Finance & Accounting-as-a-Service, and Managed Security Services by HfS

Analyst firm HfS Research placed Capgemini in their 2017 Winner's Circle across the following areas: Salesforce Services; Finance & Accounting-as-a-Service; and Managed Security Services.

Leader and Star Performer for IT Outsourcing in Global Insurance, Capital Markets, and Banking by Everest Group

For the second consecutive year, Capgemini has maintained its position as a "Leader and Star Performer" in Everest Group's "IT Outsourcing in Global Insurance PEAK Matrix™ Assessment." Capgemini achieved this recognition by demonstrating strong insurance business growth through multiple new domain-focused solutions and continued investments in its global network of Applied Innovation Exchanges (AIEs). In 2017, the Group was also recognized as a "Leader and Star Performer" in global capital markets and global banking for its growdh in next-generation technologies, such as big data and artificial intelligence, and for its bolstered proficiencies within the digital and customer experience spaces.

Star Performer of the Year for both Overall IT Services as well as Banking, Financial Services and Insurance (BFSI) Services by Everest Group

Capgemini was named "Star Performer of the Year" both for "Overall IT Services" as well as "Banking, Financial Services and Insurance (BFSI) Services" in Everest Group's "PEAK Matrix Service Provider of the Year™" awards. This recognition acknowledges that Capgemini earned the highest number of star ratings in Overall IT Services throughout 2017, as well as top recognition for tremendous growth in its BFSI portfolio.

Leader for Big Data and Analytics Services by NelsonHall

Capgemini was identified as a "Leader in Big Data and Analytics Services" according to the NelsonHall "Vendor Evaluation and Assessment Tool (NEAT)". The report cited the Group's strengths in its consulting offerings, investment in accelerators, a standalone analytics business process service, its Insights-as-a-Service platform, along with its IGATE acquisition that has further strengthened Capgemini's Big Data and Analytics offerings and capabilities.

Leader in Internet of Things (IoT) Services by NelsonHall

Capgemini was named a "Leader in Internet of Things (IoT) services" by NelsonHall, in both the "Overall" and "Customer Engagement Focus" market segments, for the breadth and depth of its IoT portfolio.

Leader in Software Testing Services by NelsonHall

Capgemini was positioned as a "Leader" by NelsonHall according to its "Vendor Evaluation and Assessment Tool (NEAT) for Software Testing Services." The report acknowledged Capgemini's strengths in being able to provide "comprehensive offerings in both digital and Agile/DevOps and complementing these with its historical consulting capabilities, backed up by methodologies and best practices."

Leader in Application Testing Services by Gartner

For the fourth consecutive year, Capgemini was identified as a "Leader" in Gartner's "Magic Quadrant for Application Testing Services Worldwide." The Group, including its Technology and Engineering Services subsidiary Sogeti, was evaluated based on its ability to execute and completeness of vision.

Leader in CRM and Customer Experience Implementation Services by Gartner

Capgemini was selected as a "Leader" by Gartner in its "Magic Quadrant for Customer Experience (CX) and Customer Relationship Management (CRM)." The Group was recognized for its breadth of competencies that integrate industry expertise, CX consulting, CRM technology and analytics capabilities, and for its close partnerships with major CRM software providers.

Leader in Contact Center as a Service by Gartner

Capgemini was named a "Leader" by Gartner in its "Magic Quadrant for Contact Center as a Service in Western Europe". Gartner positioned vendors in the leader's quadrant based on "a strong multichannel product and service capability that have already amassed a large installed base of both large and small customers."

Human Capital Management Excellence Awards by the Brandon Hall Group

Capgemini received six industry-acclaimed Brandon Hall Group Awards for the strength of its innovative learning programs and commitment to the principles of digital age learning. The Brandon Hall Group HCM Excellence Awards are among the most prestigious in the corporate world, also known as the "Academy Awards" of the learning industry. The Brandon Hall Group recognizes excellence in business schools and corporate universities for achievements in both Human Capital Management and technology. Capgemini received the awards for the sixth consecutive year.

Governance awards

Golden Peacock Global Award for Excellence in Corporate Governance by Institute Of Directors

Capgemini SE was declared a winner of the 2017 Golden Peacock Global award for Excellence in Corporate Governance by the Institute Of Directors of India (IOD). Regarded as a benchmark of Corporate Excellence, the award recognizes the significant initiatives undertaken by Capgemini in recent years to enhance its governance and sustainability practices and achieve high standards of corporate excellence.

1.5.6 Thought leadership

Capgemini produces numerous reports and thematic studies every year to help our clients anticipate challenges, analyze market trends, and understand the impact of new technologies on their business. Our Digital transformation Institute notably focuses on the latest trends in innovation, disruption, and digital transformation.

Below is a selection of key reports published in 2017. The full text version of these reports, along with all other Group publications, can be found at www.capgemini.com/research.

Digital Manufacturing

Smart Factories: How Manufacturers Can Realize the Potential of Digital Industrial Revolution

Smart factories utilizing digital technologies like IoT, Big Data analytics, artificial intelligence, advanced robotics, 3D printing and cloud computing will transform the manufacturing landscape and could add $500 billion to $1.5 trillion in value added to the global economy in five years.

The Digital Utility Plant: Unlocking Value from the Digitization of Production

Capgemini surveyed 200 senior executives in utility companies with annual revenues of more than $1 billion to learn about their digital plant initiatives to enhance efficiency and optimize production.

Digital Customer Experience

Making the Digital Connection: Why Physical Retail Stores Need a Reboot

Our global survey—spanning 6,000 consumers and 500 retailers—found that one-third of consumers would rather clean dishes than visit a retail store! This report provides a strategic framework for retailers to ensure that both their digital and physical retail experiences match fast-changing consumer expectations.

Loyalty Deciphered: How Emotions Drive Genuine Engagement

This report examines how emotions play a far greater role in creating true brand loyalty than current approaches recognize. Building meaningful, deep-rooted loyalty means thinking less about points and rewards and more about driving emotional engagement.

The Disconnected Customer: What Digital Customer Experience Leaders Teach Us About Reconnecting with Customers

Are you really listening to your customers? Findings from more than 600 executives and 3,000 consumers reveals a gap between how businesses and consumers perceive the quality of their customer experience.

Cars Online 2017: Beyond the Car

Why do car customers make choices, feel satisfaction, and come back again? What do they think about the promise of innovation—mobility services, connected car services, autonomous driving, cybersecurity, and electric cars? This report reveals how to win the trust—and business—of today's informed consumer.

World Insurance Report 2017

In its 10th edition, this report examines the emerging digital technologies and business models under consideration by many insurers constrained by budget but seeking to keep pace with today's changing customer preferences.

Conversational Commerce: Why Consumers are Embracing Voice Assistants

Conversational commerce is an unparalleled opportunity for brands to build highly valuable and valued personal relationships with consumers and use this new-found intimacy to drive brand preference and affiliation.

Talent and people

The Digital Culture Challenge: Closing the Employee-Leadership Gap

Is company culture a roadblock or a catalyst for digital transformation? Does the big moment for an organization arrive when they have embraced the fact that the prerequisite to digital transformation isn't a technical issue, but a cultural change?

The Digital Talent Gap: Are Companies Doing Enough?

This joint Capgemini and LinkedIn research shows that the digital gap is widening. More worrying, the talent gap is no longer just an HR issue, but an organization-wide phenomenon that affects all areas of a business.

Artificial intelligence and automation

Artificial Intelligence: Where and How to Invest

This study of nearly 1,000 organizations implementing artificial intelligence helps to shed light on the growth opportunities as well as counter fears that it will cause massive job losses.

World Quality Report 2017

The World Quality Report is the only global report analyzing application quality and testing trends across multiple industries in 32 countries. This edition's topics include agile & DevOps adoption, test excellence centers of the future, and the rise of smart test automation.

Cloud

Cloud Native Comes of Age

This research reveals a new class of cloud-native leaders who, driven by the need to improve velocity, collaboration, and customer experience, are building more than 20% of their applications in the cloud.

Innovation

Smart Contracts in Financial Services: Getting from Hype to Reality

Smart contracts, enabled by blockchain or distributed ledgers, have been held up as a cure for many of the problems associated with traditional financial contracts, which are simply not geared up for the digital age.

World Fintech Report 2017

The World Fintech Report reveals some surprising insights into innovation, FinTech disruption and the new models and best practices that the financial services industry is using to deal with both.

The Discipline of Innovation

This report sheds light on the gap between the creation of innovation centers and the actual innovation that results, and explore ways to bridge it.

World Retail Banking Report 2017

The 2017 World Retail Banking Report explores the future roles of banks and how they can leverage open application programming interfaces (APIs) to prepare their strategic roadmaps in a post Revised Payment Service Directive (PSD2) world.

1.6 Investment and financing policies

1.6.1 Investment policy

In 2016, the Group focused on integrating IGATE and finalized the acquisition of two companies, a Salesforce specialist in Germany (Oinio) and a consulting firm specializing in high added value innovation in North America (Fahrenheit 212).

In 2017, Capgemini finalized the acquisition of four companies to further strengthen the Digital portfolio:

- Idean: Global Digital strategy and experience design consulting;
- two complementary acquisitions for omnichannel ecommerce – France (Itelios) and North America (Lyons Consulting Group);
- TCube Solutions: Insurance IT services firm specializing in Duck Creek Technologies — to advance the portfolio of managed services for the insurance industry.

Furthermore, the Group announced in February 2018 the acquisition of LiquidHub, a recognized leader in digital customer engagement with strong expertise in delivering solutions across the entire customer lifecycle.

In 2018, the Group wishes to continue to strengthen its position in North America as well as selectively in Europe across high-growth Digital and Cloud domains.

These acquisitions will be possible thanks to the Group's very solid financial position, which they should not compromise.

1.6.2 Financing policy and financial rating

The Capgemini financing policy is intended to provide the Group with adequate financial flexibility and is based on the following main criteria:

- a moderate use of debt leveraging: over the last ten years Capgemini Group has strived to maintain at all times a limited level of net debt (or even a positive net cash position) including in the manner in which it finances its external growth;
- diversified financing sources adapted to the Group's financial profile: Capgemini seeks to maintain a balance between bank financing (including the multi-currency syndicated credit line and the use of leasing to finance IT equipment) and market financing: three euro bond issues performed in July 2015 for €2,750 million; one euro bond issue performed in November 2016 for €500 million (see Note 21 to the consolidated financial statements);
- a good level of liquidity and sustainable financial resources, which means:
  - maintaining an adequate level of available funds (€2,156 million at December 31, 2017), supplemented by a €750 million multi-currency syndicated credit line secured on July 30, 2014 and maturing on July 27, 2021;
  - borrowings, with only a limited portion falling due within 12 months (contractual cash flows within less than one year; see Note 21 to the consolidated financial statements) representing just 17% of total contractual cash flows as at December 31, 2017.

Financial rating

The Group's ability to access financial and banking markets and the cost of accessing such markets depend at least in part on the credit rating attributed by the rating agency Standard & Poor's which as at March 1, 2018 is BBB (positive outlook).

2

Corporate Governance - Risks and Internal Control

BENCHMARK CORPORATE GOVERNANCE CODE AND BOARD OF DIRECTORS' REPORT ON CORPORATE GOVERNANCE

The Board of Directors' report on corporate governance was prepared pursuant to:

- the provisions set out in the last paragraph of Article L.225-37 of the French Commercial Code (*Code de commerce*);
- the recommendations set out in the "Corporate Governance Code" issued jointly by AFEP and MEDEF (French private business associations) in December 2008 (recommendations immediately adopted by our Board of Directors as a benchmark) and most recently revised in November 2016 and its application guidelines;
- as well as the rules of good governance, adopted, applied and complied with continuously by the Capgemini Group since the closing of its first fiscal year on December 31, 1968 (*i.e.* nearly 50 years ago!).

This report was approved by the Board of Directors on February 14, 2018, following its review by the Compensation Committee and the Ethics & Governance Committee.

A detailed cross-reference table is presented for the corporate governance report in Section 8.3 of the Registration Document (Cross-Reference Table for the management report). Most of the information is presented in Chapter 2.

Under the "Comply or Explain" rule provided for in Article L.225-37-4 of the French Commercial Code and stipulated in Article 27.1 of the AFEP-MEDEF Corporate Governance Code for listed companies revised in November 2016, the Company considers that its practices fully comply with the recommendations of the AFEP-MEDEF Code.

The most recent version of the AFEP-MEDEF Code updated in November 2016 and its application guidance may be consulted at www.afep.com and www.medef.com.

2.1 Governance structure and composition of the Board of Directors

2.1.1 History and governance structure

BALANCED GOVERNANCE, TAILORED TO CAPGEMINI'S SPECIFIC REQUIREMENTS

History

The Capgemini Group celebrated its 50th anniversary in 2017. It was founded in 1967 by Mr. Serge Kampf, who was still Honorary Chairman and Vice-Chairman at the time of his death on March 15, 2016. Capgemini was shaped by Mr. Serge Kampf's extraordinary qualities. He was an exceptional entrepreneur and a captain of industry the likes of which are rarely seen. In 1967, he was among the first to understand the role of an IT services company. He had taken the Group to the top of its sector when he handed Mr. Paul Hermelin the Executive Management of the Group in 2002, followed by the Chair of the Board in 2012. He built the Group based on principles that still apply today: a spirit of enterprise, a passion for clients, an obsession to help employees grow, ethical conduct at all times and performance at its best.

The story of this half-century can be split into four major periods:

- **period one (1967-1996): 29 years of independence**

Sogeti was created in Grenoble in October 1967 as a "traditional" limited liability company, managed nearly 30 years by the same Chairman and Chief Executive Officer, Mr. Serge Kampf, its founder and the uncontested leader of a brilliant team of managers that he formed around him and never ceased to promote. Fully conscious that the Group - if it were to attain the increasingly ambitious objectives that he set each year - could not restrict much longer its financial capacities to those of its founding Chairman, Mr. Serge Kampf finally accepted in January 1996 under friendly pressure from the two other "main" shareholders (CGIP, a partner since 1988 and Daimler Benz, shareholder since 1991):

- to propose to the Combined Shareholders' Meeting of May 24, 1996 the merger-absorption within Capgemini of the two holding companies that had until then enabled him to retain majority control;
- to participate (personally in the amount of FRF 300 million) in a share capital increase of FRF 2.1 billion, with the balance subscribed in equal parts (FRF 900 million) by Daimler and CGIP;
- and finally to transfer the head office from Grenoble to Paris.

In May 1996, at the end of this initial period, the Group had 25,000 employees (7,000 in France, nearly 4,000 in the United States, some 12,000 in the triangle formed by the UK, Benelux and the Nordic countries and around 2,000 across approximately 10 other countries) - a 625-fold increase on its initial headcount! - and reported annual revenues of approximately FRF 13 billion (€2 billion), *i.e. per capita* revenues of around FRF 520,000 (€80,000).

- **period two (1996-2002): a changing shareholding structure**

On May 24, 1996, as announced in January to key Group managers, Mr. Serge Kampf presented his proposals to the Shareholders' Meeting which adopted them with a large majority. Just after, a two-tier structure - more familiar to the German shareholder than the French *société anonyme* - was introduced for a four-year period, with Mr. Serge Kampf as Chairman of the Management Board and Mr. Klaus Mangold (Daimler-Benz) as Chairman of the Supervisory Board. One year later, following Daimler-Benz's decision to refocus on its core businesses (a decision confirmed soon after by the spectacular takeover of Chrysler), this latter was replaced by Mr. Ernest-Antoine Seillière, Chairman of CGIP (now the principal shareholder of the Group, with 30% of the share capital). At the end of this four-year period, the Combined Shareholders' Meeting of May 23, 2000 held to approve the 1999 financial statements decided not to renew this two-tier governance structure and to reinstate Mr. Serge Kampf in his duties as Chairman and Chief Executive Officer and to create at his request a position of General Manager, which had never really existed within the Group. The first holder of this position was Mr. Geoff Unwin, already considered to be the Group's number two within the Management Board.

At the end of the 1990s, having recovered its independence, Capgemini benefited fully from the euphoria generated by the "internet bubble", the Year 2000 and the birth of the Euro. The Group had great ambitions. A major milestone was reached in 2000 with the acquisition of Ernst & Young Consulting, making Capgemini the new global leader in its sector and consolidating its positions in the United States. However, the Group was hit hard by the 2001 economic crisis triggered by the burst of the internet bubble and difficulties integrating Ernst & Young Consulting.

In December 2001, after a difficult year whose disappointing results only confirmed the threat of recession hanging over the global economy at that time, the Group had 55,000 employees and reported annual revenues of around €7 billion, *i.e. per capita* revenues of approximately €125,000, more than 50% above that of the first period but merely the reflection of the incorporation in the headcount in May 2000 of 16,643 consultants from Ernst & Young.

Taking note of the decision made – and confirmed – by Mr. Geoff Unwin to retire in the near future, the Board of Directors decided, at the recommendation of its Chairman, to appoint as his replacement Mr. Paul Hermelin, who became Group General Manager alongside Mr. Serge Kampf, Chairman and Chief Executive Officer, on January 1, 2002.

- **period three (2002-2012): a well-prepared transfer of power**

On July 24, 2002, Mr. Serge Kampf took the initiative to recommend to the Board of Directors - which accepted - to split the functions of Chairman and Chief Executive Officer, as recently made possible by the New Economic Regulations Law (NRE). He considered that after creating, expanding, leading and managing the Group for 35 years, the time had come for him to give more power and visibility to the person he considered the best qualified to succeed him one day. This two-man team operated efficiently and in harmony for 10 years, although, according to Mr. Serge Kampf, this was due more to the relationship of trust, friendship and mutual respect between the two individuals than what the NRE says regarding the respective roles, powers and responsibilities of the Chairman and the Chief Executive Officer.

Despite the heavy storm which battered the Group during the first four years of this period, the Group invested considerable sums in major restructuring operations, the most obvious outcome of which was the reinvigoration of all Group companies: for example, at the end of 2011, the Group had 120,000 employees (compared with 55,000 employees 10 years previously) and reported revenues of €10 billion compared with €7 billion in 2001.

- **period four (2012 to this day): a new dimension for the Group**

On April 4, 2012, as he had already implied two years previously on the renewal of his term of office, Mr. Serge Kampf informed directors that "after having enjoyed the benefits of separation for 10 years" he had decided to place this office back in the hands of the Board of Directors, while recommending a return at this time to the "standard" method of governance (that of a company in which the duties of Chairman and Chief Executive Officer are exercised by the same individual) and the appointment as Chairman and Chief Executive Officer of the current Chief Executive Officer, Mr. Paul Hermelin, who had widely demonstrated, throughout a "probationary period" of a rather exceptional length, his ability to hold this role.

At its meeting of April 4, 2012, the Board followed these recommendations and solemnly conferred on Mr. Serge Kampf the title of "Honorary Chairman" and function of Vice-Chairman, which he retained until his death on March 15, 2016. At the Shareholders' Meeting of May 24, 2012, Mr. Serge Kampf passed the torch to Mr. Paul Hermelin, who became Chairman and Chief Executive Officer of Capgemini. "The Group is assured to continue its great story", emphasized its founder at this time. The Shareholders' Meeting gave a standing ovation in honor of Mr. Serge Kampf's immense contribution to the development and reputation of the Company. Since the appointment of Mr. Paul Hermelin as Chief Executive Officer in 2002 and then as Chairman and Chief Executive Officer in 2012, and the return to growth in 2004, the Group has set a course for new horizons. Firstly geographic, with expansion in India, the keystone of the Group's industrialization process. Two major milestones were reached with the acquisition of Kanbay in 2007 followed by IGATE in 2015, both US financial services specialists with a strong presence in India. The Group also expanded in Brazil, taking control of CPM Braxis in 2010, a leading Brazilian player. These new horizons are also technological. The Group launched new offerings integrating major changes such as Cloud computing, Digital and big data and meeting cyber security challenges.

Valuation creation by the Group in this period has been significant. Since May 2012, the Group's enterprise value has increased 369% and its stock market capitalization 290%, outperforming the CAC40 over two-fold in the same period.

With nearly 200,000 employees, including 100,000 in India, Capgemini is pursuing more than ever the same objective as in 1967: improve company performance, make them more innovative and agile and become a leader for leaders.

The Board of Directors and the Chairman and Chief Executive Officer set new goals for the Group in October 2017: a better geographic spread, rolling out expertise and offerings across all Digital transformation areas and become a strategic partner of major clients that are reputed leaders in their own business sectors. At Mr. Hermelin's recommendation, the Board of Directors appointed two Chief Operating Officers with effect from January 1, 2018, to support him during the management transition phase, prepared since the end of 2016 with the support of the Board.

In this context Mr. Paul Hermelin indicated his wish to request the renewal of his term of office as director at the 2018 Shareholders' Meeting and to continue exercising the duties of Chairman and Chief Executive Officer for a period representing approximately half a term of office, enabling the careful preparation of his management succession.

Current governance structure

The Company's Board of Directors seeks to implement a balanced governance structure tailored to Capgemini and able to adapt to the circumstances and challenges specific to the Group, as well as changes in best practices in this area.

Chairman and Chief Executive Officer

Since 2012, Mr. Paul Hermelin carries out the duties of Chairman of the Board of Directors and Chief Executive Officer of the Company.

In 2012 and again in 2014 on the renewal of Mr. Paul Hermelin's terms of office, the Board considered that this method of governance regrouping the duties of Chairman of the Board of Directors and Chief Executive Officer seemed the most appropriate after a long transition phase launched in 2002. The management of an increasingly international and decentralized group with an open shareholder base, assumes management and the Board of Directors are on the same page, which is strengthened by the regrouping of the duties of Chairman and Chief Executive Office.

Under the aegis of the Board of Directors, management transition was launched with the appointment of two Chief Operating Officers in October 2017. The continued grouping of the duties of Chairman of the Board of Directors and Chief Executive Officer enables both preparations to be made for the future and coherence and consistency between the Board of Directors and Group Management to be ensured throughout this management transition.

The Board of Directors also considered that a satisfactory balance of power existed within the Board of Directors. The Board noted in particular:

- the presence of a majority of Independent Directors on the Board;
- the existence of four Specialized Board Committees with different remits encompassing Audit & Risk, Compensation, Ethics & Governance and Strategy & Investment; and
- the restrictions introduced by the Board of Directors' Charter on the powers of the Chief Executive Officer by requiring the prior approval by the Board of Directors of major strategic decisions and decisions likely to have a material impact on the Company.

This balance was strengthened in 2014 with the creation of the role of Lead Independent Director, with specific prerogatives and duties (see below).

Further information on restrictions on the powers of the Chief Executive Officer is presented in Section 2.2.1 (Organization of the Board of Directors). The roles and composition of the Specialized Board Committees are presented in Section 2.2.4.

Lead Independent Director

As part of the constant drive to improve governance within the Company, the position of Lead Independent Director was created in May 2014 and entrusted to Mr. Daniel Bernard. Mr. Pierre Pringuet was appointed Lead Independent Director in May 2017.

The Lead Independent Director has a number of prerogatives and specific duties. He chairs the Ethics & Governance Committee and executive sessions of the Board of Directors bringing together the non-executive directors at least twice a year. He is consulted by the Chairman on the draft agenda of every Board meeting and can propose the inclusion of items on the agenda at his own initiative or at the request of one or more Board members. He also performs the annual assessment of the composition and activities of the Board of Directors and of the effective contribution of each director and steers the recruitment process for new directors. Finally, as Chairman of the Ethics & Governance Committee, he plays a specific role in drafting and monitoring executive corporate officer succession plans and, as such, was therefore involved in 2017 in the preparatory work led by the Vice-Chairman of the Board of Directors on future changes in the Group's governance.

2

Accordingly, while the duties of Chief Executive Officer and Chairman of the Board of Directors are exercised by a single individual, the Group's governance enjoys an active, diligent and independent Board of Directors with a collective approach to its organization and the vigilant authority of a Lead Independent Director with specific powers and duties.

Further information on the roles and duties of the Lead Independent Director and the report on his work in 2017 is presented in Section 2.2.1 (Organization of the Board of Directors).

Vice-Chairman

Mr. Daniel Bernard was appointed Vice-Chairman of the Board of Directors following the Shareholders' Meeting of May 10, 2017. In addition to the powers set out in the bylaws and the Board of Directors' Charter with regard to chairing Board and Shareholders' Meetings if the Chairman is absent or unable to attend, the Board of Directors decided to entrust him with a specific assignment to prepare future changes in the Group's governance. He was therefore closely involved in discussions during the second half of the year on governance changes and the appointment of two chief operating officers.

For further information see the description of the Board's activities in Section 2.2.2 and the work of the Ethics & Governance Committee in Section 2.2.4.

Group Executive Board

The creation of a Group Executive Board (GEB) to assist Mr. Paul Hermelin also contributes on an operating level to ensuring the collective management of the Company. The GEB is chaired by Mr. Paul Hermelin and comprises a limited number of Executive Committee members, and particularly the heads of the main Group businesses, the Chief Financial Officer, the People Management and Transformation Director and the Director of Competitiveness.

The collective management of the Group was strengthened on January 1, 2018, when Messrs. Thierry Delaporte and Aiman Ezzat took office as Chief Operating Officers, tasked with assisting the Chairman and Chief Executive Officer in the exercise of his executive management duties. Mr. Delaporte has specific responsibility for steering the offerings, industrial expertise, innovation and the Indian platform, while Mr. Ezzat has specific responsibility for steering the operating accounts and the commercial management of clients. Together, the three of them form the Office of the CEO, ensuring the coherent management of the Company.

The directors meet regularly with members of the Group Management Board, particularly during Committee meetings (Audit & Risk, Ethics & Governance, Compensation and Strategy & Investment), periodic business reviews and the annual residential Board meeting focusing on the Group's strategy, which includes key Group managers in the discussions of the Board of Directors.

A more detailed description of General Management is presented in Section 2.3.

Balanced governance, tailored to Capgemini's specific requirements

Therefore, based on these different factors, the Board considers the Company's current method of governance to be the most adapted to the specific requirements of Capgemini, while allowing the Board to carry out its duties as well as possible. This observation that the Company enjoys balanced and efficient governance was reiterated during recent assessments of the Board's activities and, in particular, during the external assessment of the Board performed in 2016. The role and activities of the Lead Independent Director were identified as facilitating the balance desired by the Board, in line with best governance practices. *Further information on Board assessments is presented in Section 2.2.3.*

Capgemini's constant drive to improve governance for a number of years has also been recognized externally in recent years. Capgemini SE was awarded in October 2017 the Golden Peacock Global Award for Excellence in Governance in London by the Institute of Directors, India, and received in July 2016 the Governance Prize at the 2016 Annual General Meeting Grand Prix ceremony during the Paris EUROPLACE International Financial Forum.

2.1.2 Composition of the Board of Directors

A RENEWED BOARD OF DIRECTORS, TAILORED TO THE **CHALLENGES FACING CAPGEMINI**

BOARD COMPOSITION

— Capgemini's governance benefits from an active and diligent Board of Directors, independent in its composition and with a collective approach to its operation. Its members have diverse and complementary personalities both from a professional and cultural standpoint, true to the Group's history and values.

Paul Hermelin,
Chairman and
Chief Executive Officer

Board of Directors[1]
14+2

Independent Directors[2]
62%

Diversity[3]
43%
57%

Average age
62 years

Average length of office
7 years

Internationalization
25%
Foreign nationality

Employee representation
1
Director representing employee shareholders
2
Directors representing employees

Pierre Pringuet,
Lead Independent Director,
Chairman of the Ethics & Governance Committee

"Capgemini enjoys a balanced and efficient governance, tailored to the Group's specific requirements and current challenges."

NB: all figures are up to date as of December 31, 2017.

(1) Fourteen directors are elected by the shareholders; the two directors representing employees are appointed in accordance with the employee representation system.

(2) Directors representing employees and employee shareholders are not taken into account in calculating the independence rate, in accordance with the provisions of the AFEP-MEDEF Code.

(3) The two directors representing employees are not taken into account in calculating this percentage, in accordance with Article L.225-27 of the French Commercial Code.

The Capgemini Board of Directors has 16 members, including 14 members elected by Shareholders' Meeting and two members appointed in accordance with the employee representation system. The vast majority of directors are independent, with an almost identical number of male and female directors. Directors are appointed for a period of four years. Directors are appointed by Shareholders' Meeting, or in the case of employee directors, in accordance with the Company's bylaws.

Further information on the provisions of the bylaws governing the Board of Directors is presented in Section 7.1.17.

Composition of the Board – a range of profiles and experience

It is the Board of Directors' policy to regularly assess its composition and the various areas of expertise and experience contributed by each of its members and to identify the direction to be taken to ensure the best possible balance with regards to international development and the diversity of the Group's employees, changes in its shareholding base and the various challenges facing Capgemini. It also ensures that the Board retains a range of experience and nationalities and respects gender balance, while ensuring the commitment of all directors to the Group's fundamental values. To this end, the work of the Ethics & Governance Committee, chaired by the Lead Independent Director is invaluable.

Since the regrouping of the duties of Chairman of the Board of Directors and Chief Executive Officer in 2012, the composition of the Capgemini SE Board of Directors has changed significantly over time, with the replacement of more than half of its members.

The change in the composition of the Board of Directors has enabled the replacement of a large number of its members, increasing the number of independent and female directors and reducing the average age. The Board has also included a representative of employee shareholders since 2012 and two employee representatives since September 2016, further contributing to the range of experience and viewpoints.

BOARD REFRESHMENT

— Since the end of 2012, 8 new Directors have joined the Board, representing 50% of the current Board members as of December 31, 2017.

Profile of the incoming Directors

100% Independents[(1)]	**2** Representing employees
66% Women[(2)]	**56** Years average age

NB: all figures are up to date as of December 31, 2017.

(1) Directors representing employees and employee shareholders are not taken into account in calculating the independence rate, in accordance with the provisions of the AFEP-MEDEF Code.

(2) The two directors representing employees are not taken into account in calculating this percentage, in accordance with Article L.225-27 of the French Commercial Code.

The Board comprises individuals from diverse and complementary professional and cultural backgrounds, true to the Group's history and values. This enables it to perform its duties collectively and in an open manner.

The current composition of the Board together with the profile of each director is summarized in the following table. A detailed individual presentation of each director and the experience and expertise they bring to the Board is presented in Section 2.1.3 of this Registration Document.

Director	Independent Director	Attendance rate (Board)	Board committees	First appointment	Expiry of term of office Shareholders' Meeting	Number of years on the Board
Paul HERMELIN	No	100%	Strat. & Inv.	2000	2018	17
Daniel BERNARD	No	100%	Eth. & Gov. Strat. & Inv.	2005	2021	12
Anne BOUVEROT	Yes	90%	Strat. & Inv.	2013	2021	4
Yann DELABRIÈRE	No	90%		2004	2018	13
Laurence DORS	Yes	100%	Comp. (C) Audit & Risk Eth. & Gov.	2010	2018	7
Carole FERRAND	Yes	100%	Audit & Risk	2016	2020	1
Robert FRETEL	No	100%	Strat. & Inv.	2016	2020	1
Siân HERBERT-JONES	Yes	100%	Audit & Risk	2016	2020	1
Phil LASKAWY	No	70%	Audit & Risk	2002	2018	15
Kevin MASTERS	No	100%	Comp.	2016	2020	1
Xavier MUSCA	Yes	90%	Audit & Risk (C)	2014	2018	3
Patrick POUYANNE	Yes	86%	Strat. & Inv.	2017	2020	0
Pierre PRINGUET	Yes	90%	Eth. & Gov. (C). Comp.	2009	2021	8
Bruno ROGER	No	100%	Strat. & Inv. (C) Eth. & Gov.	2000	2018	17
Lucia SINAPI-THOMAS	No	100%	Comp.	2012	2020	5
Caroline WATTEEUW-CARLISLE	Yes	100%	Comp. Strat. & Inv.	2014	2018	3

Information as at December 31, 2017.
(C): Committee Chairman.

2

Director representing employees or employee shareholders	Nationality	Age	Sex	Number of offices in listed companies	Experience and expertise brought to the Company
No	French	65	M	1	Chairman & CEO of the Group
No	French	71	M	2	Governance of listed companies in France-UK / Executive positions in leading international groups / Retail / Technologies & Digital
No	French	51	F	2	Technologies & Digital (identity and security) / Experience in international organizations (USA-UK) / Consulting
No	French	67	M	3	Executive positions in leading international groups / Finance / Retail / Technologies & Digital / Manufacturing
No	French	61	F	2	Governance of listed companies / Finance / Consulting
No	French	47	F	2	Finance and audit / External growth strategy and transactions / Technologies & Digital / Retail
Yes	French	60	M	1	Employee perspective / Considerable knowledge of Capgemini Group and its businesses / Employee relations / Technologies & Digital
No	British	57	F	3	Finance and audit / External growth strategy and transactions / Executive positions in leading international groups / Services / Consulting
No	American	76	M	4	Finance and audit / Governance of listed companies in France-USA / Strategy & external growth transactions / Executive positions in leading international groups / Technologies & Digital / Consulting
Yes	British	61	M	1	Employee perspective / Considerable knowledge of Capgemini Group and its businesses / Employee relations / Technologies & Digital
No	French	57	M	3	Executive positions in leading international groups / Finance and Economy / Services / Retail
No	French	54	M	2	Executive positions in leading international groups / Strategy, macroeconomic and geopolitical challenges / Energy
No	French	67	M	4	Governance of listed companies and executive compensation / Executive positions in leading international groups / External growth strategy and transactions / Consumer goods
No	French	84	M	1	External growth strategy and transactions / Executive positions in leading international groups / Governance of listed companies / Consulting
Yes	French	53	F	3	Finance / Employee perspective / In-depth knowledge of the Capgemini Group and its businesses
No	American	65	F	1	Experience in international organizations (USA) / Technologies & Digital / Retail / Finance sector

Changes in the composition of the Board in 2017

The Shareholders' Meeting of May 10, 2017 renewed the terms of office of Mr. Daniel Bernard, Ms. Anne Bouverot and Mr. Pierre Pringuet for a period of four years.

Lead Independent Director until the 2017 Shareholders' Meeting, Mr. Daniel Bernard was appointed Vice-Chairman of the Board of Directors following the Shareholders' Meeting, to work closely with the Chairman and Chief Executive Officer in preparing future changes in the Group's governance.

The Board therefore appointed Mr. Pierre Pringuet, an Independent Director and director of the Company since 2009, as Lead Independent Director and Chairman of the Ethics & Governance Committee. Mr. Pringuet stepped down as Chairman of the Compensation Committee (but remained a member). He was replaced by Ms. Laurence Dors, an Independent Director of the Company since 2010.

Finally, to improve the staggered renewal of the terms of office of directors, particularly in anticipation of the numerous offices that will expire in 2018, the Board wished to strengthen its composition from 2017. Mr. Patrick Pouyanné was therefore appointed director by the Shareholders' Meeting of May 10, 2017. Mr. Pouyanné, Chairman and Chief Executive Officer of Total, brings to the Board his management experience in a leading international energy group, a sector where new technologies play an essential role, as well as his knowledge of macroeconomic and geopolitical challenges. This appointment was also an opportunity to strengthen the independence of the Board, as Mr. Pouyanné meets the criteria of an Independent Director pursuant to the AFEP-MEDEF Code. Mr. Pouyanné joined the Strategy & Investment Committee on September 1, 2017.

Following the Shareholders' Meeting of May 10, 2017, the number of directors on the Capgemini SE Board of Directors increased from 15 to 16.

Changes in 2017

Daniel BERNARD *Vice-Chairman of the Board of Directors*	Renewal for a period of 4 years	Member of the Ethics & Governance Committee Member of the Strategy & Investment Committee
Anne BOUVEROT *Independent Director*	Renewal for a period of 4 years	Member of the Strategy & Investment Committee
Pierre PRINGUET *Independent Director,* *Lead Independent Director*	Renewal for a period of 4 years	Chairman of the Ethics & Governance Committee Member of the Compensation Committee
Patrick POUYANNÉ *Independent Director*	Appointment for a period of 4 years	Member of the Strategy & Investment Committee

Upcoming changes in the composition of the Board

The Board of Directors of Capgemini SE, meeting on March 13, 2018 under the chairmanship of Mr. Paul Hermelin, Chairman and Chief Executive Officer, and on the report of Mr. Pierre Pringuet, Chairman of the Ethics and Governance Committee and Lead Independent Director, deliberated on the evolution of the composition of the Board of Directors given the expiry of the terms of office of seven directors at the coming Shareholders' Meeting of May 23, 2018.

In line with the announcements made in October 2017, the Board of Directors decided to propose the renewal of the term of office of Mr. Paul Hermelin as director for a period of four years and intends to confirm him in his duties of Chairman of the Board and Chief Executive Officer if the Shareholders' Meeting renews his term of office as director.

This renewal of office is part of the preparation of the management succession engaged with the support of the Board of Directors since the end of 2016. Mr. Hermelin had indicated in May 2017 his wish to continue exercising the duties of Chairman and Chief Executive Officer for a period representing approximately half a term of office; he has informed the Board of Directors of his intention to step down as Chief Executive Officer while remaining Chairman of the Board. It is recalled that, as part of this transition, two Chief Operating Officers were appointed on October 11, 2017 upon his proposal.

The Board also wished to combine efforts in recent years to renew the Board's composition, increase the number of women and diversify profiles with a reduced number of directors reinforcing cohesion, collective and efficient decision-making.

The Board therefore decided to propose the renewal of the terms of office of Ms. Laurence Dors, Chairman of the Compensation Committee and of Mr. Xavier Musca, Chairman of the Audit and Risk Committee, both Independent Directors, for a period of four years.

The Board of Directors further proposed the appointment of Mr. Frédéric Oudéa as a member of the Board of Directors for a period of four years. Chief Executive Officer of Société Générale, Mr. Oudéa will bring to the Board his experience in managing a leading banking group with an ambitious international development plan and highly innovative in digital. The Board has indicated that Mr. Oudéa would be considered independent pursuant to the criteria of the AFEP-MEDEF Code to which the Company refers.

The Board of Directors warmly thanked Ms. Caroline Watteeuw-Carlisle, Mr. Yann Delabrière, Mr. Phil Laskawy and Mr. Bruno Roger whose contributions to the work of the Board and its Committees during their respective terms of office accompanied the different phases of the Group's development.

Assuming the adoption of these resolutions by the Shareholders' Meeting of May 23, 2018, the composition of the Board of Directors will decrease from 16 to 13 directors, with 80% of Independent Directors (excluding directors representing employees and employee shareholders) and 45% of female directors (the two directors representing employees are not taken into account in calculating this percentage) and a reduced average age of 59 years old.

Independence of the Board of Directors

Independence criteria

In accordance with the definition of independence adopted by the AFEP-MEDEF Corporate Governance Code, a director is independent when he/she has no relationship with the Company, the Group or its Management, that is likely to impair his/her judgment.

The following criteria are examined, initially by the Ethics & Governance Committee and then by the Board, to determine whether a director is independent (Article 8.5 of the AFEP-MEDEF Code):

- is not and has not been during the course of the previous five years:
  - an employee or executive corporate officer of the Company,
  - an employee or executive corporate officer or director of a company that the Company consolidates,
  - an employee or executive corporate officer or director of the Company's parent company or a company that this parent company consolidates;
- is not an executive corporate officer of a company in which the Company holds directly or indirectly a directorship or in which an employee designated as such or an executive corporate officer of the Company (currently or within the last 5 years) holds a directorship;
- is not a customer, supplier, corporate bank or financing bank:
  - material for the Company or its Group,
  - or for which the Company or its Group represents a material share of activity;
- does not have close family ties with a corporate officer;
- has not been the statutory auditor of the Company in the last 5 years;
- has not been a director of the Company for more than twelve years (the status of Independent Director is lost on the date of the twelve-year anniversary).

Ratio and Calculation rules

In companies with widely-held share capital, such as Capgemini SE, the AFEP-MEDEF Code recommends that at least one-half of Board members should be independent.

Directors representing employee shareholders and directors representing employees are not included when calculating the Board's independence, in accordance with the provisions of the AFEP-MEDEF Code. Accordingly, the percentage of Independent Directors on the Capgemini SE Board of Directors at the date of this Registration Document, is calculated based on 13 members and not the full 16 members of the Board.

Review of director independence by the Board of Directors

Based on the report of the Ethics & Governance Committee, the Board of Directors examined the personal situation of each of the members of the Board of Directors with regard to the AFEP-MEDEF Code independence criteria set-out above during its meeting of February 14, 2018.

The following table summarizes the classification adopted for each director following this review, for the 13 directors included in the calculation of the Board's independence ratio in accordance with the AFEP-MEDEF Code.

	Is not and has not been within the last 5 years, an employee or executive corporate officer	No cross-directorships	No material business relationships	No family ties	Has not been the statutory auditor of the Company in the last 5 years	Has not been a director for more than 12 years	Classification
Paul Hermelin			√	√	√		Not independent
Daniel Bernard	√	√	√	√	√		Not independent
Anne Bouverot	√	√	√	√	√	√	Independent
Yann Delabrière*	√	√		√	√		Not independent
Laurence Dors	√	√	√	√	√	√	Independent
Carole Ferrand	√	√	√	√	√	√	Independent
Siân Herbert-Jones	√	√	√	√	√	√	Independent
Phil Laskawy*	√	√	√	√	√		Not independent
Xavier Musca	√	√	√	√	√	√	Independent
Patrick Pouyanné	√	√	√	√	√	√	Independent
Pierre Pringuet	√	√	√	√	√	√	Independent
Bruno Roger*	√	√		√	√		Not independent
Caroline Watteeuw-Carlisle*	√	√	√	√	√	√	Independent
TOTAL							**8 Independent Directors 62%**

√ independence criteria met

** Directors having announced their intention not to seek renewal of their term of office expiring at the end of the Shareholders' Meeting of May 23, 2018.*

Based on the independence criteria set out above, the Board considered that 8 of its 13 members (excluding directors representing employees and employee shareholders), *i.e.* 62%, could be considered independent:

Anne Bouverot, Laurence Dors, Carole Ferrand, Siân Herbert-Jones, Xavier Musca, Patrick Pouyanné, Pierre Pringuet and Caroline Watteeuw-Carlisle.

Specific review by the Board of Directors of the business relationship criteria between Capgemini Group and its directors

During its annual review of the independence of directors, the Board of Directors examined, in particular, any business relationships between Capgemini Group and each director or company with which they are associated, in order to assess the materiality of these relationships.

This assessment was conducted with regard to both quantitative and qualitative criteria.

The quantitative assessment was based on a statement of business flows between Capgemini Group and entities that are suppliers and/or clients of Capgemini and that have directors in common with Capgemini SE.

This analysis is supplemented by a review of more qualitative and contextual items reflecting the situations examined, such as negotiation terms and conditions for the delivery of services, the organization of the relationship between stakeholders and the relevant director's position in the contracting company and the existence of a long-term relationship or a position of potential economic dependence.

This review is one of the specific activities conducted by the Lead Independent Director as part of the procedure to assess the absence of conflict of interest (see below).

After assessing the above criteria and based on the work of the Ethics & Governance Committee, the Board of Directors concluded as follows:

- In 2017, Capgemini SE and its subsidiaries have, in the normal course of business, delivered services to and/or received services from companies in which certain of its Independent Directors are executives or directors.

  To the extent that the negotiation terms and conditions for the delivery of these services were normal and customary and that the corresponding revenues recognized by Capgemini and the relevant companies cannot be considered material or to indicate a position of economic dependence, in the Board of Directors' opinion these business relationships are not material for Capgemini Group or the relevant companies and are not likely to compromise the independence of the directors concerned;
- the Board noted with regard to the following directors, classified as not independent pursuant to several criteria including that of business relationships:
  - Mr. Bruno Roger, due to his duties in Lazard bank up to October 1, 2017, must be considered a major investment banker of Capgemini Group due to the continuity of the business relationship between the Group and Lazard, the investment bank that has accompanied Capgemini Group in its external growth transactions for many years, even if the analysis does not identify material business flows,
  - Mr. Yann Delabrière must also be considered up to October 2017 as a service provider of a Group subsidiary (through MM Consulting), for which the Group represents a material percentage of business (for further information see the description below in *Absence of conflict of interest).*

Independence of the Board after the 2018 Shareholders' Meeting

Assuming the renewal of the proposed terms of office by the Shareholders' Meeting of May 23, 2018 and the appointment of Mr. Frédéric Oudéa, considered independent by the Board, the percentage of Independent Directors on the Board from May 23, 2018 will be 80% (i.e. 8 members out of 10).

Overview of the independent status of the Board of Directors

	Percentage of Independent Directors*	Classification of Board members**
At the date of the 2017 Registration Document	62%	**Anne Bouverot, Laurence Dors, Carole Ferrand, Siân Herbert-Jones, Xavier Musca, Patrick Pouyanné, Pierre Pringuet and Caroline Watteeuw-Carlisle** Paul Hermelin, Daniel Bernard, Yann Delabrière, Phil Laskawy, Bruno Roger
At the end of the Shareholders' Meeting of May 23, 2018	80%	**Anne Bouverot, Laurence Dors, Carole Ferrand, Siân Herbert-Jones, Xavier Musca, Frédéric Oudéa, Patrick Pouyanné, Pierre Pringuet** Paul Hermelin, Daniel Bernard

(*) Directors representing employees and employee shareholders are not included in this percentage in accordance with the AFEP-MEDEF Code.
(**) In bold: members considered independent by the Board.

Absence of conflict of interest

Article 7.1 of the Capgemini SE Board of Directors' Charter requires directors to comply with recommendation no. 19 of the AFEP-MEDEF Code concerning the prevention of conflicts of interest:

"Although they are themselves shareholders, the Directors represent all the shareholders and are required to act in all circumstances in the Company's interest. They are required to notify the Board of Directors of any one-off conflict of interest or potential conflict of interest and to refrain from voting on the related decision. Any director who has a permanent conflict of interest is required to resign from the Board."

In light of the recommendations of the French Financial Markets Authority (AMF) and the Corporate Governance High Committee, the Board of Directors implemented an appraisal procedure to assess the absence of conflict of interest for directors.

To this end and to assess any conflicts of interest potentially resulting from business relationships, a statement of business flows between Capgemini Group and entities that are suppliers and/or clients of Capgemini and that have directors in common with Capgemini SE is prepared annually and communicated to Mr. Pierre Pringuet, Lead Independent Director and Chairman of the Ethics & Governance Committee. A qualitative assessment of situations encountered is also conducted based on several criteria, as detailed in the section "*Independence of the Board of Directors*" above. In addition, each year directors are required to issue a statement to the Company regarding the existence or absence, to their knowledge, of any conflicts of interest.

Based on this information, the Lead Independent Director confirmed the absence of any conflicts of interest.

These conflict of interest prevention measures supplement one of the general duties of the Ethics & Governance Committee which is to draw the attention of the Chairman of the Board of Directors to any potential situations of conflict of interest it has identified between a director and the Company or its Group or between directors. They also provide input for the Board of Directors' work on the independence classification of directors.

In this respect, it was identified in October 2016 that Mr. Yann Delabrière, a director of Capgemini SE, has been appointed a Senior Advisor at Capgemini Consulting, a strategy and transformation consulting entity of the Capgemini Group. This appointment followed the end of a one-year services agreement between MM Consulting and Capgemini Consulting. Mr. Yann Delabrière is the Chairman and CEO of MM Consulting. This agreement expired in October 2017 and was not renewed. *Further information on compensation received under this agreement is presented in Section 2.4.3 (Attendance fees and other compensation received by corporate officers).*

The Board of Directors considered Mr. Yann Delabrière's assignment to be compatible with his duties as director, noting that it concerned the everyday activities of Capgemini Consulting and was governed by a service agreement entered into on an arm's length basis.

Declarations concerning corporate officers

As far as the Company is aware, none of the current members of the Board of Directors:

- has been found guilty of fraud at any time during the last five years;
- has been involved in any bankruptcy, receivership or liquidation at any time during the last five years;
- has been subject to any form of official public sanction and/or criminal liability pronounced by a statutory or regulatory authority (including designated professional bodies), it being noted that:

  In a decision dated December 18, 2014, the Sanctions Commission of the French Financial Markets Authority (AMF) considered that Faurecia SA and Mr. Yann Delabrière, in his capacity of Chairman and Chief Executive Officer of Faurecia SA, had failed to comply with certain obligations set out in Articles 223-1, 223-2 and 223-10-1 of the AMF General Regulations with respect to disclosures concerning the Company's objectives for 2012. Concerning Mr. Yann Delabrière, based on Articles L.621-15 (paragraphs II (c) and III (c) of the French Monetary and Financial Code (Code monétaire et financier), financial penalties of €100,000, were handed down by the AMF against him; Mr. Yann Delabrière filed an appeal together with Faurecia against this decision with the Paris Court of Appeal on February 26, 2015. On June 30, 2016, the Paris Appeal Court confirmed the amount of financial penalties at €100,000 and Mr. Yann Delabrière and Faurecia SA, appealed to the Court of Cassation, the French Supreme Court;
- has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from participating in the management or conduct of the affairs of any issuer at any time during the last five years.

As far as the Company is aware, there are no:

- conflicts of interest among the members of the Board of Directors between their duties towards Capgemini and their private interests and/or any other duties;
- arrangements or agreements with the principal shareholders, customers or suppliers pursuant to which one of the members of the Board of Directors was selected;
- restrictions accepted by the members of the Board of Directors on the sale of their investment in the share capital of Capgemini (other than the obligation under the bylaws that each director must hold at least 1,000 shares throughout their term of office and the obligation for Mr. Paul Hermelin to hold his performance shares detailed in Section 2.4.1);
- service contracts between the members of the Board of Directors and Capgemini or any of its subsidiaries that provide for the granting of benefits upon termination thereof.

  It being noted that MM Consulting, whose Chairman and Chief Executive Officer is Mr. Yann Delabrière, signed a one year agreement with Capgemini Consulting in October 2016 to support this entity's Digital Manufacturing go to market strategy, leveraging his knowledge of the automotive industry. This agreement expired in October 2017 and was not renewed. (For further information see pages 99 *and* 238*).*

As far as the Company is aware, there are no family ties between members of the Board of Directors.

Information on regulated agreements with related parties

Regulated agreements and commitments authorized in 2017

In anticipation of Messrs. Thierry Delaporte and Aiman Ezzat taking office as Chief Operating Officers on January 1, 2018 and at the recommendation of the Compensation Committee, the Board of Directors, during its meeting of December 6, 2017, authorized, in principle, termination benefits in the event of cessation of their duties as Chief Operating Officer and a non-compete clause. These commitments are regulated commitments pursuant to Article L. 225-42-1 of the French Commercial Code.

The appointment of the two Chief Operating Officers forms part of measures to prepare Capgemini's management transition. The Board of Directors considered it was in the Company's interest during this transition period to protect both the newly appointed Chief Operating Officers, by introducing a termination benefit mechanism, and the Group, through a non-compete clause.

It is recalled that the employment contracts of the Chief Operating Officers do not contain a termination benefits clause, other than the provisions provided for in the collective bargaining agreement. They will be suspended during their terms of office as corporate officer in accordance with the recommendations of the AFEP-MEDEF Governance Code applicable to Chief Operating Officers.

The Board ensured strict performance conditions were attached to the termination benefits in the event of cessation of the corporate office, based on the weighted performance of the financial indicators applicable to the so-called V1 variable component of the Chief Operating Officer's compensation (tied to Group performance indicators and consolidated results), observed annually during the last three full fiscal years preceding the cessation of duties, with a heavier weighting applied to the final year.

The Board of Directors has provided the Company may, where necessary, invoke a non-compete clause against the Chief Operating Officers. The Board nonetheless retains the ability to free the Chief Operating Officers from their non-compete obligation when the time comes and, in turn, waive payment of the non-compete compensation. This compensation will be equal to 50% of the theoretical gross compensation (fixed and variable) assuming all objectives are attained, applicable at the date of cessation of the duties of Chief Operating Officer, representing an appropriate consideration for the non-compete commitment.

Finally, the Board of Directors, in accordance with the recommendations of the AFEP-MEDEF Code, has capped at twice the theoretical annual compensation (fixed and variable) applicable at the date of cessation of duties the aggregate amount of (i) termination benefits effectively paid, (ii) severance payments for termination of the employment contract and (iii) any compensation paid on application of a non-compete commitment.

It is recalled that the rules of the performance share plans benefiting Messrs. Thierry Delaporte and Aiman Ezzat do not provide for the retention of rights to performance shares not yet delivered in the event of early departure, except on retirement, death or invalidity.

Pursuant to Article L. 225-42-1 of the French Commercial Code, the commitments given by the Board of Directors to Messrs. Thierry Delaporte and Aiman Ezzat will be presented for approval to the Shareholders' Meeting of May 23, 2018 subject to (i) the adoption of the Chief Operating Officer compensation policy by the Shareholders' Meeting of the Company of May 23, 2018 and (ii) the renewal of Messrs. Thierry Delaporte's and Aiman Ezzat's duties as Chief Operating Officer by the Board of Directors meeting to be held following the Combined Shareholders' Meeting of May 23, 2018.

Compensation pursuant to the collective bargaining agreement in respect of the employment contract payable, except in the event of gross or willful misconduct, based on seniority as an employee prior to appointment as an executive corporate officer)	+	**Termination benefits on cessation of the corporate office based on performance over the last three years** (payable, unless departure at the individual's initiative, due to a change in function within the Group, retirement or gross or willful misconduct)	+	**Compensation resulting from application of a non-compete clause on cessation of the corporate office** Equal to 50% of theoretical gross compensation (fixed + variable) applicable on the date of cessation of the duties of Chief Operating Officer (i.e. ≤ 1 year)	≤	**<u>2 year cap</u> on theoretical annual compensation (fixed + variable)** applicable at the date of cessation of duties

For further information on regulated commitments in favor of Chief Operating Officers, see Section 2.4.1.2 and the Statutory Auditors' special report, page 273.

Regulated agreements and commitments authorized in prior years

The Statutory Auditors' special report for the year ended December 31, 2017 highlights the continuation in 2017 of the Company's supplementary pension plan set-up in favor of certain senior executives regarded as having made a significant and lasting contribution to the development of the Group. Mr. Paul Hermelin has been a beneficiary of this plan since 2007 (his rights were frozen with effect from October 31, 2015 without any consideration).

More detailed information can be found in the Statutory Auditors' special report on page 273 (Agreements and commitments approved in previous years but not implemented during the year).

Loans and guarantees granted to directors and managers of the Company

None.

2.1.3 Information on the members of the Board of Directors (at December 31, 2017)

Since May 10, 2017, the Capgemini Board of Directors has 16 members. The wide range of their experience and expertise contributes to the quality of discussions and the smooth operation of the Board, ensuring the best possible balance taking account of the Group's situation and the different challenges facing Capgemini.

A detailed individual presentation of each director is presented below.

Date of birth:
April 30, 1952

Nationality:
French

Business address:
Capgemini SE
11, rue de Tilsitt
75017 Paris

First appointment:
2000

Expiry of term of office:
2018
(Ordinary Shareholders' Meeting held to approve the 2017 financial statements)

Number of shares held at Dec. 31, 2017:
282,048

PAUL HERMELIN

Chairman and Chief Executive Officer
Member of the Strategy & Investment Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Mr. Paul Hermelin is a graduate of École Polytechnique and École Nationale d'Administration. He spent the first fifteen years of his professional life in the French government, primarily in the Ministry of Finance. He held a number of positions in the Budget Office and on various ministry staffs, including that of Finance Minister Jacques Delors. He was chief of staff to the Minister of Industry and Foreign Trade, from 1991 to 1993.

Mr. Paul Hermelin joined the Capgemini Group in May 1993, where he was first in charge of coordinating central functions. In May 1996, he was appointed member of the Management Board and Chief Executive Officer of Capgemini France. In May 2000, following the merger of Capgemini and Ernst & Young Consulting, he became Chief Operating Officer of the Group and director. On January 1, 2002, he became Chief Executive Officer of the Capgemini Group, followed by Chairman and Chief Executive Officer on May 24, 2012. He has been a member of the Strategy & Investment Committee since July 24, 2002.

Principal office:

Mr. Paul Hermelin has been Chairman and Chief Executive Officer of Capgemini SE since May 2012.

OFFICES HELD IN 2017 OR CURRENT OFFICES AT DECEMBER 31, 2017

Chairman and Chief Executive Officer of:

- CAPGEMINI SE* (since May 2012)

Director of:

- AXA* (until April 2017)

Chairman of:

- THE BRIDGE SAS

Other offices in Capgemini Group:

Chairman of the Board of Directors of:

- CAPGEMINI NORTH AMERICA, INC. (USA) (since April 2002)
- CAPGEMINI AMERICA, INC. (USA) (since December 2000)

Chairman of the Supervisory Board of:

- CAPGEMINI N.V. (Netherlands) (until November 2012)

Chairman of:

- CAPGEMINI SERVICE S.A.S. (since March 2016)
- CAPGEMINI LATIN AMERICA S.A.S. (since November 2005)
- SOGETI FRANCE 2005 S.A.S. (since November 2005)
- CAPGEMINI 2015 S.A.S. (since December 2010)

Manager of:

- SCI PARIS ETOILE (since March 2016)

Chief Executive Officer of:

- CAPGEMINI NORTH AMERICA, Inc. (USA) (since November 2005)

Director of:

- CGS HOLDINGS LTD (UK) (since June 1999)
- CAPGEMINI TECHNOLOGY SERVICES INDIA Ltd (since August 2017)

OTHER OFFICES HELD DURING THE LAST FIVE YEARS (OFFICES EXPIRED)

Offices held in Capgemini Group:

Chairman of:

- CAPGEMINI 2010 S.A.S. (until September 2015)
- CAMELIA PARTICIPATIONS SAS (until January 2013)

Chairman and Chief Executive Officer of:

- CAPGEMINI HOLDING INC. (USA) (until December 2013)

Chairman of the Board of Directors of:

- CAPGEMINI US LLC (USA) (until July 2016)

Chief Executive Officer of:

- CAPGEMINI SERVICE S.A.S. (until March 2016)

Chairman of the Supervisory Board of:

- CAPGEMINI GOUVIEUX S.A.S. (until April 2014)

Director of:

- CAPGEMINI FINANCIAL SERVICES INTERNATIONAL, INC. (USA) (until March 2016)
- IGATE CORPORATION (USA) (until May 2016)
- SOGETI SA / NV (Belgium) (until December 2013)
- CPM BRAXIS SA (Brazil) (until May 2013)
- CAPGEMINI AUSTRALIA Pty Ltd (until May 2014)

(*) Listed company.

Date of birth:
February 18, 1946
Nationality:
French
Business address:
Provestis
14, rue de Marignan
75008 Paris
First appointment:
2005
Expiry of term of office:
2021
(Ordinary Shareholders' Meeting held to approve the 2020 financial statements)
Number of shares held at Dec. 31, 2017:
1,000

DANIEL BERNARD

Vice-Chairman of the Board of Directors
Director
Member of the Ethics & Governance Committee
Member of the Strategy & Investment Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Mr. Daniel Bernard is a graduate of HEC business school. He started his career in the retail sector, where he was Chief Executive Officer of Socam Miniprix (from 1971 to 1975) and then Director of the La Ruche Picarde Group Mammouth and Delta hypermarkets. He was Chief Executive Officer of Groupe Métro France (from 1981 to 1989), followed by member of the Management Board of Métro International AG (from 1989 to1992). He became Chairman of the Executive Board of Carrefour in 1992 and was appointed Chairman and Chief Executive Officer in 1998. Mr. Daniel Bernard was also an Independent Director of Alcatel Lucent (from 1997 to 2014) and of Saint-Gobain (from 2000 to 2006). He was a member of the Saint-Gobain Appointments Committee and chaired the Alcatel-Lucent Corporate Governance and Appointments Committee.

In 2006, Mr. Daniel Bernard joined the Board of Directors of Kingfisher Plc as Vice-Chairman and was Chairman of the Board of Directors from 2009 to June 2017. He also chaired the Appointments Committee. In July 2017, Mr. Daniel Bernard was appointed to the Peugeot SA Supervisory Board as the permanent representative of Lion Participations. Mr. Daniel Bernard is also President of Provestis, his own investment company, and Senior Advisor of Towerbrook Capital Partners, LP.

Mr. Daniel Bernard holds the ranks of Officer of the National Order of Merit and Knight of the Legion of Honor.

Mr. Daniel Bernard has been a director of Capgemini SE since May 12, 2005 and is Vice-Chairman of the Board of Directors since May 10, 2017. He was Lead Independent Director and Chairman of the Ethics & Governance Committee from May 2014 to May 2017. He has been a member of the Ethics & Governance Committee since May 7, 2014 and of the Strategy & Investment Committee since July 26, 2006.

He brings to the Board of Directors considerable experience in the management of leading international companies where he has held top positions, together with reputed expertise in corporate governance, gained through major corporate governance responsibilities in leading listed companies in France and the United Kingdom.

Mr. Daniel Bernard also contributes to the Board's strategic discussions, thanks notably to his considerable experience in the retail sector and its Digital transformation.

Principal office:

Mr. Daniel Bernard has been President of Provestis since 2006.

OFFICES HELD IN 2017 OR CURRENT OFFICES AT DECEMBER 31, 2017

Director of:
- CAPGEMINI SE* (since May 2005)

Chairman of the Board of Directors of:
- KINGFISHER PLC* (U.K) (until June 13, 2017)

Member of the Supervisory Board of:
- PEUGEOT SA.* (permanent representative of Lion Participations) (since July 25, 2017)

Chairman of:
- PROVESTIS SAS (since June 2006)

Senior Advisor of:
- TOWERBROOK CAPITAL PARTNERS, LP (UK) (since October 2010)

Member of the Board of Directors of:
- LA FONDATION HEC (since 2008)
- EESC HEC (since 2016)

Honorary Chairman of:
- LA FONDATION HEC (since 2014)

OTHER OFFICES HELD DURING THE LAST FIVE YEARS (OFFICES EXPIRED)

Chairman of the Board of Directors of:
- MAF RETAIL GROUP (DUBAI) (until December 2015)

Director of:
- ALCATEL LUCENT* (until May 2014)

Chairman of:
- LA FONDATION HEC (until March 2014)

(*) Listed company.

Date of birth:
March 21, 1966
Nationality:
French
Business address:
Advent International
8-10 rue Lamennais
75008 Paris
First appointment:
2013
Expiry of term of office:
2021
(Ordinary Shareholders' Meeting held to approve the 2020 financial statements)
Number of shares held at Dec. 31, 2017:
1,000

ANNE BOUVEROT

Independent Director
Member of the Strategy & Investment Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

A graduate of École Normale Supérieure and of Télécom Paris, Ms. Anne Bouverot also holds a PhD in computer science (1991).

She started her career as IT project manager with Telmex in Mexico, before joining Global One in the USA in 1996. In 2002, she was appointed Vice-President at Equant's IT services unit. In 2004, she became Chief of Staff for the Chief Executive Officer of Orange in the United Kingdom, followed by Executive Vice-President, Mobile Services, for France Télécom Orange. In November 2006, Ms. Anne Bouverot became Executive Vice-President, International Business Development, at France Telecom. From 2011 to July 2015, she was Chief Executive Officer of GSMA, the international association of mobile network operators. She was Chairman and Chief Executive Officer of Safran Identity & Security (formerly Morpho), a world leader in security and identity solutions (biometrics and digital identity) until June 2017. She is Senior Advisor of Advent International since this date.

Ms. Anne Bouverot joined the Board of Directors of Capgemini SE on October 8, 2013 and was appointed a member of the Strategy & Investment Committee on the same date.

Ms. Anne Bouverot has spent the majority of her professional career in the Telecoms sector, a key information technology sector, where she has held leading positions in international organizations. The duties she has performed allow her to make a key contribution to Capgemini Group strategic discussions given the impact of mobile connections on technology uses. She also brings specific Digital expertise to the Board of Directors in the areas of security and identity in Digital and connected environments. Finally, as a director of Edenred and previously of Groupama, Ms. Anne Bouverot already has considerable experience as an Independent Director of Euronext listed companies.

Principal office:

Ms. Anne Bouverot has been Senior Advisor of Advent International since June 2017.

OFFICES HELD IN 2017 OR CURRENT OFFICES AT DECEMBER 31, 2017

Director of:

- CAPGEMINI SE* (since October 2013)
- EDENRED* (since June 2010)

Chairman and Chief Executive Officer of:

- SAFRAN IDENTITY AND SECURITY SAS (formerly MORPHO SAS) (until June 2017)

Senior Advisor:

- ADVENT IINTERNATIONAL (since June 2017)

Other offices held in Safran Identity and Security Group:

Chairman and Chief Executive Officer of:

- MORPHO TRAK, LLC (USA) (until June 2017)

Chairman of:

- MORPHO USA, INC (USA) (until June 2017)

Chairman of the Board of Directors of:

- MORPHO DETECTION INTERNATIONAL, LLC (USA) (until June 2017)

Member of the Supervisory Board of:

- MORPHO CARDS GMBH (GERMANY) (until June 2017)

Director of:

- MORPHO DETECTION, LLC (USA) (until June 2017)

OTHER OFFICES HELD DURING THE LAST FIVE YEARS (OFFICES EXPIRED))

Director of:

- GROUPAMA SA* (until 2013)

Offices held in GSMA:

(International association of mobile network operators)

Member of the Board of Directors as Permanent Representative of France Telecom Orange SA :

- GSMA (until July 2015)

Chief Executive Officer of:

- GSMA SV (SWITZERLAND) (until July 2015)

Director of:

- GSMA LTD (USA) (until July 2015)

(*) Listed company.

Date of birth:
December 19, 1950
Nationality:
French
Business address:
Zodiac Aerospace 61, rue Pierre Curie CS 20001 78373 Plaisir Cedex
First appointment:
2004
Expiry of term of office:
2018
(Ordinary Shareholders' Meeting held to approve the 2017 financial statements)
Number of shares held at Dec. 31, 2017:
2,550

YANN DELABRIÈRE

Director
Member of the Audit & Risk Committee until May 10, 2017

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Mr. Yann Delabrière is a graduate of Ecole Normale Supérieure and Ecole Nationale d'Administration and has a postgraduate degree in mathematics.

He began his career at the Committee of Public Accounts (*Cour des Comptes*) before working as Chief Financial Officer for the French export credit agency, COFACE (1982 to 1987) and the Printemps Group (1987 to 1990), before becoming Chief Financial Officer and member of the Executive Committee of PSA Peugeot Citroën Group (1998 to 2007). He was also Chairman and Chief Executive Officer of Banque PSA Finance.

Mr. Yann Delabrière was a director of Faurecia from November 1996 to May 2017 and a member of its Strategy Committee. He was Chairman and Chief Executive Officer of Faurecia from February 2007 to June 2016 and was Chairman of the Board of Directors from July 1, 2016 to May 30, 2017. He has been Honorary Chairman of Faurecia since May 30, 2017.

He was also a director of Société Générale from 2012 to 2016.

He has been a director of Alstom since March 17, 2017, and Chairman of the Executive Board of Zodiac Aerospace since June 16, 2017. He has also been Chairman of the Supervisory Board of Idemia (formerly OT-Morpho) since January 29, 2018 and was previously Vice-Chairman from May 31, 2017.

Mr. Yann Delabrière has been a director of Capgemini SE since February 25, 2004. He was a member of the Audit & Risk Committee until May 10, 2017, having chaired the Audit Committee for 10 years (2006-2016).

Mr. Yann Delabrière provides the Board of Directors with both financial expertise and his experience as an executive and director of highly international French companies. In addition to these skills, he brings considerable experience in the manufacturing sector, and particularly the automobile sector and its Digital transformation.

Principal office:

Mr. Yann Delabrière has been Chairman of the Zodiac Aerospace Executive Board since June 16, 2017.

OFFICES HELD IN 2017 OR CURRENT OFFICES AT DECEMBER 31, 2017

Director of:
- CAPGEMINI SE* (since February 2004)
- ALSTOM* (since March 2017)

Chairman of the Board of Directors of:
- FAURECIA* (until May 2017)

Honorary Chairman of:
- FAURECIA* (since May 2017)

Chairman and Chief Executive Officer of:
- MM Consulting SAS (since October 2016)

Chairman of the Executive Board of:
- ZODIAC AEROSPACE* (since June 2017)

Vice-Chairman of the Supervisory Board of :
- IDEMIA (from May 2017 to January 29, 2018)

OTHER OFFICES HELD DURING THE LAST FIVE YEARS (OFFICES EXPIRED)

Chief Executive Officer of:
- FAURECIA* (until June 2016)

Director of:
- SOCIÉTÉ GÉNÉRALE* (until May 2016)

(*) Listed company.

LAURENCE DORS

Independent Director
Chairman of the Compensation Committee
Member of the Audit & Risk Committee
Member of the Ethics & Governance Committee

Date of birth:
March 16, 1956
Nationality:
French
Business address:
Theano Advisors
57, rue Pierre Charron
75008 Paris
First appointment:
2010
Expiry of term of office:
2018
(Ordinary Shareholders' Meeting held to approve the 2017 financial statements)
Number of shares held at Dec. 31, 2017:
1,000

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Ms. Laurence Dors is a graduate of Ecole Normale Supérieure and Ecole Nationale d'Administration. A former senior civil servant in the French Finance Ministry and former member of the Prime Minister's staff (1995-1997) and the Ministry of the Economy's staff (1994-1995), Ms. Laurence Dors has spent much of her professional career in international and executive management positions in major international groups (Lagardère, EADS, Dassault Systems, Renault). She is the cofounder and a Senior Partner of the consulting firm Theano Advisors (formerly Anthenor Partners). A specialist in governance issues and an Independent Director, she sits on the Board of Directors of IFA (French Institute of Directors).

Ms. Laurence Dors has been a member of the Board of Directors of Crédit Agricole SA since May 19, 2009. She chairs the Compensation Committee and is a member of the Audit Committee and the Appointments and Governance Committee. She also sits on the Board of Directors of Egis, a non-listed engineering company specializing in consulting and the development of projects offering added value through innovation. She chairs the Compensation Committee and is a member of the Engagements Committee.

Ms. Laurence Dors holds the ranks of Knight of the Legion of Honor and Officer of the National Order of Merit.

Ms. Laurence Dors has been a member of the Board of Directors of Capgemini SE since May 27, 2010. She has been Chairman of the Compensation Committee since May 10, 2017 and a member of the Audit & Risk Committee (formerly the Audit Committee) and the Ethics & Governance Committee since May 7, 2014.

Ms. Laurence Dors brings to the Board of Directors her considerable governance experience, her financial and business consulting expertise and her experience in the management of leading international groups in the technology sector.

Principal office:

Ms. Laurence Dors has been a Senior Partner of Theano Advisors (formerly Anthenor Partners) since July 2012.

OFFICES HELD IN 2017 OR CURRENT OFFICES AT DECEMBER 31, 2017

Director of:

- CAPGEMINI SE* (since May 2010)
- CRÉDIT AGRICOLE SA* (since May 2009)
- EGIS SA (since November 2011)
- IFA (French Institute of Directors) (since May 2012)

Senior Partner of:

- THEANO ADVISORS (since July 2012)

Member of:

- IHEAL (Institute of Latin American Studies) Strategic Policy Committee (since June 2012)
- CEFA (Franco-German Economic Club) Policy Committee (since October 2005)

OTHER OFFICES HELD DURING THE LAST FIVE YEARS (OFFICES EXPIRED)

Director of:

- INHESJ (French National Institute for Advanced Studies in Security and Justice) (until April 2016)

(*) Listed company.

CAROLE FERRAND

Independent Director
Member of the Audit & Risk Committee

Date of birth:
April 2, 1970
Nationality:
French
Business address:
Artémis
12, rue François 1er
75008 Paris
First appointment:
2016
Expiry of term of office:
2020
(Ordinary Shareholders' Meeting held to approve the 2019 financial statements)
Number of shares held at Dec. 31, 2017:
1,000

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Ms. Carole Ferrand is a graduate of HEC business school (class of 1992). She started her career at PricewaterhouseCoopers, where she was an auditor and later a financial advisor in the Transaction Services Division. In 2000, she joined Sony France, the French subsidiary of the consumer and professional electronics branch of the Sony Corporation Group, as Financial Director before becoming General Secretary in 2002. In 2011, she held the position of Chief Financial Officer of the Europacorp Group. Since January 2013, she has been Financing Director at Artémis Group and is in charge of strategic and financial support for certain investments.

Ms. Carole Ferrand was appointed to the Board of Directors of FNAC Group in 2013, where she is also a member of the Audit Committee.

Ms. Carole Ferrand joined the Board of Directors of Capgemini SE on May 18, 2016. She has been a member of the Audit & Risk Committee (formerly the Audit Committee) since this date. She brings to the Board her expertise in audit, finance and financial issues. Ms. Carole Ferrand also contributes her expertise in investment strategy and external growth and her experience and knowledge of the challenges associated with rapid change in a competitive environment as well as disruption and particularly digital disruption in a wide range of environments.

Principal office:

Ms. Carole Ferrand has been Financing Director at Artémis Group since January 2013.

OFFICES HELD IN 2017 OR CURRENT OFFICES AT DECEMBER 31, 2017

Director of:

- CAPGEMINI SE* (since May 2016)

Financing Director of:

- ARTEMIS (since January 2013)

Honorary Chairman and Director of:

- TERRA NOVA (association created under the 1901 Act) (since December 2012)

Director of:

- SEBDO, LE POINT (since June 2013)
- ARTEMIS 21 (since November 2013)
- ÉDITIONS TALLANDIER (since December 2014)
- PALAZZO GRASSI (since April 2016)
- COLLECTION PINAULT-PARIS (since May 2016)

Offices held in Artémis Group:

Director of:

- GROUPE FNAC* (since April 2013)

OTHER OFFICES HELD DURING THE LAST FIVE YEARS (OFFICES EXPIRED)

N/A

(*) Listed company.

ROBERT FRETEL

Director representing employees
Member of the Strategy & Investment Committee

Date of birth:
October 17, 1957

Nationality:
French

Business address:
Capgemini Technology Services
109, avenue Eisenhower
31036 Toulouse

First appointment:
2016

Expiry of term of office:
2020
(Ordinary Shareholders' Meeting held to approve the 2019 financial statements)

Number of shares held at Dec. 31, 2017:
10

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Mr. Robert Fretel has an engineering degree from Institut du Génie Chimique (Toulouse).

He began his career in 1981 as a mathematics teacher in France and then Tunisia under a cooperation program.

In 1984 he joined the water treatment company, NALCO, as a technical sales engineer, where he developed software for the sales team. In 1986, he moved to Compagnie Générale d'Informatique, where during 7 years he performed assignments for clients such as Citroen and then EDF, focusing on the design and development of the development and operating technical architecture of an invoicing application (100 operating sites, Bull and IBM). He also performed training assignments both internally and for clients such as Crédit Agricole and Caisse d'Épargne.

Mr. Robert Fretel joined Capgemini Toulouse in November 1993 and now has 24 years' experience with the Group.

In addition to his operational duties, Robert Fretel has been an employee representative for 20 years within Capgemini and has developed over this period employee dialogue and mediation with many employees and Management. He has also been a member of the International Works Council (IWC) for 10 years.

Mr. Robert Fretel has therefore gained considerable knowledge of employee representative bodies and their activities, as well as of employee consultation processes.

He joined the Board of Directors of Capgemini SE on September 1, 2016 as a director representing employees. He is also a member of the Strategy & Investment Committee.

Mr. Robert Fretel brings to the Board the perspective of an employee with considerable knowledge and experience of technological environments and their Digital transformation. As a result of his duties, Mr. Robert Fretel also has an in-depth understanding of the Capgemini Group and its businesses.

Principal office:

Mr. Robert Fretel is a software architect/MVS expert and software engineer with Capgemini Technology Services.

OFFICES HELD IN 2017 OR CURRENT OFFICES AT DECEMBER 31, 2017

Director of:

- CAPGEMINI SE* (since September 2016)

OTHER OFFICES HELD DURING THE LAST FIVE YEARS (OFFICES EXPIRED)

N/A

(*) Listed company.

Date of birth:
September 13, 1960
Nationality:
British
Business address:
Capgemini SE
11, rue de Tilsitt
75017 Paris
First appointment:
2016
Expiry of term of office:
2020
(Ordinary Shareholders' Meeting held to approve the 2019 financial statements)
Number of shares held at Dec. 31, 2017:
1,000

SIÂN HERBERT-JONES

Independent Director
Member of the Audit & Risk Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

A British Chartered Accountant, Ms. Siân Herbert-Jones initially worked for 15 years with PricewaterhouseCoopers in its London and then Paris offices, where she was in charge of mergers and acquisitions (from 1983 to 1993). She then joined the Sodexo Group, where she spent 21 years, including 15 years as Chief Financial Officer and member of the Executive Committee (until February 28, 2016). She is currently a director of l'Air Liquide SA (since 2011) where she chairs the Audit and Accounts Committee. She has also been a director of Bureau Veritas since May 17, 2016 and is a member of the Appointments and Compensation Committee.

Ms. Siân Herbert-Jones joined the Board of Directors of Capgemini SE on May 18, 2016. She has been a member of the Audit & Risk Committee (formerly the Audit Committee) since this date.

Of British nationality, she brings strong financial and audit expertise to the Board, as well as her experience with international transactions, particularly in the service sector (BtoB). She also contributes to the Board her multi-cultural management experience and expertise and her experience as an Independent Director on the Boards of leading international companies.

Principal office:

Independent Director

OFFICES HELD IN 2017 OR CURRENT OFFICES AT DECEMBER 31, 2017

Director of:

- CAPGEMINI SE* (since May 2016)
- L'AIR LIQUIDE SA* (since May 2011)
- BUREAU VERITAS* (since May 2016)
- COMPAGNIE FINANCIÉRE AURORE INTERNATIONALE, a Sodexo group subsidiary (since February 2016)

OTHER OFFICES HELD DURING THE LAST FIVE YEARS (OFFICES EXPIRED)

Chief Financial Officer and member of the Executive Committee of:

- SODEXO* (until February 2016)

Offices held in Sodexo Group:

Chairman of:

- Etin SAS (until February 2016)
- SOFINSOD SAS (until February 2016)
- SODEXO ETINBIS SAS (until February 2016)

Permanent Representative of Sofinsod SAS on the Supervisory Board of:

- ONE SCA (until February 2016)

Director of:

- SODEXHO AWARDS CO (until February 2016)
- SODEXO JAPAN KABUSHIKI KAISHA Ltd (until February 2016)
- SODEXHO MEXICO SA DE CV (until February 2016)
- SODEXHO MEXICO SERVICIOS DE PERSONAL SA DE CV (until February 2016)
- SODEXO REMOTE SITES THE NETHERLANDS B.V (until February 2016)
- SODEXO REMOTE SITES EUROPE Ltd (until February 2016)
- UNIVERSAL SODEXHO EURASIA Ltd (until February 2016)
- SODEXO, INC (until February 2016)
- SODEXO MANAGEMENT, INC. (until February 2016)
- SODEXO REMOTE SITES USA, INC. (until February 2016)
- SODEXO SERVICES ENTERPRISES LLC (until February 2016)
- UNIVERSAL SODEXHO SERVICES DE VENEZUELA SA (until February 2016)
- UNIVERSAL SODEXHO EMPRESA DE SERVICIOS Y CAMPAMENTOS SA (until February 2016)
- SODEXO GLOBAL SERVICES UK Ltd (until February 2016)

Member of the Management Board of:

- SODEXO EN FRANCE SAS (until February 2016)
- SODEXO ENTREPRISES SAS (until February 2016)
- SODEXO PASS INTERNATIONAL SAS (until February 2016)
- ONE SAS (until February 2016)
- ONE SCA (until February 2016)

(*) Listed company.

PHIL LASKAWY

Director

Member of the Audit & Risk Committee

Date of birth:
March 31, 1941

Nationality:
American

Address:
9 Creamer Hill
Greenwich, CT 06831
United States

First appointment:
2002

Expiry of term of office:
2018
(Ordinary Shareholders' Meeting held to approve the 2017 financial statements)

Number of shares held at Dec. 31, 2017:
1,000

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Mr. Phil Laskawy graduated from the Wharton School of the University of Pennsylvania with a Bachelor's degree in Economics.

Mr. Laskawy served as Chairman and Chief Executive Officer of Ernst & Young (now known as EY LLP) from 1994 until his retirement in 2001, after 40 years of service with the professional services firm. Under his leadership, the firm expanded into a global leader in assurance, tax, transaction and advisory services.

In 2006 and 2007, he served as Chairman of the International Accounting Standards Committee Foundation, which oversees the setting of accounting standards in over 100 countries. He was a member of the Independence Standards Board, created by the Securities and Exchange Commission, and the American Institute of Certified Public Accountants to review and update rules regarding auditor independence, and the 1999 Blue Ribbon Committee on Improving the Effectiveness of Corporate Audit Committees.

Mr. Phil Laskawy was appointed Chairman of Federal National Mortgage Association (Fannie Mae) in September 2008 at the commencement of Fannie Mae's conservatorship and retired from Fannie Mae's Board of Directors in March 2014.

Mr. Laskawy had previously served on the Board of Directors of General Motors Corp. until June 2013, where he chaired the Audit Committee.

Mr. Phil Laskawy is a member of the Board of Directors of Loews Corp (and is a member of its Audit Committee). He has been a director of Henry Schein, Inc. since 2002 and has served as its Lead Director since 2012. He is also Chairman of the Nominating and Governance Committee and a member of the Audit Committee and of the Strategic Advisory Committee of Henry Schein, Inc. Mr. Phil Laskawy has served as a director of Lazard Ltd and Lazard Group LLC since July 2008 and is also Chairman of the Compensation Committee and a member of the Audit Committee of the Board of Directors of Lazard Ltd.

Mr. Phil Laskawy joined the Board of Directors of Capgemini SE in 2002 on the acquisition by Capgemini Group of the systems integration business of Ernst and Young, when he was Chief Executive Officer. He is also a member of the Audit & Risk Committee.

Mr. Phil Laskawy brings to the Capgemini SE Board of Directors the outlook and experience of a highly respected individual in the economic and financial sector in the United States. He also contributes the accounting and financial expertise amassed throughout his career with Ernst and Young, his experience in the governance of listed companies in the United States, as well as in strategy and external growth operations in technological environments.

Principal office:

Director

OFFICES HELD IN 2017 OR CURRENT OFFICES AT DECEMBER 31, 2017

Director of:
- CAPGEMINI SE* (since 2002)
- HENRY SCHEIN, INC.* (USA) (since 2002)
- LAZARD LTD* (USA) (since July 2008)
- LOEWS CORPORATION* (USA) (since 2003)
- LAZARD GROUP LLC (USA) (since July 2008)

OTHER OFFICES HELD DURING THE LAST FIVE YEARS (OFFICES EXPIRED)

Chairman of the Board of Directors of:
- FANNIE MAE* (USA) (until March 2014)

Director of:
- GENERAL MOTORS CORPORATION* (USA) (until June 2013)

(*) Listed company.

Date of birth:
May 27, 1956
Nationality:
British
Business address:
Capgemini UK
No.1 Forge End
Woking – Surrey
GU21 6DB
United Kingdom
First appointment:
2016
Expiry of term of office:
2020
(Ordinary Shareholders' Meeting held to approve the 2019 financial statements)
Number of shares held at Dec. 31, 2017:
0

KEVIN MASTERS

Director representing employees
Member of the Compensation Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Mr. Kevin Masters joined the Capgemini Group in 1973. Experience gained within Capgemini mainly revolves around managing large groups of people in an operations or support environment.

Mr. Kevin Masters has been engaged in the employee consultation process as the Chairman of both the Outsourcing Forum and National Works Council Groups since 2001. He was elected as the UK representative on the International Works Council (IWC), then as a member of the IWC Office, where he was the Secretary until his appointment as director representing employees in September 2016.

Between July 2014 and September 2016, Mr. Kevin Masters was invited as Secretary of the IWC to become a non-voting member of the Capgemini SE Board of Directors. He was then also a permanent guest of the Compensation Committee.

Mr. Kevin Masters was appointed as a director representing employees on the Capgemini SE's Board of Directors with effect from September 1, 2016. He is also a member of the Compensation Committee.

Mr. Kevin Masters brings to the Board of Directors his great knowledge of the Capgemini Group and of its businesses, his experience of technological environments, as well as the vision of an employee of Anglo-Saxon culture, thus contributing to the diversity of profiles represented on the Board.

Principal office:

Project Management, Cloud Infrastructure Services with Capgemini UK.

OFFICES HELD IN 2017 OR CURRENT OFFICES AT DECEMBER 31, 2017

Director of:

- CAPGEMINI SE* (since September 2016)

OTHER OFFICES HELD DURING THE LAST FIVE YEARS (OFFICES EXPIRED)

N/A

(*) Listed company.

XAVIER MUSCA

Independent Director

Chairman of the Audit & Risk Committee

Date of birth:
February 23, 1960

Nationality:
French

Business address:
Crédit Agricole SA
50, avenue Jean Jaurès
92120 Montrouge

First appointment:
2014

Expiry of term of office:
2018
(Ordinary Shareholders' Meeting held to approve the 2017 financial statements)

Number of shares held at Dec. 31, 2017:
1,000

BIOGRAPHY – PROFESSIONAL EXPERIENCE

A graduate of Institut d'Etudes Politiques in Paris and École Nationale d'Administration, Mr. Xavier Musca began his career at the General Finance Inspectorate in 1985. In 1989, he joined the Treasury Directorate, where he became head of the European Affairs Bureau in 1990. In 1993, he was called to the Prime Minister's staff, then returned to the Treasury Directorate in 1995. Between 2002 and 2004, he was Principal Private Secretary to Francis Mer, Minister for the Economy, Finance and Industry, then appointed Treasury Director in 2004. He was subsequently appointed Director General of Treasury and Economic Policy in June 2005. In these positions, he played a key role in preparing major European and global summits at the start of the financial crisis. He was the French negotiator at IMF and World Bank meetings and coordinated the bailout of the European Union banking sector with his European counterparts. In 2009, he became Deputy Secretary General to the French President in charge of economic affairs and was responsible for negotiations at the G20 meeting in London on April 2, 2009 on placing the global financial system on a sounder footing and improving supervision and the fight against tax havens. He was appointed Secretary General to the French President in 2011.

On June 13, 2012, Mr. Xavier Musca was appointed Deputy Chief Executive Officer of Crédit Agricole SA, responsible for International retail banking, Asset management and Insurance. He has been Deputy Chief Executive Officer of Crédit Agricole SA, as effective second Executive Director of Crédit Agricole SA since May 2015.

Mr. Xavier Musca is a Knight of the Legion of Honor, the National Order of Merit and the Order of Agricultural Merit.

Mr. Xavier Musca joined the Board of Directors of Capgemini SE on May 7, 2014. He has been a member of the Audit & Risk Committee (formerly the Audit Committee) since this date and was appointed Chairman on December 7, 2016. Mr. Xavier Musca brings to the Board of Directors his management experience with a major international group and his financial expertise. He has in-depth knowledge of the financial sector, including both retail and BtoB services, which accounts for some 25% of Group revenues. He also provides the Board with his knowledge of economic globalization issues.

Principal office:

Mr. Xavier Musca has been Deputy Chief Executive Officer of CRÉDIT AGRICOLE SA since July 2012.

OFFICES HELD IN 2017 OR CURRENT OFFICES AT DECEMBER 31, 2017

Director of:

- CAPGEMINI SE* (since May 2014)

Offices held in Crédit Agricole Group:

Deputy Chief Executive Officer (since July 2012) **and effective second Executive Director** (since May 2015) **of:**

- CRÉDIT AGRICOLE SA* (**Member of the Management Committee – Member of the Executive Committee**)

Chairman of:

- AMUNDI SA* **Director** (since July 2012, renewed in April 2015) and **Chairman** (since December 7, 2016)
- CA CONSUMER FINANCE (since July 2015)

Director – Vice-Chairman of:

- PREDICA (since November 2012)

Director of:

- CA ASSURANCES (since November 2012)
- CACI (since June 2013)

Director of:

- CARIPARMA (ITALY) (since October 2016)

Permanent Representation of Crédit Agricole SA on the Board of Directors of:

- PACIFICA (since October 2012)

OTHER OFFICES HELD DURING THE LAST FIVE YEARS (OFFICES EXPIRED)

Offices held in Crédit Agricole Group:

Vice-Chairman of the Supervisory Board of:

- CRÉDIT DU MAROC* (until 2015)

Vice-Chairman of:

- UBAF (until 2015)

Member of the Executive Committee of:

- CARIPARMA (ITALY) (until 2015)

Director – Vice-Chairman of:

- CRÉDIT AGRICOLE EGYPT SAE* (until 2015)

Director of:

- BESPAR (until May 2014)
- BANCO ESPIRITO SANTO (until December 2014)
- CACEIS (until 2015)

(*) Listed company.

Date of birth:
June 24, 1963
Nationality:
French
Business address:
TOTAL SA
2, Place Jean Millier
92400 Courbevoie
First appointment:
2017
Expiry of term of office:
2021
(Ordinary Shareholders' Meeting held to approve the 2020 financial statements)
Number of shares held at Dec. 31, 2017:
1,000 (1)

PATRICK POUYANNÉ

Independent Director
Member of the Strategy & Investment Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Mr. Patrick Pouyanné is a graduate of École Polytechnique and a Chief Engineer of France's Corps des Mines. Between 1989 and 1996, he held various administrative positions in the Ministry of Industry and other cabinet positions (technical advisor to the Prime Minister in the fields of the Environment and Industry – Édouard Balladur – from 1993 to 1995, Chief of Staff for the Minister for Information and Aerospace Technologies – François Fillon – from 1995 to 1996). In January 1997, he joined Total's Exploration & Production division, first as Chief Administrative Officer in Angola, before becoming Group representative in Qatar and President of the Exploration and Production subsidiary in that country in 1999. In August 2002, he was appointed President, Finance, Economy and IT for Exploration & Production In January 2006, he became President, Strategy, Growth and Research in Exploration & Production and was appointed a member of the Group's Management Committee in May 2006. In March 2011, Mr. Pouyanné was appointed Vice-President, Chemicals, and Vice-President, Petrochemicals. In January 2012, he became President, Refining & Chemicals and a member of the Group's Executive Committee.

On October 22, 2014, he was appointed Chief Executive Officer of Total and President of the Group's Executive Committee. On May 29, 2015, the Annual Shareholders' Meeting appointed him a director of Total SA for a three-year term. At its meeting on December 16, 2015, Total's Board of Directors appointed him as its Chairman from December 19, 2015 for the remainder of his term of office as director. Mr. Patrick Pouyanné is now Chairman and Chief Executive Officer of Total.

Mr. Patrick Pouyanné has been a director of Capgemini SE since May 10, 2017 and a member of the Strategy & Investment Committee since September 1, 2017.

He brings to the Board of Directors of Capgemini his expertise in macroeconomic and geopolitic issues and his experience in managing a leading international energy group, a sector where new technologies play an essential role.

Principal office:

Mr. Patrick Pouyanné has been Chairman and Chief Executive Officer of Total SA since December 2015. He has been a Director of Total SA since May 2015 and is Chairman of the Strategy & CSR Committee.

OFFICES HELD IN 2017 OR CURRENT OFFICES AT DECEMBER 31, 2017

Director of:

- CAPGEMINI SE* (since May 2017)

Chairman and Chief Executive Officer of:

- TOTAL SA* (since December 2015)

OTHER OFFICES HELD DURING THE LAST FIVE YEARS (OFFICES EXPIRED)

Offices held in TOTAL Group:

Chairman and Director of:

- TOTAL RAFFINAGE-CHIMIE (until 2014)
- TOTAL PETROCHEMICALS & REFINING SA/NV (until 2014)

(*) Listed company.
(1) Mr. Patrick Pouyanné purchased these Capgemini SE shares prior to his appointment as director, approved by shareholders at the Shareholders' Meeting of May 10, 2017. He was not therefore required to disclose this transaction to the French Financial Markets Authority (AMF).

Date of birth:
January 31, 1950

Nationality:
French

Business address:
Pernod Ricard
12, place des États-Unis
75783 Paris Cedex 16

First appointment:
2009

Expiry of term of office:
2021
(Ordinary Shareholders' Meeting held to approve the 2020 financial statements)

Number of shares held at Dec. 31, 2017:
1,700

PIERRE PRINGUET

Lead Independent Director
Chairman of the Ethics & Governance Committee
Member of the Compensation Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Mr. Pierre Pringuet is a graduate of École Polytechnique and École des Mines. He started his career in the French civil service, where he was appointed as an advisor to government minister Michel Rocard (1981–1985), before being given responsibility for the Farming and Food Processing Industries at the Ministry of Agriculture. He joined Pernod Ricard in 1987 as Development Director, playing an active role in the Group's international development and holding the positions of Managing Director of Société pour l'Exportation de Grandes Marques (1987–1996) and then Chairman and Chief Executive Officer of Pernod Ricard Europe (1997–2000). In 2000, he joined Patrick Ricard at the Headquarters as one of Pernod Ricard's two joint CEOs. He was appointed a director of Pernod Ricard in 2004 and led the successful acquisition of Allied Domecq in 2005 and its subsequent integration. In December of the same year, he became the Group's Deputy Chief Executive Officer & Chief Operating Officer. In 2008, Pierre Pringuet carried out the acquisition of Vin&Sprit (V&S) and its brand Absolut Vodka, which completed Pernod Ricard's international development. Following the withdrawal of Patrick Ricard from his operational duties, Mr. Pierre Pringuet was appointed Chief Executive Officer of Pernod Ricard on November 5, 2008. He performed his duties as CEO until February 11, 2015, the date of expiry of his term of office pursuant to the Company's bylaws. He is Vice-Chairman of the Board of Directors of Pernod Ricard since August 29, 2012 and plays an active role, together with the Appointments, Governance and CSR Committee, in the management of all corporate governance issues. He is also a member of the Pernod Ricard Strategy Committee and Compensation Committee.

Mr. Pierre Pringuet is Vice-Chairman of the Vallourec Supervisory Board and Lead Independent Director since February 23, 2015. He is also Chairman of the Vallourec Appointments, Compensation and Governance Committee. Mr. Pierre Pringuet was appointed to the Board of Directors of ILIAD SA on July 25, 2007 and is a member of the Appointments and Compensation Committee.

Mr. Pierre Pringuet was President of the Association Française des Entreprises Privées (AFEP) (French Association of Private Enterprises) from June 2012 to May 2017.

He holds the ranks of Knight of the Legion of Honor, Knight of the National Order of Merit and Officer of the Order of Agricultural Merit.

Mr. Pierre Pringuet joined the Board of Directors of Capgemini SE on April 30, 2009. He is Lead Independent Director and Chairman of the Ethics & Governance Committee since May 10, 2017 and a member of the Compensation Committee since June 17, 2009, which he chaired from May 2014 to May 2017. Mr. Pierre Pringuet brings to the Board extensive experience in the Retail sector, as a senior executive of an international group. He shares with the Board his expertise in corporate governance issues and executive compensation, as well as his strategy and development experience, particularly in international external growth transactions.

Principal office:

Mr. Pierre Pringuet has been Vice-Chairman of Pernod Ricard since August 2012.

OFFICES HELD IN 2017 OR CURRENT OFFICES AT DECEMBER 31, 2017

Director of:

- CAPGEMINI SE* (since April 2009)
- ILIAD SA*(since July 2007)
- AVRIL GESTION SAS (GROUPE AVRIL) (since December 2014)

Vice-Chairman of the Board of Directors of:

- PERNOD RICARD* (since August 2012)

Vice-Chairman and Lead Independent Director of the Supervisory Board of:

- VALLOUREC* (since February 2015)

Chairman of:

- AFEP (French Association of Private Enterprises) (until May 2017)
- Amicale du Corps des Mines (ACM) (since 2015)
- Fondation ParisTech (since January 2016)
- Scotch Whisky Association (since December 2014)

OTHER OFFICES HELD DURING THE LAST FIVE YEARS (OFFICES EXPIRED)

Chief Executive Officer of:

- PERNOD RICARD* (until February 2015)

Chairman of:

- AgroParisTech (until December 2016)

(*) Listed company.

BRUNO ROGER

Director
Chairman of the Strategy & Investment Committee
Member of the Ethics & Governance Committee

Date of birth:
August 6, 1933
Nationality:
French
Business address:
Lazard Frères
121, boulevard Haussmann
75008 Paris
First appointment:
2000
Expiry of term of office:
2018
(Ordinary Shareholders' Meeting held to approve the 2017 financial statements)
Number of shares held at Dec. 31, 2017:
1,000

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Mr. Bruno Roger is a graduate of Institut d'Etudes Politiques (IEP) in Paris. He began, his career with Lazard Frères in 1958. In 1973 he was appointed Manager of Lazard, followed by Managing Partner and then Chairman from 2002 to 2017.

Mr. Bruno Roger has been Vice-Chairman of Lazard Group, Honorary Chairman of Lazard Frères Banque and Senior Partner of Lazard Frères SAS since October 1, 2017. He was Chairman of Lazard Frères SAS and Compagnie Financière Lazard Frères SAS until October 1, 2017. He was also Managing Partner of Lazard Partners Ltd (1984-1999) and Managing Director of Lazard Frères and Co, New York (1995-2001). He was Chairman of the Board of Directors of Lazard Frères Banque until October 1, 2017. Mr. Bruno Roger is Managing Director and a Member of the Executive Committee of Lazard Group.

After serving as Vice-Chairman and Chief Executive Officer of Eurafrance (1974-2001) and Chairman and Chief Executive Officer of Financière et Industrielle Gaz et Eaux, and subsequently Azeo (1990-2002), Mr. Bruno Roger was appointed Chairman of the Eurazeo Supervisory Board (following the merger of Azeo and Eurafrance) in 2002. He has been Honorary Chairman of the Supervisory Board of Eurazeo since May 5, 2004.

Mr. Bruno Roger was also a member of the Supervisory Board of UAP (now Axa), Crédit Immobilier Industriel Sovac and Pinault- Printemps (now Kering) (1994-2005). He also served on the Board of Directors of LVMH, Saint-Gobain (1987-2005), Thomson CSF (now Thales) (1992-2002), Sofina (1989-2004), Marine Wendel (1988-2002), SFGI (1987-2001), Sidel (1993-2001), Immobilière Marseillaise, Moët Hennessy, Pechiney, PSA Finance, Sanofi and UAP.

A philanthropist, Mr. Bruno Roger is also Chairman of the Aix-en-Provence International Music Festival, Vice-Chairman of the Amis du Quai Branly and a member of the Board of Directors of the Decorative Arts festival.

Mr. Bruno Roger holds the ranks of Grand Cross of the Legion of Honor and Commander of the Order of Arts and Letters.

He has sat on the Board of Directors of Capgemini SE since May 23, 2000. He has been Chairman of the Strategy & Investment Committee since May 7, 2014 and a member of the Ethics & Governance Committee since July 26, 2006. He brings considerable expertise in international development strategy and external growth to the Board of Directors. As a director of Capgemini, the only directorship of a listed company he has wished to continue, Mr. Bruno Roger brings to the Board his proven corporate governance experience on numerous, prestigious French boards of directors.

Principal office:

Mr. Bruno Roger is Vice-Chairman of Lazard Group, Honorary Chairman of Lazard Frères Banque and Senior Partner of Lazard Frères SAS.

OFFICES HELD IN 2017 OR CURRENT OFFICES AT DECEMBER 31, 2017

Director of:
- CAPGEMINI SE*

Chairman of:
- LAZARD FRÈRES SAS (until October 1, 2017)
- COMPAGNIE FINANCIÈRE LAZARD FRÈRES SAS (until October 1, 2017)

Chairman of :
- GLOBAL INVESTMENT BANKING of LAZARD FRÈRES GROUP (since 2005)

Chairman of the Board of Directors of:
- LAZARD FRÈRES BANQUE (until October 1, 2017)

Senior Partner of:
- LAZARD FRÈRES SAS

Member of the Executive Committee and Managing Director of:
- LAZARD GROUP (since 2000)

Honorary Chairman of the Supervisory Board of:
- EURAZEO* (since May 2004)

Honorary Chairman of:
- LAZARD FRÈRES BANQUE
- LA SOCIÉTÉ FRANÇAISE DES ANALYSTES FINANCIERS

Member of the Board of Directors of:
- PARIS EUROPLACE
- ARTS DÉCORATIFS

Chairman of:
- AIX-EN-PROVENCE INTERNATIONAL MUSIC FESTIVAL
- FONDATION MARTINE AUBLET

Vice-Chairman of:
- LAZARD GROUP (since 2017)
- LES AMIS DU MUSÉE DU QUAI BRANLY

OTHER OFFICES HELD DURING THE LAST FIVE YEARS (OFFICES EXPIRED)

Chairman and Chief Executive Officer of:
- LAZARD FRÈRES BANQUE

Non-voting director of:
- EURAZEO* (until 2013)

(*) Listed company.

Date of birth:
January 19, 1964

Nationality:
French

Business address:
Capgemini Service
76, avenue Kléber
75016 Paris

First appointment:
2012

Expiry of term of office:
2020
(Ordinary Shareholders' Meeting held to approve the 2019 financial statements)

Number of shares held at Dec. 31, 2017:
20,137

LUCIA SINAPI-THOMAS

Director representing employee shareholders
Member of the Compensation Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Ms. Lucia Sinapi graduated from ESSEC business school (1986) and Paris Law University - Panthéon Assas (1988), was admitted to the Paris bar (1989), and has a financial analyst degree (SFAF 1997). She started her career as a tax and business lawyer in 1986, before joining Capgemini in 1992. She has more than 20 years' experience within Capgemini Group, successively as Group Tax Advisor (1992), head of Corporate Finance, Treasury and Investors Relations (1999), then head of Risk Management and Insurance (2005), and member of the Group Review Board. She was Deputy Chief Financial Officer from 2013 until December 31, 2015. Ms. Lucia Sinapi-Thomas is Executive Director Business Platforms at Capgemini.

Ms. Lucia Sinapi-Thomas was appointed to the Dassault Aviation Board of Directors on May 15, 2014, where she is also a member of the Audit Committee. She has also been a director of Bureau Veritas since May 22, 2013 and was appointed to the Audit & Risk Committee on the same date.

Ms. Lucia Sinapi-Thomas joined the Board of Directors of Capgemini SE as a director representing employee shareholders on May 24, 2012. She has been a member of the Compensation Committee since June 20, 2012.

Ms. Lucia Sinapi-Thomas brings to the Board her finance expertise and her extensive knowledge of the Capgemini Group, its businesses, offerings and clients, enriched by her ongoing operating responsibilities. In addition, her experience as a director of Euronext listed companies provides her with a perspective offering insight relevant to Capgemini's various activities.

Principal office:

Ms. Lucia Sinapi Thomas has been Executive Director Business Platforms of Capgemini Group since January 2016.

OFFICES HELD IN 2017 OR CURRENT OFFICES AT DECEMBER 31, 2017

Director of:

- CAPGEMINI SE* (since April 2009)
- BUREAU VERITAS* (since May 2013)
- DASSAULT AVIATION* (since May 2014)

Executive Director:

BUSINESS PLATFORMS, CAPGEMINI (since January 2016)

Other offices held in Capgemini Group:

Chairman of:

- CAPGEMINI EMPLOYEES WOLRLDWIDE S.A.S. (since June 2012)

Chairman of the Supervisory Board of:

- FCPE Capgemini

Member of the Supervisory Board of:

- FCPE ESOP CAPGEMINI

Director of:

- CAPGEMINI SOGETI DANMARK A/S (Denmark) (since June 2014)
- SOGETI SVERIGE AB (Sweden) (since November 2008)
- SOGETI SVERIGE MITT AB (Sweden) (since November 2008)
- SOGETI NORGE A/S (Norway) (since January 2009)
- CAPGEMINI POLSKA Sp.z.o.o. (Poland) (since March 2016)
- CAPGEMINI BUSINESS SERVICES GUATEMALA S.A. (since April 2016)

Chief Executive Officer of:

- CAPGEMINI OUTSOURCING SERVICES S.A.S. (since April 2017)

OTHER OFFICES HELD DURING THE LAST FIVE YEARS (OFFICES EXPIRED)

Offices held in Capgemini Group:

Deputy Chief Financial Officer of:

- CAPGEMINI SE (until December 2015)

Director of:

- CAPGEMINI REINSURANCE INTERNATIONAL S.A. (Luxembourg) (until April 2016)
- EURIWARE SA (until July 2015)
- SOGETI SA/NV (Belgium) (until December 2013)

(*) Listed company.

Date of birth:
February 24, 1952
Nationality:
American
Address:
6913 Wescott Drive
Colleyville, TX 76034
United States
First appointment:
2014
Expiry of term of office:
2018
(Ordinary Shareholders' Meeting held to approve the 2017 financial statements)
Number of shares held at Dec. 31, 2017:
1,000

CAROLINE WATTEEUW-CARLISLE

Independent Director
Member of the Compensation Committee
Member of the Strategy & Investment Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Ms. Caroline Watteeuw-Carlisle graduated from the University of Gent, Belgium, in Chemical Engineering, Modeling and holds a Master of Science (MS) in Biochemical Engineering from the University of Pennsylvania (USA).

Ms. Caroline Watteeuw-Carlisle started her career in 1977 working for Hoffman as a research scientist. In 1979, she joined Office of the Future & Netcube Inc. where she rose from consultant to President, a position she left in 1994 to become Managing Director, Risk Management & Financial Services Technology at the Bankers Trust Company. In 1997 she became Managing Director Information Technology at Credit Suisse, and in 2000 was Executive Vice-President and CTO at TradingEdge, the first electronic bond trading exchange. Between 2001 and 2004 she was Managing Director and Global CTO of iFormation Group, a venture capital fund representing a collaboration between The Boston Consulting Group, Goldman Sachs, and General Atlantic Partners.

She joined PepsiCo in June 2004 as CIO for North America, supporting both the Beverage and the Food Businesses. In 2007 she was promoted to Global Chief Technology Officer and SVP of Business Information Solutions of Pepsico, where she managed all infrastructure and enterprise application support systems, and technology innovations like advanced digital media and mobile platforms integrated with real-time data analytics. From October 2014 to summer 2016 she was a Technology Officer for Warburg Pincus, one of the leading global Private Equity firms, responsible for IT diligence for prospective investments, as well as providing Technology Advisory Services to Warburg's existing portfolio companies.

Ms. Caroline Watteeuw-Carlisle joined the Board of Directors of Capgemini SE on May 7, 2014. She was also appointed a member of the Compensation Committee and the Strategy & Investment Committee at the same date.

Born in Belgium, Ms. Caroline Watteeuw-Carlisle has spent her entire professional career in the United States as a technology officer in the financial sector and then the consumer goods sector. She has in-depth knowledge of technology developments and of their Digital transformation and an understanding of their impact on user companies, both on their organizations and on their relationships with clients and partners. Furthermore, Ms. Watteeuw-Carlisle's dual European and US background gives her a perfect understanding of the two regions where the Group generates 92% of its revenues.

Ms. Watteeuw-Carlisle contributes to the Group's strategic discussions through both her professional experience and personal history.

Principal office:

Since June 2016, Ms. Caroline Watteeuw-Carlisle is EVP and Chief Technology Officer of Caliber Home Loans, located at 1525 South Beltline Rd, Coppell, TX, USA.

OFFICES HELD IN 2017 OR CURRENT OFFICES AT DECEMBER 31, 2017

Director of:

- CAPGEMINI SE* (since May 2014)

EVP and Chief Technology Officer of:

- CALIBER HOME LOANS (since June 2016)

Member of the Advisory Committee of:

- BLUE YONDER GmbH (since August 2015)

Member of the Board of Directors of:

- NEW YORK INSTITUTE OF TECHNOLOGY (NYIT) (since January 2016)

Chief Technology Advisor of:

- BOY SCOUTS OF AMERICA (since June 2016)

OTHER OFFICES HELD DURING THE LAST FIVE YEARS (OFFICES EXPIRED)

Technology Officer of:

- WARBURG-PINCUS LLC (USA) (until June 2016)

Global Chief Technology Officer and SVP Business Information Solutions of:

- PEPSICO (until September 2013)

Member of the Advisory Committees of:

- HP PRINTING MANAGED SERVICES BOARD OF ADVISORY COUNCIL (until July 2014)
- INTEL CAPITAL (until September 2013)
- ACORIO (until September 2013)
- OCULUS360 (until October 2014)

(*) Listed company.

2.1.4 Transactions carried out by members of the Board of Directors and other senior managers in the Company's shares

The following transactions were carried out in 2017 by directors and senior managers in the Company's shares, based on disclosures submitted to the French Financial Markets Authority (AMF), Article 223-26 of the AMF's General Regulations and information communicated to the Company for the preparation of the Registration Document pursuant to European Commission Regulation no. 809/2004 of April 29, 2004 and European Regulation no. 596/2014 of April 16, 2017:

- Mr. Paul Hermelin (Chairman and Chief Executive Officer) disclosed the following transactions:
  - sale of 15,000 Capgemini SE shares on April 5, 2017 at a unit price of €86 (declaration 2017DD472071),
  - subscription on September 28, 2017 of 2,786.2755 "ESOP Capgemini" FCPE units, in the "Capgemini shareholder fund" compartment (invested in Capgemini SE shares) at a unit value of €98.17 through reinvestment at the end of the 2012 employee share ownership plan (declaration 2017DD512648),
  - subscription on December 18, 2017 of 374.9558 "ESOP Capgemini" FCPE units (invested in Capgemini SE shares) at a unit value of €89.39 under the 2017 employee share ownership plan (declaration 2017DD531309);
- Mr. Robert Fretel (director) disclosed the following transactions:
  - sale on September 28, 2017 of 109.2442 "ESOP Capgemini" FCPE units (invested in Capgemini SE shares) at a unit value of €158.48 at the end of the 2012 employee share ownership plan (declaration 2017DD512719),
  - subscription on December 18, 2017 of 14.4192 "ESOP Capgemini" FCPE units (invested in Capgemini SE shares) at a unit value of €89.39 under the 2017 employee share ownership plan (declaration 2017DD531344);
- Mr. Kevin Masters (director) disclosed the following transactions:
  - sale on September 28, 2017 of 75.5023 "ESOP Capgemini" FCPE units (invested in Capgemini SE shares) at a unit value of €158.48 at the end of the 2012 employee share ownership plan (declaration 2017DD512379),
  - subscription on December 18, 2017 of 21.9617 "ESOP Capgemini" FCPE units (invested in Capgemini SE shares) at a unit value of €89.39 under the 2017 employee share ownership plan (declaration 2017DD531382);
- Ms. Lucia Sinapi (director) and individuals closely related to her, disclosed the following transactions:
  - a gift by Ms. Sinapi on May 12, 2017 to closely related individuals of 3,980 Capgemini SE shares at a unit price of €95.47, comprising 1,045 shares to Hélène Thomas (child), 1,045 shares to Adrien Thomas (child), 1,045 shares to Sonia Thomas (child) and 845 shares to Jean-Marc Thomas (spouse) (closely-related individuals) (declarations 2017DD487857, 2017DD476662, 2017DD476660, 2017DD476663 and 2017DD476659),
  - sale by Ms. Sinapi on September 28, 2017 of 350.0303 "ESOP Capgemini" FCPE units (invested in Capgemini SE shares) at a unit value of €158.48 at the end of the 2012 employee share ownership plan (declaration 2017DD512449),
  - subscription by Ms. Sinapi on December 18, 2017 of 87.6812 "ESOP Capgemini" FCPE units (invested in Capgemini SE shares) at a unit value of €89.39 under the 2017 employee share ownership plan (declaration 2017DD531411);
- Mr. Aiman Ezzat (Chief Financial Officer) disclosed the following transactions:
  - sale on September 28, 2017 of 776.5656 "ESOP Capgemini" FCPE units (invested in Capgemini SE shares) at a unit value of €158.48 at the end of the 2012 employee share ownership plan (declaration 2017DD512345),
  - subscription on December 18, 2017 of 223.0903 "ESOP Capgemini" FCPE units (invested in Capgemini SE shares) at a unit value of €89.39 under the 2017 employee share ownership plan (declaration 2017DD531364),

2.2 Organization and activities of the Board of Directors

GOVERNANCE BODIES

Ethics & Governance Committee

100% Attendance · 4 Members · 50% Independence · 6 Meetings

Compensation Committee

92% Attendance · 5 Members · 100%(1) Independence · 5 Meetings

Board of Directors

16 Members

95% Attendance · 62%(1) Independence

10 Meetings · 4 Executive sessions

Strategy & Investment Committee

100% Attendance · 7 Members · 50%(1) Independence · 4 Meetings

Audit & Risk Committee

86% Attendance · 5 Members · 80% Independence · 8 Meetings

NB: all figures are up to date as of December 31, 2017.

(1) Directors representing employees and employee shareholders are not taken into account in calculating the independence rate, in accordance with the provisions of the AFEP-MEDEF Code.

2.2.1 Organization of the Board of Directors

The role of the Board of Directors

The principal role of the Board of Directors is to determine the key strategies of Capgemini SE and the Group it controls, to ensure that these strategies are implemented, to validate the legal and operational structure of the Group and the appointment of key managers and, more generally, to address any issues that arise in respect of the day-to-day operation of the Group. Given Capgemini's business as a service provider, the Board pays particular attention to the management of the Group's 199,698 [1] employees and thousands of managers across the globe.

Operating rules

For many years, the Capgemini SE Board of Directors has applied the best governance practices now aligned with the recommendations of the AFEP-MEDEF Corporate Governance Code to which Capgemini refers. Accordingly, the Board has:

- prepared, adopted, applied and amended where useful or necessary the **Charter of the Board of Directors**, particularly as part of a constant drive to improve the governance of the Company (see below);
- set up **four Specialized Board Committees** - the Audit & Risk Committee, the Compensation Committee, the Ethics & Governance Committee, and finally the Strategy & Investment Committee - and given each a clearly defined role (see Section 2.2.4);
- created the role of **Lead Independent Director** in May 2014, with specific prerogatives and duties to contribute to the balanced governance of Capgemini where the duties of Chairman and Chief Executive Officer are regrouped (see 2.2.1 below);
- adopted a **system for allocating attendance fees**, whereby the majority of such fees are indexed to attendance at Board and Committee meetings (see Section 2.2.5);
- **periodically reviewed the personal situation** of each director in light of the definition of **independence** adopted by the AFEP-MEDEF Corporate Governance Code ("a director is independent when he/she has no relationship of any sort with the Company, the Group or its Management, that is likely to impair his/her judgment") (see Section 2.1.2);
- **regularly assessed its organization and operation**, either at the time of the annual internal assessment performed by the Lead Independent Director or three-yearly, through the assessment conducted by an external consultant under the responsibility of the Lead Independent Director (see Section 2.2.3);
- **assessed since 2015 the effective contribution of each director** to the activities of the Board of Directors, at the time of the annual Board assessment (see Section 2.2.3).

(1) At December 31, 2017

Compliance with the AFEP-MEDEF Code

Capgemini SE is constantly seeking to improve its governance and regularly monitors its compliance with the provisions of the AFEP-MEDEF Code.

Accordingly, the Company has voluntarily brought the following issues, explained in previous years by the Company, into compliance with the provisions of the AFEP-MEDEF Code:

- the Combined Shareholders' Meeting of May 18, 2016 amended the Company's bylaws to provide for the staggered renewal of the terms of office of directors, in line with Article 13.2 of the AFEP-MEDEF Code;
- in accordance with Article 21 of the AFEP-MEDEF Code, the employment contract of the Chairman and Chief Executive Officer was terminated on February 18, 2015;
- in light of the recommendations of the AMF and the Corporate Governance High Committee, the Board of Directors implemented an appraisal procedure in 2015 to assess the absence of conflicts of interest for Independent Directors.

Furthermore, following recent changes in the AFEP-MEDEF Code in November 2016, the following points no longer represent deviations from the provisions of the AFEP-MEDEF Code:

- performance shares are granted to executive corporate officers conditional upon the acquisition of a defined quantity of shares once the shares granted are available;
- the Audit Committee has a minimum period of two days to review the accounts before their review by the Board.

Under the "Comply or Explain" rule provided for in Article L.225-37-4 of the French Commercial Code and stipulated in Article 27.1 of the AFEP-MEDEF Corporate Governance Code for listed companies revised in November 2016, the Company considers that its practices comply fully with the recommendations of the AFEP-MEDEF Code.

Board Charters

The Charters of the Board of Directors and the Specialized Board Committees are available on the Company's website: www.capgemini.com.

Regularly updated Charters

When the legal form of the Company returned to that of a traditional limited liability company (*société anonyme*) in May 2000, a new Charter was debated and adopted by the Board of Directors.

The Charter has since been amended several times in line with changes in the Company and as part of the constant drive to improve governance with the dual aim of facilitating the collective performance of the Board of Directors' activities and satisfying the corporate governance expectations of shareholders and their representatives.

In particular, the position of Lead Independent Director was created in 2014. The respective duties of the Compensation Committee (formerly the Selection & Compensation Committee) and the Ethics & Governance Committee were revised in 2014, with the Compensation Committee focusing exclusively on setting executive corporate officer compensation and defining compensation policy for Group senior executives and the duties of the Ethics & Governance Committee expanded to include the selection of and succession plans for key managers of the Group.

Following the 2015 Board assessment which identified the need to improve the coordination of risk monitoring activities by associating the Board of Directors and the Audit Committee, the Charter of the Audit Committee was revised in December 2016 to extend and clarify its risk monitoring duties. The Committee's name was also changed to the Audit & Risk Committee. The Charter of the Board of Directors was also amended in 2016 in a variety of areas, including risk monitoring and the participation of directors representing employees on the Board. The most recent amendments to the Charter were adopted in May 2017 following the adoption of the European company legal status, with Capgemini S.A. becoming Capgemini SE.

Organization of powers

The Charter sets out or clarifies the scope of and bases for exercising the various powers entrusted to the Board of Directors, the four Specialized Board Committees, the Chairman and Chief Executive Officer, the Vice-Chairman and the Lead Independent Director.

The **Board of Directors** represents shareholders. With the exception of the Chairman and Chief Executive Officer, the directors have no individual powers and actions and decisions must therefore be taken on a collective basis.

The role of the **four Specialized Board Committees** is to study and document the issues that the Board has scheduled for discussion and to present recommendations on the subjects and sectors within their remit to plenary sessions of the Board. The Committees are consultation bodies and therefore hold no decision-making powers. Their members and the Chairman are appointed by the Board of Directors and are selected exclusively from among Capgemini SE directors. They are appointed in a personal capacity and may under no circumstances be represented at the meetings of the Committee(s) to which they belong. The Board reserves the right to amend at any time the number and/or make-up of these Committees, as well as the scope of their duties. Finally, the Charters of each of the four Committee - and any amendments thereto which the Committee may later propose - must be formally approved by the Board.

As **Chairman** of the Board of Directors, the **Chairman and Chief Executive Officer** prepares, organizes and leads its work. He sets the agenda of meetings, communicates to directors all information necessary to carry out their duties and oversees the proper operation of the Company's bodies, the correct implementation of Board decisions and compliance with the rules of good conduct adopted by Capgemini. He chairs Combined Shareholders' Meetings to which he reports on the activities and decisions of the Board.

In the absence of the Chairman, the **Vice-Chairman** chairs meetings of the Board of Directors and Shareholders' Meetings. As indicated in Section 2.1.1, he also has a specific remit to prepare changes in the Group's governance.

A **Lead Independent Director** is appointed where the duties of Chairman of the Board of Directors and Chief Executive Officer are regrouped.

The roles and composition of the Specialized Board Committees are presented in Section 2.2.4. The role and prerogatives of the Lead Independent Director are set-out below.

As **Chief Executive Officer**, **the Chairman and Chief Executive Officer** has the most extensive powers to act in all circumstances in the name of the Company, subject to the restrictions presented below. He may be assisted in his duties by one or more **Chief Operating Officers**.

Limits on the powers of the Chief Executive Officer

The Charter stipulates that the Chief Executive Officer must seek and obtain prior approval from the Board of Directors for any decision which is of major strategic importance or which is liable to have a material impact, either directly or indirectly, on the financial position or commitments of the Company or those of one or more of its principal subsidiaries. This applies in particular to:

- the draft annual budget prepared in accordance with the three- year plan;
- the approval of the annual investment and divestment budget;
- the conclusion of material strategic alliances;
- acquisitions or disposals of assets or investments not recorded in the annual investment budget, individually worth more than €100 million, or for smaller investments, resulting in the €300 million cumulative annual ceiling being exceeded;
- financial transactions with a material impact on the Company financial statements or the consolidated financial statements of the Group and particularly issues of securities granting access to the Company's share capital or market debt instruments;
- the grant to employees of incentive instruments granting access to the Company's share capital and particularly performance shares;
- material internal reorganization transactions;
- material changes to the scope or range of businesses;
- increases or decreases in the share capital of a direct subsidiary of Capgemini, concerning an amount in excess of €50 million;
- specific authorizations concerning the granting of pledges, security and guarantees, other than the delegation of authority granted annually to him up to the maximum amount set by the Board of Directors.

The limits on the powers of the Chief Executive Officer set out in the Charter of the Board of Directors also apply to the Chief Operating Officers.

Lead Independent Director

As part of the constant drive to improve governance within the Company, the position of Lead Independent Director was created in May 2014 and entrusted to Mr. Daniel Bernard. Mr. Pierre Pringuet was appointed Lead Independent Director in May 2017.

When the functions of Chairman of the Board of Directors and Chief Executive Officer are exercised by the same person, the Board of Directors appoints a Lead Independent Director. The duties of the Lead Independent Director are entrusted by the Board to the Chairman of the Ethics & Governance Committee, elected by the Board of Directors from among its members classified as independent. The duties of Lead Independent Director and Chairman of the Ethics & Governance Committee may be revoked at any time by the Board of Directors.

As for any other director, the Lead Independent Director may be a member of one or more Specialized Board Committees in addition to the Ethics & Governance Committee that he chairs. He may also attend the meetings of Specialized Board Committees of which he is not a member.

Roles of the Lead Independent Director

The roles of the Lead Independent Director, resulting from the Charter of the Board of Directors and Board decisions, are as follows:

- he is consulted by the Chairman of the Board of Directors on the proposed Board meeting schedule presented for the approval of the Board and on the draft agenda for each meeting of the Board of Directors;
- he can propose to the Chairman the inclusion of items on the agenda of Board of Directors' meetings at his own initiative or at the request of one of more Board members;
- he can bring together Board members in the absence of executive corporate officers in so-called “executive sessions”, at his own initiative or at the request of one of more Board members, to discuss a specific agenda; he chairs any such meetings;
- he leads the assessment of the performance of the Board of Directors and the Specialized Committees;
- he steers the search for new candidates for the Board of Directors;
- he chairs the annual meeting of the Board of Directors convened to assess the performance of the Chairman and Chief Executive Officer and any Chief Operating Officers;
- he holds regular discussions with the other directors to ensure they have the means necessary to perform their duties in a satisfactory manner and in particular that they receive sufficient information prior to the Board meetings;
- he conducts specific reviews to verify the absence of conflicts of interest within the Board of Directors;
- he may communicate with Company shareholders on governance and compensation issues;
- he reports on his actions to the Annual Shareholders' Meeting.

The Lead Independent Director is assisted by the General Secretary in the exercise of his duties.

Report on the Lead Independent Director’s activities in 2017

In 2017, the duties of Lead Independent Director were exercised successively by Mr. Daniel Bernard until the Combined Shareholders’ Meeting of May 10, 2017 and Mr. Pierre Pringuet thereafter.

The Lead Independent Director focused his activities on the following areas in 2017:

- he was closely involved in the preparation of Board of Directors’ meetings, particularly as concerns the different governance issues presented to the Board and was consulted by the Chairman and Chief Executive Officer on the agendas of all Board meetings;
- in the second-half of the year, together with the Vice-Chairman, Mr. Daniel Bernard and the most senior member of the Board, Mr. Bruno Roger, he considered changes in the Group’s governance. This led to the appointment of two Chief Operating Officers, at the recommendation of the Chairman and Chief Executive Officer (*see Sections 2.2.2 and 2.2.4*);

- he met with several institutional investors to present Capgemini's governance principles as part of the Company's dialogue with its shareholders; he reported on these discussions to the Board of Directors and to the Ethics & Governance Committee, whose members include the Chairman of the Compensation Committee;
- at the end of 2017 and the beginning of 2018, he led the internal assessment of the Board and its Specialized Committees for 2017, based on a questionnaire and individual meetings with each of the members of the Board. This also enabled him to assess the individual contribution of each director to the Board's activities (*see Section 2.2.3*);
- in the context of the Ethics & Governance Committee, he led the search process for candidates upstream of the Shareholders' Meeting of May 23, 2018 and participated in the integration of the new director appointed by the Shareholders' Meeting of May 10, 2017;
- he chaired the four executive sessions of the Board during the year, held without the presence of the Chairman and Chief Executive Officer. These meetings focused on:
  - **(i)** the compensation of the Chairman and Chief Executive Officer (attainment of his individual objectives for 2016, setting of his individual objectives for 2017, initial discussion of the objectives to be adopted for 2018 and performance share grants) (sessions held during the Board of Directors' meetings of February 15, October 5 and December 6, 2017), and
  - **(ii)** preparing changes in the Group's governance (session held during the Board of Directors' meeting of August 31, 2017);
- he also reported to shareholders of the Company on his activities and on the activities of the Board and its Specialized Committees in respect of 2017 at the Shareholders' Meeting of May 10, 2017.

During the last Board assessments in 2015 and 2016, the directors expressed their full satisfaction with the creation of the position of Lead Independent Director in 2014, highlighting the importance of its role and activities in achieving the balance desired by the Board, in line with best governance practices.

Director ethics

The Charter of the Board of Directors sets out the main obligations of the Code of Business Ethics that Capgemini SE directors undertake to comply with throughout their term of office.

An extract of the Code of Business Ethics is included in the Charter of the Board of Directors and detailed below:

"The Directors (and any other person who attends Board or Committee meetings) are required to treat as strictly confidential matters discussed during Board or Committee meetings and all Board or committee decisions, as well as any information of a confidential nature or that is presented as such by the Chairman and Chief Executive Officer or Chairman (as applicable) or any other Director.

Each Director undertakes to comply with the following obligations, unless he/she has informed the Chairman and Chief Executive Officer or Chairman (as applicable), in writing, of any objections to one or several of such obligations:

1. Although they are themselves shareholders, the Directors represent all the shareholders and are required to act in all circumstances in the Company's interest. They are required to notify the Chairman of the Ethics & Governance Committee or the Board of any one-off conflict of interests or potential conflict of interests and to refrain from voting on the related decision. Any director who has a permanent conflict of interest is required to resign from the Board.
2. Each Director undertakes to hold (or to purchase within six months of his/her election) at least 1,000 shares of the Company. The shares acquired to fulfill this obligation must be held in registered form. This obligation does not apply to directors representing employees and employee shareholders.
3. The Directors are required to devote the necessary time and attention to their functions. The Directors may not hold more than four other appointments in French or foreign listed companies that are not members of the Capgemini Group and must comply with all applicable regulations restricting the number of directorships held by a single person. The Chief Executive Officer and any Chief Operating Officers may not hold more than two other directorships in French or foreign listed companies that are not members of the Capgemini Group; they must request the opinion of the Board before accepting any new appointment in a listed company. If the Chairman is not also the Chief Executive Officer, the Board may issue specific recommendations, given his/her status and specific assignments.

   During the term of their office at the Company, Directors must keep the Chairman of the Board informed of any offers of appointments they would like to accept in other French or foreign companies, and their membership on Board committees of these companies, as well as any change in their appointments or participation in these committees. If the functions of Chairman and Chief Executive Officer are combined, he/she will inform the Chairman of the Ethics & Governance Committee. The Chairman informs the Board of Directors of appointments accepted.
4. The members of the Board of Directors must attend all meetings of the Board and all meetings of the committees of which they are members, as well as all Shareholders' Meetings. In its annual Registration Document, the Company publishes Directors' individual attendance rates at meetings of the Board and the committees of which they are members, as well as their average attendance rates.
5. The Directors are obliged to keep abreast of the Company's situation and development. To this end, they may ask the Chairman to communicate on a timely basis all information that is essential to allow them to contribute effectively to the discussion of matters included on the agenda of the next Board meeting. Regarding information not available to the public that is obtained in their capacity, Directors are subject to secrecy rules extending beyond the simple requirement of discretion imposed by law.
6. In accordance with laws and regulations applicable to insider trading, as set more specifically by the French Monetary and Financial Code and the General Regulations of the French Financial Markets Authority (AMF), the members of the Board of Directors shall refrain from:
   - carrying out any transactions on the securities (including derivatives) of companies about which (and in the extent to which) they have privileged information by virtue of their position as member of the Board of Directors of the Company,
   - carrying out any transactions, whether direct, indirect or through derivatives, involving the securities of the Company:
     - during a period commencing on the thirtieth calendar day preceding the public release of mid-year and full-year results and ending after the close of the first trading day following the said public release,
     - and during a period commencing on the fifteenth calendar day preceding quarterly announcements and ending after the close of the first trading day following the said public release.
7. In conformity with the Monetary and Financial Code and with the General Regulations of the French Financial Markets Authority (AMF) each Director is required to notify the AMF and the Company by electronic means of all transactions carried out involving Capgemini SE securities within three business days following their execution."

The Board seeks to comply with and ensure compliance with all rules of good governance together with a certain number of values which each Board member has solemnly undertaken to respect. A "Code of Business Ethics" was drafted at its initiative and distributed to all Group employees (and is signed by all new recruits) with the following main objectives:

- ensure all Group companies comply with a certain number of rules of good behavior and primarily that of perfect integrity in the conduct of business and the management of employees;
- implement measures stopping, fighting and sanctioning non-compliance with the core values of the Group, or prevailing laws and regulations in the relevant country;
- provide an institutional framework for the actions, controls and dissuasive measures required to deal with the problems identified by these measures.

The report on the work of the Ethics & Governance Committee (see below) describes in detail the actions undertaken in 2017 by the Ethics & Compliance Department and the implementation of the Code of Business Ethics. Each of the directors signed this Code, evidencing their commitment and support (both individual and collective) for all the measures contained therein.

Director training

Integration of new directors

Capgemini ensures that directors joining the Board receive training in the specific aspects of the Group, its businesses and activity sectors, particularly through meetings with the various members of Group Management. New directors are also advised on the specific aspects of the Board of Directors of the Company during meetings with the Chairman and Chief Executive Officer, the Lead Independent Director and the Board Secretary. In addition, the new members joining the Audit & Risk Committee receive information on the specific accounting, financial and operating aspects of the Company. In addition, the two directors representing employees who joined the Board in September 2016 received special external training, enabling them to obtain and perfect the knowledge and techniques necessary to the exercise of their duties, in accordance with legislative provisions.

Ongoing training

Capgemini ensures that the directors have sufficient understanding of the Group, its ecosystem and its challenges. The Board members therefore meet regularly with the members of the Group Executive Board during Board and Committee meetings. The directors are also invited to the Group "Rencontres" gatherings, a two-yearly event bringing together, over three days, 500 of the Group's key managers and emerging talent. The most recent "Rencontres" gathering was held in October 2017. In addition, each year a Board meeting dedicated to strategy is held "off-premises" in the form of a seminar and invites key managers of the Group to contribute to Board discussions. These seminars also enable directors to constantly refine their understanding of the challenges facing the Group through themed-based presentations and site visits. In 2017, this seminar was held in London.

Finally, in accordance with the priorities identified following the external assessment of the Board in 2016, the Board organized a range of specific training sessions throughout 2017 to enable directors increase their knowledge of the Group (through presentations of its ecosystem, challenges, businesses and certain of its regions) and its competitive environment, as well as recent market disruption trends and technological developments.

2.2.2 Activities of the Board of Directors in 2017

Board of Directors' meeting

Number of meetings and attendance rate

The Board meets at least six times a year. Meetings are convened by the Chairman in accordance with a schedule decided by the Board before the end of the prior year. This schedule may be amended during the year in response to unforeseen circumstances or at the request of more than one director.

In 2017, the Board met **10 times** during the year, four times during the first-half and six times during the second-half.

The Board retained the principle of an "off-premises" meeting in London, focusing primarily on Group strategy. This meeting was held on June 14 and 15, 2017.

The directors also attended the "Rencontres" gathering, a two-yearly event bringing together, over three days, 500 of the Group's key managers and emerging talent.

In addition, the Board held **four executive sessions** chaired by the Lead Independent Director, without the presence of the Chairman and Chief Executive Officer. These sessions focused on the Chairman and Chief Executive Officer's compensation and preparing changes in the Group's governance.

2017 was a particularly intense year for the Board of Directors, notably due to the "Rencontres" gathering in October and specific work focusing on changes in the Group's governance and the appointment of two Chief Operating Officers, requiring the organization of two exceptional Board meetings in the second-half of the year and four exceptional meetings in all of the Specialized Committees involved, *i.e.* the Ethics & Governance Committee and the Compensation Committee.

The **average attendance rate** at Board meetings, already high in previous years, improved further in 2017 to **95%**, despite the increase in the number of meetings. This demonstrates the involvement and availability of the directors throughout the year for issues of particular importance to the Group. It is recalled that six Board meetings were held in 2016 and the average attendance rate was 93%.

The following table presents individual attendance rates at meetings of the Board of Directors and the Specialized Committees on which the directors sit. These rates do not take account of participation at the "Rencontres" gathering, which the majority of directors attended.

Number of meetings of the Board of Directors and its committees in 2017 and individual attendance rates

	Board of Directors	Ethics & Governance Committee	Strategy & Investment Committee	Audit & Risk Committee	Compensation Committee
Total number of meetings	10	6	4	8	5
Average attendance rate	95%	100%	100%	86%	92%

Individual director attendance rates

	Board of Directors		Ethics & Governance Committee		Strategy & Investment Committee		Audit & Risk Committee		Compensation Committee	
Name	No. of meetings	%	No. of meetings	%	No. of meetings	%	No. of meetings	%	No. of meetings	%
Paul HERMELIN	10	100%	-		4	100%	-		-	
Daniel BERNARD	10	100%	6	100%	4	100%	-		-	
Anne BOUVEROT	9	90%	-		4	100%	-		-	
Yann DELABRIÈRE [(1)]	9	90%	-		-		3/4	75%	-	
Laurence DORS [(2)]	10	100%	6	100%	-		7	88%	4/4	100%
Carole FERRAND	10	100%	-		-		8	100%	-	
Robert FRETEL	10	100%	-		4	100%	-		-	
Siân HERBERT-JONES	10	100%	-		-		8	100%	-	
Phil LASKAWY	7	70%	-		-		4	50%	-	
Kevin MASTERS	10	100%	-		-		-		5	100%
Xavier MUSCA	9	90%	-		-		8	100%	-	
Patrick POUYANNE [(3)]	6/7	86%	-		2/2	100%	-		-	
Pierre PRINGUET	9	90%	6	100%	-		-		3	60%
Bruno ROGER	10	100%	6	100%	4	100%	-		-	
Lucia SINAPI-THOMAS	10	100%	-		-		-		5	100%
Caroline WATTEEUW-CARLISLE	10	100%	-		4	100%	-		5	100%

(1) Mr. Delabrière stepped down from the Audit & Risk Committee on May 10, 2017.
(2) Ms. Laurence Dors joined the Compensation Committee on May 10, 2017.
(3) Mr. Patrick Pouyanné was appointed by the Shareholders' Meeting of May 10, 2017 and joined the Strategy & Investment Committee on September 1, 2017.

Organization and preparation

The Notice of Meeting, sent to directors two weeks before the meeting date, contains the agenda set after the Chairman and Chief Executive Officer has consulted with the Lead Independent Director and any directors who proposed specific points to be discussed by the Board.

In accordance with the Board of Directors' Charter, preparatory documentation is sent to directors a week before the meeting.

Directors are also sent or handed a summary report comparing the share price of the Capgemini SE share to that of various general and sector indexes and to its main competitors, as well as the last known consensus. In addition, important press releases (signature of major contracts, alliances, etc.) issued by the Company together with financial analysts' studies of Capgemini or the sector are regularly brought to the attention of directors.

Documents relating to the Board of Directors as well as the above-mentioned information are communicated by a secure platform accessible solely by Board members using an individual password. This platform is hosted on a server located in France. In 2015, this platform, which is used for Board of Directors' and Committee meetings, was reviewed and modernized in response to wishes expressed by directors during the 2014 Board assessment, to make it more mobile, accessible from any location and even more secure.

Activities of the Board in 2017

The agenda of Board of Directors' meetings is defined not only to provide directors with an overview of the Group's position, but also with regard to Group governance principles, which, pursuant to prevailing texts and to the Board of Directors' Charter, presuppose that Board members will make decisions on specific topics.

Group strategy and organization

- Review of major market trends and technology disruptions
- Strategic priorities and ambitions in Digital
- Alignment of the Group's transformation with its business ambitions
- External growth opportunities and transactions
- New CSR policy

Group performance and activities

- Group performance and activities
- Active management of the Group's balance sheet and liquid assets

Corporate governance

- Board and committees' composition evolution
- General Meeting preparation
- Conversion into a European Company
- Board assessment
- Monitoring of dialogue with shareholders and proxy advisors

Management transition

Mr. Paul Hermelin announced his intention to solicit his renewal as Chairman and CEO in the context of the 2018 General Meeting, with a view to preparing to transition out of this role as CEO around mid-term.

- Review of internal and external talents
- Appointment of two Chief Operating Officers from January 1, 2018
- Monitoring of the management transition

Compensation

- Compensation of the Chairman and CEO
- Compensation of the newly appointed COOs
- Performance shares and share grants
- New employee share-ownership plan

Audit & risks

- 2016 statutory accounts
- 2016 full-year and 2017 H1 consolidated financial statements
- Risk monitoring (including risk mapping)
- Internal control and internal audit

Accordingly, in addition to approving the 2016 annual financial statements and the financial statements for the first-half of 2017 and convening the Shareholders' Meeting of May 10, 2017, the activities of the Board of Directors focused on:

1. Group strategy, performance and organization

- the Board was involved in the preparation of the "Rencontres" gathering in Geneva in October 2017 ("Rencontres" gathering: two-yearly event bringing together, over three days, around 500 of the Group's key managers and emerging talent) and, in particular, discussions on the transformation of the Group based on its strategic priorities and the implementation of a new organization;
- monitoring of Group performance and activities;
- review and monitoring of the different external growth opportunities and decision-making for matters under its authority;
- during the annual strategy seminar in June, the Board of Directors was informed of and debated the different market trends, changes in the Group's competitive environment and the strategic challenges facing the Group over a two-day period. These activities focused particularly on:
  - major technology trends and notably Digital Manufacturing, digital platforms and automation technologies,
  - the Group's digital strategy and goals,
  - the transformation of the Group with the implementation of an organizational structure adapted to the Group's strategic goals.

2. Governance and management transition

- changes in the composition of the Board of Directors and its Specialized Committees, notably with the renewal of three terms of office and the appointment of a new director by the Shareholders' Meeting of May 2017, a change in the Lead Independent Director at the end of the Shareholders' Meeting with Mr. Pierre Pringuet replacing Mr. Daniel Bernard and the appointment of Ms. Laurence Dors as Chairman of the Compensation Committee and Mr. Bernard as Vice-Chairman of the Board;

- discussion of future changes in the Group's governance and preparation of Capgemini's management transition with the appointment of two Chief Operating Officers, Mr. Paul Hermelin having indicated his wish to seek a final term of office as Chairman and Chief Executive Officer at the 2018 Combined Shareholders' Meeting in order to organize the Group Management transition (executive session during the Board of Directors' meeting of August 31, 2017); in this context and based on the recommendations of the Ethics & Governance Committee and the work of the Vice-Chairman of the Board, the Board of Directors reviewed the Group's key talents and external candidates with the assistance of an independent consultant, worked on the Group Management succession plan and implemented a management transition monitoring system;
- completion of the transformation of the Company's legal form to a European company, launched at the end of 2016 and approved by the Combined Shareholders' Meeting of May 10, 2017;
- monitoring of dialogue between the Company and its shareholders and proxy advisors in preparing the Combined Shareholders' Meeting and feedback on meetings between the Lead Independent Director and several institutional investors to present Capgemini's governance principles;
- assessment of the Board of Directors' activities in 2017, based on an internal assessment launched in the fourth quarter of 2017 by the Lead Independent Director.

3. Risk monitoring

- monitoring of the Group's major risks, notably through a review of the Group's most recent risk mapping updated in 2016, and the Group's risk management system, during the annual review introduced by the overhaul of the Audit Committee's duties at the end of 2016 (renamed the Audit & Risk Committee accordingly).

4. Active management of the Group's balance sheet and liquid assets

- authorization of a new maximum share buyback amount of 3,600,000 shares and €400 million, with a view to their cancellation to neutralize the dilutive impact of the share capital increase under the 4th employee share ownership plan (ESOP 2017);
- cancellation of 4,265,838 treasury shares purchased under the share buyback agreement implemented to neutralize the dilutive impact of the ESOP 2017 employee share ownership plan and the multi-year share buy-back program.

5. Corporate, Social and Environmental Responsibility

- review of the Group's new Corporate Social Responsibility strategy focused on three key areas (see Section 3.1). The Board wishes an annual presentation of the Group's strategy in this area.

6. Compensation of the Chairman and Chief Executive Officer and long-term compensation of employees

- in February 2017, the setting of the Chairman and Chief Executive Officer's compensation for 2016 and the assessment of the attainment of 2016 variable compensation objectives and the setting of his fixed compensation and objectives for 2017 (executive session during the Board meeting of February 15, 2017);
- in December 2017, an initial assessment of the attainment by the Chairman and Chief Executive Officer of his 2017 objectives with a view to setting his 2017 variable compensation by the Board of Directors' meeting of February 14, 2018 (executive session during the Board meeting of December 6, 2017);
- the setting of the compensation of the Chief Operating Officers with effect from January 1, 2018 (date of entry into office) and authorization, in principle, of termination benefits in the event of cessation of their duties as Chief Operating Officer and of a non-compete commitment;
- exceptional grant of free shares to certain employees of IDEAN group, acquired in January 2017;
- grant of performance shares to 1,297 Group managers, including Mr. Paul Hermelin (executive session during the Board meeting of October 5, 2017);
- authorization to carry out a share capital increase reserved for employees under the Group's 4th employee share ownership plan (ESOP 2017), involving a maximum issue of 3,600,000 shares.

Financial authorizations

A summary table of current delegations of authority granted by Shareholders' Meetings to the Board of Directors to perform share capital increases and detailing utilizations of these delegation in 2017, is presented in Section 5.1.2 of this Registration Document.

2.2.3 Assessment of the Board of Directors

The Lead Independent Director conducted an assessment of the Board of Directors' activities in 2017. The results of this assessment are presented below.

Furthermore, in accordance with the three-year frequency recommended by the AFEP-MEDEF Code, a formal assessment of the activities of the Board of Directors and its Specialized Committees was performed at the end of 2016 with the assistance of an external service provider. The conclusions of this assessment led to the implementation of specific action plans in 2017.

2016 assessment: conclusions and actions implemented in 2017

A formal assessment of the activities of the Board of Directors and its Specialized Committees in 2016 was conducted by an external service provider under the responsibility of the Lead Independent Director and was presented in detail in the 2016 Registration Document.

The following priorities were identified:

- Ongoing training for directors
  - Extend knowledge of the Group, its businesses and its competitive environment, including through sessions with external advisors.
- Strategy monitoring
  - Further explain potential acquisitions in light of the Group's strategic plans.

- Further improve the coordination of the work of the Strategy & Investment Committee and the Board by enriching the Committee's report to the Board and setting the agenda of the Board accordingly.

- Risk monitoring
  - Annual risks review by the Board and implementation of strengthened risk monitoring as planned following the overhaul of the Charter of the Audit Committee at the end of 2016 (renamed the Audit & Risk Committee as a result).
- Talents
  - Regular information on progress made in relation to talent management and particularly with respect to mobility.
- Corporate, Social and Environmental Responsibility
  - Regular briefings on initiatives and the results of the Group's CSR policy.

As a result of this assessment, the following changes were made in 2017 to the operation of the Board and its Specialized Committees:

- the Board organized a range of specific training sessions throughout 2017 to enable directors increase their knowledge of the Group (through presentations of its ecosystem, challenges, businesses and certain of its regions) and its competitive environment, as well as recent market disruption trends and technological developments;
- regular strategy updates were presented to Board of Directors' meetings by the Chairman of the Strategy & Investment Committee throughout the year;
- Audit & Risk Committee monitoring of the Group's major risks was strengthened during the year and notably included a review of the risk mapping. A detailed report was presented on these activities to the Board of Directors;
- the Board of Directors reviewed the Group's key talents as part of management transition preparations;
- an annual update presented the Group's new corporate, social and environmental responsibility strategy.

2017 Assessment: conclusions and priorities for 2018

The Lead Independent Director's internal assessment of performance in 2017 focused particularly on the composition of the Board of Directors, its activities and the individual contribution of directors.

A questionnaire was sent to all directors at the end of 2017. This questionnaire covered both the composition and activities of the Board of Directors and the activities of the Specialized Committees on which they sit. In addition, it offered the opportunity to take stock of actions implemented following the 2016 external assessment.

The Lead Independent Director also met individually with each member of the Board of Directors.

These procedures showed that the changes introduced following the previous external assessment were considered an improvement and appreciated by directors. Directors expressed their satisfaction with the content of meeting agendas and the organization and operating conditions of the Board and its Committees in general, requesting nonetheless a more rigorous and long-term meeting schedule. The coordination of work between the Board and the Committees was also examined and it was largely considered that the respective roles of the Board and the Committees were clear and appropriate. However, observations were made on the coordination of work between the Strategy & Investment Committee and the Board of Directors.

Finally, supervision of the management transition launched at the end of 2016 and forward-planning in the coming years regarding the Board's composition, were identified as key activities of the Board of Directors.

The directors identified the following priorities for 2018:

- **Management transition as part of the executive management succession plan**
  - Reiteration by the Board that this constitutes its main priority for the coming two years, and consequently that of the Ethics and Governance Committee;
  - Confirmation of the specific assignment entrusted to the Vice-Chairman of the Board, Mr. Daniel Bernard, working with an ad hoc committee made up, in addition to himself, of Mr. Bruno Roger (Chairman of the Strategy and Investment Committee) and Mr. Pierre Pringuet (Chairman of the Ethics and Governance Committee) and in charge of closely monitoring the management transition phase.
- **Composition of the Board of Directors**
  - Implementation of a four-year plan (2018-2022) integrating the following objectives: (i) international diversification to reflect changes in Capgemini's geographic spread and businesses, (ii) diversification of profiles and expertise, (iii) staggered renewal of terms of office and (iv) maintenance of a measured number of directors enabling coherence and collective decision-making.
- **Coordination of work between the Strategy & Investment Committee and the Board**
  - Better coordination of work between the Strategy & Investment Committee and the Board, with notably more systematic formal reports by the Committee to Board meetings and regular and in-depth presentations of the Group's strategy during Board meetings.
- **Preparation of Board and Committee meetings**
  - Themed-based scheduling of meetings and more systematic forward-planning over at least 12 months of schedules and notably events organized alongside Board meetings (training sessions, diners, etc.).

2.2.4 Role and composition of the four Specialized Board Committees

The Audit & Risk Committee

NB: all figures are up to date as of December 31, 2017.

Committee duties

The duties of the Audit Committee were changed on December 7, 2016 to strengthen risk management and include the impacts of the European statutory audit reform. The Committee name was also changed to the Audit & Risk Committee.

These changes in the Committee's duties followed the concerns expressed by directors during the assessment of the Board's activities in 2015 to improve risk monitoring by associating the Board of Directors and the Audit Committee.

In accordance with Article L.823-19 of the French Commercial Code, the French Financial Markets Authority (AMF) recommendation of July 22, 2010 and best market practice, the duties of the Audit & Risk Committee fall into three categories. Firstly, the Audit & Risk Committee monitors issues concerning the preparation and control of financial and accounting information. It monitors the financial information preparation process and, where applicable, suggests recommendations to guarantee its integrity. It examines the draft annual and half-yearly consolidated financial statements of the Group, the annual accounts of Capgemini SE and the management presentation of risk exposure and material off-balance sheet commitments of the Company, as well as the accounting options adopted.

Secondly, the Audit & Risk Committee ensures the existence and efficiency of internal control systems, internal audit and the management of major risks to which the Group is exposed in the course of its business. Following the strengthening of these risk monitoring duties, the Committee must now review the major risks to which the Group may be exposed at least once annually, in particular through a review of the risk mapping prepared by the Group Management Risk Committee.

Finally, the Committee is responsible for monitoring the statutory audit of the annual and half-yearly consolidated financial statements of the Group and the annual accounts of the Company, ensuring the independence of the Statutory Auditors and generally monitoring the conduct of their engagements.

Where it considers it useful or necessary, the Audit & Risk Committee may be assisted by experts appointed for this purpose.

Composition and participation

The Committee has five directors since May 10, 2017: **Mr. Xavier Musca** (Chairman and Independent Director), **Ms. Laurence Dors** (Independent Director), **Ms. Carole Ferrand** (Independent Director), **Ms. Siân Herbert-Jones** (Independent Director) and **Mr. Phil Laskawy**.

As announced in December 2016 when the chair of the Audit & Risk Committee was handed to Mr. Musca, Mr. Yann Delabrière indicated his wish to step down from the Audit & Risk Committee after a transitional period; he was therefore a member of the Audit & Risk Committee until May 10, 2017.

Through their professional careers, Audit & Risk Committee members have amassed the necessary accounting and financial expertise to perform their duties. Mr. Xavier Musca acquired considerable expertise in the French and international financial and banking sectors throughout his career in the French civil service, ministerial offices and the private sector. Mr. Yann Delabrière was Chief Financial Officer of PSA Peugeot Citroën from 1990 to 2007, Ms. Carole Ferrand was Chief Financial Officer of Sony France from 2000 to 2011 and then of Europacorp Group in 2011 and 2012, Ms. Siân Herbert-Jones was Chief Financial Officer of Sodexo from 2001 to 2016 and Mr. Phil Laskawy was Chief Executive Officer of Ernst & Young from 1994 to 2001. Finally, Ms. Laurence Dors' career in executive management positions and the Economy and Finance Ministry allows her to contribute both financial expertise and a transversal view of organizations.

The Committee met eight times in 2017, with an average attendance rate of 86%.

The individual attendance rate of each current member of the Audit & Risk Committee was as follows:

Xavier MUSCA (Chairman)	100%
Yann DELABRIÈRE*	75%
Laurence DORS	88%
Carole FERRAND	100%
Siân HERBERT-JONES	100%
Phil LASKAWY	50%

(*) Mr. Delabrière stepped down from Audit & Risk Committee on May 10, 2017. He attended three of the four committee meetings held during the period.

Committee activities in 2017

The Committee reviewed the annual accounts of Capgemini SE and consolidated financial statements of the Group for the year ended December 31, 2016 and the half-year ended June 30, 2017.

It focused in particular on the accounting treatment of events with a material impact on the annual or half-year financial statements.

It notably reviewed the valuation of goodwill (including the calculation of the cost of capital and long-term growth rates) and deferred tax assets. It also reviewed changes in research tax credits in France, procedures for the recognition of provisions on complex contracts and immigration and tax developments in the United States.

The Committee also monitored changes in the situation in Brazil and of the Group in India.

As part of its risk management supervisory activities, the Audit & Risk Committee reviewed the new structure implemented by Group Management and issued a highly favorable opinion. It was informed during the year of risk monitoring issues, including cyber security issues.

In this context, the Committee interviewed:

- **Mr. Philippe Christelle**, Internal Audit Director, questioning him on working methods, planning, areas of intervention and the findings of audits carried out during the year;
- **Mr. André Cichowlas**, Delivery Director (Production/Methods and Support) and Support Services, questioning him in particular on the impact on the operating accounts of major contracts that are separately monitored and the development and roll-out of shared access and industrial procedures;
- finally **Mr. Jean-Baptiste Massignon**, Group General Secretary also in charge of pre-sales risk management, questioning him on the activities of the Group Review Board during the period and the terms and conditions of major commercial proposals.

The Statutory Auditors reported to the Board on the quality of the accounting monitoring of projects and the good control of the accounts closing process.

The Compensation Committee

NB: all figures are up to date as of December 31, 2017.

(1) Directors representing employees and employee shareholders are not taken into account in calculating the independence rate, in accordance with the provisions of the AFEP-MEDEF Code.

Committee duties

On October 8, 2014, the Selection & Compensation Committee changed its name to the "Compensation Committee" and now concentrates exclusively on setting the compensation of executive corporate officers and defining compensation policies for Group executives. This committee has several duties set out in its Charter recently amended by the Board of Directors on June 17, 2015. Firstly, it must present proposals to the Board of Directors on the fixed and variable compensation of executive corporate officers and, with regards to the variable portion and where appropriate, propose a detailed list of individual objectives (quantitative and qualitative), enabling an assessment of performance and the calculation of the variable compensation component(s). To this end, the Committee meets in the final quarter of each year (Y) to propose to the Board of Directors executive corporate officer objectives for the following year (Y+1) and at least once at the beginning of Y+1 to prepare the assessment by the Board of Directors of performance in the previous year. The Committee reviews the information presented to shareholders for the vote on executive corporate officer compensation (so-called "Say on Pay") and is consulted on financial terms and conditions in the event of the appointment or departure of an executive corporate officer.

The Compensation Committee must be informed of the compensation policies adopted by Capgemini Group companies in the management of senior executive careers and the application of these policies with respect to the Group's medium and long-term strategy presented to the Board of Directors. The Committee must also be informed annually by Group Management of the (fixed and variable) compensation of Executive Committee members.

Finally, the Committee reviews the various schemes enabling senior executives to better share in the Group's profits (long-term incentive instruments and particularly performance share grants, Group savings schemes, etc.) and proposes to the Board of Directors the incentive instruments it considers appropriate and capable of being implemented in all (or certain) Capgemini Group companies.

Composition and participation

This Committee has five directors since May 10, 2017, the date at which Ms. Laurence Dors joined the Committee and became Chairman. Mr. Pierre Pringuet, Committee Chairman until this date, remained a member of the Committee after May 10, 2017.

Committee members since May 10, 2017 are therefore: **Ms. Laurence Dors** (Chairman and Independent Director), **Mr. Pierre Pringuet** (Independent Director), **Mr. Kevin Masters** (Director representing employees), **Ms. Lucia Sinapi-Thomas** (Director representing employee shareholders) and **Ms. Caroline Watteeuw-Carlisle** (Independent Director).

This committee met five times in 2017, with an average attendance rate of 92%.

The individual attendance rate of each current member of the Compensation Committee was as follows:

Laurence DORS (Chairman and member since May 10, 2017)*	100%
Pierre PRINGUET (Chairman until May 10, 2017)	60%
Kevin MASTERS	100%
Lucia SINAPI-THOMAS	100%
Caroline WATTEEUW-CARLISLE	100%

(*) Ms. Dors joined the Compensation Committee on May 10, 2017 and was appointed Chairman. She attended the four Compensation Committee meetings held after this date.

Committee activities in 2017

In accordance with the Committee's remit, it ensured throughout 2017 the consistency of the Group's senior executive management compensation policy. Its Chairman regularly reported on the Committee's work and presented recommendations to the Board of Directors concerning the following areas:

- the consistency of the general compensation policy of the Group and its subsidiaries;
- the compensation of the Chairman and Chief Executive Officer and that of members of the Executive Committee and the Group's key managers. These recommendations focused at the beginning of the year on:
  - an appraisal of the individual performance of each of these managers compared with objectives set at the beginning of the year,
  - calculation of the variable portion of compensation paid in the first quarter of the next year,
  - adjustment of the fixed compensation and theoretical variable portion for the following year,
  - setting objectives to be used for the current year as a basis for defining the calculation of the actual variable portions due.

The Committee studied the principle and means of granting shares subject to a condition of presence to certain managers of Idean acquired at the beginning of 2017. It drafted and communicated a list of beneficiaries and the proposed individual allocation of these shares subject to a condition of presence to the Board of Directors for agreement on July 26, 2017. The Committee also studied the principle and means of granting performance shares to certain managers. It drafted and communicated a list of beneficiaries and the proposed individual allocation of these performance shares to the Board of Directors for agreement on October 5, 2017. In addition, the Committee monitored the Group employee share ownership plans.

It also conducted a detailed analysis of the compensation policy for the newly-appointed Chief Operating Officers. It met several times to define the existing practices of the Company and to decide the specific components proposed in the compensation policy to be presented to shareholders’ vote in May 2018 pursuant to the Sapin II Law.

The Ethics & Governance Committee

NB: all figures are up to date as of December 31, 2017.

Committee duties

Since October 8, 2014, the roles of the Ethics & Governance Committee now include not only executive corporate officer selection and succession plans and the proposal of new directors to ensure the balanced composition of the Board but also Group senior executive selection and succession plans.

The main remit of this committee (created in July 2006 by decision of the Board) is to verify that the Group's seven core values (Honesty, Boldness, Trust, Freedom, Team Spirit, Modesty and Fun) are correctly applied and adhered to, defended and promoted by the Group's corporate officers, senior management and employees in all of its businesses and in all subsidiaries under its control, in all internal and external communications - including advertising - and in all other acts undertaken in the Group's name.

It is also tasked more generally with overseeing the application of best corporate governance practice within Capgemini SE and its subsidiaries. The Ethics & Governance Committee is responsible for all matters relating to the selection, appraisal, annual independence review and compensation of the Company's directors. It draws the attention of the Chairman of the Board of Directors to any potential situations of conflict of interest it has identified between a director and the Company or its Group or between directors. It must be ready to implement the measures necessary should the need to replace the Chairman and Chief Executive Officer suddenly arises. It must handle and propose to the Board any changes it considers appropriate or relevant to the Board's operation and composition (co-opting a new director or replacing a resigning director, increasing the proportion of female directors, diversity of profiles and expertise of directors, etc.) or to the governance structure currently in place within the Group. The Committee is briefed on succession plans for key operating and functional managers of the Group. It is also informed of the policy for the identification, development and retention of high potential executives. The Chairman and Chief Executive Officer is involved in this work. The Committee must be consulted by Group Management prior to any appointment to the Executive Committee.

Composition and participation

The Committee has four directors. Since May 10, 2017, the Committee is chaired by **Mr. Pierre Pringuet** (Independent Director and Lead Independent Director). The other Committee members are **Ms. Laurence Dors** (Independent Director), **Mr. Daniel Bernard** (Vice-Chairman) and **Mr. Bruno Roger**.

Mr. Daniel Bernard was committee Chairman until May 10, 2017 when Mr. Pierre Pringuet succeeded him as Lead Independent Director and Chairman of this committee. It is recalled that the Charter of the Board of Directors provides that the duties of Lead Independent Director be conferred by the Board on the Chairman of the Ethics & Governance Committee.

This committee met six times in 2017, with an average attendance rate of 100%.

The individual attendance rate of each current member of the Committee was as follows:

Pierre PRINGUET (Chairman since May 10, 2017)	100%
Daniel BERNARD (Chairman until May 10, 2017)	100%
Laurence DORS	100%
Bruno ROGER	100%

Committee activities in 2017

The activities of the Ethics & Governance Committee focused on the following issues in 2017:

Governance

The Ethics & Governance Committee:

- recommended the candidacy of Mr. Pouyanné to the Board of Directors and the renewal of the terms of office as director of Ms. Bouverot and Messrs. Bernard and Pringuet, in preparation of the Shareholders' Meeting of May 10, 2017;
- proposed the appointment by the Board of Directors at the end of the Shareholders' Meeting of May 10, 2017 of Mr. Pringuet as Lead Independent Director and Chairman of the Ethics & Governance Committee and of Ms. Dors as Chairman of the Compensation Committee and Mr. Bernard as Vice-Chairman to work closely with the Chairman and Chief Executive Officer in preparing future changes in the Group's governance;
- monitored the dialogue between the Company and its shareholders and proxy advisors in preparation of the 2017 Shareholders' Meeting and prepared the governance issues presented to the Board and then to the Shareholders' Meeting of May 10, 2017 (in addition to issues concerning the composition of the Board referred to above), notably with respect to the transformation of the Company's legal form to a European company and changes to the bylaws concerning the corporate name and threshold crossing disclosures;
- was briefed on the meetings between the Lead Independent Director and several institutional investors to present Capgemini's governance principles;
- debated several times the changes in and composition of the Specialized Board Committees;

- debated at the end of 2017 and the beginning of 2018 a reduction in attendance fees payable in respect of 2017 so as not to exceed the maximum amount authorized by the Shareholders' Meeting. This overrun was mainly due to the number of exceptional Board and Committee meetings held during the period;
- under the auspices of its Chairman, the Lead Independent Director, was briefed on and discussed the annual assessment of the composition and activities of the Board and its Specialized Committees performed at the beginning of 2018 in respect of 2017;
- deliberated the independence of directors and the absence of conflicts of interest in preparation of the Registration Document;
- was briefed on the conclusions and observations of the High Committee for Corporate Governance (*Haut Comité de Gouvernement d'Entreprise*, HCGE) presented in its 2017 activity report and of the French Financial Markets Authority (AMF) presented in its 2017 report on corporate governance and executive management compensation in listed companies;
- reviewed the governance section of the report of the Chairman of the Board of Directors, prepared in accordance with Article L.225-37 of the French Commercial Code;
- launched a debate on the composition of the Board and its Specialized Committees in preparation of the Shareholders' Meeting of May 23, 2018.

Management transition - Succession

The Ethics & Governance Committee was closely involved in the Board's discussions on future changes in the Group's governance and preparing Capgemini's management transition with the appointment of two Chief Operating Officers, Mr. Paul Hermelin having indicated his wish to seek a final term of office as Chairman and Chief Executive Officer at the 2018 Shareholders' Meeting in order to organize the Group Management transition.

The Committee drew on the work of the Vice-Chairman of the Board, conducted together with the Lead Independent Director and the most senior member of the Board, Mr. Roger, and involving an assessment of the Group's key managers and a review of external candidates, based on an assignment conducted by an independent consultant and individual meetings.

The appointment of two Chief Operating Officers was proposed to the Board of Directors with effect from January 1, 2018 and for a transition period. Messrs Thierry Delaporte and Aiman Ezzat were recommended for the positions. The implementation of a management transition monitoring system under the authority of the Vice-Chairman of the Board was also proposed to the Board of Directors.

It deliberated the Group Management succession plan and ensured that its Chairman was ready to implement the measures necessary should the need to replace the Chairman and Chief Executive Officer arise suddenly.

Ethics

The Ethics & Governance Committee interviewed the Ethics, Compliance and Internal Audit Director (**Mr. Philippe Christelle**), these two functions being held by the same person since September 2015. Mr. Philippe Christelle submitted his report to the Committee presenting:

- in the first section, a presentation of the three Ethics & Compliance activities (training, communication and processing whistleblower alerts). The report highlighted the significant efforts of the Group to raise-awareness and to provide e-learning courses. It also noted that Capgemini has been recognized as "One of the World's Most Ethical Companies" for the fifth year running by the American Institute, Ethisphere, confirming the high quality of the Group's ethical responsibility culture towards all its stakeholders. Finally, it provided an update on the strengthening of the Board's ethical position and the Group's whistle-blowing procedure that will be implemented in 2018 and the planned update and distribution of the Blue Book;
- in the second section of the report, an audit report concluding that the ethical framework within which the Group has decided to operate, is, overall, correctly understood and followed throughout the Group. The report contains recommendations following the work carried out in 2017 to help further improve compliance with the Group's ethical rules and principles.

The Strategy & Investment Committee

NB: all figures are up to date as of December 31, 2017.
(1) Directors representing employees and employee shareholders are not taken into account in calculating the independence rate, in accordance with the provisions of the AFEP-MEDEF Code.

Committee duties

The role of this committee is to:

- study in-depth the strategic options open to the Group to ensure its continued growth, improve its profitability and maintain its independence to enrich Board discussions;
- determine the amount of investment required to implement each of these possible strategies;
- identify and assess the alliances or acquisitions which would appear able to facilitate or accelerate the implementation of these strategies;
- finally, recommend a choice to the Board of Directors, by presenting an opinion and/or recommendations (or at least establish an order of priority).

More generally, the Committee identifies and deliberates on any direction or issue considered relevant to the Group's future, provided it does not compromise the smooth running of operations and guarantees operating and financial stability.

Composition and participation

Up to September 1, 2017 this committee had six directors: **Mr. Bruno Roger, Chairman**, **Messrs. Daniel Bernard, Robert Fretel** and **Paul Hermelin, Ms. Anne Bouverot** (Independent Director) and **Ms. Caroline Watteeuw-Carlisle** (Independent Director).

It currently has seven directors. **Mr. Patrick Pouyanné** joined the Strategy & Investment Committee on September 1, 2017 following his appointment by the Shareholders' Meeting of May 10, 2017.

The Committee met four times in 2017, with an average attendance rate of 100%.

The individual attendance rate of each current member of the Committee was as follows:

Bruno ROGER (Chairman)	100%
Paul HERMELIN	100%
Daniel BERNARD	100%
Anne BOUVEROT	100%
Robert FRETEL	100%
Patrick POUYANNÉ*	100%
Caroline WATTEEUW-CARLISLE	100%

(*) Mr. Pouyanné joined the Board of Directors on September 1, 2017 and attended the two Strategy & Investment Committee meetings held after this date.

Committee activities in 2017

In 2017, the Committee continued to concentrate on in-depth reviews of external growth opportunities, focusing in particular on strengthening the Group's Digital and Cloud service offerings, prior to their presentation to the Board of Directors.

It also prepared the Board's strategy seminar, which was held in London this year in mid-June. As per usual, the main debate was launched by a presentation of major market discontinuities and focused on the strategic priorities to be considered in these circumstances, their organizational impacts and the recording of these components in an internal mobilization document setting out 5-year goals.

The conclusions of all these activities were reflected in the presentations to the 26th "Rencontres" gathering - a two-yearly event to mobilize Group managers – held in Geneva from October 11 to 14, 2017

2.2.5 Director compensation

Total attendance fees

In compensation for their participation in Board and Committee meetings, the Company was authorized by the Combined Shareholders' Meeting of May 18, 2016 to pay attendance fees to directors of up to €1,200,000 per year.

The authorization given by the Shareholders Meeting of May 18, 2016 to increase the total maximum amount of attendance fees enabled the strategic objectives set by the Board of Directors to be attained. This increase in the total amount of attendance fees allowed the Board to continue the renewal of its composition, welcoming four new directors in 2016 including two directors representing employees, while focusing the increase both on directors not residing in France and on those heavily involved in the work of the committees (as Chairmen or members of several committees), while retaining the international outlook of the Board consistent with the international development and global presence of the Group.

Attendance fees - allocation rules

Attendance fees include for each director a fixed portion of €15,000, and an amount of €4,000 for each attendance at a Board meeting.

Attendance fees for the Specialized Board Committees were set with regard to the specific role of each committee and the ongoing work required of Chairmen, who now receive exclusively a fixed annual payment of €45,000 for the Lead Independent Director and Chairman of the Ethics & Governance Committee, €35,000 for the Chairman of the Audit & Risks Committee and €25,000 for the Chairmen of the Compensation Committee and the Strategy & Investment Committee.

A fixed annual fee of €45,000 was allotted to the Vice-Chairman.

The members of the committees receive fees of €2,500 for each attendance at a meeting.

It was also decided to take account of the travel time of directors by awarding them additional attendance fees of €5,000 per Board or Committee meeting for directors residing outside Europe and of €2,000 for directors residing in Europe but outside France. This additional attendance fee is not allocated to directors representing employees, whose travel costs are covered otherwise.

Attendance fees are calculated in two parts, at the end of the first six months and at the end of the year.

These amounts can be reduced if circumstances require the Company to hold a greater than scheduled number of meetings, resulting in aggregate attendance fees exceeding the threshold authorized by the Shareholders' Meeting if these “rates” are maintained. This was the case for attendance fees due to directors in respect of 2017, as the number of exceptional meetings during the year notably contributed to increasing the total amount, before reduction, to €1,222,250.

Attendance fees calculated and paid to directors in respect of fiscal year 2017 after reduction totaled €1,199,990, representing 100% of the ceiling authorized by the Shareholders' Meeting.

It is recalled that Mr. Paul Hermelin voluntary waived his right to collect attendance fees as a director of Capgemini SE in respect of 2017 (as he has done for the last eight years).

Other compensation

A breakdown of compensation paid in respect of fiscal year 2017 to the executive corporate officer, Mr. Paul Hermelin, Chairman and Chief Executive Officer, is presented in section 2.4.2. Mr. Paul Hermelin's 2018 compensation is presented on page 88 of this Registration Document.

A breakdown of attendance fees and other compensation paid to directors in respect of 2017 is presented in the section entitled “Attendance fees and other compensation received by corporate officers” on page 98.

2.3 General organization of the Group

2.3.1 Operational structure

The operational structure of the Group combines the key principles that have guided its development since its creation:

- the first principle, decentralization of the operating conduct of business, seeks to ensure that operating managers act as entrepreneurs, committing to a budget and personal and collective objectives, the attainment of which decides their variable compensation;
- the second principle is the collective ambition to lead the markets in which the Group operates and to develop internationally to serve its clients and partners. The Company must therefore set operating managers ambitious commercial and financial performance objectives and provide them with the necessary means to react rapidly to market requirements, to provide consistent responses to changes in demand and to implement the new opportunities offered by particularly rapid and abundant technological innovation;
- the third principle is financial performance, which enables external growth and development, ensuring the independence of the Group.

The Group's organizational structure combining these principles was implemented from January 1, 2016. It is in effect at the date of publication of this Registration Document, although an approach launched by the Group in October 2017 aims to better respond to client needs, irrespective of the offerings presented.

The current structure comprises Basic Business Units (BUs) of a size that allows their managers to remain in close contact with their clients and technology partners, to know their employees well and to tightly manage the projects they entrust to them.

These basic units are grouped by business covering a given market corresponding to either a geographic area or a sector or offering, known as "Strategic Businesses Units", "domains" or "practices". This grouping by business ensures compliance with specific business models, the sharing of experience and the industrialization of distributed delivery processes and methods responding efficiently and consistently to the demands of international clients.

There are currently eight Strategic Business Units (SBUs):

- five global Strategic Business Units:
  - Consulting Services, under the Capgemini Consulting tradename, comprising strategy and Digital transformation consulting expertise and innovation creative design expertise also provided by the IDEAN and F 212 entities,
  - Cloud Infrastructure Services, *i.e.*, the design, installation and maintenance of client IT infrastructures, whether based on own tools (data center) or the use of public or partially privatized capacities (Cloud),
  - Business Services, grouping together BPO (Business Process Outsourcing), operating solutions, inherited primarily from IGATE and Prosodie, which operates the customer relationship platforms,
  - Sogeti, present in around fifteen countries, which brings to the Group's clients its network, infrastructure and local services experience and all of its technology services offer, particularly security related,
  - Financial Services, which develops and promotes Group offers dedicated to financial services and manages the business activities of clients in this sector, in close coordination with all other entities;
- two systems integration and applicative maintenance Strategic Business Units (Application Services) in the following regions and countries:
  - AppsOne: North America and the Asia-Pacific region,
  - AppsTwo: Continental Europe and the United Kingdom [1];
- the Group's operations in Latin America (including the joint venture in Brazil), which primarily offer clients Application Services and Infrastructure Services expertise.

These Strategic Business Units operate through the legal entities comprising the Group and present in around 40 countries, which are in turn grouped into eight geographic areas [2], useful for reporting purposes and comparing performance year-on-year:

- North America;
- the United Kingdom and Ireland;
- France;
- the rest of Europe, comprising Germany and Central European countries, Benelux, Nordic countries and Southern Europe;
- and finally the Asia-Pacific and Latin America (LatAm) region.

This organization by business and geographic area is accompanied by a light transversal structure carrying specific offerings. For example, in Digital transformation, three offerings are proposed focusing on the customer relationship, Big Data and data analytics, respectively, while in industrial Digital, offerings focus on the Digital Customer Experience, Insights & Data and Digital Manufacturing. An identical approach was adopted to stimulate Group efforts in *Cloud* and IT security services.

(1) Since January 1, 2018, Application Services in the United Kingdom are included in the AppsTwo Business Unit (and no longer the AppsOne Business Unit)
(2) See Note 4 to the consolidated financial statements

2.3.2 Group Management

Group Management

General Management
Comprises the Chief Executive Officer and the two Chief Operating Officers.

Group Executive Board
Defines the broad strategies and actions to be submitted to the Group Executive Committee for approval and ensures their implementation by the major business units.

Group Executive Committee
Structures and follows the implementation of strategies concerning the Group's operating structure, the choice of priorities, production rules and organization.

Group Management at January 1, 2018

Capgemini SE Group Management is led by Mr. Paul Hermelin, Chairman and Chief Executive Officer, assisted since January 1, 2018, by two Chief Operating Officers, Messrs. Delaporte and Ezzat. Mr. Delaporte has specific responsibility for steering the offerings, industrial expertise, innovation and the Indian platform, while Mr. Ezzat has specific responsibility for steering the operating accounts and the commercial management of clients. At the date of this Registration Document, Mr. Ezzat also continues in his position as Chief Financial Officer. Together, the three of them form the Office of the CEO, ensuring the coherent management of the Company.

PAUL HERMELIN
Chairman and Chief Executive Officer

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Mr. Paul Hermelin, born on April 30, 1952, is a graduate of École Polytechnique and École Nationale d'Administration. He spent the first fifteen years of his professional life in the French government, primarily in the Ministry of Finance. He held a number of positions in the Budget Office and on various ministry staffs, including that of Finance Minister Jacques Delors. He was chief of staff to the Minister of Industry and Foreign Trade, from 1991 to 1993.

Mr. Paul Hermelin joined the Capgemini Group in May 1993, where he was first in charge of coordinating central functions. In May 1996, he was appointed member of the Management Board and Chief Executive Officer of Capgemini France. In May 2000, following the merger of Capgemini and Ernst & Young Consulting, he became Chief Operating Officer of the Group and director. On January 1, 2002, he became Chief Executive Officer of the Capgemini Group, followed by Chairman and Chief Executive Officer on May 24, 2012. He has been a member of the Strategy & Investment Committee since July 24, 2002.

For more detailed information, please refer to the biography published in Section 2.1.3.

THIERRY DELAPORTE
Chief Operating Officer

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Mr. Thierry Delaporte, born on May 28, 1967, is a graduate in Political Sciences from SciencesPo Paris and holds a Masters in Law from the Paris La Sorbonne University.

Mr. Thierry Delaporte has been Chief Operating Officer of Capgemini since January 1, 2018. He was Head of Capgemini's Financial Services Strategic Business Unit from January 1, 2013 to December 31, 2017, as well as overseeing Capgemini's operations in Latin America from January 2016 to December 31, 2017. He is a member of the Group Executive Board.

Mr. Thierry Delaporte has spent most of his career with Capgemini. He has driven Capgemini's operations and strategic planning in several of its key businesses, based in various countries, and has participated in a number of key transformation programs.

Mr. Thierry Delaporte was Chief Operating Officer and Head of Sales for Application Services One (UK, Asia Pacific and North America) in 2011 and 2012, Chief Financial Officer for the Global Outsourcing Business Unit (2009-2010), Chief Financial Officer for North America (2005-2008), Chief Financial Officer of Southern Europe (2003-2005), Chief Financial Officer and Chief Operating Officer for Australia and New Zealand (2002-2003), Chief Financial Officer for the Asia-Pacific Telecom business following the integration of Ernst & Young operations (2000-2002), Chief Financial Officer for Switzerland and Austria (1997-2000). Mr. Thierry Delaporte joined the Capgemini Group in 1995 as Group Internal Auditor.

Mr. Thierry Delaporte began his career in 1992 as a Senior Auditor at Arthur Andersen in Paris and London.

Mr. Thierry Delaporte is also Co-founder and President of a Non-Profit Organization (Life Project 4 Youth).

AIMAN EZZAT

Chief Operating Officer

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Mr. Aiman Ezzat, born on May 22, 1961, holds a MSc (Master of Science) in chemical engineering from École Supérieure de Chimie Physique Électronique de Lyon in France and an MBA from the Anderson School of Management at UCLA.

Mr. Aiman Ezzat has been Chief Operating Officer of Capgemini since January 1, 2018. He held the role of Chief Financial Officer at Capgemini since December 2012. He is a member of the Group Executive Board. In March 2017, he was named the "Best European CFO" for the technology and software category in the "2017 All European Executive Team" Institutional Investor's annual ranking of the region's top corporate leaders.

From December 2008 to 2012, he led the Financial Services Global Business Unit (GBU) after serving as Chief Operating Officer from November 2007. Mr. Aiman Ezzat has also served as Capgemini's deputy director of Strategy from 2005 to 2007. He played a key role in the development of the Booster turnaround plan of the Group's activities in the United States, as well as in the development of the Group's offshore strategy. He was part of the acquisition and integration team of Kanbay, a global IT services firm focused on the financial services industry, acquired by Capgemini in 2006.

Before joining Capgemini, from 2000 to 2004, Mr. Aiman Ezzat served as Managing Director of International Operations at Headstrong, a global business and technology consultancy, where he worked with financial services clients in Asia, North America and Europe.

Mr. Aiman Ezzat was also previously Global Head of the Oil & Gas and Chemicals practice of Gemini Consulting where he spent 10 years (Gemini Consulting was the former brand of the strategic and transformation consulting arm of the Capgemini Group, now Capgemini Consulting).

As far as the Company is aware, no Group Management member has, at any time during the last five years, been found guilty of fraud, been involved in any bankruptcy, receivership or liquidation, been subject to any form of official public sanction and/or criminal liability or been disqualified by a court from acting as an executive or from participating in the management or conduct of the affairs of any issuer.

At the date of this Registration Document and as far as the Company is aware, there are no:

- family ties between the General Management members or between a General Management member and a director of the Company;
- potential conflicts of interest among General Management members between their duties to the Company and their private interests and/or any other duties;
- arrangements or agreements with a shareholder, customer, supplier, or other party pursuant to which a General Management member was selected;
- restrictions on the sale by General Management members of their investment in the share capital of Capgemini (other than the obligation to hold preference shares detailed in Section 2.4.1).

Management of the Group

Group Management is assisted by two bodies comprising the Group's key operating and functional managers: the Group Executive Board (GEB) and the Executive Committee.

The role of the Group Executive Board is to facilitate the carrying out of the Group's operations and to take the necessary measures, notably with regard to the setting of quantitative objectives and appointing and assessing the performance of executives with a wide range of responsibilities. The GEB defines the broad strategies and actions to be submitted to the Executive Committee for approval and ensures their implementation by the major business units.

At the date of this Registration Document, the GEB comprised the following individuals:

Paul Hermelin	Chairman and Chief Executive Officer
Thierry Delaporte	Chief Operating Officer
Aiman Ezzat	Chief Operating Officer, Chief Financial Officer
Anirban Bose	Financial Services
Hubert Giraud	People Management and Transformation
Patrick Nicolet	Chief Technology Officer
Olivier Sevillia	Application Services Two and Global Accounts management

* *Application Services Two : United KIngdom, France, Benelux, Nordic Countries, Germany, Central Europe and South Europe.*

The role of the Executive Committee is to assist Group Management define broad strategies concerning the Group's operating structure, the choice of priority offerings, production rules and organization and the implementation conditions for human resources management. The Executive Committee meets once a month and comprises, in addition to the Chairman and Chief Executive Officer, the Chief Operating Officers and the other GEB members, the following managers.

Operating functions:

- the Cloud Infrastructure Services Director;
- the Consulting and Digital Services Director;
- the Business Services Director;
- the India Operations Director;
- the Application Services Director for Asia-Pacific;
- the Application Services Director for North America;
- the Sogeti Director.

Central departments:

- the Strategy and Development Director;
- the Global Sales Director;
- the General Secretary;
- the Marketing and Communications Director;
- the Production/Methods and Support Director;
- the Chief Innovation Officers;
- the Head of Transformation;
- the Corporate Social and Environmental Responsibility Director and UK coordination large accounts.

The Executive Committee comprises a total of 22 people at the date of this Registration Document.

In addition, 5 special-purpose committees assist Group Management:

- the **Group Review Board**, chaired by the Chairman and Chief Executive Officer, which examines the major business proposals in the course of drafting or negotiation, multi-national or multi-business framework agreements entered into with clients or suppliers and major contracts involving guarantees given by the Group;
- the **Merger & Acquisitions Committee**, also chaired by the Chairman and Chief Executive Officer, which examines acquisition and divestment projects in the course of identification, selection, assessment or negotiation;
- the **Investment Committee**, chaired by the Chief Financial Officer, which reviews and provides advice with respect to projects requiring investment, including those involving real estate or investment in technologies;
- the **Intellectual Property Committee,** which decides Group priorities and investments in this area and, in particular, the global roll-out of innovations resulting from local initiatives;
- the **Risk Committee**, chaired by the Chief Financial Officer, which is in charge of the effective implementation of the risk identification and risk management system and which leads the associated internal controls.

Finally, in a certain number of cases where it was considered useful or necessary (and particularly in the Group's main countries), a Coordination Committee was appointed bringing together local managers of the different Group businesses and tasked with improving cooperation (particularly with respect to actions carried out individually by one or other business for the major clients appearing in a list drawn up at the beginning of the year).

2.3.3 The central departments

Group Management is assisted by the following central departments organized as follows at the date of this Registration Document.

Reporting to Mr. Paul Hermelin

People Management and Talent Development Department

The People Management and Talent Development Department is headed by Mr. Hubert Giraud. Mr. Giraud is in charge of managing the Group's Human Resources policy with the principal aim of developing the skills and productivity of the Group's employees. His role is to lead local initiatives so that they reflect our on-going commitment to performance, encourage a new generation of managers and set up diversified and complementary career paths. He is responsible for modernizing and simplifying employee management tools as well as the policies rolled out in this area by the Group's subsidiaries, particularly with respect to the retention of high potential managers and their career orientation. He is assisted by the Group Talent Management Director, who is responsible for talent management, developing leadership and succession plans for our key executive managers. The Group Compensation and Benefits Director is responsible for the management of compensation policies applied in the Group, those of Group managers and related share capital incentive programs.

The Corporate Social and Environmental Responsibility Department

Mrs. Christine Hodgson steers the Group's social and environmental responsibility policy which is managed by a department that she heads and a committee that she chairs comprising Group managers and employees from a wide range of backgrounds. This committee considers the challenges of protecting the environment, diversity and corporate citizenship. She reports to Mr. Hubert Giraud, People Management and Transformation Director, in respect of these duties. Mrs. Hodgson also chairs the United Kingdom Commercial Coordination Committee and reports directly to the Chairman and Chief Executive Officer in this respect.

Technology Department

This department, headed by Mr. Patrick Nicolet since January 1, 2018, manages the technology and innovation agenda for the Group. It coordinates the work for all proprietary solutions making up the Group's intellectual property and builds upon the Group's client-driven applied innovation strategy. It conducts and develops the technological dialogue with the Group's major strategic partners and is committed to placing their innovations and the Group's solutions at the core of the Group's offering and service portfolio.

The Group's internal IT Department, which manages the Group's global infrastructures and applications and drafts technical standards applicable to all Group IT assets, also reports to Mr. Nicolet, as does the IT Security Department, which seeks to ensure the IT security of the Group as a whole, through the implementation of appropriate tools, training and controls.

The Finance Department

The Finance Department is headed by Mr. Aiman Ezzat at the date of this Registration Document, and is responsible for:

- Group operating management control, comprising supervision of the preparation of budgets, monthly forecasts and performance monitoring as well as operational reporting and financial consolidation;
- financing and treasury;
- accounting books and records and accounting standards;
- taxation and insurance;
- financial information systems and the transformation of finance;
- financial communication and investor relations;
- real estate and real estate transformation projects;
- the procurement department, which over and above managing relations with all Group suppliers, contributes to arbitrating between internal developments and the use of outside service providers and the supply of resources to our engagements.

He also heads the Group's global risk management process.

The General Secretary

This position is occupied by Mr. Jean-Baptiste Massignon who is responsible for:

- Group governance, including secretarial services for the Board of Directors of the listed company, Capgemini SE and its operation pursuant to the bylaws;
- legal affairs, which encompasses the management pursuant to the bylaws of the subsidiaries comprising the Group, legal assistance to operations through local Legal Departments and regulatory compliance policies applicable to the Group, in particularly regarding data protection;
- the management of the control process for risks presented by certain business proposals. In this respect, he prepares the decisions presented to the aforementioned Group Review Board;
- corporate secretarial services for Capgemini Service, the entity which provides operating and support services to Capgemini SE.

The Ethics & Compliance and Internal Audit Department

Headed by Mr. Philippe Christelle, the Internal Audit Department reports directly to the Chairman and Chief Executive Officer and is tasked with controlling the correct application by business units of Group principles and rules, particularly with respect to risk management and control. The implementation of Internal Audit recommendations by the relevant business units is systematically monitored.

Mr. Philippe Christelle also heads the Ethics & Compliance Department of the Group, reporting directly to Mr. Paul Hermelin.

Development and Strategy Department

This department, managed by Mr. Pierre-Yves Cros, deals with all issues related to Strategy, as well as acquisitions and divestments. It is primarily tasked with fostering deliberations on strategic issues by Group Management, the Board of Directors, its Chairman and the Strategy & Investment Committee. As such, it summarizes and develops the Group's internal and external strategy. It maintains close relations with leading firms specializing in analyzing the market and trends therein. The department oversees compliance with the Group's internal transformation program and monitors, in conjunction with the Technologies Department, the emergence of innovative potential partners that could contribute to the Group's organic growth. It examines acquisitions and divestments in close conjunction with the Finance Department.

The Marketing and Communications Department

Mrs. Virginie Régis heads this department, which is responsible for the Group's internal and external communication and is tasked with coordinating actions implemented in this area by operating subsidiaries as well as their marketing deliberations and initiatives.

The **Sogeti**, **Financial Services**, **Apps Two** and **Business Services** entities also report to Mr. Paul Hermelin until June 30, 2018.

Reporting to Mr. Thierry Delaporte

The following **Business Units:**

- Consulting & Digital Services, headed by Mr. Cyril Garcia;
- Cloud Infrastructure Services, headed by Mr. Jean-Philippe Bol.

Capgemini India

Mr. Srinivas Kandula is responsible for the development and performance of the delivery centers based in India, with the primary task of raising operating performance levels to those attained by the best sector companies in India.

The **Cloud and Digital horizontal entities** formed to mobilize technological and functional resources and make them available to all Group units and their clients:

- Cloud Foundation Services, which mobilizes consulting, information systems architecture and transformation expertise to assist clients in their transition to the Cloud;
- Digital, which mobilizes competent technology resources across three key Digital transformation pillars: (i) Insights & Data, *i.e.* data analysis and processing offerings (Big Data), (ii) Digital Customer Experience offerings and finally (ii) Digital Manufacturing offerings, grouping together the Group's know-how in the digitalization of industrial processes, the optimization of production assets and technologies enabling the connection of things.

Reporting to Mr. Aiman Ezzat

The Global Sales Department

Headed by Mrs. Rosemary Stark, this department encompasses:

- the management of client offerings and the launch of growth initiatives;
- the stimulation and promotion of Group offerings in the following sectors: Utilities/Distribution & Consumer Goods/Automobile Industry/initiatives managed centrally but entrusted, in the name and on behalf of the whole Group, to operating entities;
- the definition and standardization of sales support processes.

The Production/Methods and Support Department

Headed by Mr. André Cichowlas, this department is tasked with designing and disseminating prevailing methodologies within the Group, certifying certain categories of employee (project leaders, architects, etc.) and performing audits of risk-sensitive projects conducted by specialized teams known as "flying squads". It leads and supervises the various standardization and productivity improvement programs undertaken by the Group Strategic Business Units. The current priority is optimizing management of the work force.

As well as the Apps One **Business Unit**.

2.4 Compensation of Executive Corporate Officers

2.4.1 Executive Corporate Officers compensation policy

2.4.1.1 Existing practices

General Principles

The procedures for setting the compensation of the Executive Corporate Officers whether the Chairman and Chief Executive Officer or the Chief Operating Officers comply with the recommendations of the revised AFEP-MEDEF Code issued in November 2016. Compensation components and structure were determined in accordance with the recommendations of this Code, whether fixed or variable compensation, the grant of equity instruments or supplementary pension benefits and in addition to complying with "market" rules are in line with existing Group practices, These principles are regularly reviewed and discussed by the Compensation Committee of the Board which submits a report on its work and its resulting proposals to the Board of Directors for approval.

The Compensation Committee refers in particular to comparative studies to ensure the **transparency, consistency and competitiveness** of both the compensation level and structure and calculation methods with market practice. The Committee's recommendations take account of executive management compensation levels and components in CAC 40 companies as well as observed practice in leading French and foreign Group competitors in the IT services and consulting sector. Compensation publication practice varies significantly between the countries and legal structures of competitors, in particular in the case of private partnerships. CAC 40 companies are therefore the most relevant benchmark and the most transparent, but additional analyses take account of the international and competitive aspects of the sector and geographies in which the Company operates.

The Compensation Committee took due note of the observations issued to Capgemini in July 2014 by the High Committee for Corporate Governance (*Haut Comité de Gouvernement d'Entreprise*, HCGE) and of its activity reports since 2015, as well as of the AMF annual reports on corporate governance and executive management compensation in listed companies. These observations were taken into account and integrated into the items detailed below. No observations were made in 2015, 2016 and 2017.

When performing comparisons with French companies of comparable size and ambition, the Compensation Committee ensures that Capgemini's practices are in line with the best practices of CAC 40 companies in terms of both the clarity and consistency of methods applied. As in previous years, the Group participated in 2017 in comparative studies of the main French companies carried out by specialist firms. These comparisons show that Mr. Paul Hermelin's global compensation is close to the median compensation for CAC 40 companies and is of an adequate level compared with comparable sector compensation in France and abroad. In addition, an independent study was commissioned to a well known international firm, to support the compensation level setting of the two newly appointed Chief Operating Officers in accordance with the practices which exist within the Group and in reference to French market practice and to international benchmark. The Group also ensures that the respective proportions of fixed and variable components and share grants valued in accordance with IFRS are **balanced**, in line with market practices, **linked to Company's performance and aligned to Group strategy**.

The fixed component has always been determined pursuant to a long-lasting Group practice, which aligns the compensation structure of the Executive Corporate Officers **with that of key operating managers**. One of the historical rules of the Group is that the remuneration of executive management comprises a fixed component equal to 60% of the target theoretical compensation and a variable component equal to 40% of this amount subject to the attainment of pre-defined collective and individual objectives.

The Compensation Committee also monitors the main practices of its international competitors. Compensation practices in North America and India are structurally and culturally different from those applied in European companies. Observing their practices nonetheless provides relevant information on the nature of the market and compensation levels. In American companies such as Accenture, DXC and IBM, total compensation includes a substantial proportion of long-term share-based compensation

Procedures for setting fixed and variable compensation

The procedures for setting Executive Corporate Officers compensation in respect of fiscal year Y are adopted by the Board of Directors' meeting in Y held to approve the financial statements of fiscal year Y-1. As indicated above, this compensation comprises – as does that of all key executive managers of the Group – fixed compensation paid in 12 monthly installments equal to 60% of the total theoretical amount if objectives are achieved and variable compensation equal to 40% of this total theoretical amount, closely correlated to the Company's performance.

The Board of Directors therefore approves at the beginning of the year for the year in progress:

- **the theoretical fixed and variable compensation components**. 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. Therefore, as a result of this system, fixed plus variable compensation may vary between 60% and 140% of the annual theoretical/target compensation. **The variable component and the total compensation are therefore both capped and the variable component may not represent more than 133% of fixed compensation as indicated in the summary table below**;

- **the fixed component which is not reviewed annually**, but after several years in accordance with the AFEP-MEDEF Code. Mr. Paul Hermelin's fixed compensation was increased in 2008 and was only reviewed in 2013 (+10%) following an extension of his responsibilities and to reflect the strong growth and international expansion of the Group and has remained unchanged since;
- **the internal performance indicators included in the calculation of the V1 component and the weighting applied to each indicator**. The level of attainment of these indicators is determined based on a comparison of actual audited and budgeted Group consolidated results. The performance indicators are adopted in line with the key indicators presented regularly to the market and are tied in 2017 as it will be the case in 2018 to:
  - growth through Group Revenue achievement for 30%,
  - operating profitability through Group Operating margin for 30%,
  - cash generation through the Group Free Organic Cash Flow for 20%
  - shareholders return through net profit before taxes for another 20% as this is the driver to assess the dividend level;
- **the individual performance objectives underlying V2 compensation**. The strategic and operating objectives for 2017 of the Chief Executive Officer felt into three main categories, "the Digital and Cloud acceleration roadmap", "the HR and delivery strategy around diversity, talent management and mobility" and "the recovery of the North American operations". The Board of Directors ensured the objectives were based on directly measurable items so that overall **75% of the total variable compensation was based on quantitative data** and, that objectives are clearly tied to the roll out of the Group's strategy priorities approved by the Board of Directors as conditions to deliver the long term strategic plan;
- **the acceleration formula applied to V1**. The V1 component varies in line with a formula, that accelerates actual performance upwards and downwards such that in 2017:
  - the V1 component is nil if the weighted performance of financial indicators is less than or equal to 75%,
  - the V1 component can reach twice the theoretical amount if the weighted performance is greater than or equal to 125%; varying on a straight-line basis between these two limits.

The level of attainment of objectives and the amount of the variable compensation components are decided pursuant to the recommendation of the Compensation Committee, by the Board of Directors' meeting in Y+1 held to approve the financial statements of fiscal year Y. The Committee meets on several occasions before the Board of Directors' meeting to appraise the percentage attainment by Mr. Paul Hermelin of his objectives. An executive session of the Board was held in December 2017 and another one in February 2018 to assess such performance before the Board of Directors which decides the level of attainment by Mr. Hermelin of his objectives.

The variable compensation used to be paid end of March, after the Board of Directors' meeting that approves the financial statements for fiscal year Y, underlying the calculation of the various variable compensation components and that decided the percentage attainment of individual objectives set. Since 2017, the variable compensation of the Chairman and Chief Executive Officer is paid following approval by the Shareholders Meeting of the compensation elements for fiscal year Y and this will be applicable as well to the Chief Operating Officers.

Summary table of the theoretical structure of fixed and variable compensation applicable to Executive Corporate Officers

Theoretical compensation structure, base 100	Target	Min	Max
Gross fixed compensation	60	60	60
Annual variable compensation V1	20	0	40
Annual variable compensation V2	20	0	40
Multi-year variable compensation	0	0	0
Theoretical total if objectives are attained	**100**	**60**	**140**
% variable / fixed	67%	0%	133%

Capgemini share-based incentive policy procedures

The Group stopped granting stock options in 2009 and now grants performance shares in accordance with the following principles:

- performance shares are granted subject to the same conditions of presence and performance as applicable to other Group beneficiaries and **all shares are subject to performance and presence conditions**. Mr. Paul Hermelin received performance shares in 2009, 2012, 2013, 2014, 2015, 2016 and 2017 but was not granted any shares in 2010 or 2011;
- the associated conditions are ambitious, as demonstrated by the effective share grant percentages of the first four fully vested plans with respectively 42.3% for the 2009 plan, 56.7% for the 2010 plan, 87.9% for the 2012 plan and 83.9% for the 2013 plan, of the number of shares initially granted;
- the performance conditions are set in the resolution submitted for shareholders' approval and include, internal and external conditions in accordance with the AMF recommendation, and are calculated over a 3 years period to ensure a sustainable performance and to align Executive Corporate Officers and shareholders interests in the long run;

- the volume of shares granted to executive corporate officers pursuant to the resolutions presented to shareholder vote is limited (maximum of 10% of shares available for grant set in the last resolution voted on May 10, 2017). The performance shares granted to Mr. Paul Hermelin in 2015 and 2016 represented 2.32% and 2.44% respectively of the total amount authorized by the Combined Shareholders Meeting for the corresponding periods and 3.2% and 2.52% of the total amount granted to all beneficiaries within these resolutions. These percentages were 2.07% and 2.21% respectively for 2017. Since 2009 and over ten performance share grants, the average percentages are 2.17% and 2.88% respectively;
- the IFRS value of shares granted aims at not exceeding close to 100% of the theoretical yearly cash compensation for a given year, and over the last 4 years this value has ranged from 60% to 95% of the theoretical cash compensation;
- in accordance with the legal provisions, the Board of Directors must set the number of definitely vested shares granted in connection to their office which shall continue to be held by the executive corporate officers until the termination of their office. Mr. Paul Hermelin currently holds Capgemini SE shares representing more than 10 years of his fixed and variable annual compensation.

  Mr. Paul Hermelin was required to hold all vested performance shares received under the 2009, 2012 and 2013 plans until the later of:

  - the end of the mandatory two-year holding period (2009 plan), extended to four years (2012 and 2013 plan), and
  - the expiry of his term as executive corporate officer.

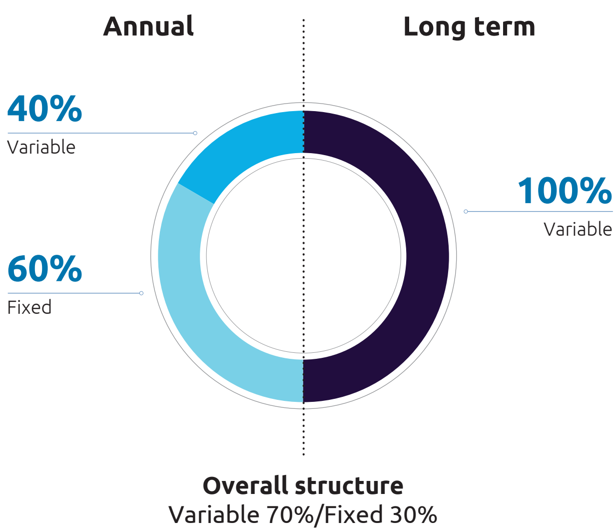
  Since then and in accordance with the recommendation of the AFEP-MEDEF Code, the Board of Directors decided that vested performance shares representing at least 50% of shares must be retained, where the amount of shares held, valued at share price on the vesting date, represents less than a threshold expressed as a multiplier of the theoretical annual compensation (fixed and variable). Once this threshold is reached, the obligation to retain performance shares only applies to one third of shares vested. Finally, the Board of Directors has decided on February 14, 2018 that if the number of shares valued on the vesting date represents twice the threshold, then the obligation to hold shares that vest as a result of these grants would be set at five percent, executive corporate officers being entitled to freely sell their shares as long as i) the value of their shares remains above the later threshold and ii) at least five percent of each share grant is held until the termination of their office as executive corporate officer;
- share hedging transactions are prohibited before the end of the mandatory holding period. This prohibition is included in the grant plan rules and applies to all beneficiaries. It applies since the first performance share grant plan in 2009;
- effective presence on vesting date is required for shares to be definitely granted as per the terms of the plan rules with the exception of death, disability and retirement. These presence conditions and exceptions apply since the first performance share grant plan. In other circumstances, the shares are forfeited;
- in accordance with the recommendations of the AFEP-MEDEF Code, performance shares are now granted on at the same calendar periods and are decided by either the Board of Directors' meeting at the end of July or the following meeting held in October. This has been the case since 2015 as the grants was made in July in 2015 and 2016 and in October in 2017 in alignment with the Group 50th anniversary and "Rencontres" announcement.

Two small special grants were made outside this timeframe. One took place in February 2016 targeting former IGATE employees as at the time of the 2015 grant made in July 2015, IGATE had just been bought not leaving enough time to ensure a proper selection of the beneficiaries. Therefore, and after having informed the HCGE of our intention, a special grant has been made in February 2016 for this specific and limited population. For the second one, while the decision to make the annual grant in October was taken, nevertheless, a small grant took place in July 2017 targeting a limited population from a newly bought company (Idean) as part of the purchase agreement. Neither the Chief Executive Officer nor the Group Executive Committee members were concerned by these two grants.

One-off award

A one-off award, if any would only be applicable in case of an external hiring of an Executive Corporate Officer with the need to buy out awards that would be lost following this hiring decision. In such case, the award would be proportionate to the lost amounts.

Summary of the target compensation structure of Executive Corporate Officers



2.4.1.2 Specificities and proposed fixed and variable compensation for Executive Corporate Officers

Specific items and proposed 2018 fixed and variable compensation of the Chairman and Chief Executive Officer

The Chairman and Chief Executive Officer:

- no longer benefits from an employment contract, which was terminated on February 18, 2015;
- has waived his right to receive director's fees since 2009;
- is not entitled to termination benefits;
- is not covered by a non-compete clause;
- does not benefit from a multi-year variable or deferred compensation mechanism;
- does not benefit from one off awards;
- does not have fringe benefits.

The threshold under which 50% of shares definitely vested have to be held until the termination of the office has been has been set for Mr Hermelin at twice his annual theoretical compensation applicable on vesting date. As this threshold had been attained each time since the July 2014 grant, the obligation to hold shares that vest as a result of these grants has been set at one-third of vested shares for the corresponding plans.

The terms of the supplementary pension which rights were frozen in 2015 following the closing of the plan are described in section 2.4.2 thereafter, being specified that when implemented the plan was fully aligned with AFEP-MEDEF Code recommendations.

Fixed and variable compensation of the Chairman and Chief Executive Officer for 2018

Following the principles just described, the Board decided, pursuant to the recommendation of the Compensation Committee, to set Mr. Paul Hermelin's theoretical compensation for 2018 at €2,652,000 representing a 9.6% increase. Mr Paul Hermelin remuneration remained unchanged since 2013 and has not been adjusted during his previous mandate. However, contrary to aforesaid principles, considering the present fixed compensation level in regard to market practice, the Board has decided to leave the fixed compensation unchanged at €1,452,000 for 2018 and rather to increase the variable percentage from 40% to 45%. The Board also set the procedure for calculating the variable component of Mr. Hermelin's compensation for fiscal year 2018 (€1,200,000), defining the performance indicators underlying the V1 calculation, as well as the personal strategic objectives adopted for the V2 component.

Accordingly, the operating indicators adopted for 2018 V1 compensation will remain unchanged 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 indicators will be determined as in past years, based on a comparison of actual audited and budgeted Group consolidated results and will be subject to the accelerated formula (upward or downward).

The personal strategic objectives adopted for 2018 V2 variable compensation have been each assigned an individual specific weight and have been classified in two main categories. Following the new governance structure in place since January 1, 2018 and with the launch announced in Geneva during the 50th anniversary Group Rencontres of a major transformation program, the Compensation Committee suggested to the Board which approved this proposal, to structure the objectives of each Executive Corporate Officer with a set of common/shared objectives associated with a set of specific/role-based ones. Therefore, objectives of the CEO are built as follows:

shared objectives represent 60% of the CEO V2 and they relate to:

i) the effective implementation of the new Group governance and managerial transition 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 a 30% weight (out of which 10% is quantifiable); and

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

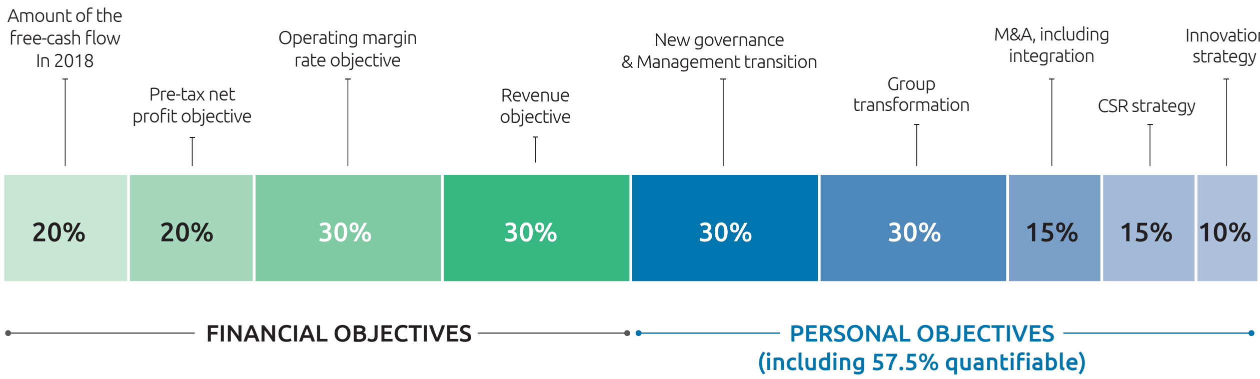
specific objectives represent 40% of the CEO V2 and they relate to:

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.

2018 variable compensation of the Chairman and Chief Executive Officer



These objectives have been formalized in such a way as they can be clearly assessed on objective 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.

Payment of the variable compensation of the Chairman and Chief Executive Officer for fiscal year 2018 remains subject to approval by the shareholders at the Shareholders' Meeting to be held in 2019.

The Existing Practices described in 2.4.1.1 and the Specific items and proposed 2018 fixed and variable compensation of the Chairman and Chief Executive Officer set out in 2.4.1.2 above correspond to the report of the Board of Directors to shareholders established pursuant to the provisions of Article L.225-37-2 of the *Code de Commerce* related to the principles and criteria of the Chairman and Chief Executive Officer compensation. These principles and criteria remain subject to shareholders' approval at the Combined Shareholders' Meeting of May 23, 2018 (*please refer to resolution n°5 in chapter 6 of this Registration Document*) and will continue to apply further to the renewal of Mr. Hermelin's mandate as Chief Executive Officer and Chairman of the Board following the upcoming Shareholders' Meeting.

Specific items and proposed 2018 fixed and variable compensation of the Chief Operating Officers

In addition to the general principles, procedures followed to set the fixed and variable compensation and the share-based incentives which are common to Executive Corporate Officers, Chief Operating Officers packages comprise the following specificities

Employment contract

With regards to Mr. Thierry Delaporte and Aiman Ezzat, their employment contracts have been suspended since January 1,2018 subsequent to their appointment as Chief Operating Officers of Capgemini (date from which they exercise their first term of office as Executive Corporate Officers) this suspension being compliant with the recommendations of the AFEP MEDEF Governance Code for a Chief Operating Officer, and deemed appropriate in relation to their seniority in the Group, being specified that their contract.do no stipulate any entitlement to a severance pay provision.

Shares holding threshold

For the Chief Operating Officers, the threshold under which 50% of definitely vested shares have to be held until the termination of their office has been set at one year of their theoretical annual compensation (fixed and variable).

Long saving plan

The Board of Directors, on the proposal from the Compensation Committee, decided that the Chief Operating Officers shall continue to be entitled to benefit from the long saving mechanism from which they used to benefit as a member of the Group's Executive Board, neither of them benefiting from the supplementary pension (Art. 39) plan frozen in 2015. This plan, was implemented since 2016, to remain attractive for senior executives while being able to offer a long term incentive vehicle in better economic conditions for both the Company and the beneficiary and more aligned to market and legal evolutions (portability, performance conditions, agility); It consists in the payment of an annual allowance, at least half of which shall be allocated to a third-party body in the context of a supplementary optional pension insurance (Article 82), the rest of the allowance in cash being kept by the Chief Operating Officer, considering the immediate taxability upon entry of this mechanism. This allowance would be made in the following conditions:

- the allowance is subject to the satisfaction of 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;
- the amount of the allowance where all the objectives have been reached is equal to 40% of the fixed part composing the annual compensation; it will vary according to the unflexed weighted performance of the financial indicators used for the V1 part;
- the payment of the allowance with respect to year N, subject to the satisfaction of the performance conditions for year N, is deferred as follows:
  - 50% of the amount calculated would be paid in year N+1,
  - 50% of the amount calculated would be paid in year N+2, provided that the Chief Operating Officer shall be present in the Group as at June 30 of year N+2.

The calculation procedure and the objectives related to this allowance will be set each year by the Board of Directors, on the proposal from the Compensation Committee. The Board of Directors decided that the calculation procedure, the Company's internal performance indicators taken into account for the calculation of the V1 part, and the level of weighting associated to each indicator with respect to the financial year 2018, will be set by the Board of Directors, on the proposal from the Compensation Committee, during the meeting during which the results of the financial year ended December 31, 2017 will be adopted.

Benefits in kind

In addition to the above-mentioned items, the structure of the Chief Operating Officer compensation may also comprise the provision of a company car, if required under prevailing conditions within the existing plan in place in France.

The appointment of MM. Delaporte and Ezzat as Chief Operating Officers aims at preparing the managerial evolution of the Group. During this transition period, the Board estimated that it was in the interest of the Group to implement a non-compete undertaking while offering a capped severance indemnity to the Chief Operating Officers in case of a termination. These two items are detailed thereafter.

Capped severance indemnity under performance conditions due in the event of a termination of the function of Chief Operating Officer

Following the appointment of MM. Delaporte and Ezzat as Chief Operating Officers as of January 1, 2018, the Board based on the proposal of the Compensation Committee has in addition authorized, subject to the condition precedents (i) of the approval of the Chief Operating Officers compensation policy by the General Meeting and (ii) of the renewal of their mandates as Chief Operating Officer following the upcoming General Meeting, the principle of a severance indemnity which would be due to each Chief Operating Officer in the event of a termination of their corporate office. However, no severance indemnity shall be due if the Chief Operating Officer leaves the Company on his own initiative, changes functions within the Group, is entitled to assert in a near future his rights to retirement or in the event of a gross negligence or serious misconduct.

In compliance with the recommendations of the revised AFEP-MEDEF Code, the aggregate amount (i) of the severance indemnity effectively paid, (ii) of any indemnity likely to be paid in connection with the termination of an employment agreement, and (iii) of any indemnity likely to be paid in consideration for the non-compete undertaking, may not exceed a maximum amount equal to twice the applicable gross theoretical compensation (fixed plus variable) as at the date of termination of said functions.

The granting and the amount of the severance indemnity depend on the percentage of achievement of the weighted performance of the financial indicators due to the Chief Operating Officer in regard to his V1 variable part during each of the last three completed financial years preceding the termination of his functions as Chief Operating Officer, being specified that the last year will count for 40%, while the two previous financial years will count for 30% each. The granting and the amount of the V1 variable part being subject to performance indicators and to the Group's consolidated results, the severance indemnity is as a result subject to the satisfaction of these same performance conditions.

The Board will have to ensure the effective achievement of these performance criteria.

Non-compete undertaking

Subject to the condition precedents (i) of the approval of the Chief Operating Officer' compensation policy by the General Meeting and (ii) of the renewal of their mandates as Chief Operating Officer, following the upcoming General Meeting, the Board of Directors upon a proposal of the Compensation Committee decided that each Chief Operating Officer shall be subject to a non-compete undertaking for a period of twelve months as from the termination of his employment contract following termination of his functions of Chief Operating Officer against an indemnity equal to half of the applicable gross theoretical compensation (fixed plus variable) where all the objectives have been reached as at the date of termination of the functions of Chief Operating Officer. The Board of Directors will be entitled, at its own discretion, to lift this non-compete obligation on departure of the Chief Operating Officer and therefore in such case, not to implement this non-compete indemnity.

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 Mr. Aiman Ezzat with respect to the severance indemnity and the non-compete clauses will be subject separately to the approval of the next General Meeting of the shareholders (please refer to resolutions n°7 and 8 in chapter 6 of this Registration Document).

For further information on the severance indemnity and on the non-compete undertaking, please refer to information on regulated agreements with related parties in Section 2.1.2 and to the Statutory Auditors' special report on page 273.

Fixed and variable compensation of the Chief Operating Officers for 2018

Mr. Thierry Delaporte

In application of the principles just described, the Board decided, pursuant to the recommendation of the Compensation Committee, to set Mr. Thierry Delaporte's theoretical compensation for 2018 at €1,475,000; This implies that the fixed part of Mr. Delaporte, will be set at €885,000 for 2018. The Board also set the procedure for calculating the variable component of Mr. Delaporte's compensation for fiscal year 2018, defining the performance indicators underlying the V1 calculation, as well as the personal strategic objectives adopted for the V2 component.

Accordingly, the operating indicators adopted for his 2018 V1 compensation will be the same as the ones set for the Chairman and Chief Executive Officer:

- 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 indicators will be determined, based on a comparison of actual audited and budgeted Group consolidated results and will be subject to the accelerated formula (upward or downward).

The personal strategic objectives adopted for 2018 V2 variable compensation have been each assigned an individual specific weight and have been classified in two main categories. Following the new governance structure in place since January 1, 2018 and with the launch announced in Geneva during the 50th anniversary of the Group of a major transformation program, the Compensation Committee suggested to the Board which approved this proposal, to structure the objectives of each Executive Corporate Officer with a set of common/shared objectives associated with a set of specific/role-based ones. Therefore, objectives of Mr. Thierry Delaporte are built as follows:

shared objectives represent 40% of his V2 and they relate to:

i) the effective implementation of the new Group governance and managerial transition 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 a 20% weight (out of which 5% is quantifiable); and

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

specific objectives represent 60% of his V2 and they relate to:

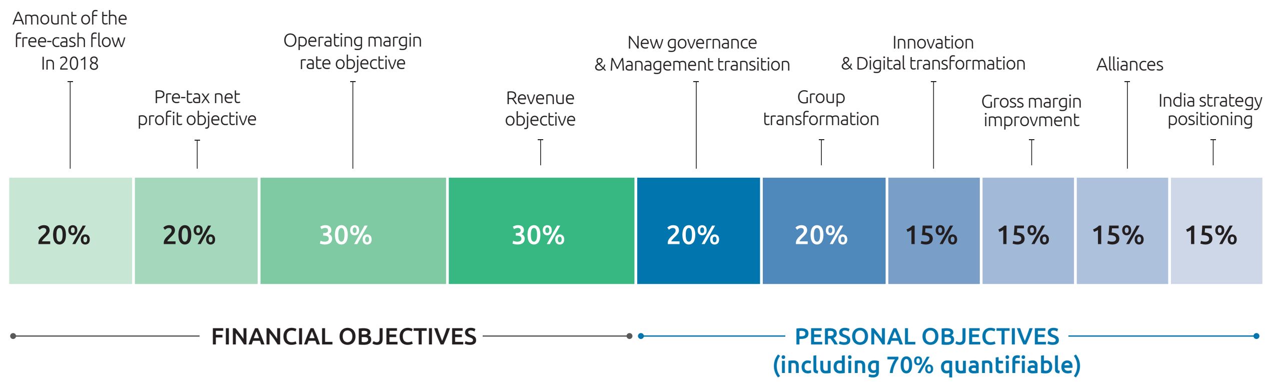
i) Through strong interaction with Business Units & Global Business Lines, acceleration of Digital innovation and transformation for 15% weighting (out of which 15% is quantifiable);

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.

2018 variable compensation of Mr. Thierry Delaporte



These objectives have been formalized in such a way as they can be clearly assessed on objective 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.

The long saving plan has been set at €355,000 for 2018 to be payable under the defined performance and presence conditions in 2019 and 2020.

The payment of the variable compensation and of the first part of the long saving plan of Mr. Delaporte for fiscal year 2018 will be subject to approval by the shareholders at the Shareholders' Meeting to be held in 2019.

Mr. Aiman Ezzat

In application of the principles just described, the Board decided, pursuant to the recommendation of the Compensation Committee, to set Mr. Aiman Ezzat's theoretical compensation for 2018 at €1,560,000; This implies that the fixed part of Mr. Ezzat, will be set at €936,000 for 2018. The Board also set the procedure for calculating the variable component of Mr. Ezzat's compensation for fiscal year 2018, defining the performance indicators underlying the V1 calculation, as well as the personal strategic objectives adopted for the V2 component.

Accordingly, the operating indicators adopted for his 2018 V1 compensation will be the same as the ones set for the Chairman and Chief Executive Officer:

- 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 indicators will be determined, based on a comparison of actual audited and budgeted Group consolidated results and will be subject to the accelerated formula (upward or downward).

The personal strategic objectives adopted for 2018 V2 variable compensation have been each assigned an individual specific weight and have been classified in two main categories. Following the new governance structure in place since January 1, 2018 and with the launch announced in Geneva during the 50th anniversary of the Group of a major transformation program, the Compensation Committee suggested to the Board which approved this proposal, to structure the objectives of each Executive Corporate Officer with a set of common/shared objectives associated with a set of specific/role-based ones. Therefore, objectives of Mr. Thierry Delaporte are built as follows:

shared objectives represent 40% of his V2 and they relate to:

i) the effective implementation of the new Group governance and managerial transition 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 a 20% weight (out of which 5% is quantifiable); and

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

specific objectives represent 60% of his V2 and they relate to:

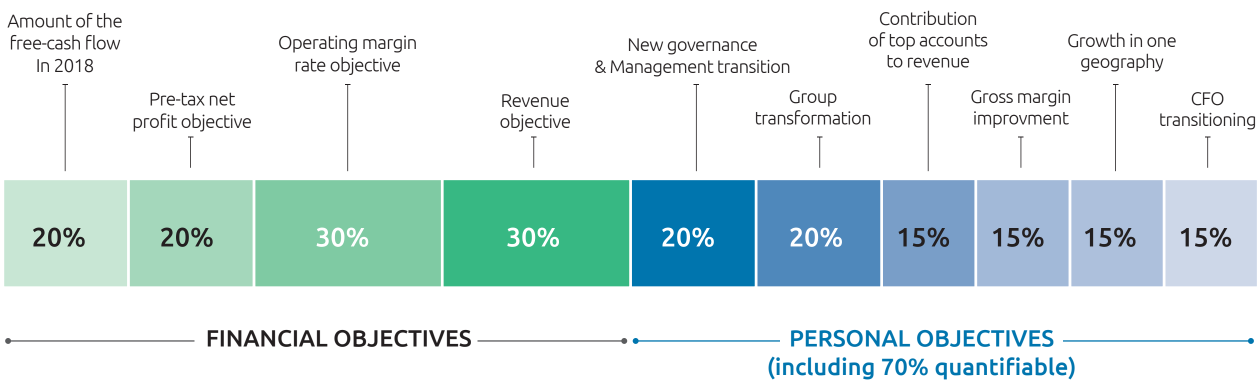
i) Higher contribution of our top accounts to revenue growth; 15% weighting (out of which 15% is quantifiable);

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.

2018 variable compensation of Mr. Aiman Ezzat



These objectives have been formalized in such a way as they can be clearly assessed on objective 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.

The long saving plan has been set at €375,000 for 2018 to be payable under the defined performance and presence conditions in 2019 and 2020.

The payment of the variable compensation and of the first part of the long saving plan of Mr. Ezzat for fiscal year 2018 will be subject to approval by the shareholders at the Shareholders' Meeting to be held in 2019.

The Existing Practices described in 2.4.1.1 and the Specific items and proposed 2018 fixed and variable compensation of the Chief Operating Officers set out in 2.4.1.2 above correspond to the report of the Board of Directors to shareholders established pursuant to the provisions of Article L.225-37-2 of the *Code de Commerce* related to the principles and criteria of the Chief Operating Officers compensation. These principles and criteria remain subject to shareholders' approval at the Combined Shareholders' Meeting of May 23, 2018 (*please refer to resolution n°6 in chapter 6 of this Registration Document*) and will continue to apply further to the renewal of their mandates as Chief Operating Officers following the upcoming Shareholders' Meeting.

2

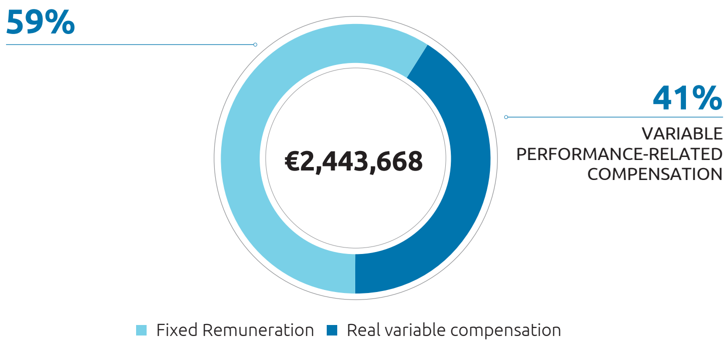
2.4.2 2017 Compensation of the Chairman and Chief Executive Officer

(gross amounts)	Compensation in respect of 2016			Compensation in respect of 2017		
Mr. Paul Hermelin: Chief Executive Officer up to May 24, 2012 and Chairman and Chief Executive Officer thereafter	**Paid in 2016**	**Paid in 2017**	**Total 2016**	**Paid in 2017**	**Paid in 2018**	**Total 2017**
Gross fixed compensation	1,452,000	-	1,452,000	1,452,000	-	1,452,000
Annual variable compensation	24,200	1,051,655	1,075,855	24,200	967,468	991,668
Multi-year variable compensation	-	-	-	-	-	-
Exceptional compensation	-	-	-	-	-	-
Attendance fees	-	-	-	-	-	-
Benefits in kind	-		-		-	-
TOTAL COMPENSATION DUE IN RESPECT OF FINANCIAL YEAR	**1,476,200**	**1,051,655**	**2,527,855**	**1,476,200**	**967,468**	**2,443,668**

In addition, the value of performance shares granted during the year and valued as per the IFRS rules on grant date are reported below:

Value of multi-year variable compensation granted during the year	-	-	-	-	-	-
Value of options granted during the year	-	-	-	-	-	-
Value of performance shares granted during the year	2,212,650	-	2,212,650	2,323,342	-	2,323,342
TOTAL	**2,212,650**	**-**	**2,212,650**	**2,323,342**	**-**	**2,323,342**

Fixed and variable compensation



Attendance Fees
Voluntary waiver

Benefits in kind
€0

Long-term compensation

- **Fully comprised of performance shares: 35,000 performance shares Accounting value at grant date in accordance with international accounting standards (IFRS, International Financial Reporting Standard):**

€2,323,342

Non-compete clause
€0

Termination benefits
€0

Multi-year compensation
€0

Pursuant to say on pay policy and the revised AFEP-MEDEF Code issued in November 2016 with which Capgemini complies, the compensation of executive corporate officers due or awarded in respect of the year then ended of each executive corporate officer must be presented to the Shareholders' Meeting for a mandatory vote. The following table summarizes the compensation components subject to shareholder advisory vote pursuant to the say on pay policy.

Compensation components due or awarded in respect of 2017 to Mr. Paul Hermelin, Chairman and Chief Executive Officer and subject to shareholder mandatory vote

	Amount or accounting value subject to vote	Presentation
Fixed compensation	**€1,452,000 (paid in 2017)**	The gross fixed compensation of €1,452,000 for fiscal year 2017 was approved by the Board of Directors on February 15, 2017 at the recommendation of the Compensation Committee. It represents 60% of the total theoretical compensation if objectives are attained and is reviewed at long intervals in accordance with the AFEP-MEDEF Code. This amount is unchanged on 2013 when it was increased by 10% to reflect the change in Mr. Paul Hermelin's role who became Chairman and Chief Executive Officer at the end of the Combined Shareholders' Meeting of May 24, 2012, the extension of his responsibilities and the evolution and internationalization of the Group since 2008, when his compensation was last modified. The annualized increase in his theoretical compensation since 2008 and therefore in his fixed compensation is 1.1% *per annum*. This theoretical compensation falls within the median of CAC 40 executives.
Annual variable compensation	**€991,668 (paid in 2018)**	During the Board of Directors' meeting of February 14, 2018, the Board, based on the audited and approved accounts and at the recommendation of the Compensation Committee, assessed the amount of Mr. Paul Hermelin's variable compensation for fiscal year 2017, of a target amount if objectives are attained of €968,000, *i.e.* 40% of his total theoretical compensation and comprising two equal components, V1 and V2, that may vary between 0% and 200% of the theoretical amount. **V1 component:** this component is calculated in accordance with quantifiable criteria and the following respective weightings, all relating to the financial results as compared to an ambition decided by the Board: 1) % attainment of the **revenue**: 30% weighting; 2) % attainment of the **operating margin rate: 30%** weighting; 3) % attainment of **pre-tax net profit: 20%** weighting; 4) 2017 **Free Cash Flow: 20%** weighting. These objectives were assessed with respect to the objectives set by the Board of Directors' meeting of February 15, 2017. **Attainment rates** for these four objectives were **99.38%, 93.11%, 98.77% and 103.6%** respectively, which taking account of the relative weighting of each objective, gives a **weighted attainment rate of 98.22%.** The Group's historical calculation formula accelerates actual performance upwards and downwards such that for 2017: ▪ if the weighted performance of the above four financial indicators is less than or equal to 75%, the V1 component will be nil; ▪ if the weighted performance of the above four financial indicators is greater than or equal to 125%, the V1 component will be capped and equal to twice its theoretical amount. Accordingly, with this formula, a one point variance in the weighted attainment rate increases or decreases the variable component by 4%. Therefore, application of the formula to the weighted attainment rate of 98.22% in 2017 results in the multiplication of the theoretical variable component by **92.89%, giving an amount of 968,000/2*92.89% = €449,588**. **V2 component:** The evaluation and the associated proposal have been prepared on the basis of the work done by the Compensation Committee which reviewed the various qualitative objectives grouped into three categories: "Digital and Cloud strategic roadmap" for 40%, "the HR and delivery strategy" for 30% and "the growth of the North American market" for 30%. For the first **category (Digital and Cloud strategic acceleration-40%)**, the Board set three qualitative indicators with an overall 25% weight around i) ensuring the communication of a clear strategic roadmap, an aligned and effective acquisition strategy and targets supporting the roadmap and an associated go to market structure. The overall assessment made by the Board on these three elements were supported by a clear presentation made during the Group "Rencontres" last October in Geneva, five new acquisitions realized or managed in 2017 and a defined road map for the go to market. It was partly balanced by the fact that the go-to-market implementation will only be effective July 1, and that a new major acquisition was announced only in 2018. This led them to evaluate the overall achievement at 96% for this part, the first two being exceeded, while the last one being in progress. For the quantitative measure weighting 15%, the growth of Digital& Cloud offerings was due to be strong in 2017 with a similar trend in the 2018 budget. With a 24% communicated growth in these domains, the Board considered that this quantitative objective has been well exceeded. In regard to the achieved quantified indicators and to the qualitative evaluation, **the Board considered that the objectives set for this category have been achieved at 115%**.

Amount or accounting value subject to vote	Presentation
	For the second **category (HR and delivery strategy -30%)**, the Board based its recommendations on the following quantitative objectives for 15% i) an above 20% growth year on year of the female representation in the Group Executive Committee and Strategic Business Units/key Business Units Management Committees which has been more than doubled at 47% ii) a 10% internal VP mobility vs 14% achieved and iii) a 15% growth of the senior offshore leadership presence in Management Committee, which has been met. He has also based its recommendations on the two following qualitative objectives for 15% i) a progressive refreshment of Group leadership supported by an external renowned assessment firm, and ii) adaptation/anticipation to regulatory changes. For these two qualitative elements, the Board in addition to the new governance, noticed the nominations of several leaders to the Executive Committee and a significant renewal in the VP population as well as the creation of a global mobility function associated with a risk mitigation strategy around mobility. **Given these achievements, the Board considered that the objectives set for this category have been overachieved at 113%**.
	For the third category (growth of the North American market -30%), the Board took into consideration two quantitative indicators each with a 10% weight i) the revenue growth at least equal to market growth in the second semester year on year which has been exceeded with an organic growth of 8.3% achieved in the second semester and ii) the increase by 5 points of the Digital& Cloud offerings in the portfolio which has been nearly achieved with a +4.7points improvement. From a qualitative standpoint, the indicator was around the reinforcement of the North America organization and governance, which following several appointments and based on a strong second semester has been evaluated by the Board as achieved for the qualitative part. **The Board considered that the objectives set for this category have been realized at 107%**.
	The Board approved a weighted performance of 112% as per the table below:

	Target		Proposal	
Objective type	**Computed**	**Qualitative**	**Computed**	**Qualitative**
Digital and Cloud acceleration	15%	25%	22%	24%
HR and delivery strategy (diversity, mobility and talent management)	15%	15%	19%	15%
North America growth	20%	10%	22%	10%
Total	**50%**	**50%**	**63%**	**49%**
	Target	**100%**	**Proposed**	**112%**

leading to a **V2 calculation of €484,000*112%=€542,080**

Accordingly, a **variable compensation of €991,668** was approved by the Board for 2017, ***i.e.* 68.3% of his fixed compensation for the same year and 102.4% of the theoretical variable compensation**. Total fixed and variable compensation for 2017 is therefore **€2,443,668** *i.e.* 101% of the theoretical compensation and may be summarized as follows:

2017 Variable compensation calculation for Mr. Paul Hermelin
V1: quantitative part based on budgeted financial targets

Indicators	**Weight**	**% of achievement**	**Weighted**
Total Revenue	30%	99.38%	29.82%
Operational Margin %	30%	93.11%	27.93%
Net results before tax	20%	98.77%	19.75%
Organic Free cash Flow	20%	103.6%	20.72%
Total weighted R/B before flex			98.22%
Total weighted after 75/125 flex (4*weighted R/B-3)			92.89%
Variable V1 on target			484,000
Computed V1			**449,588**

	Amount or accounting value subject to vote	**Presentation**

V2: qualitative part based on 2017 objectives

Categories	**Weight**	**Overall weight**
Digital and Cloud acceleration	40%	
HR and delivery strategy	30%	112.0%
North America growth	30%	
Variable V2 on target		484,000
Computed V2		**542,080**
TOTAL 2017 VARIABLE COMPENSATION		**991,668**
As a % of the total variable on target		*102.4%*
As a % of fixed compensation		*68.3%*

The variable compensation due in respect of a given year is calculated based on the audited accounts approved by the Board at the beginning of Y+1 and is paid after the submission of the compensation policy to the shareholders.

Deferred variable compensation	**N/A**	There is no deferred variable compensation.
Multi-year variable compensation	**N/A**	There is no multi-year variable compensation mechanism.
Exceptional compensation	**N/A**	No exceptional compensation was paid.
Stock options, performance shares or any other form of long-term compensation	**Performance shares €2,323,342 (accounting value on grant date)**	35,000 shares granted subject to performance and presence conditions. The vesting of performance shares is contingent on the realization of both an external performance condition and an internal performance condition. The internal performance condition accounts for 50% of the grant and is based on Organic Free Cash Flow over the three-year period from 2017 to 2019. The minimum amount necessary for shares to vest is €2.9 billion. Above this threshold, shares vest progressively on a straight-line basis, with the maximum grant requiring Organic Free Cash Flow of €3.2 billion or more. The external performance conditions accounts for 50% of the grant and is based on the comparative performance of the Capgemini share over three years against the average performance of a basket of 8 comparable companies in the same business sector and from at least 5 countries (Accenture/Indra/Atos/Tieto/Sopra Steria/CGI Group/Infosys and Cognizant) and the CAC 40 index (new since 2014). Accordingly, no shares vest if the relative performance of the Capgemini share is less than 100% of the performance of the basket of comparable companies, while 100% of shares vest only if this relative performance is at 110% or above. If performance is similar to that of the market only 50% of the initial grant vests. **The external condition has been strengthened** since 2016, as the effective vesting of shares starts from a minimum achievement of 100% of the basket of comparable companies, while it historically started at 90%. The number of shares that may vest to the executive corporate officer may not exceed 0.001% of the share capital. Authorized by the Combined Shareholders' Meeting of May 10, 2017. Sixteenth resolution Grant authorized by the Board of Directors on October 5, 2017
	Stock options = N/A **Other items = N/A**	No stock options or other items were granted.
Attendance fees	**Voluntary waiver**	The Board of Directors took due note of Mr. Paul Hermelin's decision to waive his right to collect attendance fees as a director of Capgemini SE. in respect of 2017 (as he has done for the last eight years).
Valuation of benefits in kind	**€0**	No benefits in kind.

Other compensation components

Compensation components due or awarded in respect of 2017 that were presented to the Shareholders' Meeting for vote pursuant to the regulated agreements and commitments procedure

	Amount subject to vote	Presentation
Termination payments	**€0**	No entitlement to termination payments.
Non-compete indemnities	**N/A**	No non-compete indemnities.
Supplementary pension benefits	**€0**	No amount due in respect of the year Mr. Paul Hermelin is a member of the supplementary collective defined benefit pension plan (Article 39) setup in 2006 in Capgemini Service, under the same conditions applicable to other employee members. This plan was reviewed by an external firm which confirmed that it complies with the AFEP-MEDEF recommendations of October 6, 2009, as it complies with the revised AFEP-MEDEF Governance Code issued in June 2013. **The plan was closed to new beneficiaries in 2015 and rights of existing members have been frozen as of October 31, 2015.** In order to receive benefits under this plan it is necessary to be with the Group at the time of retirement, to have at least 10 years of seniority, to have been a Group Executive Member for at least 5 years and to have a compensation level above 8 PASS (French annual social security ceiling) during 5 years at least. Benefits are based on reference earnings equal to the average of the three best years (fixed and variable part) from among the ten years preceding retirement. In addition, this supplementary pension is subject to **three cumulative limits** such that the pension amount cannot exceed: ■ 40% of reference earnings; ■ 50% of reference earnings, including pensions received under all other pension plans; and ■ reference earnings are capped at 60 times the French annual social security ceiling. Benefits are **proportional** to length of service (minimum of 10 years required and a maximum of 30 years), reflecting the required progressive acquisition of entitlement, which remains well below the threshold set by the AFEP-MEDEF code and the recent legal ceiling of 3% *per annum*. Entitlement is acquired at a rate of 1.5% per year for the first 10 years of seniority and for subsequent years only at rates of: ■ 1% up to 20 PASS; ■ 2% between 20 and 40 PASS; ■ 3% between 40 and 60 PASS. Therefore, the maximum possible annual entitlement is equal to 1.83% before potential impact of the cumulative limits. Due to the long seniority of our Chairman and Chief Executive Officer (frozen at 23 years in 2015) the value of the annual pension is estimated at a net amount after income tax and employee social contribution of 300k€, corresponding to a gross amount of 901k€ or 37% of his 2017 theoretical compensation. The plan is financed through an external insurance company and as such the required funds to pay the pension support a contribution of 24%. Also as the pension is higher than 8 PASS the pension supports a contribution estimated at 30% as in previous years. 21 members have benefited from this regime since its launch with 8 presently active as of 31/12/2017. Presented to the Combined Shareholders' Meeting of April 26, 2007 Fourth resolution in respect of regulated agreements.

Employment contract of the Chief Executive Officer

With regards to Mr. Paul Hermelin, the Board reminds readers that his employment contract has been suspended in its entirety since May 24, 1996 (date from which he exercised his first term of office as a member of the Management Board), but that it was decided in 2009, pursuant to a recommendation by the Selection & Compensation Committee, to maintain jointly his term as corporate officer and his employment contract. This decision was based on the desire to maintain for this executive corporate officer his entitlement to pension benefits, given his seniority in the Group on this date (23 years) and the services he has rendered to the Company and was in no way motivated by a desire to maintain for his benefit any entitlement to a severance pay provision stipulated in his employment contract (his contract does not contain any such provision). In keeping with this measure, Mr. Paul Hermelin following his commitment to the Board of Directors to waive his employment contract on reaching the age at which he may legally exercise his right to retire, informed the Board of Directors' Meeting of February 18, 2015 that he waived his employment contract as from that date.

Chief Executive Officer: employment contract and deferred compensation:

	Employment contract	Supplementary pension plan (see before)	Indemnities or benefits following appointment, termination or change in function	Indemnities in respect of non compete clause
Mr. Paul Hermelin - Chief Executive Officer up to May 24, 2012 and Chairman and Chief Executive Officer thereafter	No	Yes closed with frozen rights	No	No

2.4.3 Attendance fees and other compensation received by corporate officers

In compensation for the time spent participating in Board and Committee meetings, the Company was authorized by the Combined Shareholders' Meeting of May 18, 2016 to pay attendance fees to directors of up to €1,200,000 per year. The method of allocating attendance fees between directors was reviewed in 2014, following the external assessment of the Board of Directors performed in 2013 and sought to take better account of the increasing workload of committee Chairmen and encourage good attendance at meetings as well as of the travel time of Directors resident outside France. Accordingly, attendance fees are now allocated on the following basis:

- payment of a fixed amount of €15,000 per year to each director;
- payment of a fixed amount of €4,000 for each attendance at an official meeting of the Board;
- attendance fees for the Specialized Board Committees were set with regard to the specific role of each committee and the ongoing work required of Chairmen, who now receive a fixed annual payment of:
  - €45,000 for the Lead Independent Director and Chairman of the Ethics and Governance Committee and €45,000 for the Vice-Chairman of the Board of Directors,
  - €35,000 for the Chairman of the Audit and Risk Committee,
  - €25,000 for the Chairmen of the Compensation Committee and the Strategy & Investment Committee;
- payment of a fixed amount of €2,500 for each attendance at a meeting of one of the four Specialized Board Committees (excluding the Committee Chairmen);
- payment of additional attendance fees of €5,000 per Board or Committee meeting to take account of the travel time of directors resident outside Europe and of €2,000 for directors resident outside France but in Europe. This additional attendance fee is not allocated to Directors representing employees, whose travel costs are covered otherwise;
- attendance fees are calculated in two parts, at the end of the first six months and at the end of the year and are paid in two installments;
- these fixed amounts could be reduced if circumstances require the Company to hold a greater than scheduled number of meetings, resulting in aggregate attendance fees exceeding the threshold authorized by the Combined Shareholders' Meeting.

It is recalled that Mr. Paul Hermelin voluntarily waived his right to collect the attendance fees that should have been paid to him as director of Capgemini SE. in respect of 2017 (as he has done for the last eight years).

In application of the above principles these principles if fully applied, would have driven a €1,222,250 distribution, and after applying a reduction mechanism, total attendance fees of €1,199,990 were paid to directors in respect of 2017, representing 100% of the maximum amount authorized by the Combined Shareholders' Meeting. After deduction of French and foreign withholding tax, a net amount of €779,449 was paid in respect of 2017.

Attendance fees due in respect of one fiscal year and paid during another fiscal year are detailed below:

(in euros)	**Amount due in respect of 2016**	**Amount due in respect of 2017**	**Gross amount paid in 2016**	**Gross amount paid in 2017**
Daniel BERNARD	96,500	118,516	98,000	98,000
Anne BOUVEROT	47,500	59,516	63,000	49,000
Yann DELABRIÈRE	74,000	57,016	74,000	68,000
Laurence DORS	69,000	104,766	73,000	76,750
Carole FERRAND	29,500	73,516	5,000	60,500
Robert FRETEL	18,000	63,516	0	46,500
Siân HERBERT-JONES	29,500	73,516	5,000	60,500
Paul HERMELIN	(nil)	(nil)	(nil)	(nil)
Phil LASKAWY*	74,000	81,516	80,500	76,500
Kevin MASTERS*	15,500	66,016	0	41,500
Xavier MUSCA	54,000	84,516	47,500	65,500
Patrick POUYANNÉ	n/a	37,516	n/a	6,500
Pierre PRINGUET	76,500	99,516	80,500	85,500
Bruno ROGER	79,000	93,516	83,000	80,500
Lucia SINAPI-THOMAS	46,500	66,016	50,500	50,500
Caroline WATTEEUW-CARLISLE*	89,000	121,016	95,500	100,500
TOTAL	**798,500**	**1,199,990**	**755,500**	**966,250**

(*) As required by law, the Company deducted withholding tax on the amounts paid to these non-resident beneficiaries. A 36.5% deduction at source for income tax and CSG/CRDS social security contributions was also applied to amounts paid to beneficiaries resident in France.

The non-executive directors did not receive any compensation other than attendance fees, with the exception of the directors representing either employee shareholders (Ms. Lucia Sinapi-Thomas) or Group employees (Mr. Robert Fretel and Mr. Kevin Masters), who hold employment contracts from their respective Group legal entities in respect of their local functions, that are unrelated to their corporate office in the Company and of Yann Delabrière who has contracted a senior advisor contract with a Group entity (see below).

With regard to Mr. Yann Delabrière, MM Consulting, a legal entity of which he is Chairman and Chief Executive Officer, has contracted a one year agreement with Capgemini Consulting in order to support this entity Digital Manufacturing go to market strategy, leveraging his knowledge of the automotive industry. The agreement started in October 2016 and terminated in October 2017. Fees billed by MM Consulting to Capgemini Consulting for work performed in 2017 amounted to €157,500.

2.4.4 Stock subscription options, stock purchase options and performance shares

The following tables present a breakdown of stock options and performance shares granted to, exercised by or vested to Executive Corporate Officers during 2017 and historical information on stock options and performance shares granted:

It should be noted that:

- stock options have not been granted within Group since 2009;
- No performance shares have vested to Mr. Paul Hermelin in 2017

Stock options granted during the year to each Executive Corporate Officer by Capgemini SE and/or any other Group company	Plan date and number	Number and type (purchase or subscription) of options granted during the year	Value of options using the method adopted in the consolidated financial statements	Strike price	Exercise period
Paul HERMELIN	n/a	n/a	n/a	n/a	n/a

Stock options exercised during the year by each Executive Corporate Officer	Plan date and number	Number of options exercised during the year	Strike price	Exercise period
Paul HERMELIN	n/a	n/a	n/a	n/a

Performance shares granted during the year to each Executive Corporate Officer by Capgemini SE and/or any other Group company	Plan date and number	Theoretical maximum number of shares granted during the year	Value of shares calculated using the method adopted in the consolidated financial statements	Potential vesting date	Potential availability date	Performance conditions
Paul HERMELIN	10th plan of 10/05/2017	35,000	€2,323,342	10/05/2020	Later of the end of his term of office and 10/05/2022	A detailed description of the conditions is presented in Note 12 of the Consolidated Financial Statements

Performance shares vested to each Executive Corporate Officer	Plan date and number	Number of shares vested during the year	Vesting conditions	Year of grant
Paul HERMELIN	n/a	n/a	n/a	n/a

Historical information concerning stock options granted to corporate officers

The Group has not granted any stock options since 2008 and the last grant performed on June 1, 2008 expired in 2013.

Date of Shareholders' Meeting	05/12/2005	05/12/2005	05/12/2005	05/12/2005	05/12/2005
Grant date	10/01/2005	10/01/2006	04/01/2007	10/01/2007	06/01/2008
Plan number	6th plan	6th plan	6th plan	6th plan	6th plan
Total number of shares granted	1,915,500	2,067,000	400,000	1,932,500	219,000
o/w granted to Serge Kampf	*(nil)*	*(nil)*	*(nil)*	*(nil)*	*(nil)*
o/w granted to Paul Hermelin	*50,000*	*50,000*	*(nil)*	*(nil)*	*(nil)*
o/w granted to the ten employees receiving the greatest number of shares	*109,000*	*200,000*	*86,000*	*114,000*	*60,000*
Start of exercise period	10/01/2006	10/01/2007	04/01/2008	10/01/2008	06/01/2009
Expiry date	09/30/2010	09/30/2011	04/01/2012	10/01/2012	06/01/2013
Subscription price (in euros)	30	43	55	44	40.5
Exercise conditions	10% after 1 year, 30% after 2 years, 60% after 3 years and 100% after 4 years				

Historical information concerning performance shares

Plans ended	2009 Plan	2010 Plan	2012 Plan	2013 Plan
Grant date	03/05/2009	10/01/2010	12/12/2012	02/20/2013
Number of performance shares initially granted	1,148,250	1,555,000	1,003,500	1,209,100
o/w granted to Paul Hermelin*	*50,000*	*(nil)*	*50,000*	*50,000*
Number of shares vested	485,750	881,048	882,500	1,014,700
o/w to Paul Hermelin*	*25,000*	*(nil))*	*50,000*	*50,000*
Cumulative number of shares cancelled or expired	662,500	673,952	121,000	194,400
Number of shares potentially available for grant at the end of 2017	n/a	n/a		
o/w to Paul Hermelin*			n/a	n/a
Vesting date-France	03/05/2011	10/01/2012	01/01/2015	03/01/2015
Vesting date-outside France	03/05/2013	10/01/2014	01/01/2017	03/01/2017
End of holding period-France	03/05/2013	10/01/2014	01/01/2019	03/01/2019
End of holding period-outside France	03/05/2013	10/01/2014	01/01/2017	03/01/2017
Share price at grant date (in euros)	23.3	37.16	33.15	36.53

(*) Complete historical information on performance shares granted is provided on Note 12 of the Consolidated Financial Statements.

Active plans	2014 Plan	2015 Plan	2015 Plan	2016 Plan	2017 Plan	2017 Plan
Grant date	07/30/2014	07/29/2015	02/17/2016	07/26/2016	07/26/2017	10/05/2017
Number of performance shares initially granted	1,290,500	1,068,550	180,500	1,663,500	63,597	1,522,500
o/w granted to Paul Hermelin*	*50,000*	*40,000*	*(nil)*	*42,000*	*(nil)*	*35,000*
Number of shares vested	391750	n/a	n/a	n/a	n/a	n/a
o/w to Paul Hermelin*	*50,000*	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*
Cumulative number of shares cancelled or expired	201,250	92,950	36,450	88,450	0	17,300
Number of shares potentially available for grant at the end of 2017	697,500	975,600	144,050	1,575,050	63,597	1,505,200
o/w to Paul Hermelin*	*0*	*40,000*	*0*	*42,000*	*0*	*35,000*
Vesting date-France	08/01/2016	03/01/2018	03/01/2018	08/01/2019	n/a	10/05/2020
Vesting date-outside France	08/01/2018	08/01/2019	03/01/2020	08/01/2020	08/01/2020	10/05/2021
End of holding period-France	08/01/2020	03/01/2021	03/01/2020	08/01/2021	n/a	10/05/2022
End of holding period-outside France	08/01/2018	08/01/2019	03/01/2020	08/01/2020	08/01/2020	10/05/2021
Share price at grant date (in euros)	53.35	87.6	71.61	83.78	94.2	100.25

(*) Complete historical information on performance shares granted is provided on Note 12 of the Consolidated Financial Statements.

Historical information concerning stock options granted to the ten employees (non-corporate officers)

Stock options granted by Capgemini SE to the ten employees (non-corporate officers) having received the greatest number of shares and the number of shares vested to the ten employees (non-corporate officers) having thus subscribed for the greatest number of shares are as follows:

Stock options granted to/exerciced by the ten employees (non-corporate officers) having received the greatest number of shares	Total number of stock options granted/exercised	Weighted average price	Plan number
Options granted during the year by Capgemini SE to the ten employees of all eligible companies having received the greatest number of shares	None	n/a	None
Options exercised (held previously on Capgemini SE) by the ten Group employees having exercised the greatest number of shares	None	n/a	None

Performance shares granted by Capgemini SE to the ten employees (non-corporate officers) having received the greatest number of shares and the number of performance shares vested to the ten employees (non-corporate officers) holding the greatest number of vested shares are as follows:

Performance shares granted/vested to the ten employees (non corporate officers) having received the greatest number of shares	Total number of shares vested/ granted	Plan number
Performance shares granted during the year by Capgemini SE to the ten employees of all eligible companies having received the greatest number of shares	144,000	10th Performance share plan
Performance shares (held previously on Capgemini SE) to the ten Group employees holding the greatest number of vested shares	250,000	3rd & 4th Performance share plans

2.5 Risks and internal control

This section was drafted jointly by several Group stakeholders. The departments that play a key role in identifying and controlling major risks include particularly the Internal Audit, Ethics & Compliance, Finance, Insurance, Legal, Human Resources and Security & Mobility Departments.

In accordance with the Law of July 3, 2008, this section was reviewed and approved by the Board of Directors on February 14, 2018, following a review by the Audit & Risk Committee.

2.5.1 Definition of the internal control and risk management systems

a. Framework

The Group builds on the reference framework and the application guidance published initially in January 2007 and updated on July 22, 2010 by the French Financial Markets Authority (AMF).

The risk management and internal control systems contribute in a complementary manner to controlling the activities of the Group and satisfy objectives that are also complementary.

b. Objectives of the internal control and risk management systems

The Group's internal control and risk management systems seek to create and protect the Group's value, assets and reputation, and identify and measure the major risks to which the Group is exposed, anticipate and foresee changes in these risks and finally implement risk prevention and transfer measures.

In this context, Capgemini Group has defined and implemented a control system that seeks to ensure:

- compliance of all management acts with relevant laws and regulations;
- compliance with the **Group's seven core values** and guidelines set by the Board of Directors and/or Group Management;
- application by the subsidiaries of instructions communicated;
- the smooth functioning of the Group's internal control processes safeguarding assets; and
- the reliability of accounting and financial information.

c. Scope of the internal control and risk management systems

Capgemini Group ensures the implementation of risk management and internal control systems within its subsidiaries. In 2017, such systems covered all consolidated subsidiaries and Group businesses.

Acquired companies are integrated progressively into the internal control and risk management system. All material Group subsidiaries are currently integrated into the general system presented in this report.

d. Limitations

While contributing to the improved efficiency of its operational support functions, the optimal use of resources and good risk control, this system does not however offer an absolute guarantee of the control of all possible risks imaginable, no more than it can - irrespective of the skills of the employees performing the controls - guarantee alone the attainment by the Group of all objectives set.

e. Organization of the internal control and risk management systems

Group values

Since its creation, Capgemini has placed significant importance on compliance with the values and principles which guide and inspire its actions and, in particular, our business practices. These seven core values, defined by the Group's founder Mr. Serge Kampf, are honesty, boldness, trust, freedom, fun, modesty and team spirit. They represent the Group's fundamental DNA and justify its reputation as an ethical and responsible company. In this respect, Capgemini has, for several years, been rated one of the "World's Most Ethical Companies" by the Ethisphere Institute.

The ethics system founded on the Group's values and the Code of Business Ethics has been supplemented by several policies. This system seeks to:

- develop within new recruits an ethical culture promoting integrity of behavior;
- raise awareness of compliance with international and national laws and regulations;
- highlight initiatives aimed at strengthening the system to prevent and avoid infractions, non-compliance and negligence in these areas.

General internal control and risk management principles

Group Management has distributed a set of rules and procedures known as the Blue Book. Compliance with the Blue Book is mandatory for all Group employees. The Blue Book sets out and comments Capgemini's seven core values, sketches out the overall security framework within which the Group's activities must be conducted, and, finally, describes the desired behaviors and specifies the prohibitions applicable in each of the Group's main functions.

These principles ensure consistent, efficient and accountable decision-making. They concern:

- the delegation of decision-making powers and authorization; the decision-making process applied within the Group is based on rules governing the delegation of powers complying with the principle of subsidiarity and corresponding to the three levels of Capgemini's organization:
  - the Business Unit, for all issues that fall within its remit,
  - provisions common to the Strategic Business Unit (SBU) for all issues concerning several Business Units under its authority;

- the Group (Office of the CEO, Group Executive Board, Group Executive Committee, central functions, etc.) where a decision concerns a wider scope than the Strategic Business Unit and for all transactions that must be decided at Group level due to their nature (acquisitions, divestments, etc.) and/or transactions with financial impacts in excess of well-defined materiality thresholds.

This process has been formalized in an authorization matrix which requires both prior consultation and the provision of sufficient information to the parties involved. Recommendations submitted to the final decision-maker must include the views of all interested parties as well as an assessment of the advantages and drawbacks of each of the possible solutions ;

- the framework of general policies and procedures; the Blue Book defines the governance and organization of the Group and the main principles and basic guidelines underpinning the Group's internal control procedures, and sets out the Group's requirements in each of the following areas:
  - Group key principles,
  - Group organization and governance,
  - authorization and approval processes,
  - sales and production rules and guidelines,
  - risk management, pricing, contracting and legal rules, in the client contract pre-sale phase,
  - financial management, merger, acquisition, and insurance rules and guidelines,
  - human resources policies,
  - marketing and communications, knowledge management and Group IT,
  - procurement policies, including ethical requirements and supplier selection,
  - environmental and community policies.

This set of rules and procedures, which has force of law within the Group, reminds employees of their obligations in this area and inventories the tools and methods which help them control risks identified in the exercise of the Group's businesses.

The rules and procedures were updated in 2016 to reflect the development of the Group's business activities and changes in its environment.

Risk management and internal control players

From 2016, the Group developed a risk management framework administered by a Risk Committee and involving various parties operating at different levels of the organization. These key players are presented below for each of the three lines of defense.

These rules and procedures are updated periodically to reflect the development of the Group's business activities and changes in its environment.

Governance bodies

The Audit & Risk Committee

The Capgemini SE Board's Audit & Risk Committee is responsible for monitoring the efficiency of risk management and internal control systems.

The Audit & Risk Committee is therefore required to review all systems implemented by Group Management. These reviews cover:

- the overall consistency of the system;
- verification that the major risks faced by the Group are identified and monitored;
- presentation of new or emerging risks.

Group Management and the Risk Committee

Group Management has delegated to a Risk Committee, created in 2016, the definition and implementation of the various activities relating to the risk management process within the Group. The Risk Committee, chaired by the Group Chief Financial Officer, is responsible for the effective implementation of a risk management and internal control system within the Group. It reports to the Audit & Risk Committee on all issues concerning these systems.

The Risk Committee brings together the main members of Group Management with key players in the risk management process within the Group. At least two meetings are held annually to discuss the following main issues:

- monitoring of the implementation of risk management and internal control systems within the Group;
- identification and prioritization of risks; the Risk Committee validates the mapping of the Group's main risks;
- monitoring of plans defined and implemented for priority risks;
- the potential review of new or emerging risks communicated by the various Business Units.

The Risk Committee is also responsible for:

- proposing to the Board of Directors the Group's acceptable risk level;
- monitoring changes in the Group's main risks;
- selecting the priority risks to be covered by short-term action plans;
- monitoring these action plans in conjunction with the priority risk managers, as designated by the Risk Committee;
- approving and implementing the risk management and internal control policy.

At an operating level, the Risk Committee builds on the actions of the Insurance Director, who is responsible for coordinating Group risk management and who supports the risk management activities of the Risk Committee, and the managers of the various Business Units and functional departments.

In this respect, the risk management coordinator:

- makes methodology tools and approaches available to the various management bodies;
- coordinates all risk management activities within the Group;
- centralizes and consolidates all work and particularly work performed by the various priority risk managers;
- encourages the sharing of good practice within the Group.

1st line of defense: from management to employees

Operations and Business Unit management supplement and adapt the Blue Book drafted by Group Management, by drawing up detailed internal control procedures which comply with the relevant laws, regulations and customary practices in the country where they operate, in order to exercise control more effectively over risks specific to their local market and culture.

Operations and Business Unit management duties include the identification and control of risks relating to their own environment, in compliance with the rules and procedures implemented and communicated by the Group functional departments.

2nd line of defense: function departments with risk expertise

The various Group functional departments assist the Risk Committee with the identification and prioritization of risks. Each department defines and rolls out risk control systems in its activity sector and ensures, in particular, the consistency of actions undertaken in the Business Units with these guidelines. It assists all Group entities by facilitating the sharing of risk management and internal control best practice.

3rd line of defense: internal audit

For over 30 years, the Capgemini Group has had a central Internal Audit function. Its Director reports directly to the Chairman and Chief Executive Officer, guaranteeing the internal audit function is independent of the functions and Business Units audited. The internal audit team comprises 33 auditors, representing 10 different nationalities and covering 90% of the languages spoken locally in the Group. This significant internationalization of the internal audit team reflects the desire to accompany the expansion of the Group into new regions of the world; the Internal Audit Department also has a Bombay desk with 18 auditors including 4 technical experts specializing in the review of IT projects.

In accordance with professional standards governing this activity, the internal audit function independently assesses the effectiveness of internal control and risk management procedures given that, irrespective of how well they are drafted and how stringently they are applied, these procedures can only provide reasonable assurance - and not an absolute guarantee - against all risks.

Internal Audit is therefore tasked with:

- reviewing the internal control procedures implemented in the Strategic Business Units and their component legal entities to ensure that they comply with the general principles and rules laid down by the Group and with certain specific procedures enabling the elimination or mitigation of the risks to which they are exposed locally;
- auditing the Group's major contracts considered to present significant risk; Internal Audit uses one or more technical experts (Group Delivery Auditors), who are selected from among a list of Group accredited professionals according to their skills (and also their complete independence from the unit being audited).

Each Business Unit is audited in line with a bi-annual program covering the entire Group: the Chairman and Chief Executive Officer has the power to modify this program in the event of an emergency (delays and irregularities, major divergence from budgetary commitments, etc.). At the request of the Chairman and Chief Executive Officer, the Internal Audit Department may also perform special assignments to review specific situations.

During 2017, the Internal Audit Department performed:

- 55 audits of units from all Group Strategic Business Units.

  Each audit involved an average of 36 man-days in the field and concluded with the issue of an action plan that management of the unit audited undertook to implement as quickly as possible in order to improve or correct the points identified by the audit. Internal Audit uses a tool covering the entire Group and enabling it to monitor real-time the implementation of recommendations following the audit, focusing particularly on priority actions;
- 3 special assignments following allegations or whistle-blowing;

The Internal Audit Director presents twice annually to the Capgemini SE Board's Audit & Risk Committee, a comprehensive report on the department's work, particularly regarding internal control efficiency and risk management in the preparation and processing of financial and accounting information.

The Ethics & Compliance Department is directly responsible for the ethics and compliance programs and the ethics phase of due diligence assignments on companies that the Group is considering acquiring. These reviews (ethical due diligence) involve an examination, from an ethical stance, of all the activities of the target company in order to ensure, in particular, their compatibility with expectations and ethics controls defined by the Capgemini Group.

The Ethics & Compliance Department issued 6 ethical due diligence reports in 2017.

The Ethics & Compliance Director presents once annually to the Capgemini SE Board's Ethics & Governance Committee a specific report on measures implemented under the ethics program and the results of compliance audits of the Group's Code of Business Ethics (in particular the Ethics Code of Conduct, the Group Competition Laws policy and the Group's anti-corruption policy).

Finally, the Ethics & Compliance and Internal Audit Departments may at any moment draw up a special report for presentation to the Chairman and Chief Executive Officer on any matter they consider should be brought to his attention and inform the Audit and Risk Committee and/or the Ethics & Governance Committee where significant deviations have been identified.

The risk management and internal control system comes from the interaction between the Risk Committee and other risk players, including the Ethics & Compliance Department, Internal Audit, the Insurance Department, the Business Units and the functional departments, which are responsible for day-to-day risk management in their specific areas.

2.5.2 Implementation of risk management and internal control objectives for the preparation and processing of financial and accounting information

These procedures ensure the application of and compliance with accounting and financial rules defined by the Group relating to budgets and forecasts, operational reporting, consolidation, financial control and financial communications.

a. Financial and accounting structure

The Group's financial functions are integrated into the operating structure, that is, both Business Units and countries. They have access to common resources encompassing accounting rules and procedures, information and management systems and shared service centers.

Each Business Unit has a dedicated financial controller (reporting to the corresponding Strategic Business Unit's financial controller) who is responsible for ensuring that the results of its activities are accurately reported in the accounts in accordance with Group accounting rules and methods. The financial controller verifies that services are correctly billed and paid, checks profit estimates for ongoing projects and assesses their accounting impact, and attests to the quality of the information contained in the financial reports and accounting packages used as the basis for preparing the Group's consolidated financial statements. The Strategic Business Unit financial controllers, whose main responsibility is to ensure that high-quality financial and accounting information is reported to the parent company on a timely basis, report to the Group Chief Financial Officer in order to safeguard the independence required when preparing accounting results. Financial control is, therefore, decentralized.

The countries and geographic areas have a Legal Financial Director, whose duties and responsibilities include rolling-out Group systems and procedures in the country, helping maintain an effective internal control environment, ensuring that all financial staff in the country or region are well-versed in the Group's accounting policies and methods, checking compliance with local taxation and statutory reporting requirements, liaising with shared service centers and the Statutory Auditors, setting accounts closing and financial reporting timetables, signing off on the consolidation packages of the subsidiaries under his or her authority, signing the representation letter, jointly with the head of the Business Unit, and bringing any and all matters that he or she sees fit to the attention of the Chief Financial Officer.

All financial staff are required to apply the Group's accounting procedures and policies contained in the TransFORM manual, which sets out:

- the strict rules of internal control;
- what information must be reported, when, and how often;
- management rules and procedures;
- accounting policies, rules and methods;
- performance measures.

In addition, the Group has a single integrated management system (GFS). The application as a whole migrated to the publisher's latest version on January 1, 2015 and its roll-out in the Group's subsidiaries continued during 2017. The desired uniformity of management systems is therefore a step closer, strengthening the control environment.

Finally, the shared service centers pool the accounting processing resources of the Group's subsidiaries. The main centers are located in Cracow (Poland) and Calcutta (India). These various centers are consolidated within a globalized structure.

b. Budgets, forecasts, reporting and consolidation

In order to exercise effective control over their operations, the Group requires Business Units to submit weekly, monthly, quarterly, half-yearly and annual reports of all budget, forecast, operational and accounting information required for the general management of the Group as follows:

- budget and forecasting process; budgets form the basic building blocks in the management control process. They are debated and negotiated at length between the different Group Business Unit managers and their superiors, with each budgetary item decided based on past performance, the Group's chosen strategic priorities and available information concerning expected market trends. Group Management sets quantified targets for each geographic area, Strategic Business Unit and their component Business Units. The budget preparation process is a key moment in the relationship between the different levels of the Group's management and makes it possible to substantially link the variable portion of the compensation paid to Business Unit managers to the attainment of the budgetary targets of their Business Unit and the next level Business Unit to which they belong. A forecast operating income statement (for the current month, the following six months and the full year) is prepared monthly by each Business Unit manager. Variances from budget are analyzed so that any corrective action plans that may be needed can be drawn up as quickly as possible;
- operational reporting process; information reporting is structured by geographic area and business. This allows revenues and costs to be analyzed on a monthly basis both by type and function, and performance measures to be updated and compared with budget (A/B), the latest forecasts (A/F) and prior-year figures (A/A). A monthly management report is prepared for each Strategic Business Unit jointly by the manager and financial controller, and is submitted to Group Management for review. This report gives a detailed breakdown of actual performance, forecasts for the following six months and actions taken in the event of material variances between actual and budget figures. Reconciliations are performed systematically to ensure that financial information derived from the operational reporting system is consistent with the consolidated financial information provided by the legal entities within the Group;
- consolidation process; at each yearly or half-yearly closing, the scope of consolidation is updated at Group level by the Finance Department and validated by the Legal Affairs Department. Written instructions are issued providing the schedule for period-end tasks (particularly the reconciliation of inter-company transaction balances), highlighting current accounting issues requiring specific attention, and describing the control procedures applied during the preparation of the consolidated financial statements. Each yearly and half-yearly closing is preceded by a hard-close phase based on the accounts closed at November 30 and May 31, respectively

The consolidation process is based on accounting packages by geographic area, which must be signed off by the person responsible for preparing them. Income statements, balance sheets and other key management indicators required for subsequent analysis are stored in a single database maintained at Group level. Access to this information system is strictly controlled.

During each annual closing period, the Finance Department sends out a questionnaire to all subsidiaries covering the application of general internal control principles and procedures relating to the processing of reported financial and accounting information. These questionnaires are analyzed for any irregularities and corrective measures devised where appropriate.

c. Financial information

Financial information and its communication are subject to specific controls at half-year and annual period ends. These include:

- a systematic review carried out with the assistance of the Legal Department of all material operations and transactions occurring during the period;
- a procedure to identify, collate and report off-balance sheet commitments and any other information liable to have significant repercussions on the financial position of the Group or one of its subsidiaries at the period-end;
- a review of the tax position of each of the Group's legal entities;
- a review of the value of intangible assets;
- a detailed analysis of the statement of cash flows.

The controls described above and carried out by the Finance Department are supplemented by the work of two independent bodies tasked with carrying out checks on the internal control environment and verifying the quality of the financial statements: the internal auditors and the Statutory Auditors:

- **Internal audit**; based on a program covering the Group's Business Units, drawn up in agreement with the Chairman and Chief Executive Officer (to who it reports directly), Internal Audit is responsible for carrying out controls to ensure that procedures relating to the safeguarding of assets, the valuation of work-in-progress, the actual amount of trade accounts receivable, and the proper recognition of liabilities, are applied in each Business Unit in accordance with the rules and methods established by the Group. In particular, Internal Audit is required to pay special attention to revenue recognition methods and to controlling the percentage of completion of projects, so as to ensure that these are accounted for on the basis of rigorous, up-to-date technical assessments. The Internal Audit brief also includes a review of the procedures and controls in place within the Business Unit to ensure the security and validity of transactions and accounting entries;
- The **Statutory Auditors**, who it need merely be noted here, carry out an ongoing review of internal control procedures with an impact on the preparation and quality of the financial statements as part of their audit engagement.

Communicating financial information is subject to rigorous internal control, with a particular focus on three key media used to report financial information:

- the Half-Year Financial Report and the Annual Report;
- financial press releases;
- analyst and investor meetings.

The Annual Report is a key component of the Group’s financial communication. The preparation of the report, its content, illustrations, design and distribution are therefore subject to close attention by Group Management. All the sections of the Group's Annual Report are written by employees and managers of the Group who are each responsible for designing and setting-out a chapter on their area of competence, within the general framework proposed by the Communications Department. The Registration Document, which is integrated in the Annual Report, combines all the information that must be provided pursuant to legal and regulatory requirements and is drawn up under the responsibility of the Finance Department.

Financial press releases are only published further to formal validation of the Board of Directors or the Chairman and Chief Executive Officer. Financial press releases are published outside the trading hours of the Paris stock exchange, except in exceptional circumstances.

Analyst and investor meetings are subject to specific preparation, and their content is presented to the Board of Directors prior to such meetings. This preparatory work is then used as a framework for comments and explanations provided by the Chairman and Chief Executive Officer, the Chief Financial Officer, or employees in charge of investor relations during the meetings.

2.5.3 Risk analysis

The analysis of the risks to which the Group's activities are exposed is an integral part of the Group's various decision-making processes, whether for short-term annual plans or mid-term strategic plans.

In this context, the Group has implemented a systematic and dynamic risk management process in order to ensure the proper conduct of business and the attainment of the various strategic objectives, structured around four key stages - identification, prioritization, processing and steering.

The Group has an up-to-date overview of its key risk exposures and has defined a specific risk strategy for each risk considered a priority.

The different risks are presented by type:

- risks relating to operations and the strategy;
- operational risks;
- legal risks;
- financial risks.

a. Identification of risks

Capgemini Group completed updating the mapping of its major risks in 2017, during which it assessed the risks likely to have a significant negative impact on its activity, financial position or results. The risks presented below are the result of this analysis work.

The mechanisms for managing (i) climate risk and (ii) risks associated with the corporate duty of care: serious violations of human rights and fundamental freedoms, the health and safety of individuals and the environment are presented in Section 3.1.4 of this Registration Document.

Furthermore, in accordance with the latest French Financial Markets Authority (AMF) recommendations on the specific nature and importance of risks reported by issuers, Capgemini no longer reports on competition and external growth risks, as they are not considered a priority at Group level and/or are not specific to its business sector at the time of preparation of this report.

Nonetheless, it remains possible that changes in economic conditions or the legal environment could give rise to certain risks not currently identified as material that could impact the results of the Group, its objectives, reputation or the share price.

b. Risks relating to operations and the strategy

Capgemini is a service provider and consulting group, and as such, the main risks to which the Group is exposed are (i) failure to deliver the services to which it has committed; (ii) failure to deliver services within the contractual timeframe and to the required level of quality; or (iii) infringement, of a client or third party's obligations, notably through human error. In the course of its consulting activities, the Group has an obligation to provide information and could incur liability should it fail to do so. Furthermore, in a rapidly changing technology environment, the Group must constantly ensure it adapts to new client product and service expectations.

Economic risks

Risk factors

The Group's growth and financial results may be adversely affected by a general downturn in the IT services and related consulting sector or in one of Capgemini's other key business segments. A shake-up resulting in a change of ownership at one of Capgemini's clients or a decision not to renew a long-term contract may have a negative effect on revenue streams and require cost-cutting or headcount reduction measures in the Business Units affected.

The general economic context and more precisely restrictions affecting public bodies in the various countries subject to budgetary efforts, may weigh on the Group’s revenues and operating margin. A continued slowdown in the activity of certain economic sectors in which our clients operate would also limit their ability to invest and accordingly impact the results of the Group.

Finally, and more generally, a major crisis impacting the financial markets or unfavorable trends in macro-economic indicators could potentially restrict the Group's ability to attain its objectives and continue its development.

In this respect, the situations in the United Kingdom and Spain following recent voting results, could have a negative impact on the European or global economy and market conditions. Brexit could contribute to instability in the financial markets and the international foreign exchange markets, with notably increased volatility in the pound sterling or euro. Brexit could, furthermore, generate legal uncertainties and potentially changes to UK laws and regulations, as the country decides which European Union laws to copy or replace. Each of these impacts, as well as other impacts not anticipated by the Group, could have a negative impact on its activities, operating performance, financial position and cash flow generation.

Risk management systems

The Group monitors and anticipates, as far as possible, macroeconomic developments at global level, by closely monitoring company trends in the markets where it operates, as well as analyzing the potential impacts of these changes on its own businesses and those of its clients.

While a substantial proportion of the Group's operations depends on its clients' investment capacity, the fact that the Group is organized around medium-sized Business Units close to their target market allows for rapid responsiveness to changes in the business environment.

The Group regularly monitors Brexit developments and the Catalan crisis, so as to take appropriate measures to mitigate these risks based on decisions taken by the relevant countries and the European Union.

Reputation

Risk analysis

Intense media coverage of any difficulties encountered, especially on major or sensitive projects requiring crisis management, could negatively impact the Group's image and credibility in the eyes of its clients and third parties generally, and by extension, its ability to maintain or develop certain activities.

When dealing with third parties and clients, the behavior of an employee may be inconsistent with our principles, and particularly our values of honesty and trust and could present a danger to the Company if contrary to personal or professional ethics, compliance rules or legislation, even where this behavior is strictly forbidden by the Group.

New social media players challenge the security of our internal IT systems and those of our clients and any cybersecurity failures could have an extremely negative impact on our reputation.

Other incidents likely to damage Capgemini Group’s reputation include the voluntary or involuntary disclosure of confidential information or a breach of individual security within Capgemini Group.

Finally, employees could make negative comments on social media (Twitter, Facebook, etc.) on Capgemini's performance, service offers or human resource policy, thereby tarnishing the Group's reputation.

Risk management systems

Compliance with clear principles of business ethics is firmly embedded in Capgemini's culture, honesty being one of the Group’s seven core values. From this point of view, the Code of Business Ethics distributed in 2010 represents the continuation and formal documentation of cultural reflexes already firmly embedded in Capgemini. A specific policy dealing with the prevention of corruption was distributed within the Group in 2011, followed by a second in 2012 covering anti-trust legislation.

All new recruits are asked to undertake to comply with the principles explained in these two policies and follow an e-learning training course thereon. An organizational structure rolled-out in each country comprising an Ethics and Compliance Officer, monitors the implementation of the Ethics & Compliance Program covering all Group entities.

The Group decided many years ago to only employ individuals and have commercial relations in those countries satisfying a certain number of criteria concerning business ethics and legal and physical security in the conduct of business.

Since 2011, the Group has implemented a solution for measuring and monitoring conversations on Group brands on social media. Internal social media are also monitored in order to best respond to employee comments. Finally, a social media code of conduct was also drafted to strengthen governance rules covering the activities of Group employees on internal and external social media. It is freely available on the Group's website.

As a listed company on the Paris Stock Exchange and a global leader in its business sector, the Group is frequently called upon by the media and the financial community to provide information on its activities. Therefore, to control and limit risks to its reputation, only persons duly authorized by Group Management are permitted to speak on behalf of the Group.

The risk management systems set out below mainly encompass risks relating to employees, project performance, information systems and service continuity and significantly reduce the Group's exposure to reputation risk.

Finally, the Group prepares a comprehensive crisis management plan to reduce its exposure to reputation risk in the event of a major crisis.

Clients

Risk analysis

Capgemini seeks to develop its market share and serves a large client base, in a wide variety of sectors and countries.

The Group's biggest clients are multinationals and public bodies. The detailed list of the Group's biggest clients is strategic information and is not communicated.

The contribution of the Group's main clients to Group revenues (as a percentage of total revenues) is as follows:

	2016	2017
Top three clients	9%	7%
Top five clients	11%	10%
Top ten clients	16%	15%

For existing clients, Capgemini is potentially exposed to standard risks:

- excessive dependence on a single client or group of clients or a single business sector;
- client insolvency;
- client dissatisfaction.

Risk management systems

The Group monitors the international development of its business, focusing on countries offering satisfactory guarantees in terms of individual security and business ethics and a robust legal framework for the conduct of business, thereby limiting this risk.

In addition, standard client-related risks are closely monitored:

- with regard to dependency, the Group has several thousand clients, which to a certain extent enables it to resist market turbulence and reduce its exposure to volatility in certain sectors. The client portfolio consists of both a large number of entities from the public sector and a large number of entities from the private sector, from a wide spread of diversified markets. Exposure to risks of commercial dependency is therefore limited;
- client solvency controls during the sales process help minimize client credit risk. In addition, the solvency of major clients, combined with the wide diversity of other smaller clients, helps reduce credit risk (see Note 19 to Capgemini's consolidated financial statements); Furthermore, Capgemini has introduced rigorous monitoring of accounts receivable by age and a dynamic follow-up process;
- Capgemini pays particular attention to assessing client satisfaction and has implemented a rigorous client relationship management process that it carries out throughout the projects. This is a key pillar of the Group's client loyalty policy, particularly for major client accounts.

The Group-wide deployment of the Commercial and Contract Management function ensures operational, financial, contractual and reputation risks are monitored and mitigated throughout the contract life cycle. It focuses particularly on major, complex and high-risk contracts. This program is led by the Commercial and Contract Management Department, created in 2016, which has implemented tools, methodologies, procedures and training sessions, notably to help Production/Methods and Support Department teams manage risks.

c. Operational risks

Project performance

Risk analysis

Despite the formal review and approval procedure for all contractual commitments given by the Group to its clients, suppliers and sub-contractors, difficulties with respect to project performance and/or project costs may be underestimated at the outset. This may result in cost overruns not covered by additional revenues, especially in the case of fixed-price contracts, or reduced revenues without any corresponding reduction in expense in the case of certain outsourcing contracts where there is a commitment to provide a certain level of service.

More generally, the Group could be unable to control changes in its cost base, materially impacting the overall profitability of its operations.

Despite the stringent control procedures that the Group applies in the project performance phase, it is impossible to guarantee that all risks have been contained and controlled. In particular, human error, omissions, and infringement of internal or external regulations or legislation that are not, or cannot be identified in time, may cause damage for which Capgemini is held liable and/or may tarnish its reputation.

Risk management systems

The Group has developed a range of methods, organized and documented in its DELIVER methodology, in order to ensure the high quality performance of client projects. Project managers receive specific training to develop their expertise and obtain certification levels consistent with the complexity of projects entrusted to them. The Group continues its active policy of external certification of its Business Units (CMM, ISO, etc.).

Project performance monitoring satisfies the management and control procedures defined by the Group, with projects classified as "complex" subject to more specific controls. Internal Audit also verifies the application of project management and control procedures. At the initiative of the Production/Methods and Support Department, specialist teams of experts audit projects considered high-risk or facing performance difficulties.

The Group has devised a formal process to identify and control risks associated with the delivery of projects ordered by clients, from pre-sale to acceptance and payment by the client of the last invoice for the project. In a simplified approach, this process differentiates between:

1. Pre-sale risk control

The decision to commit the Group to commercial opportunities meeting pre-defined criteria concerning size and complexity, especially in Outsourcing (long-term commitments, sometimes involving transfers of assets, staff and the related obligations) is the sole responsibility of the Group Review Board. For particularly complex projects, a review of solutions may be carried out during the final pre-sale phase in order to bring any potential risks relating to the performance of these projects to the Group Review Board's attention.

In addition, the risk analysis is performed using a reporting tool that consolidates at Group level all commercial opportunities and their monitoring. It also involves the operational validation, during the sales process, of the main technical, financial and legal characteristics of the contract.

2. Production and quality control

The Group has approved policies for monitoring the proper performance of contracts that are applied throughout the life of the project to ensure that it runs smoothly.

The main policies include a clear definition of the roles and responsibilities of each individual, throughout the entire production process, regarding performance (use of Group production methodologies, access to the expertise available in the applications development centers), supervision (monthly inventory of all risky projects), client relationship management, billing, estimation of costs to completion, joint oversight arrangements with the client, or, where applicable, independent technical audits conducted by the Production/Methods and Support Department to complement the upstream independent technical audits carried out by the Business Units.

In addition, the Group conducts specific reviews (known as "flying squads") of projects in difficulty or potentially presenting a higher level of risk.

3. Business control

Depending on its size, each Business Unit has one or more project financial controllers whose role is to:

- monitor the financial aspects of each project and primarily the related production costs compared to the budget initially approved. Progress reports and management indicators are built into the monitoring process, which relies mainly on the periodic analysis of estimated costs to completion and their accounting impact;
- permanently control compliance with contractual commitments - particularly billing and payment milestones.

Employees

Risk factors

The vast majority of the Group's value is founded on its human capital and its ability to attract, train and retain employees with the technical expertise necessary to the performance of client projects to which it has committed. In particular, this requires a strong reputation in the employment market and ensuring fair appraisal and promotion procedures as well as the professional development of our employees.

The loss of talent or a team could also follow an acquisition or a change in Group or entity management.

In the event of an industrial dispute or non-compliance with local regulations and/or ethical standards, the Group's reputation and results could be adversely affected.

Figures concerning, in particular, the attrition rate, the utilization rate, changes in headcount, career management, the development of expertise, building employee loyalty and the level of employee commitment are presented in the Chapter 3, Capgemini: People, Corporate Social Responsibility (CSR) and Business Ethics.

Risk management systems

The Group pays close attention to internal communication, diversity, equal opportunity and good working conditions and to the quality of its human resource management and employee commitment. Accordingly, an internal survey is conducted very regularly aimed at measuring commitment and expectations among the Group's employees. This survey is an appraisal tool and action plans are established based on identified results.

Furthermore, a human resources management information system is being rolled-out globally by the Group Human Resources Department to ensure the comprehensive management of all processes concerning the management of high-performing individuals and enabling a uniform approach to monitoring performance, the career plans of our employees, the management of international mobility and succession plans, in a manner consistent with the strategic objectives of the Group and the interests of our clients.

Group Management has published a Code of Business Ethics and oversees its application, to reduce as far as possible the potential impact on the Group's reputation.

The Capgemini Group International Works Council covers not only European countries but also includes representatives of the main countries outside Europe (India, United States and Brazil). The Group's key managers regularly attend meetings to present changes in the Group and the main challenges facing it, and discuss them with employee representatives in an open manner and an environment of mutual understanding.

Finally, as part of our "People Matter, Results Count" policy, we take account of:

- the motivation and career path of our employees;
- the implementation of varied and attractive career plans;
- the development of our employees through development and training programs;
- the respect and promotion of a good work-life balance.

Information systems

Risk factors

New technologies (Cloud computing, "Bring your own device", etc.) and new practices (social networks, mobility, Software-as-a-Service - SaaS, DevOps, artificial intelligence, etc.) inevitably expose the Group to new risks.

Risks relating to all kinds of cyber criminality could lead to a loss of data, delays in the delivery of our projects, service interruptions at our clients, or additional costs that could impact the reputation or financial health of the Group.

The information systems underlying the publication of the Group's consolidated financial statements also present a specific risk in view of the strict reporting deadlines.

Risk management systems

The Group has implemented business continuity procedures in the event of a disruption to IT services. The main management IT systems are covered by back-up plans in different data centers. The Group is aware of the importance of internal communication network security, and protects its networks *via* security rules meeting the highest international standards, proactive controls, a counter attack detection center operating 24/7 and specific technical equipment such as firewalls. We have defined a security policy founded on numerous international standards and procedures (our operating sites are certified ISO 27001). This security policy and the back-up plans are validated, updated and audited periodically.

For some projects or clients, enhanced systems and network protection are provided on a contractually agreed basis.

In addition, a large number of our clients have been identified as operators of vital importance by their national authorities. Certain clients will also be identified as Operators of Essential Services (OES) under Directive 2016/1148 of July 6, 2016, also known as the NIS (Network Information Security) Directive, or by Europe. The security of their information systems will therefore have to be approved by these national or European authorities and our Group, as a major sub-contractor, will also have to comply with these regulations.

The Group continuously ensures the security of its systems and their compliance with contractual commitments and any applicable legislative and regulatory provisions. It works to implement, with stakeholders, any necessary corrective or protection measures.

To this end, the Group also has a program that seeks to anticipate, prevent and mitigate cybercrime risks for its main systems. This dedicated structure is headed by the Cybersecurity and Information Protection Director (CySIP). He reports, since January 1, 2018, to the Chief Technology Officer.

This program covering exposure to cyber risks comprises three subgroups dealing with governance related issues (organization, policy and communication and awareness-raising) and five operational projects (data protection, mobility management, access management, information system control and steering and strengthening infrastructures). The CySIP community includes cyber risk specialists in the following areas:

- CySIP Officers in the Business Units, for client project monitoring;
- Chief Information Security Officers responsible for the protection of internal information systems.

The CySIP community works closely with the Data Protection Officers responsible for the protection of personal data and compliance.

The aim of this program is to become a benchmark for our clients, thereby strengthening the Group's credibility on Digital and cybercrime issues. The Group's personal data protection policy and organization were drawn-up based on the Binding Corporate Rules defined by the European Commission (BCR) and validated by the CNIL (French National Commission for Data Protection and Liberties), for the processing and storage of our own data and that of our clients.

Service continuity

Risk factors

Capgemini has permanent operations in approximately 40 countries. The bulk of its revenues are generated in Europe and North America, which are relatively economically and politically stable. Its Rightshore® production model involves transferring a portion of the Group's production of part of its services to sites or countries other than those in which the services are used or in which the Group's clients are located and particularly India (which alone accounts for 50% of the Group headcount), Poland, China, Guatemala, Morocco and other Asian and Latin America countries. This operating method may increase the risk of business interruption at a given production site due to an incident making it difficult or impossible to access telecommunication networks, a natural disaster, political violence in a country or region or a geopolitical crisis impacting several Business Units simultaneously. Economic instability can also be a source of risk for the Group's performance and reputation.

Business interruption risk also includes employee travel to countries that are geopolitically unstable or to dangerous regions where there is a risk to their physical integrity.

Risk management systems

The use of a large number of production sites across the globe reduces business interruption risk by favoring backup solutions.

In addition, production systems and services provided by the Group to its subsidiaries are duplicated and covered by back-up plans that are tested periodically.

Telecommunications networks used by the Group are duplicated in cases where offshore production resources are deployed. In the event of a breakdown in the preferred (fastest) communications network between Europe and India, service continuity is ensured by tried and tested alternative routes. For example, the Group's Indian subsidiary has set up a Business Continuity Management (BCM) structure to ensure service continuity in line with the Good Practice Guidelines of the Business Continuity Institute (BCI).

Where required by specific contracts, a business continuity plan is prepared by selecting appropriate measures according to the criticality of the service. Reviews and simulations are performed to test the efficiency of these plans. Certain entities have heightened security requirements reflecting specific client needs and they are consequently certified ISO 27001 compliant by an independent agency.

Capgemini has implemented an audit program of internal and external risks at its operating sites, in partnership with an external consultant, covering environmental, health and safety issues. This program is being roll-out progressively, focusing initially on the Group's main sites: 19 audits were performed in 2017. Audit recommendations are then monitored by the integrated site management team.

With regard to employee security, the Group restricts operations to countries able to offer satisfactory guarantees in terms of individual security. Work on client engagements in certain countries classified as "at risk" is subject to approval by the Group Review Board. Rules and procedures have been drawn up for "at risk" territories in which the Group conducts engagements in order to satisfy the demands of its major clients. Specific contracts have been agreed with organizations specialized in managing these risks to assess independently the risk exposure in each country. Accordingly, some countries are subject to strict travel bans. The risk is reassessed continuously based on the geopolitical position and warning systems are used to inform employees of country risks.

Strict approval criteria must be met before employees travel to work in countries where there are no existing Group operations, and even stricter criteria apply in the event that employees are sent to countries considered "at risk". Every employee required to work abroad receives specific training.

Finally, a dedicated worldwide insurance program provides assistance to all employees covering their security, medical emergencies and potential repatriation (see the Insurance section of this chapter).

Suppliers and sub-contractors

Risk factors

Capgemini business relies in part on products and services provided by suppliers. While alternative solutions exist for most of these products and services, the failure of a supplier to deliver specific technology or expertise could have prejudicial consequences for certain projects.

The bankruptcy of a supplier, its takeover by a competitor (and a change in its current service offer/product range), a change in its sales model, such as the use of Cloud Computing for IT services, or a technical (fire or natural event) or human (error/negligence or malicious act) incident could generate additional risks.

Finally, the poor management of expenditure incurred with a third party, budget overruns, the use of unapproved suppliers and purchases that do not comply with equipment strategic decisions, can also generate risks.

There are no material firm commitments to suppliers other than those disclosed in Note 29.

The relative weight of the Group's main suppliers, as a percentage of total purchase volumes, is as follows:

	2016	2017
Top three suppliers	7%	7%
Top ten suppliers	18%	14%

Risk management systems

The Group has signed framework agreements and contracts with its suppliers containing clauses similar to those contained in contracts signed with its clients, in a bid to improve the management of contractual risks and acceptance risks. These framework agreements and contracts clearly stipulate obligations with respect to delivery deadlines, service level and operating tests as well as penalties for non-compliance. The Group policy defines in great detail the supplier and sub-contractor selection process and method. Over recent years, the Group has signed strategic partnership contracts with a diversified group of major suppliers in order to preserve its independence and guarantee the sustainability of its services. Furthermore, the Group has signed a certain number of strategic contracts with major and financially sound suppliers. Finally, the related risks represented by smaller suppliers and/or start-ups are analyzed and back-up plans are established in order to remedy the failures, if any.

In parallel, Capgemini has implemented a tool allowing for worldwide procurement management and monitoring. This tool, known as GPS (Global Procurement System), is used for the issue and approval of purchase orders. Capgemini has also implemented an external resource management application, known as VMS (Vendor Management System), to manage services provided by sub-contractors.

These two procurement tools contain an approval chain that ensures the correct allocation of costs to projects and permits their control and provides specific methods for financial approval. The centralized management of data in these two procurement bases enables us to control and better manage Group expenditure and supplier selection. Suppliers are selected by a specialized team based on rigorous procedures using multiple criteria, several of which concern ethical standards and sustainable development.

d. Legal risks

Capgemini Group provides a range of services to its clients who in turn operate in a variety of business sectors. All services relating to a given project are covered by contracts signed with our clients as well as our suppliers and sub-contractors (software, IT hardware, host sites, etc.) when implementing tailored solutions. Each contract may be governed by specific regulations that could negatively impact our activities. Other factors such as the size and geographic locations of the Group also expose it to legal and tax risks.

Contracts

Risk analysis

The acceptance of unfavorable conditions, such as unlimited liability in certain circumstances, comprises a risk. Contractual risks may notably arise when the Group's liability for failing to fulfill certain obligations is unlimited, on the acceptance of financial guarantees, when there is no liability protection clause in relation to services affecting health and safety or the environment, and when the rights of third parties are not respected.

Risk management systems

The Group has established a Contract Clause Negotiating Guide, which identifies clauses exposing the Group to risk and requires information to be reported to the Legal Department and its approval in the event of derogation from accepted standard positions. Criteria determining when it is necessary to report to the Group Review Board have also been defined for contracts identified by the Group as presenting a high level of risk due to their size or complexity. In this context, the Group Review Board is the only entity authorized to approve derogatory clauses following a thorough review of the potential impacts.

Compliance with legislation

Risk analysis

The Group is a multinational company operating in several countries and providing services to clients who, in turn, operate around the world and are subject to numerous and constantly changing laws and regulations. These mainly include, for example, anti-corruption laws, import and export controls, anti-trust laws, sanctions, immigration rules, safety obligations and employment legislation.

The sheer diversity of local laws and regulations applicable and the constant changes therein, exposes the Group to a risk of infringement of such laws and regulations by under-informed employees especially those working in countries that have a different culture to their own - and to the risk of indiscretion or fraud committed by employees. As stringent as they may be, the legal precautions taken by the Group both at a contractual and an operational level to protect its activities or to ensure adherence by employees to internal rules can only provide reasonable assurance and never an absolute guarantee against such risks.

Risk management systems

The Group has a Legal Department with an established presence in the main geographic areas. Its role is to monitor changes in legislation relevant to the Group's activities and provide training in the main legal issues.

The Group has also adopted a Code of Business Ethics and an anti-trust policy and calls on a network of Legal Counsels who double-up as Ethics & Compliance Officers and participate in identifying risks and train and monitor employees in order to guarantee compliance.

In addition, drawing on employee commitment to the Group's values, first among which honesty and trust, on a global risk management and mapping system at Group level and on the countries that have developed specific systems in response to local legislative requirements, Capgemini continues to implement measures and procedures to prevent and detect, in France and elsewhere, acts of corruption or influence peddling. In particular, it has introduced an awareness-raising and training program, a code of conduct, an internal whistle-blowing system and third-party assessment procedures in order to satisfy the requirements of French Law no. 2016-1691, known as the "Sapin 2" Law. Measures to ensure compliance with obligations introduced by French Law no. 2017-399 of March 27, 2017 on the duty of care of parent and sub-contracting companies, fall within the same framework.

Failure to comply with regulations governing our activities

Risk analysis

While the Group's activities are not generally regulated, certain of our clients' activities, particularly in the financial sector, sometimes require us to comply with regulations imposed on them, or in rare cases, make us comply with other regulations.

Due to the nature of its activities, the Group must comply with various international and local regulations regarding data privacy protection. The Group could be held liable in the event of voluntary or involuntary disclosure of all or part of personal data belonging to a client or third-party.

Even if measures are taken to limit any negative impact on our activities or our reputation of non-compliance with regulations governing our activities, failure to take account of regulations or an error in interpreting such regulations, would expose the Group to financial and reputation risks.

Risk management systems

To ensure compliance with regulations applicable to its clients, the Group analyses the related obligations, which are then monitored by teams in the Production/Methods and Support Department.

This analysis also enables the identification of regulated activities and, where appropriate, any necessary authorizations to be obtained.

In March 2016, with regards to the various international and local regulations governing the protection of personal data, the CNIL, acting on behalf of European Union data privacy protection authorities, approved Capgemini's Binding Corporate Rules (BCR) defining the processing of personal data by the Group throughout the world, on its own behalf and for its clients. The BCR are a key component of the Group's policy for preparing for the application of the new European Directive on the protection of personal data, that enters into effect on May 25, 2018.

In addition, a large number of our clients have been identified as Operators of Vital Importance by their national authorities. Certain clients will also be identified as Operators of Essential Services (OSE) under the Network and Information Security (NIS) Directive or by Europe. The security of their information systems will therefore have to be approved by these national or European authorities and our Group, as a major sub-contractor, will also have to comply with these regulations.

Finally, during acquisitions or on the launch of a new business line, the Group performs a focused due diligence review of the target or an analysis of the activity as well as applicable regulations.

Litigation

Risk analysis

Having developed a vast network of contractual relationships, the Group is not immune from litigation and legal action.

Nonetheless, at the date of this report, there are no governmental, legal or arbitration proceedings, including any proceedings of which the Group is aware, that are pending or liable to arise, which are likely to have or have had in the last 12 months a material impact on the Group's financial position or profitability other than those that are recognized in the financial statements or disclosed in the notes thereto (see Note 25 to Capgemini's consolidated financial statements).

Risk management systems

A procedure has been implemented for reporting information to the Group Legal Department on actual and potential litigation and other disputes and government inquiries. The local Legal Departments also regularly inform the Group Legal Department of any threats of this nature.

e. Financial risks

The Group Finance Department is responsible for the control, monitoring and supervision of financial risks and is present in each country and each Business Unit.

The variety of its activities and geographic locations exposes the Group to a number of financial risks, described below, which, depending on their materiality, can have a significant impact on the results and reputation of the Group.

Equity risk

Risk analysis

For the Group, equity risk would consist of unfavorable movements in the stock market value of listed companies in which the Group holds investments.

However, the Group does not hold any shares for financial investment purposes and does not have any interests in listed companies. However, under its share buyback program, it may purchase, hold, sell or present its own shares or enter into derivatives in its own shares (see Note 12 to Capgemini's consolidated financial statements).

Risk management systems

The Cash surplus investment policy defined by the Group Finance Department and documented in the internal manual (TransFORM), prohibits all equity investments. The proper application of this policy is regularly controlled by internal and external auditors.

With a few exceptions, the Group holds the entire share capital of its subsidiaries and does not hold any listed equity investments.

Capgemini has a share buyback program authorized by its Shareholders' Meeting. In this context, the Board of Directors decides (with the power of sub-delegation) the implementation of the share buyback program. The value of these treasury shares is deducted directly from Group equity and fluctuations in the Capgemini share price do not impact its results.

Counterparty and credit risk

Risk analysis

Capgemini Group is exposed to credit and counterparty risk in respect of its asset financial instruments, which depends particularly on the debtor's ability to fulfill all or part of its commitments (see Note 19 and Note 21 to Capgemini's consolidated financial statements).

Financial assets which could expose the Group to credit or counterparty risk mainly relate to financial investments and accounts receivable. The hedging agreements entered into with financial institutions pursuant to its policy for managing currency and interest rate risks also expose the Group to credit and counterparty risk (see Note 23 to Capgemini's consolidated financial statements).

Risk management systems

The investment policy authorizes the investment of cash surpluses in money market mutual funds (FCP and SICAV) satisfying the "monetary" classification criteria defined by the French Financial Markets Authority (AMF) and other types of investment (negotiable debt securities, term deposits, capitalization contracts) immediately available or with investment periods, potentially renewable, not exceeding 3 months, issued by companies or financial institutions with a good credit rating (minimum A2/P2 or equivalent). The Group also applies maximum concentration per counterparty rules.

The Group abides by similar risk quality/minimum rating and diversification rules when selecting counterparties for foreign currency and interest rate management hedging contracts.

Liquidity risk

Risk analysis

Liquidity risk for the Group could correspond to a temporary or permanent inability to fulfill all or part of its commitments in respect of its financial liabilities (including in particular borrowings and accounts and notes payable) and the inability to find new sources of financing in order to maintain the balance between revenue and expenditure. Such a risk would also limit the Group's ability to finance its activities and the investment necessary for its development.

Financial liabilities whose early repayment could expose the Group to liquidity risk mainly consist of the bonds issued respectively in July 2015 and November 2016 and some commitments in respect of employee liabilities.

Risk management systems

The majority of Group financing is borne by the parent company and, as such, implementation of the finance policy is largely centralized. The Group adopts a prudent finance policy based primarily on:

- prudent use of debt leverage, combined with limiting the grant of contractual provisions that could trigger the early repayment of borrowings;
- the maintenance of an adequate level of liquidity at all times;
- the active management of financial liability maturities, aimed at limiting the concentration of borrowing maturities;
- the diversification of financing sources, to limit dependence on certain categories of lenders.

In this context, the Company undertook a specific review of its liquidity risk and considers it is able to meet future scheduled payments (see Note 21 to Capgemini's consolidated financial statements).

Interest rate risk

Risk analysis

The Group's Income Statement could be impacted by interest rate risk if unfavorable movements in interest rates had a negative impact on future net finance costs and financial flows of the Group.

The Group's exposure to interest rate risk must also be considered in light of its cash position. The liquidity at its disposal is generally invested at floating rates, while the Group's debt - primarily comprising bond issues - is mainly at fixed rates (see Note 23 to Capgemini's Consolidated financial statements).

Risk management systems

As part of its financing policy, the Group seeks to restrict interest rate risk by opting for fixed rates for a large part of its debt.

The Group favors investments offering a high level of security and generally floating-rates and as such accepts - in the event of a fall in interest rates - the risk of a drop in returns from the investment of cash surpluses (and as such an increase in the finance cost differential).

Foreign currency risk

Risk analysis

The Group is exposed to two types of currency risk that could impact earnings and equity: risks arising in connection with the consolidation process on the translation of the accounts of consolidated subsidiaries whose functional currency is not the euro, and currency risks arising on operating and financial cash flows which are not denominated in the entities' functional currency.

The significant use of offshore production centers in India, but also in Poland, China and Latin America, exposes Capgemini to currency risk with respect to some of its production costs. Capgemini SE is also exposed to the risk of exchange rate fluctuations in respect of inter-company financing transactions and fees paid to the Group by subsidiaries whose functional currency is not the euro (see Note 23 to Capgemini's consolidated financial statements).

Risk management systems

The Group implements a policy aimed at mitigating and managing foreign currency risk:

- production cost risks primarily concern internal flows with India and Poland? A hedging policy is defined by the Group. Its implementation is mainly centralized at Capgemini SE level and primarily involves forward purchases and sales of currency;
- financial flows exchanged as part of inter-company financing activities are primarily centralized within Capgemini and are mainly hedged (primarily using forward purchases and sales of currency);
- royalty flows payable to Capgemini SE by subsidiaries whose functional currency is not the euro are also generally hedged.

Risks relating to employee liabilities

Risk analysis

Capgemini's consolidated financial statements may be impacted by provisions for pensions and other post-employment benefits covering defined benefit plans, which are also subject to volatility. Furthermore, the Group could be faced with calls for funds to make-up pension fund shortfalls, over a short or long-time period, potentially deteriorating its financial position.

The main factors of volatility risk are fluctuations in interest rates and more generally the financial markets, as well as inflation rates and life expectancy.

The plan assets of the main schemes whose risks have not been transferred to the insurance market are managed by the trustees of each fund and invested in different asset classes (including equities). They are subject to market risk, as well as the performance of the management policy defined by the trustees, implementation of which can in certain cases by delegated. Under these conditions, plan assets may be less than the present value of pension obligations, reflecting a funding shortfall or deficit. Changes over time in assets and/or liabilities are not necessarily in the same direction and are eminently volatile and can increase or decrease the funding asset/liability or the resulting deficit.

Nonetheless, the potential economic impact of these changes must be assessed over the mid- and long-term in line with the timeframe of the Group's pension and other post-employment benefit commitments (see Note 24 to Capgemini's consolidated financial statements).

Risk management systems

The Group strives to strengthen the governance and management resources of its main pension funds. The investment strategy of its main pension funds, encompassing the management of assets and liabilities, is reviewed and monitored periodically with the aim of reducing volatility. Increased life expectancy is taken into account as and when it is recognized by actuaries.

Group commitments to fund pension and other post-employment benefit shortfalls comply with local regulations.

Certain risks are transferred to the insurance market.

f. Insurance

The Group risk management and insurance policy encompasses the identification, assessment, prevention, protection and transfer of all or part of the risks relating to individuals, its assets and equipment under the Group's responsibility. The Group's strategy for transferring risks to the insurance and reinsurance market is to adjust insurance coverage to reflect the estimated maximum exposure to each of the Group’s major risks: the maximum replacement value of assets to be insured, or in the case of liability insurance, an estimate of its own risks and reasonably foreseeable third party risks in its business sector, taking account of local insurance obligations, legislation and specific risks in each country and the emergence of new risks, as well as changes in major exposure under contacts signed with clients. Deductibles and retentions are set so as to encourage Business Unit managers to commit to risk prevention and protection and seek out-of-court settlement of claims, without exposing the Group as a whole to significant financial risk.

The Group Insurance Department reports to the Group Finance Department and is responsible for the design, placement and monitoring of all non-life insurance policies. The management and coordination of employee benefits insurance is overseen by a joint governance body representing the Finance Department and the Group Human Resources Department.

Commercial general liability and professional indemnity

This insurance program, which is key for clients, is designed, taken out and managed centrally at Group level. Capgemini SE and all subsidiaries in which it has a stake of 50% or more (direct or indirect control), are insured by a worldwide integrated Group insurance program covering the financial consequences of their commercial general liability and professional indemnity, *i.e.*, any damage caused to third parties within the course of our usual business activities, anywhere in the world. This insurance program is structured in layers contracted with highly reputable leading insurance companies. The terms and conditions of this program, including coverage limits, are periodically reviewed and adjusted to reflect changes in risk exposure, due particularly to legislation, the Group's activities, new countries where Capgemini operates and changes in client contracts, as well as changes in the worldwide insurance and reinsurance markets.

The €20 million primary layer of this program is reinsured through a consolidated captive reinsurance subsidiary and has been in operation for several years.

Property damage and business interruption

The Group has set-up an integrated property damage and business interruption insurance program covering all of its subsidiaries worldwide. Its real estate policy is to rent rather than to buy its business premises. It owns little property, except in India where high growth and the large number of employees justify owning real estate.

Capgemini's business premises are located in a wide variety of countries, and the Group operates at multiple sites in most of them. The Group has slightly over 360 sites with an average surface area of 4,100 square meters. Some of the Group's consultants work off-site at client premises. This geographic dispersion limits risk, in particular the risk of loss due to business interruption that might arise from an incident at a site. The Group's largest site, which is located in India, employs nearly 8,900 people in a number of different buildings. Client and supply shortage risk is assessed and insured to the extent possible, based on knowledge of the materiality of the risk and the available offering in the insurance market.

Employee benefits and mobility insurance

The Group uses specialist companies to train and assist its employees throughout the world. Risks concerning medical emergencies, personal security, assistance and repatriation of employees working outside their home countries, is managed centrally at Group level *via* global insurance policies.

Employee benefits insurance programs (death and disability, healthcare, medical costs, life and pensions, etc.) are tied to the different benefits received by employees and are generally managed by the Human Resources Departments in each country. The Group Insurance and Human Resources Departments are jointly responsible for the management and international coordination of these programs. Decision are made jointly by the Group and the countries in compliance with the governance structure. The main objectives are (i) to comply with local insurance obligations, (ii) to comply with local legislation, (iii) to develop, standardize and improve current coverage, in accordance with the different regulations in the relevant countries and coverage standards integrating best local practice and the Group’s businesses, while optimizing alternative risk transfer/financing mechanisms.

Other risks

Crime and fidelity coverage (especially for information systems) is managed centrally at Group level *via* a global insurance program. Other risks - including motor vehicle, transport of goods, and employer liability for workplace accidents - are insured locally using insurance policies that reflect local regulations.

Pollution risks are low in an intellectual services business, and Capgemini is not specifically insured against these risks in any country in which it operates. Some risks are excluded from coverage or restricted under the general conditions imposed by the insurance and reinsurance market.

2.5.4 Measures implemented as part of constant improvements to risk management and internal control systems

a. Focus on the main measures implemented in 2017

During 2017, the Group implemented and deploys a number of measures aimed at rolling-out and standardizing processes and procedures within the Group and thereby strengthening the Group's internal control environment. Among these measures, the following may be highlighted:

- validation of the Group's risk management policy by the Audit and Risk Committee;
- continued update of the risk mapping including the identification and assessment of major Group risks;
- formal documentation of priority risk action plans, their validation and monitoring by the Group Risk Committee;
- formal documentation of a crisis management plan at Group level;
- global roll-out of a travel expense solution with direct payment by credit card and audit rules integrated into the tool;
- central monitoring of all real estate transformation projects, designed to manage operating risks and for financial control;
- an audit program of internal and external risks at Group operating sites, in partnership with an external consultant, covering environmental, health and safety issues;
- global optimization of Human Resource governance;
- definition of a global procedure and roll-out of a policy for sales-based compensation around the world, integrating a three-year plan beginning in 2015, aimed at aligning all Business Units;
- roll-out of a global application for personnel management and the implementation of a new performance management information system;
- definition of a People Safety global governance system;
- overhaul of the management process for international travel;
- a Group-wide international mobility program;
- a strategic review of talent with the identification of actions focusing on management teams of the main units and the formal documentation of succession plans.

b. Constant improvement measures in 2018

The risk management process will continue to be rolled out in 2018 based on the most recent risk mapping updated in 2017. Close attention will be paid to the consistency of the internal audit plan (3rd line of defense) with the actions implemented to reduce priority risks.

As part of measures to improve risk management and internal control systems, in 2018 the Group will:

- roll-out an integrated compensation management tool Group-wide;
- finalize a crisis management plan, to optimize governance and notably reduce exposure to reputation risk;
- complete the roll-out of the Group IT network access control tool, extended to cover functional applications and integrating segregation of duty control rules.

3

Our commitment to Social Responsibility

3.1 A renewed strategy: “Architects of Positive Futures”

3.1.1 “Architects of Positive Futures”

Firmly grounded on the Group’s 50-years old values, our commitment to social responsibility has been both a guiding principle and an area for continuous improvement and renewal as we grow and consolidate our business in a broad geographical space.

As a provider of consultancy, technology and Digital services, Capgemini Group’s Corporate Social Responsibility runs across key areas where our activity has a clear and direct impact: creating a diverse and inclusive work environment, thus enabling our people to fully develop professionally and bring the best value to our clients, reducing our impact on the environment and helping clients to reduce their impact, and contributing to the development of the societies in which we operate with our specific capabilities and skills.

Our approach is aligned with and respects all national and international laws and regulations, such as the fundamental conventions on labor standards of the International Labor Organization, the principles of the 1948 Universal Declaration of Human Rights (where we refuse the use of forced and child labor) and the OECD guidelines for Multinational Enterprises. These principles guide all our national and international commitments on social responsibility.

A renewed ambition leveraging three pillars

The tagline “Architects of Positive Futures” captures our renewed social responsibility ambition: to be recognized worldwide as a leading responsible company, using our expertise for positive impact. Sustainability is a business imperative at the core of everything we do. We will effect change through our ways of working and the personal commitment of our colleagues.

To keep pace with our clients’ demands and stay relevant in the market we need to embed sustainability, both social and environmental, in the heart of our business. We are architects of positive futures, collaborating with clients and partners to build solutions that promote environmental sustainability and help societies address the impact of the Digital and automation revolution.

We have defined key objectives within each one of the three pillars of the strategy, with appropriate targets for 2020. The three pillars are:

- Diversity: building an inclusive workplace, attracting and retaining a diverse workforce to enable Capgemini and our employees to thrive. Diversity is embedded in our HR and Talent policies and processes;
- Digital inclusion: using our skills to help societies address the impact of the Digital and automation revolution;
- Environmental sustainability: minimizing our environmental impacts, building business resilience against climate change, and supporting clients with their sustainability challenges.

The strategy is solidly grounded on Capgemini’s culture and longstanding ethics and values. Capgemini’s leadership has committed to embed these principles in our ways of working, decision making and thought leadership.

Our implementation approach is to empower people to become “Architects of Positive Futures”.

3.1.2 Commitments and recognitions

3.1.2.1 Leadership commitment to social responsibility

In 2017, the Group appointed Christine Hodgson, Capgemini UK Chairman, as Group Head of Corporate Social Responsibility and Group Executive Committee member.

This nomination reflects the high commitment of the Group towards Social Responsibility in all its dimensions and acknowledges the need to lead our social responsibility action hand in hand with the business strategy.

The Group Executive Committee, the Group Executive Board and the Group Board are regularly informed of the strategy and the progress made towards our targets. The leadership will ensure strong sponsorship and exemplary stewardship for our goals.

In 2017, diversity targets were a component of the Group’s top executives’ variable compensation for the first time.

3.1.2.2 Public commitments

Our social responsibility is embodied by our public commitments made in several relevant areas, at national, regional or global level.

Our commitment extends beyond strict legal compliance to ambitious global initiatives in several areas, such as:

- embracing the principles of the 1948 Universal Declaration of Human Rights and the fundamental conventions of the International Labour Organization (ILO) refusing the use of forced labor or child labor;
- UN Global Compact since 2004. The member companies of this program support and comply with ten principles in the areas of the environment, human rights, labor rights, and the fight against corruption;
- UN Global Compact's "Caring for Climate" initiative since its inception in 2007;
- 2010 Guadalajara ICT Declaration on Transformative Low-carbon Solutions;
- Women's Empowerment Principles since their inception in 2011;
- Business Proposals for COP 21 in support of the 21st session of the Conference of the Parties to the UN Framework Convention on Climate Change in 2015;
- International Labour Organization's "Global Business and Disability Network".

We also follow international business best practice and guidelines, such as the OECD guidelines for multinational enterprises.

On Environmental Sustainability, we have also publicly committed at Group level to:

- setting approved science-based targets consistent with the COP 21 2015 Paris Agreement to keep temperatures below the 2°C threshold (first IT services and consulting company to do so);
- the six communiqués on Climate Change organized by the Prince of Wales's Corporate Leaders' Group on Climate Change (Trillion Tonne 2014, Climate Change 2012…).

3.1.2.3 Recognitions and awards

Capgemini regularly receives external recognition for our sustained efforts and progress in social responsibility.

We also work with several independent corporate social responsibility and sustainability analysts and rating agencies. We take external analysis of our performance seriously and welcome assessments by reputable third parties as this gives us a clear reference position for our performance.

The most significant global recognition and ratings received in 2017 are:

- World's Most Ethical Companies in 2017 by The *Ethisphere®* Institute, a leading international think tank specializing in research on ethical business practices (6th year in a row);
- 'A-' in the CDP climate change disclosure, placing Capgemini in the top 22% of all companies and the top quartile assessed in our sector by CDP;
- maintained our position as a Gold rated supplier on the Ecovadis collaborative CSR supply chain platform;
- confirmed as a constituent of the EURONEXT Vigeo Eiris Europe 120 and Eurozone 120 indices (our performance on environmental, social and governance issues places us in the Top 120 companies in Europe and the Eurozone);
- certified by BSI with ISO 14001 for the Group's Environmental Management System, which was audited against the standards;
- reconfirmed as a constituent of the Ethibel Sustainability Index (ESI) Excellence Europe in March 2017;
- constituent of the STOXX ESG leader indices in September 2017;
- maintained the OEKOM Prime Status in the OEKOM Corporate Responsibility Index;
- continued inclusion in the FTSE4Good index;
- Golden Peacock Global Award for Excellence in Corporate Governance for describing and self-assessing our operations to improve our organizational performance;
- Standard Ethics Index having been assigned a high scoring Solicited Sustainability Rating (SSR);
- became part of the Dow Jones Sustainability Index Europe in 2017 for the first time.

Additionally, various awards and certifications have been won at country level, recognizing sustainable and responsible business practices. A few examples of this are:

- Top 10 "*Recruteurs de la Diversité*", Mozaik Foundation and French Ministry of the Economy, France;
- Top 100 best Companies for Women in India, 2017 by BCWI (Best Companies for Women in India) and AVTAR;
- Top 50 employers for women, The Times, UK;
- 2018 Best Places to Work – Employee Choice award, Glassdoor, UK;
- First Women Awards 'Business of the Year', UK;
- Computing Publishers for Diversity project of the year - Women in IT Excellence Awards, UK;
- "Diversity Champion" as part of Stonewall's Equality Index, UK;
- Best Diversity Employer and The Times Top 50 Employers for Women, Canada;
- EDGE (Economic Dividends for Gender Equality) certification at different levels in the US, UK, France, Brazil and India.

3

3.1.3 Materiality approach

We constantly strive to ensure our Corporate Social Responsibility strategy is aligned with stakeholder expectations. An analysis of the relative importance of social and sustainability aspects and issues was first undertaken in 2014 with internal and external stakeholders.

In 2017, a series of internal interviews and workshops were conducted with senior leadership in the Company in preparation for the 2017 first-year Integrated Report; their inputs are captured in the materiality analysis in the Integrated Report.

Materiality discussions with internal and external stakeholders (investors, clients, unions, civil society organizations…) in 2018 will ensure continuous improvement in understanding the topics that are relevant for them on which we will be required to take action.

All Grenelle II indicators (article R.225-105-1 of the French Commercial Code) are listed in the table in section 3.5, including definitions for indicators on which we do not report. For 2017, we have reported on the indicators that are most relevant to our business which are mostly the same as last year. For the independent third-party certification purposes, we have started to select the most significant indicators as a preparation for 2018 reporting under the new French law.

3.1.4 Group Ethics & Compliance

The Group Board of Directors of Capgemini launched the Ethics & Compliance Program in 2009 to further strengthen the ethical culture that has been a core part of the Group since its creation. As part of this program, the Group set up a global network of Ethics & Compliance Officers, and launched a Code of Business Ethics, Group Anti-Corruption Policy and Group Competition Laws Policy to reassert our values in every country in which we operate. All employees are expected to comply with the principles embedded in these three fundamental documents, and to complete an online training course (e-learning) on each of them.

In addition to demonstrating the Group's deep-rooted values and strong ethical culture, the Ethics & Compliance Program is a key factor in attracting, developing and engaging employees by nurturing a strong ethical culture.

Creating an ethical environment also strengthens our reputation, contributes to develop new business and positions the Group as a "Leader of leaders", in line with our strategy.

Ethics & Compliance organization

The managers of the Group's operating units (SBUs/BUs) are accountable for ethics and compliance in their respective units. They are also responsible for driving the Ethics & Compliance program in line with local legislation, regulations and procedures.

The Chief Ethics & Compliance Officer (CECO) is responsible for the Ethics & Compliance program across the entire Group.

The Ethics and Governance Committee of the Board of Directors reviews the program and its achievements annually (see section 2.2.4).

General Counsels also serve as Ethics & Compliance Officers (GC-ECO) in their jurisdictions. They ensure implementation of the Ethics & Compliance program within their regions and liaise with the CECO.

Group principles, guidelines and policies: the Blue Book

In our decentralized organization, it is essential to have a set of common guidelines, procedures and policies that govern our daily operations. The Company confidential Blue Book, created in 1989, is the reference document for the whole organization enabling each employee, business unit and service to work effectively within a common framework worldwide.

The Blue Book contains:

- Group principles: its mission, expertise, main objectives, values, Code of Business Ethics and collaboration principles;
- Group organization and governance;
- authorization and approval processes;
- sales and delivery rules and guidelines;
- risk management, pricing and contracting rules in presales activities;
- finance management, merger, acquisition, disposal and insurance rules and guidelines;
- human resources policies, management guidelines;
- marketing, communications, knowledge management and IT;
- procurement policies, including ethical purchasing and supplier selection;
- corporate social responsibility and sustainability policies.

These policies, procedures and guidelines encompass the Group standards that all entities are required to implement, while complying with national legal requirements.

Assessment of the level of compliance with these guidelines is a major component of our Internal Audit process. The Group Blue Book is updated regularly and is available to all employees on the Group's intranet.

Business ethics

The Group's seven core values and ethics are among Serge Kampf's most precious legacy to the Group. Our longstanding commitment to these values has shaped the Group's reputation in the market and are a major asset for our business performance.

The Ethics & Compliance program was launched to sustain and enhance this commitment and, in so doing, to further strengthen our competitive advantage. The objectives of the program are to:

- develop a sustainable ethical culture, which reinforces integrity and fosters ethical behavior;
- strengthen knowledge and awareness of laws and regulations, as well as internal policies applicable across the Group; and
- implement initiatives aimed at reinforcing prevention and avoiding ethics and compliance breaches.

Ethics & Compliance program in 2017

Code of Business Ethics

The Code of Business Ethics encapsulates the Group's ethical culture. It is available in fourteen languages. It has the collective and individual support of the members of the Board of Directors, the Group Executive Committee and the Vice-President community. Last update was made in January 2016.

All Group employees are required to commit to the seven core values and to the principles enshrined in the Code. In particular, employees are expected to:

- respect applicable laws and regulations;
- apply health and safety rules in the workplace and contribute to the creation of a safe, inclusive work environment;
- act responsibly in the marketplace, comply with applicable competition laws and regulations and anti-corruption provisions, avoid conflicts of interest and insider trading, and provide accurate commercial and financial information;
- build open, trustworthy relationships with clients, suppliers and business partners;
- maintain the security and integrity of all Group's assets and of all third parties with whom we work;
- minimize the impact of our activities on the environment and foster social impact in the spaces in which we operate; and
- ban the use of forced labor and child labor in our activities.

At the end of 2017, more than 184,000 employees had taken the Code of Business Ethics e-learning module, which is available in nine languages. This represents close to 92% of the Group's employees at year-end 2017.

All new hires are expected to undertake to comply with the principles set out in the Code of Business Ethics and to complete the relevant e-learning module.

Group Anti-Corruption Policy

In 2011, the Group released a policy outlining its commitment to zero tolerance for any form of corruption. It is available in twelve languages.

At the end of 2017, more than 184,000 employees had followed the related e-learning module, available in six languages. This represents approximately 92% of the Group's employees at year-end 2017.

Loi Sapin II: see chapter 2, Corporate Governance – Risk management and internal control for further information on legal risks management

Group Competition Laws Policy

In 2012, the Group released a policy to equip employees in identifying and avoiding situations that could violate competition laws. It is available in nine languages.

At the end of 2017, more than 175,000 employees had followed the related e-learning module, available in five languages. This represents approximately 88% of the Group's employees at year-end 2017.

New employees are expected to undertake to comply with the principles set out in the Group Anti-Corruption Policy and in the Group Competition Laws Policy, and to complete the related e-learning modules.

Raising Concern Procedure

The Code of Business Ethics states that an employee faced with a question or issue involving ethics or compliance should discuss the matter first with his/her local manager. If the issue is not solved by the manager, or if the employee is not comfortable discussing the matter with his/her manager, or if other procedures for dealing with individual grievances are not applicable, the employee may use the employee-dedicated Raising Concern Procedure (RCP).

Through the RCP, employees may seek advice and guidance on appropriate action from the local GC-ECO, or even directly from the CECO in Paris. Operating since late 2013, the RCP is applied on a case-by-case basis in the countries where the Group operates, in accordance with applicable legislation.

Commitment to Human Rights

Capgemini's commitment to Human rights is deeply rooted in its values and culture since its creation in 1967. The Group has conducted its business on an ethical foundation, encouraging and enabling its employees and suppliers to operate within the same principled framework.

As a responsible and ethical company, we comply with the Principles of the 1948 Universal Declaration of Human Rights and the fundamental conventions of the International Labour Organization (ILO) refusing the use of forced labor or child labor.

This commitment is further embodied by the signature of the UN Global Compact in 2004. Accordingly, we support and comply with the ten principles in the areas of the environment, human rights, labor rights, and the fight against corruption. Our Ethics & Compliance principles and program, our CSR strategy and all the Group's policies (HR, Procurement…) reflect this commitment and provide guidance on their effective application in every aspect of our activity, in every country in which we operate.

In our decentralized organization, every legal entity has an obligation to comply with these same principles as well as with local legislation, translating the Group's commitment into concrete local policies and actions that further improve human rights within our sphere of activity.

Modern Slavery Act

Since 2015, Capgemini UK is taking steps to ensure that slavery and human trafficking are not taking place in its organization and supply chains, thus complying with the "Modern Slavery Act" legislation in the UK and strengthening our commitment to human rights not only within Capgemini, but across the supply chain. A transparency statement was issued, available to all stakeholders on the website.

https://www.capgemini.com/gb-en/wp-content/uploads/sites/3/2017/07/transparency_statement_with_signature_latest.pdf

It states that Capgemini UK has a zero-tolerance approach to bribery, corruption and human rights abuse, and does not accept that it is necessary for grave human rights abuses such as forced and compulsory labor, slavery, servitude and human trafficking to be part of today's modern businesses and supply chains.

Capgemini UK is committed to its employees, clients and suppliers to taking appropriate steps to eradicate modern slavery in the business and the supply chain. A risk mitigation plan is in place since to ensure continuous improvement.

Duty of Care Law

As of 2017, the French law 2017-399 known as "Duty of care law" (or "corporate duty of vigilance law") sets an obligation for French companies which employ more than 5,000 employees worldwide to establish and implement a vigilance plan with the reasonable measures taken to identify and prevent serious violations with respect to human rights and fundamental freedoms, and the health and safety of persons and the environment, resulting from their activities, the activities of companies they control and the activities of sub-contractors and suppliers on whom they have a significant influence.

In line with the Group's international commitments, ethical standards and business strategy, a responsible approach to procurement and the supply chain was launched in 2015. Our relations with suppliers and subcontractors are defined by a framework and set of rules aimed at working in a responsible and sustainable manner, respecting our ethical commitments and complying with international and local regulations (see below, Responsible Procurement).

Following the duty of care law obligation to prevent human rights, health and safety and environmental abuse, we have conducted a first-year risk assessment building on the Group's Responsible Procurement framework and using the Group's Risk Management approach and methodology, focusing primarily on human rights.

For health and safety, the Group standards that apply to all our employees are implemented and guaranteed by the local HR and Health and safety policies in all the countries in which we operate (see section 3.2.7 Health and safety). We expect our suppliers and subcontractors to respect the same standards that apply in the country where we work with them, as stated in our Supplier Standard of Conduct (see section 3.1.5 Responsible Procurement).

As a next step towards duty of care on this area, the Group will extend the risk assessment to health and safety through pilot assessments within the supply chain in 2018.

For environmental risk, the Group has a Group Environmental Management System (ISO 14001:2015) in place that identifies and manages environmental risks in accordance with international and local regulations and in accordance with our Group environmental objectives and targets. This includes managing risks within our supply chain. We have expanded our risk management procedures in 2017 with a climate change risk assessment that will be rolled out to all Capgemini countries as part of the regular management system approach (see section 3.4 Environmental sustainability).

Our approach

In 2017, we completed a first risk assessment and mapping of our supply chain identifying the countries and areas that pose the greatest risk.

We proceeded by:

- using the Group's risk management approach for robustness and consistency;
- using external indicators on human rights (by independent civil society organizations) to assess risk by country;
- using internal expertise in the Procurement teams, notably Category managers to identify high-risk categories;
- focusing on the high-risk categories with high spend to prioritize;
- collaborating with Risk & Insurance, Ethics & Compliance and CSR.

The first-year risk mapping encompasses three top risk countries and three top risk categories.

- The high-risk countries identified are: China, Guatemala and India, based primarily on human rights and health & safety indicators.
- The top 3 categories identified as high risk, based on our operational footprint, are: Travel, Subcontractors and Property rent.

Following this first-year risk mapping, we will pursue our action building on the existing Group values, ethics, guidelines, procedures and tools to ensure effective results. Accordingly, we will:

- select the procedures among the existing ones that will enable regular assessment of the situation of subsidiaries, subcontractors and suppliers regarding the risks identified, and we will create new procedures when needed;
- set up a vigilance plan and prevention measures for continuous improvement focusing as a priority on the vendors identified in the risk categories and with whom we already operate within the SRM framework. The Group will also integrate the necessary guidelines in the relevant programs, policies and procedures (HR, CSR, Ethics and compliance, Risk and insurance, legal…);
- ensure there is an alert system to capture the risks and/or breaches, by adapting and upgrading the "Raising concern procedure", (see above), and involve social partners in the roll out of the updated process;
- set up the evaluation and control mechanism to monitor progress and efficiency (see section 2.5) and report appropriately, internally and externally.

A dedicated Steering Committee will include senior management from Procurement, Risk & Insurance Management, M&A, Operations, Ethics & Compliance, Audit, Legal, HR, Finance and CSR. It will sponsor and ensure the implementation of the vigilance plan and the supporting measures and mechanisms described above.

The Steering Committee will monitor progress and efficiency of the undertaken actions throughout the year, and regularly inform the Group Risk Committee on the evolution of the duty of care vigilance plan and mechanisms, on changes in the risk exposure and the emergence of new risks when relevant.

The vigilance plan will be implemented with the involvement of all relevant internal and external stakeholders to progressively embed it in Capgemini's culture.

Future steps

We have shown concrete actions and results in all compliance areas as published in this and in previous years' Registration Documents, externally certified. We will pursue and further our efforts for continuous improvement.

On human rights, we will make sure to improve our vigilance plan building on best practice developed by Capgemini UK within the Modern Slavery Act framework.

The Group will integrate the new rules in the relevant learning and training programs to create awareness and foster adoption of the appropriate rules and behaviors in the organization.

Lastly, materiality discussions in 2018 with internal and external stakeholders (unions, civil society organizations, investors, clients…) will contribute to our continuous improvement effort and progressive embedding of the new obligations and approach in the Group's policies, procedures and culture.

3.1.5 Responsible Procurement

Our supply chain supports both the delivery of our services to clients and our day-to-day business operations. In these activities we uphold our own exacting ethical principles and meet the standards of our clients. For more than ten years we have had a purchase order mandatory policy and a central purchasing system (Global Purchasing System, GPS) which provides us with a clear view of our procurement activity.

Capgemini's Procurement function operates in accordance with the Blue Book requirements, including Capgemini values, our Ethics & Compliance policies, and our social responsibility and sustainability policies. It complies with all relevant international and national laws and regulations.

Capgemini has currently has more than 20,000 active suppliers and subcontractors active in its global system. We recognize that a supply chain spreading across continents may some pose level of risk, and that we must exercise vigilance in respect of human rights and the environment.

Our commitment to supplier relationship is reflected in the comprehensive set of guidelines on purchasing ethics, the selection and management of suppliers.

Purchasing principles

In its purchasing activities, the Group considers environmental issues, social impacts, human rights, and the fight against corruption. The ten key principles of the United Nations Global Compact guide all of Capgemini's activities. In other words, the Group is committed to ensuring that we only work with suppliers that demonstrate ethical practices and respect of human rights.

Our procurement procedures are based on the following principles:

- treating suppliers fairly;
- selecting suppliers based on value, performance, price and sustainability;
- selecting suppliers in accordance with a justifiable and transparent process;
- preserving the confidentiality of supplier information;
- managing supplier risk;
- ensuring supplier contracts have clauses relating to ethical and sustainable procurement;
- maintaining relationships with suppliers based wholly on competition.

Supplier diversity and equal opportunity is encouraged: we aim to allow qualified small and very small businesses the opportunity to receive a share of the market. Our "eco-system" approach with major clients aims to foster this and level the entry barrier where practical.

Our suppliers are expected to conduct their relationships with us and our clients, commercial partners and other suppliers on a fair and ethical basis and in compliance with our core principles of sustainability. These principles apply both to the products and services provided and to the suppliers' activities.

Contractors' and suppliers' staff is expected to work according to the same Corporate Social Responsibility criteria as our own employees; in tandem, we apply the same health and safety and diversity criteria to contractors and suppliers as to our own employees.

Our Supplier Standards of Conduct

In 2015, Capgemini developed and implemented its "Supplier Standards of Conduct (SSC) & Compliance Management Requirements" that structures all the above principles for our supply chain and also reminds that Capgemini operates to a "Purchase Order Mandatory" policy.

Suppliers are requested to agree upon the principles that are set out in this document prior to working with us; we are defining the appropriate thresholds that will apply in 2018 to ensure effective risk management.

Since 2016, we have put in place a group-wide supplier management process. This process further enforces the SSC approach for new suppliers to the Capgemini Group and is implemented into our operating countries.

"Capgemini Supplier Standards of Conduct & Compliance Management Requirements" document is available here: https://www.capgemini.com/resources/capgemini-supplier-standards-of-conduct-compliance-management-requirements

The Supplier Standards of Conduct list our requirements regarding Ethics & Compliance, social responsibility, sustainability and our Purchase Order Mandatory policy.

Furthermore, our suppliers have the possibility to notify us of any known or suspected improper behavior in their dealings with Capgemini or by Capgemini employees or agents through a dedicated channel.

Supplier Relationship Management program

To develop a strong supply base and to drive the relationship with our sensitive suppliers and business partners, Capgemini procurement function has developed Supplier Relationship Management (SRM) program.

Through 2017 Capgemini has continued to roll out its new Relationship Management approach (introduced in 2015) to our top suppliers globally, and locally to our high spend & business critical suppliers. This approach allows us to engage in an objective way with our key suppliers to monitor performance, discuss performance improvement and maintain a close dialog about future requirements and intentions.

Supplier Relationship Management is one of the core activities of procurement and probably the one with utmost long-term impact. As we go one step above transactional activity we need to encompass total cost of ownership, roadmap alignment, operational performance, risk management as well as co-innovation and differentiation. For this, there is no better way than align our organizations, have clear communication matrixes, to perform regular reviews covering all aspects of our relationship and performance and last but not least, build trust and executive relationships rewarding alignment, cooperation and problem solving in a win-win spirit.

The ultimate objective is to increase the value delivered to Capgemini customers by leveraging the capabilities of our top suppliers through the implementation of a best in class relationship management. We benefit also from a reduction of supply risk exposure as capabilities and environment of suppliers are assessed within this program. Capgemini Group Procurement evaluates all aspects of suppliers' relationship through the "TQRDCE" criteria (Time, Quality, Responsiveness, Delivery, Cost, Environment).

Experience has proven that successful and positive supplier relationship management is valued by our partners and suppliers.

Finally, crisis resolution, deal making, and decisive moves are facilitated by SRM bringing facts and evidences to be built upon as well as trusted & streamlined communication channels.

Our journey towards SRM is continuing with growing scope and emphasis placed upon this aspect to strengthen governance and performance across our supply chain. In 2017 we have held more than 30 senior executive level meetings based on the respective supplier performance evaluation.

3.1.6 Cyber-security and data protection

The Group's Cybersecurity & Information Protection (CySIP) Program reflects our strong commitment, as a leading IT company, to high standards of data protection for the benefit of our clients and our own organization and employees.

We comply with legislation, starting with the recent European regulations on the matter, and with regulations in all the countries in which we operate for our clients.

The Program's objectives are to:

- deliver secure business services;
- develop and maintain client trust for sustainable business growth;
- protect information and Digital assets in Capgemini;
- comply with the applicable law.

CySIP Program was launched in November 2014 and is aimed at reinforcing Group competitiveness whilst anticipating new regulations.

Sponsored by the Group General Secretary, the CySIP Program published a strategy in 2015, encompassing objectives, governance, a CySIP Baseline (minimum and mandatory practices), a data privacy strategy and a personal data protection policy. The strategy has been implemented in all Capgemini entities in 2017. As of 1st of January 2018, the program is led by the Group ChiefTechnology Officer.

The CySIP program steers three communities working together under the Group CySIP Officer:

1. the CySIP Officers in Strategic Business Units (focused on clients' requirements and security of delivery projects);
2. the Data Protection Officers in country (DPO: focused on personal data protection and sensitive data confidentiality);
3. the Chief Information Security Officers (CISO) in Group IT (focused on internal IT), recently supplemented with CySIP Officers in Delivery entities and in key global accounts teams.

Data protection and data privacy were a major priority on the 2017 strategic agenda. Capgemini implemented its Binding Corporate Rules on personal data protection (BCRs), covering activities where the Group acts as data controller and data processor, approved by the French data protection authority, *Commission Nationale de l'Informatique et des Libertés* (CNIL), in 2016, while mutualizing actions to prepare for the General Data Protection Regulation (GDPR) coming into force on May 25, 2018. The DPOs worked with the CySIP community and the relevant stakeholders to review internal processes, implement appropriate technical and organizational measures, identify the relevant tools and train employees in the new rules and processes.

The CySIP operational projects focus on three major topics:

- Identity and Access Management to reinforce access controls to applications and data, and Security Information and Event Management to reinforce detection and response capacities;
- the Capgemini Security Operation Center (SOC) in Europe to provide monitoring services of our Infrastructures and IT systems;
- BYOD (Bring Your Own Device) policy and tool to secure access and data while using personal devices for professional purpose.

The CySIP Program has enabled numerous technical and organizational changes relating to Cyber security and information protection at Capgemini Group, such as:

- launch of a governance in all the SBUs with the creation of the CySIP community of a hundred people;
- ISO 27001 certification of our sites: more than 160,000 employees completed e-learning;
- an incident detection capability implemented following the operational implementation of a SOC in early 2017;
- CySIP Strategy & Baseline regular reviews;
- accelerated migration to Windows 10 for laptops;
- encryption mail PGP roll-out for highly confidential internal communications;
- CySIP 2016 status and action plan for 2017 reviewed and approved by SBU leaders;
- Concord program launched to manage increased cybersecurity threats.

Finally, maturity assessments related to the CySIP Baseline, data protection practices and operational projects implementation are performed on an annual basis (in March 2017 and September 2017). They are now part of an overall Audit and Control Plan. Self-assessment is to verify whether mandatory practices are implemented, and is complemented by technical audits and penetration tests, enabling the definition of the yearly risk mitigation plan globally and for each entity. These measures enabled the Group to reach the objectives of the CySIP strategy, and successfully implement the governance and rules in 2017.

3.2 People and work environment

At the heart of our business culture lays our most important asset – our employees. As a responsible employer, we care about the people that choose to work for us, and we aim at nurturing the environment in which they can deliver their best and thrive.

Our priority is thus to ensure well-being at work, professional development, an open and welcoming environment that respects and fosters diversity, empowering employees to excel in what they do.

3.2.1 Our key asset: people

Organic headcount growth

The Group workforce was just below 68,000 people ten years ago, exceeded the symbolic threshold of 100,000 employees in September 2010, then grew again by more than 25% in 2015 (following the acquisition of IGATE: 31,323 employees as of December 31, 2015), and grew further organically since. In 2017, it grew by 3.4%. The average headcount is calculated by adding the average of opening headcount and the 12-month headcount divided by 13.

Total headcount

	Average headcount		End-of-year headcount ✓	
Year	**Number**	**Change**	**Number**	**Change**
2006 (reminder)	64,013	7.2%	67,889	11.2%
2010	97,571	8.1%	108,698	20.1%
2011	114,354	17.2%	119,707	10.1%
2012	121,829	6.5%	125,110	4.5%
2013	128,126	5.2%	131,430	5.1%
2014	137,747	7.5%	143,643	9.3%
2015	177,722	29.0%	180,639	25.8%
2016	185,593	4.4%	193,077	6.9%
2017	196,755	6,0%	199,698	3.4%

The data above on headcount as of December 31, 2017 encompasses the whole Group scope (coverage 100%).

The acquisition of IGATE in 2015, a strong organic growth, notably in Asia-Pacific, and the post-2009 economic crisis that affected Continental Europe significantly impacted the geographical distribution of Group employees.

Breakdown of workforce by geography

	December 31, 2015		December 31, 2016		December 31, 2017	
	Headcount	**%**	**Headcount**	**%**	**Headcount✓**	**%**
North America	16,034	8.9%	16,895	8.8%	17,112	8.6%
United Kingdom & Ireland	8,656	4.8%	9,025	4.7%	7,977	4,0%
Nordic countries	4,007	2.2%	4,067	2.1%	4,247	2,1%
Benelux	8,307	4.6%	8,037	4.2%	8,011	4,0%
Germany and Central Europe	11,342	6.3%	12,464	6.4%	13,970	7,0%
France	23,882	13.2%	24,504	12.7%	25,446	12,8%
Southern Europe	7,434	4.1%	8,075	4.2%	8,629	4,3%
Asia-Pacific	91,584	50.7%	101,422	52.5%	106,292	53,2%
Latin America	9,393	5.2%	8,589	4.4%	8,014	4,0%
TOTAL	**180,639**	**100%**	**193,077**	**100%**	**199,698**	**100%**

The headcount of the APAC region which increased by 9 points in 2015 with IGATE acquisition, primarily present in India, kept growing and exceeded the threshold of 100,000 employees in December 2016, and closed at the end of 2017 at 106,292. As a result, the headcount of this region has grown further in 2017 by 0.7 points.

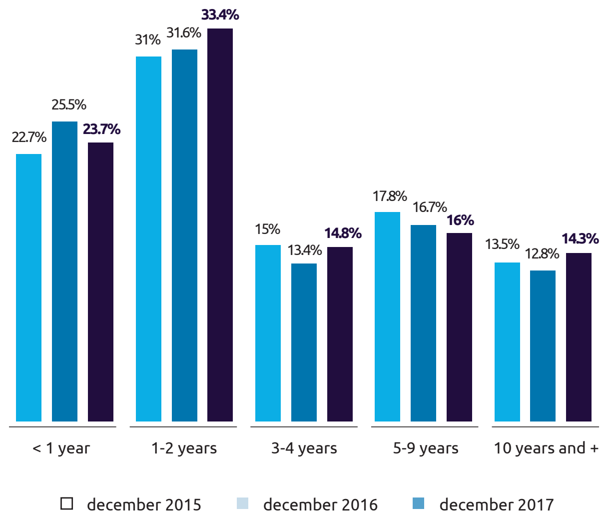
Germany and Central Europe also grew significantly in 2017. The ongoing difficult economic situation in Brazil explains the headcount decrease in Latin America, its headcount dropping by 1.2 points between 2015 and 2017, in spite of the growth in Mexico.

Moreover, India saw a very strong growth in recent years with its headcount rising from slightly under 2,000 people in 2004 to cross the 100,000 threshold in 2017. The country represents now 50.5% of the total Group workforce.

Growth in Central Europe is due to the development of the Business and Infrastructure Services in Poland and Romania, which went from less than 500 employees in 2004 to nearly 8,500 at year end 2017.

Other Continental Europe geographies experienced growth in nearly all countries, and average growth was at 5.7% In France, the headcount also grew in 2017 and its share is slightly higher in 2017 percentage-wise.

Breakdown of workforce by length of service: 2015-2017 evolution



The coverage rate for the data above is 99.6% of year-end headcount.

Evolution of average length of service reflects the Group's recruitment dynamics over the last five years: the number of recruits exceed 52,000 in 2017 after a record high number in 2016 (above 53,700), explaining the high (56%) percentage of people with less than three years seniority.

The average length of service in the Group stands at 4.7 years in 2017: plus 0,1 pt *vs.* last year. This varies according to the geographical area, ranging from 3 years in Asia-Pacific, driven by India (where most of recruitments are done) to 9.9 in the Benelux countries, 7.8 years in France, or 7.6 years in the UK.

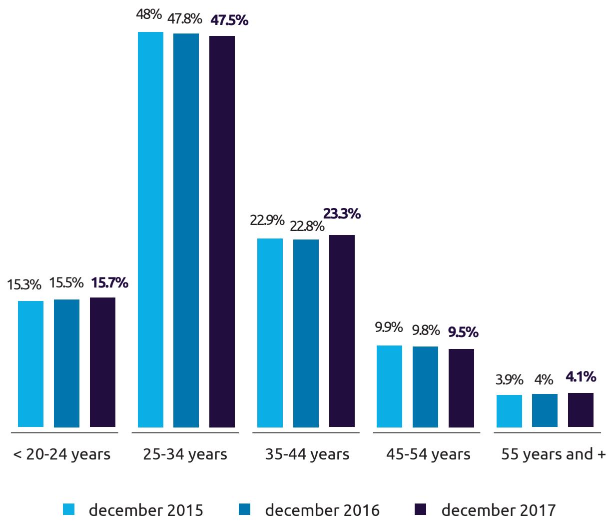
Length of service is calculated based on the hiring date by the acquired company, and not the date of integration into Capgemini.

Breakdown of workforce by age √: 2015-2017 evolution

The coverage rate for the data below is 97.3% of year-end headcount.

The average age of employees decreased slightly in 2017 to 33.2 years (-0.3 year *vs.* 2016). This was mostly due to the headcount growth in India where the average age is below 30 since a significant share of the hiring consists of young graduates (more than 40% of the total). The percentage of employees aged less than 35 years is stable at 63.1% with a slight increase of the below 25 years category.

Average age is lowest, below 30 years, in Guatemala, India, China, Morocco, Vietnam and Romania, while the United Kingdom, Sweden, Ireland, Finland, Denmark and the Netherlands post an average age at or just over 40 years.



Hires are people on-boarded into Capgemini payroll through the usual recruiting cycle during the period and accounted for in headcount (it excludes recruits made through acquisitions/big deals).

External hires

	External hires√	Acquisitions/ transfers
2005 (reminder)	14,453	712
2010	30,139	7,579
2011	32,713	3,158
2012	31,100	769
2013	32,369	193
2014	39,925	2,110
2015	46,181	30,265
2016	53,784	1,462
2017	52,299	1,394

Coverage rate: 100%

Offshore countries contributed strongly to the recruitment dynamic, with 63% of all recruitment in 2017. India saw its headcount grow organically by more than 4,500 people in 2017, representing overall close to 70% of Group organic net headcount growth. On the contrary, Latin America and especially Brazil shows a decrease in headcount due to the recession of its economy.

In an overall improving economic environment, the employee turnover rate (the percentage of voluntary departures) increased by 0.6 pt to 18.9%, being higher in Asia-Pacific, Poland, Romania and India (where the IT Services market is more dynamic) than in Continental Europe or North America. This rate remains, however, below the peak rate of the last ten years, which reached 19.7% in 2007.

Turnover rate

The number of voluntary departures in volume was at the highest level of the last past ten years, at around 38,600. The associated attrition rate is constantly monitored to ensure that it remains in line with industry norms, using appropriate response initiatives according to the needs of each business line and geographical region.

The total turnover rate for 2017 (100% coverage rate) was at 22.9% √ (*vs.* 22.7% in 2016). It covers both voluntary (resignations...) and involuntary leavers (individual dismissals and collective redundancy plans, retirement, end of short term contracts...).

Rate of layoffs

Group rate of layoffs in 2017 is 4.2% (vs 3.3% in 2016). The coverage ratio is 97.7% of the year-end headcount.

For some countries such as France, data on layoffs includes the termination of contract on a common agreement ("ruptures conventionnelles").

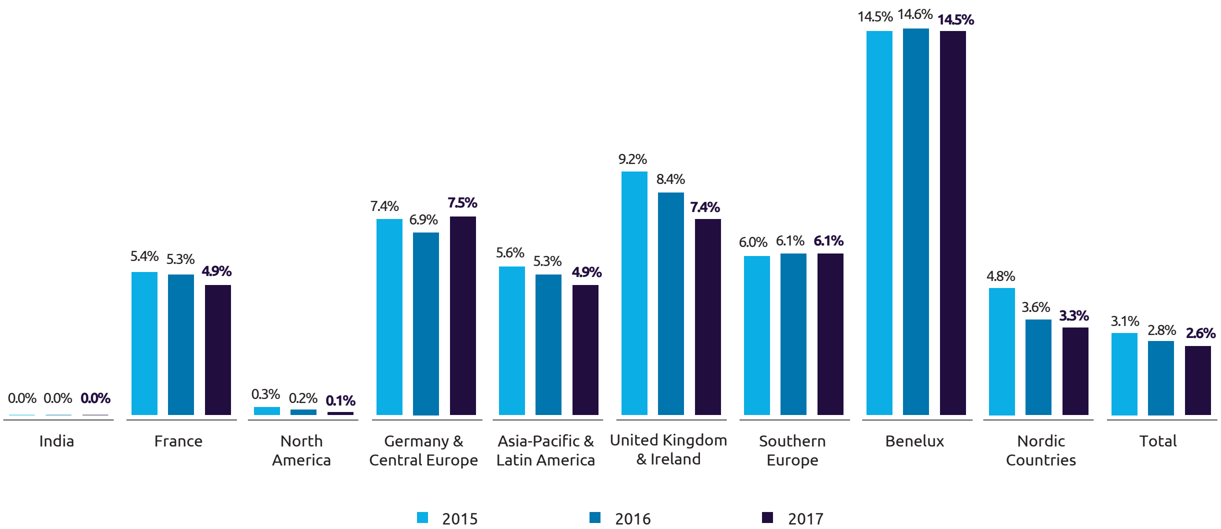
Rate of absenteeism

The rate of absenteeism is expressed as the number of sickness days excluding maternity (sickness covers all absence declared as such by employees and can cover anything from headache to surgery) *vs.* the number of total working days, less holidays and vacation for the average headcount.

Group rate is 2.4% (same as in 2016). The coverage ratio for this analysis is 44.4% of the year-end headcount.

The theoretical work hours are calculated by the business units either based on the average FTE in 2017, or, when this data is not available, based on total headcount at the end of the year.

Breakdown of part-time workforce in 2015-2017

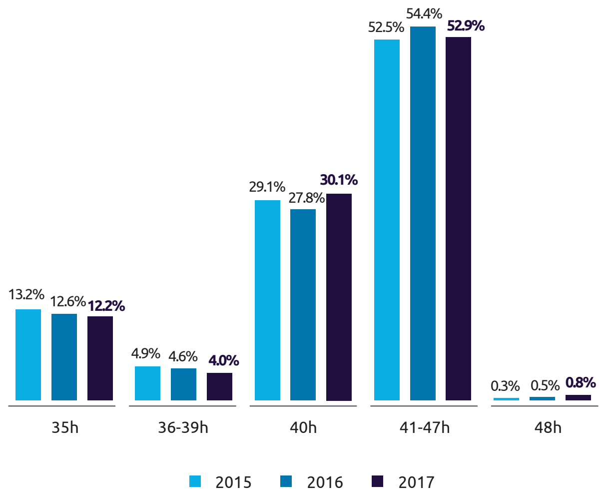


Part-time staff is defined as any resource working less than the normal/legal working hours schedule of each country of payroll. The coverage ratio for the above data is 97.7% of year-end headcount.

The percentage of part-time employees in the Group decreased from 2.8% last year to 2.6% in 2017. This decrease is primarily related to the growth of the headcount in India where no part-time staff is reported. The graph shows a significant variation between regions: part-time working is most widespread in the Benelux countries with 14.5%, followed by the United Kingdom and Ireland with 7.4%.

Conversely, part-time work is not widespread in India nor the APAC, LATAM (except for Brazil) and North America regions. In France and Morocco 4.9%, which is approximately 1,200 people, works on a part-time basis and the percentage has slowly decreased over the last three years.

Breakdown of workforce by fixed working hours in 2015-2017



A study of fixed working hours in the Group showed a wide variation among regions. This study covered 98.1% of the workforce at year-end.

France, representing 12.2% of the total workforce in the sample, has a 35-hour working week. Around 30% of our employees have a 40-hour working week, which is the collective timetable of most of the countries in which we operate (the % share of the 40 hours per week category is primarily decreasing due to the increase in headcount in India with its collective timetable of 45 hours per week).

The 40-hour working week applies in Europe (excluding the United Kingdom, Finland and Denmark, where it is generally 37.5 hours) and North America. Guatemala and Morocco are on a 44-hour working week, Mexico is on a 48-hour working week and India is on a 45-hour working week.

3.2.2 Contributing to employment opportunities

As the employer of nearly 200,000 people, and with over 52,000 recruits, Capgemini makes an important social and economic impact in many of the countries in which it operates.

To reinforce access to employment for all, we take part in various educational and mentoring initiatives region, thus facilitating access to employment for young people across the world in the growing Digital economy.

As significant examples:

- in India, we lead a "Train & Hire Program" through which we identify technologies in demand, provide training on the same at our cost to candidate students, then hire them at the end of the training. We create fresh employment and value for society by training on skills in demand in the industry;
- in France, we focus on providing both training and employment to the youth and promoting gender diversity in IT educational programs by partnering with universities, engineering schools, social innovators, NGO's… In 2017, we partnered with "Innov' Avenir" to promote IT technologies and careers among secondary school students for earlier awareness. We also partner with the national agency for employment (*Pôle Emploi*) and regularly reskill and recruit middle-age individuals for a second chance employment. In 2017, one of the several reskilling programs focused specifically on women to show our commitment to gender balance also in this specific population segment;
- in the UK, we recruited 45 apprentices onto our Degree Apprenticeship and 12 apprentices through Arch who support students from low social economic backgrounds to reach their potential. We have over 320 individuals currently on an apprenticeship program, 280 of which are studying for a degree with Aston University. We have extended the apprenticeships available and now offer a level 4 program in Cybersecurity since November 2017. The first cohort of 23 graduates achieved outstanding results: 64% obtained a first-class degree (over double the on-campus average).
- In North America, we partner with a variety of federal, state and provincial organizations to attract premier candidates and regularly hire veterans, providing them with the opportunity to start a successful career in IT.

3.2.3 Talent management

3.2.3.1 Talent management

Our Group Human Resources (HR) priority is to attract and develop the collective talent capabilities to design and deliver the technology enabled business transformation answering our clients strategic and operational challenges.

Business requirements becoming more complex, it is indispensable to combine the most relevant business transformation design with the appropriate technological solutions to deliver sustainable business results. Talent markets naturally reflect such complexity: "liquid" workforce trends are now a reality, and performance today requires a combination of high industry expertise with state of the art skillsets.

The Group's talent value chain adapts accordingly. Structured around the *Sourcing – Developing – Evolving* pillars, the components of each pillar constantly change for improved agility, continuous learning and employability and leadership.

3.2.3.2 Talent sourcing

We are a people business, and as such support the business needs with a robust recruitment and onboarding process. It is structured around three principles:

- a strong talent branding, fostering our values and our business acumen, mirroring the Group's performance legacy:
  - every recruit is assessed in terms of competencies and skills to ensure a fit with the Group's ways of working;
- an ambition to hire diverse people that will develop within our teams and bring their best in the most varied business environments:
  - recruits are tracked for gender mix, and our internal & external recruiters have signed the Group Diversity Charter (in place since 2013), thus committing to support Capgemini in attaining gender balance goals,
  - we pursue our policy regarding the employment of people with disabilities,
  - regional diversity recruitment policies and plans are set to reflect the diversity of society and clients;
- the employee promise, a commitment to each new employee to provide him/her with professional development and career progression opportunities through client exposure and learning:
  - we make use of digital channels such as LinkedIn to reach talent in the labor market globally,
  - we reinforce our partnerships with major schools and universities to make Capgemini an employer of choice;

3.2.3.3 Talent development

Providing all our employees with the means to develop their capabilities and career, strengthening their employability, is a key success factor for a sustainable performance.

We design and implement development paths enabling constant adaptation to evolving client needs and bringing *ad hoc* support to projects with virtual work and learning solutions. The Group's Career & Competency Framework defines the development track for each role by professional family.

The Career & Competency Framework defines and describes a standard set of roles for our businesses, regardless of region, business unit (BU), project or account, sector or technology specialization. Each employee is thereby able to understand the breadth of options available at a glance. Each role requires core attributes, and a professional skillset applies for each role, independently of business location.

All employees are accountable for their own career progression. Based on Grade and experience, each employee can define his/her professional development options and thrive in a wide variety of roles, in line with personal aspirations, and career preferences.

- All employees are responsible for their own career progression. Based on Grade and experience, each employee can define his/her professional development options and thrive in a wide variety of roles, in line with personal aspirations, and career preferences.
- Each employee goes through regular appraisals, identifying areas of strength and improvement, leading to development plans to enhance his/her professional experiences and preparing the next career step.
- A "Promote first/hire second" rule ensures internal opportunities within career paths, and operational mobility depending on our best Talents' Performance and Potential. Our promotion policies and processes foster diversity and gender balance.
- In 2017, the Group launched a "Performance Management evolution initiative" (currently in pilot phase) to implement a continuous feedback culture, simplified calibration processes and agile employee development tracking and follow-up.

3.2.2.4 Developing leadership

Considering the business and people challenges faced, developing our leadership footprint, capabilities and behaviors, both individually and collectively, are now a must more than ever. The Group's Leadership Model defines the challenges in the current business ecosystems through six interdependent dimensions: *La Niaque, Business Builder, Profit Shaper, People Developer, Active Connector, Agile Player*.

Accessible to all, these leadership dimensions define the requirements around the expected behaviors in each business and people context, fostering leadership capabilities development at all levels in the organization.

Management and leadership assessment and development activities are carried out to identify and continuously improve the Group's leadership assets. Leadership teams rely first on the 1,500 Vice-Presidents recruited, assessed, developed, rewarded and promoted based on a global Talent Management policy encompassing the Group Leadership model's six dimensions. This policy is implemented consistently across all operational units and support functions:

- dedicated talent reviews, targeted leadership development and talent acceleration programs are designed to fit their capabilities enhancement needs and prepare our key Talents for their next challenge;
- mobility options and succession plans ensure continued exposure of our VP pools to various business activities and practices across the Group, thus enhancing their understanding and ability to perform in transforming environments;
- this community is the first circle of "Leaders as Teachers" initiative aimed at fostering experience sharing across BUs and grades;
- a dedicated top talents pool has been defined in 2017 for all key Group positions. Appointments and talent management decisions are managed by the Group Executive Board.

3.2.4 Learning and Development: Capgemini University

3.2.4.1 A digital learning offer

At Capgemini, our success depends upon our ability to develop our people and their expertise, which is why we prioritize our people's competency & capability development throughout their careers.

Capgemini University leverages a rich history and is recognized among best-in-class learning organizations to deliver capability building excellence required by our clients to fulfill their strategic needs. Our values and collaborative, multicultural approach engages our learners virtually, locally, and through our world-class campuses in Les Fontaines (France), Pune (India) as well as our regional campuses across the globe.

Capgemini University and Group Learning & Development (L&D) align with our extended Global network to support business acceleration by prioritizing the right content to the right people at the right time. Our goal is to equip our people with the right capabilities to respond to the ever-changing needs of our clients and to provide them with ongoing employability and career growth.

We formalize, package, and deploy Digital Age Learning (DAL) content focused on Capgemini strategic areas and industry standards.

Our network of internal and external practitioners and experts use face-to-face programs, virtual classrooms, online books & videos, knowledge management communities, collaborative learning portals, enterprise social media, job aids, and mentoring systems. We organize regular events such as skill boosters, Co-Creation Challenges, and Hackathons.

In 2017, we:

- focused on four areas tied to our strategic focus of Digital, Cloud, Cybersecurity, Automation and new wave technologies;
- delivered an end-to-end Digital Age Learning experience and matured our analytics framework to assess effectiveness;
- upskilled the L&D professionals to enhance their ability to deliver global learning;
- designed and delivered 1,632 new learning assets, a mix of responsive modules, curated content, micro-learning, quizzes and assessments, personalization and a job-aid chatbot;
- two digital platforms dedicated to, respectively, training (Social Learning Platform) and career management (Group Employee Platform), currently in pilot phase;
- upgraded the learning management system (LMS) with a fresh learner interface accessible through all device types, anytime;
- implemented the Regional Learning Center model in North America, India and France;
- enhanced our KPI framework to measure the actual business value of our learning programs.

3.2.4.2 Measuring training delivered to employees

- 96% of our workforce (191,566 active employees) participated in learning programs using a mix of channels. Considering that in 2016 185,833 employees took a learning program through the available channels, we managed to keep a high level of coverage (96% of employees in 2016) while at the same time the workforce grew.

- 8.7 million learning hours were delivered √, including 6.6 million hours of global content (76% of the Group's total learning hours), a significant growth compared to 6.5 million total volume of learning hours provided in 2016. Tracking and reporting of learning hours is monitored by the global system MyLearning.
- 3.8 million total hours of global curricula classroom learning (content that is identical for all countries, designed by the Group L&D and Capgemini University teams) have been delivered to 50,100 employees at one of our global campuses or on work sites.

3.2.4.3 Certification

At Capgemini, both internal and external certifications are an important part of the value we bring to our employees and clients.

Internal certification

An in-house peer review process enables skills to be assessed according to clearly identified criteria such as experience gained, knowledge sharing, use of Capgemini tools and methods, mentoring, and leadership. The process has three objectives:

1. to create strong and recognized professional communities by sharing information, knowledge and skills in specific areas;
2. to ensure blended distribution and graduated progression of skills, both for in-house and client service requirements;
3. to create a competitive edge for the Group and its employees, increasing their employability.

Certification is driven by related Group functions in close collaboration with appropriate business units, Capgemini University and Learning & Development Teams.

External certification

We encourage our employees who wish to pursue external certification and support them through online, face-to-face, and mentoring programs. This includes:

- learning programs curated or designed in partnership with our strategic partners (EMC, HP, IBM, Microsoft, Oracle, SAP, SalesForce…);
- Java, Cisco, and Linux Professional Institute;
- emerging technologies and their certifications, such as Amazon Web Services, Google, NetSuite, Pivotal, and VMWare;
- testing with TMAP Next, ISTQB and REQB;
- industry standards such as Six Sigma, Project Management Institute (PMI), ITIL, Agile and Scrum are also widely spread, and our Architects follow TOGAF certification by the Open Group.

Certification statistics for 2017 are :

- 2,165 newly certified Engagement Managers;
- 493 re-certified Engagement Managers, *i.e.* a total of 2,658. At the end of 2017 the total number of Engagement Managers stood at circa 5,500 net of the above additions, re-certifications and attrition considered;
- the new Automation Academy for Software Engineers certified the first 125 people at the end of 2017, and more than 9,000 people started their learning journey;
- Integrated Architecture Framework (IAF), in use by Capgemini and our clients, with 352 certified Architects;
- certification program for new joiners in our Development and ERP practices as part of our global onboarding programs, run mainly in India but open to all countries;
- 1,000 Architects TOGAF certified by the Open Group (making Capgemini's TOGAF community the largest worldwide within a company);
- more than 900 successful Agile, ISTQB and ITIL certifications in France;
- 'Digital Age Learning' certification program for L&D professionals;
- the Brandon Hall Silver Award Win for the Digital Age Learning (DAL) certifiable upskilling program for our L&D professionals.

We are progressively shifting our focus to driving certification on Emerging Technologies (Cloud, Big Data, Cybersecurity, DevOps) and on Emerging Skills (Artificial Intelligence, Internet of Things and Blockchain).

3.2.4.4 Professional development and performance appraisals

Consistent and transparent assessment of individual performance based on a set of clearly-defined and explained criteria is essential for our people development. A common framework and set of rules is key to ensure fair treatment and equal opportunities for all employees. It builds on the Career and Employability framework.

The performance process is driven by regular meetings between the employee and the manager, generally conducted in relation to assignments, and at the very least once a year in a formal setting.

Percentage of employees who had a performance and career review between 2016 and 2017

The coverage ratio in 2016 was of 93.3% of year-end headcount. 2017 coverage rate is 97.2%.

As of end of 2017, 86.1% employees had their annual performance review.

The ratio has slightly declined consistently in the past four years due to the recruiting dynamics: joiners in the last months of the year do not go through the performance appraisal process for lack of minimal period in the Company to conduct it adequately.

Depending on local HR policies, business units may use different criteria to assess the level of completion of the employee performance assessments process.

3.2.5 Local and international mobility

As part of the professional development path offered to each employee, Capgemini encourages employee mobility at local and international levels. At local level, we provide visibility on job vacancies through the www.capgemini.com website, and internally through the MyMobility system.

As a global company, Capgemini is committed to offering exciting international career opportunities to its employees and to serve our clients by assembling multi-national and multi-disciplinary teams in a cost-effective manner. International assignments are therefore an important aspect of our business and we have the ambition to increase international mobility across our geographies, service lines and functions.

The Group has a set of defined international assignment policies to support segmented mobility requirements for Short and Long-term project-based assignments, Senior Executives, Talent and retention mobility and Permanent Transfers. Other policies that support international assignments include Travel and Safety.

Key figures in 2017:

- 22,000 employees travelled to over 100 locations;
- based on 30 countries, notably from India, France, UK and the Netherlands;
- main destinations: USA, UK, Sweden and Canada.

3.2.5.1 A Dedicated service: International Assignment Services

To enhance this journey and make international assignments a great experience for our employees, the International Assignment Services (IAS) network of 150 team members supports the organization of international assignments through environmental safety monitoring, ensuring that a medical assistance program is in place, addressing immigration needs (*e.g.* business visa or work permits), supporting the assignee's relocation and ensuring compliance with local labor laws and social security, payroll & taxation requirements.

The Senior Executive program supports the Group's strategic mobility requirements and provides developmental opportunities to select groups.

IAS focused on refining and implementing a new Target Operating Model as part of the Group One HR strategy, creating a Center of Expertise at Group HR level and an integrated HR shared services organization in India and the US. Underpinning this was the implementation of a global International Assignments web-based tool to support fluid international moves within the Group.

The Group International Assignment Policy Book & Catalog of Services sets out the general conditions that apply to all stays abroad. All relevant information and tools are published on the Group intranet sites, including relevant rules & procedures and checklists.

3.2.5.2 Health and safety on international assignments

It is our duty to ensure a working environment that meets our standards on securing the physical safety of our employees. As stipulated in our risk management policy and procedures, the Group has a strict approach on the countries/locations in which our employees can work.

Assignments in countries considered "at risk" by our specialist external safety service provider are subject to strict rules and require formal Group approved in advance. Safety measures encompass:

- advice and specific training courses on international mobility, including *e.g.* an e-learning training course on business travel safety since 2010;
- travel monitoring tool to identify where and when our employees are travelling to deliver alerts, provide practical advice on local culture in the countries that our employees visit;
- the establishment of a repatriation procedure and providing specific insurance coverage, to limit, as far as possible, any risks faced by our employees in case trouble breaks out in a country where they are present.

3.2.6 Diversity

Ever since the founding of the Capgemini Group in 1967, diversity and inclusion have been integral to our business, workplace, and people culture. Embedded in the HR and Talent policies, in the Code of Business Ethics and reflected in Group and local policies, diversity and inclusion are at the heart of our core values of honesty, boldness, trust, freedom, fun, modesty and team spirit, established by Group founder Serge Kampf. The principles of diversity and inclusion shape how we work with our colleagues, clients, partners and suppliers around the world.

With almost 200,000 people in more than 40 countries, Capgemini is proud to represent nearly 130 nationalities and its cultural diversity. Our holistic definition of diversity extends beyond gender, gender identity, sexual orientation, disability, ethnicity, race, age and religion. Capgemini views diversity as everything that makes us who we are as an organization, including our social background, our experiences in life and work, our communication styles and even our personality. These dimensions contribute to the type of diversity we value the most: diversity of thought.

Capgemini's success, brand identity and client experience are determined by the talented people who work for the Group. We believe that people perform better when they are empowered to be their authentic self at work and feel included and welcomed in the work environment. Cultivating an inclusive environment and ensuring that every voice of Capgemini is heard and considered maximizes our capability to win and deliver business and makes Capgemini a welcoming place to work.

Our Group Global Charter for Diversity and inclusion enshrines the Group's commitment and is available for all our employees on the intranet.

Our differences are a source of creativity, innovation and inspiration. Embracing diversity and inclusion equips us to reflect today's global marketplace in the communities where we operate, enables us to generate new ideas and anticipate market trends as thought leaders in our chosen markets, and supports us in better understanding the challenges of our clients, partners and suppliers. We believe this will enhance the employee experience around the Group, create greater opportunities for sustainable business and affirm Capgemini's status as a global employer of choice.

We make every effort to adapt to the needs of our people with a wide range of personal circumstances and to provide them with a work environment which encourages their development. In a number of countries where this it is allowed, employee data is monitored according to criteria such as socio-cultural group, age group and different abilities, among other. Diversity performance indicators are also included in the annual HR audit.

3.2.6.1 Our approach to diversity

Foster a culture of inclusion

- Communicate inclusive behaviour expectations and personal performance indicators.
- Engage leadership to embrace all dimensions of diversity and grow an inclusive culture.

Broaden diversity dimensions

- Deliver diversity roadmap and cascade goals (aligned to local regulatory requirements).
- Define actions to accelerate progress in achieving gender targets, understand roadblocks, set process guidelines and measurements.

Reward and recognition

- Promote diversity networks and support global sponsorship and investment.
- Promote Capgemini as a champion of diversity through industry awards.

3.2.6.2 Unconscious bias

Exposing unconscious bias, the tendency for individuals to favor people like themselves, is critical to the promotion of diversity and the effective inclusion of all forms of diversity within any organization.

Consequently, together with an external expert, Our University, Group Talent, Group CSR and Women@Capgemini have developed an Unconscious Bias training module which has been deployed and run since 2013.

In 2017:

- 580 Vice-Presidents attended the Unconscious Bias webinar across all regions;
- 272 HR professionals attended a dedicated webinar (October 2017).

The webinar, along with several complementary e-learning modules are available for every employee in the Group's L&D online catalog.

HR and L&D teams promote the regular use of these resources to raise awareness and foster a more inclusive, de-biased organization.

3.2.5.3 Gender balance

For Capgemini, gender balance is both an obligation and an opportunity: as a large global organization, we bear a responsibility for advancing women in the organization, and we recognize the fact that having more women at all levels of responsibility is a competitive advantage.

Being an employer of choice for talented men and women is vital if we are to unleash the full potential of our Group and deliver the best results for our clients, partners and our stakeholders in general. It is a well-recognized fact that mixed teams bring innovation and value, create a more inclusive environment, improve employee engagement and foster collaboration.

Capgemini pursues the journey aimed at improving gender balance. A joint effort led by HR/Talent, CSR and the core team of Women@Capgemini is aimed at accelerating gender balance within the Group and achieving our targets.

Key achievements in 2017:

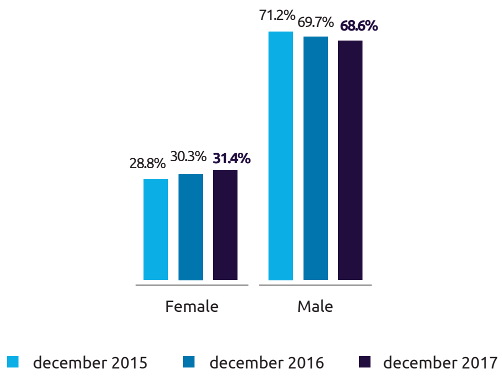
- implementation of a gender balance KPI on Group top executives' 2017 variable compensation;
- women in Executive Leadership Teams progressed to 20% (*vs* 15% YE 2016);
- all service lines and major countries have implemented a gender balance action plan;
- dedicated talent programs for management-level high-potential women implemented in most service lines and in Finance;
- EDGE certification achieved in several large countries and regions since 2016: North America, France, UK, Brazil, India…

Breakdown of workforce by gender √: changes in 2015-2017

The coverage for the data below is 99.1% of the year-end headcount.

The percentage of women in Capgemini's workforce continued to rise steadily, reaching 31.4% in 2017, an increase of 1,1 point over 2016 following a 1.9-point improvement over the last two years.

Women representation differs across the Group, depending on the type of activity (44.5% in Business services *versus* 24% in Infrastructure) and, to a lesser extent, on the country mix (above Group average in Asia-Pacific and Latin America but below 20% in Benelux).



Overall gender breakdown mirrors, for most part, the information technology sector, which tends to attract engineering graduates, predominantly male is most geographies. The business and geographical breakdown sheds light on the Group's gender balance.

Female presence in the workforce is driven by three types of business:

- Financial Services (33%);
- Consulting Services (38.8%); and
- Business Services (44.5%), displaying the highest percentages of women.

On hiring, the overall rate is 35.2% women (on 96.8% of the total population), an effort to be sustained to further improve gender balance.

On retention, women's voluntary attrition rate of 19.6% is aligned with male attrition rate overall. However, moving up in the pyramid, there is a clear progressive decline in female presence, requiring sustained action to increase the share of women, currently of 40% at early grades, falling to a 13% at senior management level.

2017 voluntary attrition

	2017 voluntary attrition	
	Women attrition	**Men attrition**
North America	17.1%	14.5%
United Kingdom & Ireland	13.4%	14.3%
Nordic countries	22.7%	20.1%
Benelux	12.3%	12.7%
Germany and Central Europe	22.2%	23.8%
France	15%	17.1%
Southern Europe	11.0%	13.6%
Asia-Pacific	21.9%	22.5%
Latin America	31.4%	40.3%

On development, the Group has focused on fostering women in leadership, moving from a promotion rate of 18% in E and F grades at the top of the pyramid in 2015 towards a target of more than 20% in 2018.

The increase in female workforce is partly due to strong growth in recent years of Business Services (Business Process Outsourcing), an activity where the proportion of female workforce can reach 50%, and traditionally attracts more female workers. BSv has managed to sustain this significant female presence despite its recent expansion to other countries and sectors (notably Infrastructure services), where women's presence in the workforce is much weaker.

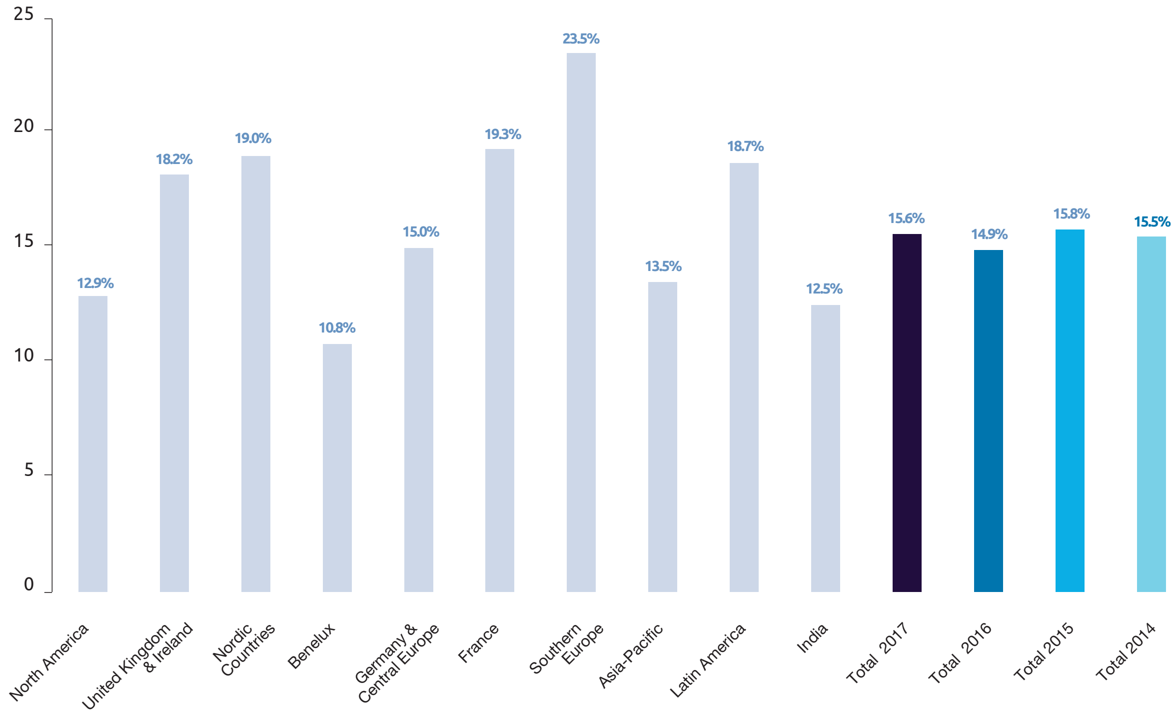
In addition to this, the percentage of women is increasing in some geographies like in India (+1.7 point, now at 32.5%) which significantly contributes to improve Group gender balance given India's overall size of workforce, or Poland which displays a 56.3% of women in workforce.

The countries where BSv is developing strongly bring in a significant proportion e of women into the Group. Poland and China both exceed the 55% mark for women in the workforce. Guatemala, in which BSv is also growing strongly, have 49% of women in the workforce.

Conversely, the percentage of women is less than 25% in eleven countries covering 12% (-10 points) of the workforce in scope, and notably Benelux and the USA.

Finally, the significant headcount growth in Consulting Services, traditionally recruiting in a more gender diverse talent pool, contributes to the Group's gender balance with a 39% share for women in the workforce.

Proportion of women in executive positions by geography



Women in executive positions

The proportion of women in the executive grades in 2017 increased despite the workforce mix's evolution.

While the proportion of E and F in India has again positively evolved, as the India E&F ratio is currently below Group average, the volume impact of India is reducing the overall positive evolution. India excluded, the ratio would be at 16.4%.

The ratio remains lower than the total percentage of women in the Group's workforce, across all grades. Continued growth of the headcount in countries with a low percentage of women in the talent pool and engineering-trained graduates impacts heavily the overall women in workforce ratio.

At the end of 2016, 21.3% of employees promoted to "Vice-President" were women, a percentage above 20% for the second year in a row, even though the 2016 percentage was slightly lower than in 2015 by 1.9 point. Going forward, the promotion cycle will take place at mid-year and the next promotion cycle will happen in June 2018.

We have a clear picture of gender balance in the talent pool provided by the strategic talent reviews undertaken throughout the Group and ranging from CEO-led reviews of the leadership teams to Business Unit level reviews identifying top talents at all levels and grades. All Business Units are required to identify and sustain a gender balanced management talent pool and pipeline.

To support these efforts, local management training courses, mentoring by senior executives, and increased exposure and visibility are provided to women identified as top talents, thereby advancing women's presence in the Vice-President community.

3.2.6.4 Outfront: the global LBGTQ+ and Allies network

For more than ten years now, North America has championed the Employee Resource Group (ERG) LGBTQA+ (Lesbian, Gay, Bisexual, Transgender, Queer, Allies, and others) employees at Capgemini, aiming at creating a safe and progressive space for the LGBTQA+ community and every employee who wishes openly to support and foster, either as an LGBTQ+ individual or as an ally, diversity and inclusion in the workplace.

Since then, numerous sites and countries have joined the network, first across the US and Canada, then in the UK and in 2017 successfully extended to APAC region, including India, to cover more than 10 countries, and adding more each year.

Started by three committed individuals, OUTfront LGBTQA+ gathers more than 400 employees across the globe representing all areas of our business.

India has reached a significant milestone in the Group's commitment to create a safe, discrimination-free and welcoming space for all our colleagues, regardless of their sexual preferences by creating its LGBTQA+ network. By doing so, we remain true to our promise of a committed Group to diversity, inclusion and equal opportunities for all.

In addition to this, Group CSR acknowledged the need to enshrine this commitment at global level: the global OUTfront network started operating in H2, by connecting more strongly the existing country / region networks and providing advice and support to the colleagues who wish to create, in their country, a similar network.

The networks operate internally in compliance with our principles, values, and the ethics and compliance rules. The level of disclosure of sensitive personal data at a local level remains fully in control of the individuals and is defined with the local HR community's guidance as support in accordance with applicable local legislation. There is no personal data collected at global level at any time through the network.

The local networks empower a strong, connected community, which contributes to:

- recruit, develop, and retain LGBTQA+ individuals by fostering a safe environment within Capgemini;
- increase awareness and understanding of the LGBTQA+ community, including the specific challenges it may face, thus increasing inclusiveness;
- demonstrate the synergies between our LGBTQA+ community and those of our clients, therefore deepening client relationships;
- drive market-facing awareness of the Capgemini brand in the marketplace, aligning closer with our clients, technology and business partners in new ways of driving relationships;
- raise Capgemini's profile and employer branding as a safe and welcoming place to be out, or an ally, at work.

An important part of the network's mission is to embark and coach business stakeholders (and as a priority, leadership teams, the HR and recruitment communities) so that the allies network becomes ever broader, spreading a strong inclusiveness message.

The network also empowers its members to act as role models, inside and outside of the Company. Now as a global network, OUTfront will pursue its mission of empowering, coaching, raising awareness and nurturing our inclusive culture for a richer diversity in every country in which we operate.

3.2.6.5 Disability and inclusion in the workplace

At Capgemini, we firmly believe that people with a disability, visible or invisible, bring great value and a unique, specific perspective to our business, while reflecting the diversity and variety of the society we live in.

We comply with national and international legal and labor requirements on this topic (*e.g.* quotas of people with disability to be recruited in countries such as France, the Netherlands…) and recruit these individuals convinced that their presence contributes to more diverse and effective teams.

Key achievements in 2017 are:

- in 2017, Capgemini joined the International Labour Organization's "Global Business and Disability Network", a network of multinational enterprises, employers' organizations, business networks and disabled persons' organizations who share the conviction that people with disabilities have talents and skills that can enhance virtually any business;
- by signing the Charter, we commited to further fostering inclusion of disability in the workplace following national standards and international best practice, and to share our expertise in IT to improve disabled people's quality of life;
- in France, we pursue our efforts of integrating people with a disability by recruiting 3% in 2017 (two times the average in the IT industry in France) and by funding a dedicated internal department for promoting disability in the workplace (Mission Handicap). We partner with organizations, governmental and non-governmental, to share best practice and contribute to local and national initiatives aiming at higher levels of inclusiveness in the workplace. We also successfully ran again "Défi H", a technology innovation and mentoring program led in partnership with engineering schools around a technology/IT project aimed at improving the lives of people with disabilities.

  For more information, see: https://www.capgemini.com/fr-fr/mission-handicap/;

- in North America, equal employment opportunity and affirmative action plans are in place for individuals with disabilities, Vietnam-era and special disabled and other covered veterans in all our US offices;
- in Poland, we are part of the "Come Closer to Disability Task Force", a cross-industries network fostering better education and employment for people with disabilities.

Number of employees in the Group with a disability in 2015-201

A disability is defined as anything preventing or limiting someone to participate to corporate, social life due to a long term or definitive reduction of his/her mental or physical capabilities. These figures reflect both voluntary and legal declarations depending on countries and their respective disability disclosure laws and policies.

In 2017 the Group employed a total of 1,458 people with disabilities, of whom 33.1% are in France and 29.7% are in the UK & Ireland.

The coverage rate for the data above is 89.0% of year-end headcount, some countries being excluded from the scope for legal reasons due to the confidentiality of this employee information.

3.2.6.6 Measures against discrimination

In all the countries where we operate, the Group not only complies with local labor legislation and international labor regulations but also with our own Charter championing diversity and inclusion. By virtue of our commitment to the principles of the fundamental conventions on the labor standards of the International Labor organization and the Principles of the 1948 Universal Declaration of Human Rights including the UN Guiding Principles on Business and Human Rights, we are committed to:

- recruiting and retaining talented individuals from different backgrounds ;
- treating individuals with respect and treated fairly;
- ensuring our working environment is free from all forms of harassment or abuse;
- encouraging our people to keep a good balance between work and private life;
- supporting the health and well-being of our employees ; and
- offering a sound and fair working environment where our people can develop and flourish.

Capgemini will not tolerate any form of professional discrimination in the workplace. Discrimination can take two forms, direct and indirect. Direct discrimination occurs when someone is treated less favorably, for example on grounds of their gender, race, age, disability, religion or sexual orientation. Indirect discrimination occurs when a condition or rule is applied which disqualifies a large proportion of one group from an activity and there is no genuine reason for imposing that condition.

A "grievance escalation process" is in place in all countries where the Group is present. This process enables the escalation of any complaint from our employees who feel discriminated against in any form. Each claim is investigated fully, and disciplinary actions can be taken if discrimination is proven.

In addition to this, the Nordic countries and India are significant examples of units with robust policies and procedures in place to educate employees on inappropriate conduct at work, as well the relevant alert mechanisms.

3.2.7 Reward policy and incentives

The Group's remuneration policy is based on shared principles, applied in a decentralized way and tailored to local job market conditions and regulations. This policy aims to:

- attract and retain talent;
- reward individual and collective performance with a remuneration model that is motivating yet flexible;
- be fair and consistent with the Group's financial and operational targets.

Where local rules permit, employees can select the components of their remuneration package from a predefined package and in some countries, can choose to enhance benefits through additional employee contributions. This provides employees with additional flexibility, enabling them to reconcile their financial and personal situations in the best possible way.

Employee benefits are provided that are market-competitive and respect legal requirements in all jurisdictions in which we operate. 96% of the population is covered by Medical Insurance and 97% of the population has life insurance coverage, which is often bundled with an Accidental Death and Dismemberment insurance.

3.2.7.1 Leadership compensation

Vice-President and senior executive compensation schemes are reviewed and authorized at the Group level for both fixed salaries and variable components. The principles of compensation schemes for other employees, which are locally designed and managed, are subject to Group approval with the intent to align schemes to favor mobility and ensure consistency and fairness.

The minimum salaries applied by the Group in each country always exceed or are equal to the legal minimum wage in force in the country concerned and are sometimes higher by a very significant proportion. Salary increase guidelines are also reviewed and approved at Group level.

Profit-sharing is available to employees pursuant to the local regulations applicable in the country.

The evolution of compensation (which can be found in Note 6 to the consolidated financial statements of the Registration Document) is subject to regular analysis as compensation costs represent approximately 61% of the Group revenue. A quarterly analysis is made of the average compensation cost across SBUs/countries to evaluate the impact of staff movements (recruits, leavers, promotions, transfers, etc.) on the evolution of this key indicator.

The Compensation Committee of the Capgemini S.A. Board of Directors is in charge of supervising compensation of the Company's executive corporate officers and to review compensation policies related to the Group senior managers, in particular equity-based incentives subject to Board approval.

3.2.7.2 Employee access to stock holding

Capgemini launched its first international employee stock ownership plan (ESOP), covering 19 countries, in 2009. The plan was very successful, with more than 14,000 employees applying for shares. After authorization was granted by shareholders, a new international plan was launched in 2012 covering all employees of the 19 countries, again successful, with 12,000 employees subscribing.

As the 2009 plan ended in December 2014, a new international plan was launched in 2014 successfully with close to 17,000 subscribers joining. These two active plans have enabled our employees to be amongst the Group's main shareholders. In 2017, the latest ESOP plan garnered even higher engagement among the eligible employees, with 28,782 shareholders. As a result, employee shareholding stands at 4.61% of total capital.

3.2.7.3 Allocation of share-based incentive schemes

Capgemini S.E. has allocated share-based instruments (previously stock options and performance shares since 2009) on a regular basis in line with its corporate governance rules.

These allocations are made selectively to reward employee loyalty and exceptional contributions to company sales, production, innovation, specific successful initiatives, or employees who have performed as powerful transformation agents. This may be any employee in the Group. This is an exceptional reward mechanism and as such is not a component of the general remuneration policy.

The Board of Directors allocated a certain number of stock options to 2,298 beneficiaries under the sixth plan, and to 3,918 beneficiaries under the performance shares plans. The Management Report, presented at each Capgemini S.A. Shareholders' Meeting, provides a detailed yearly breakdown of the performance share allocations.

In parallel, stock options granted to executive corporate officers form a very low percentage of the total options distributed. Under the fifth and sixth plans, 1.1% of the total number of options allocated was awarded to executive corporate officers, and no options are exercisable as all plans are now closed.

Regarding performance shares, resolutions set a limit of 5% or 10% to be allocated to the Group leadership team and the volume effectively allocated represented 3% of the total grants of all performance share plans since 2009. Moreover, share-based instruments are not allocated on an automatic or annual basis.

Detailed information regarding performance shares allocated by Capgemini S.E. to directors and to the ten main beneficiaries (non-directors), the options exercised by the latter, and details of these plans are provided on pages 101 to 102.

In addition, following a negotiation with French employee representatives, the Board decided to pay an incentive through shares subject to a presence condition of two years and with a compulsory holding period of another two years in two occasions (2012 and 2014), instead of paying a bonus in cash for the "profit sharing bonus" implemented in 2011. As a result, more than 16,000 employees became shareholders in July 2014 and again more than 15.200 employees out of the initial 20,000 beneficiaries became shareholders in October 2016.

3.2.8 Health and safety

3.2.8.1 Health and safety in the workplace

Health and Safety in the workplace is an important feature of human resources and facilities management. Even though the Group's businesses do not involve high-risk activities, Health and Safety responsibilities are taken very seriously and the Company has therefore established specific programs and measures. As a minimum, we comply with all local Health and Safety legal requirements across the Group.

All our entities have Health and Safety policies in place, governed by Health and Safety Committees (HSCs) in a good number of countries.

Agreements signed with unions and/or employees' representation bodies are incorporated into the Health and Safety policies. Examples of such agreements include the signing of the *Work Environment Act* in Sweden that defines the employer's responsibility for providing a healthy and safe workplace, the *Home Office agreement* in Germany for enhanced work-life-balance, and an agreement on *Inappropriate Behavior* at the workplace in the Netherlands.

Our Health and Safety policies are the basis for providing information, guidelines and training, covering:

- Health and Safety in the work place, including handling of accidents, providing first aid, emergency procedures and safe handling, use and disposal of hazardous substances and Personal and Protective Equipment (PPE);
- guidelines for Capgemini employees working on client sites and for business travel;
- initiatives on improving working conditions, including work-life-balance programs, employee-manager relationships, physical and psychological well-being;
- sickness, disability and rehabilitation.

The Health and Safety policies are further cemented in specific procedures and handbooks. These are provided to all employees and starts at the onboarding process. Mandatory trainings/e-learnings are taken regularly by employees, with the support of the local Learning and Development teams.

Guidelines, instructions and supplies for activities and situations affecting the day-to-day Health and Safety, such as emergency instructions and first-aid activities are clearly visible and available in most of our offices. The offices of most of our business units are also regularly audited on Health and Safety aspects including working conditions, humidity and lighting levels, temperature, air conditioning, minimal space per employee, etc.

Health and safety on external premises

As a significant part of our employees work on client, subcontractor or other non-Capgemini sites, we require that adequate facilities, training and access to safety information is provided and we cooperate with clients and subcontractors in some instances to ensure Health and Safety in the workplace. This specific area with subcontractors will be further improved following the Duty of care and vigilance law (see section 3.1.5 Group Ethics & Compliance).

We also ensure our employees observe and cooperate with all applicable client rules regarding Health and Safety and emergency procedures while on assignment.

Well-being at work

Next to ensuring a healthy and safe workplace, we strive to improve the general health and well-being of our employees. Various e-learning modules on Health and Safety matters are available to our employees including a module called Well Being Essentials which addresses topics such as health challenges, work-life balance, healthy eating, fitness, grief and loss, etc. In cooperation with external parties such as health insurers and healthcare providers, we also run various initiatives to enhance health and well-being and prevent diseases.

We consider both the prevention of sickness and the recovery/rehabilitation stages a shared responsibility of the employee and Capgemini. In that respect, we strive to minimize the impact of the sickness/disability by following a smooth and efficient process through cooperation with external parties in the healthcare domain. Specific initiatives are developed to improve the health and wellbeing of sick employees and to enable a quicker return to work, in the best possible conditions.

An IT services provider, Capgemini employees do not face specific health or safety challenges. In every location, we strive to improve the work environment to make it comfortable and adapted to our type of work. In 2017, the facilities management central team and some local offices have started revamping the sites. The aim is to modernize the environment, make it more appealing but also more comfortable and equipped with the services that make for a pleasant, facilitating environment for employees to carry out their tasks under favorable conditions.

Awareness is growing on topics such as stress at work and mental health, and some countries have spearheaded initiatives in these areas. A few examples of this are:

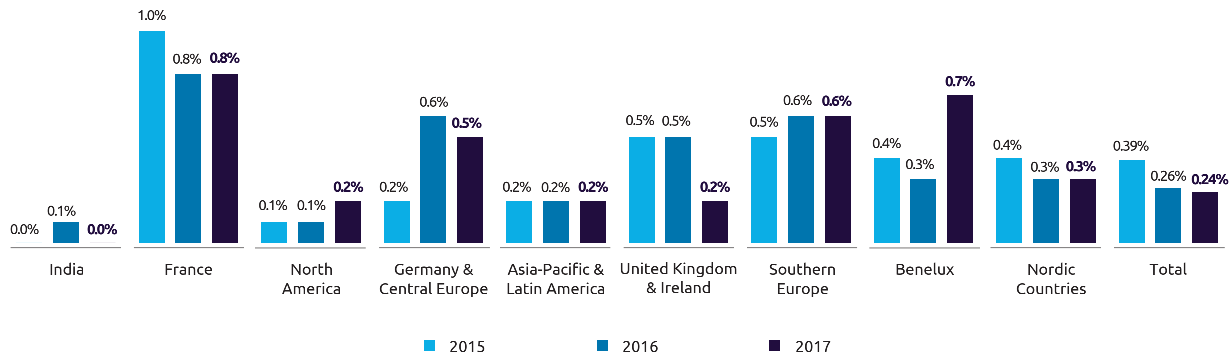
- India has a Health Safety & Environment policy, OHSAS18001 certified, which includes a standardized medical service for all locations (doctor, paramedic and full-time ambulance on site). Ergonomic sessions are available for all employees. Rescue team members have received emergency training on advanced first aid services by experts in the industry ;
- France: with 25 Health and Safety Committees, there is a strong partnership with employee's representatives and unions ensuring compliance with norms and agreements and working for improving effective implementation every year. Since March 2017, a Complementary Alert Mechanism (*Dispositif Complémentaire d'Alerte*, DCA) has been set up to:
  - support employees suffering from any kind of stress or pain generated in any way by their work conditions and find a solution. Every employee will be able to raise an alert and obtain support and resolution of the issue,

- lead collective regular diagnostics based on alerts raised in order to conduct targeted and effective preventive actions, thus better anticipating and dealing with the causes of stress and pain at work.

A new Health at work agreement was signed with the social partners in 2017, and the roll out has been conducted with their participation and support through dedicated Steering Committees;

- UK: a Health & Safety Policy Statement and a H&S Management System ("Health & Safety in Capgemini") are in place:
  - focus in 2017 was on raising awareness on workstation safety, accident and incident reporting and safety at work-related events,
  - continuous improvement rather than new programs is the aim. As an example, identifying potential improvements to site safety with the facilities management team (CRES). Latest improvement: the introduction of Automated Defibrillators on all sites;
- Poland: a "Stay Well" new program is introduced in Cloud Infrastructure Services;
- Netherlands: focus was placed on vitality and work stress prevention as one of the major health related risks:
  - offered Masterclasses for employees on topics such as dealing with stress and energy management participation in the National stress week
  - led joint tender for periodic vitality screening program to be rolled out early 2018
  - Sogeti now offers all employees a paid medical check every three years;
- Italy: launched an evaluation of work-related stress in Turin, to be extended to all sites in 2018;
- Belgium: now offers full medical checkup to 45+ people;
- Guatemala: set up an Occupational Health Committee for a safe environment for employees, in line with local new regulations;
- Mexico put in place a training program and certification for internal rescue brigade (12 employees), in line with local regulations and with ISO requirements.

Number of work-related accidents/headcount in 2015-2017



A work-related accident is defined as a non-fatal injury resulting in incapacity for work at least three consecutive days, excluding the day of accident.

The coverage ratio for the above data is 95.8% of the year-end headcount.

In 2017, the Group recorded 463 work-related accidents, of which 42.8% were declared in France, complying with regulations relating to the disclosing of such information. The 463 accidents correspond to an overall ratio of accidents/headcount of 0.24%.

Most of these work-related accidents occurred during the daily commutes to and from work. The Group recorded no fatal victims of work-related accidents in 2017.

3.2.9 Labor relations and social dialog

3.2.9.1 Social dialog at Group level: International Works Council (IWC)

Employee dialog is instrumental to the success of the Group, accompanying its Business development strategy in a world where performance and delivery to our customers make the difference. Employees are at heart of our business success. In that respect, Employee Relations are a powerful engine to move ahead while accompanying change safely. It is structured at each level of the organization, both local and global.

The International Woks Council (IWC) was first implemented in 2001 ahead of European regulations and then extended to other regions of the Group. Its mission is to bring employee interests directly to the attention of the Group management and to be informed directly by the Group management of its plans for the Company, and their impact on employees.

The IWC aspires to:

- be an advisory body to Group management on employee matters;
- exercise positive influence;
- contribute to cooperation among individual employees and the different parts of the Group in the different countries in which we operate;
- contribute to make Capgemini an inspiring environment for all.

The representative of the Executive Committee is the Chairman of the IWC, who acts in conformity with the Group Management decisions and strategies.

IWC has a maximum of 30 members in total. The statutory members of the IWC are delegated by the countries participating in the European Agreement. Any other delegated members are designated guest members. A guest member may represent a country or a minority group.

The employees are represented by country delegates and by a permanent standing body called IWC Bureau. The Bureau is composed by eight delegates: four representing the top four European countries, and four elected by voting country representatives. Only country members have voting rights and invited countries are only allowed to accompany the process.

The CEO attends the IWC Meeting at least once a year, and the Group Executive Board (GEB) members are regularly invited to attend the meetings for open discussions with IWC members.

Since 2016, two directors representing the Employees have been appointed to the Board, ahead of the prevailing legislation. One Board member was designated by the French unions and the second has been elected by the IWC noting that the latter was already invited by the Chairman and CEO of the Company since 2015 to sit at the Board and in the Compensation Committee

3.2.9.2 Labor relations and social dialog at local level

Country employees' representatives and works councils are strategic partners in all organizational and operational transformations. This comes to life operationally in the countries, where unions, works councils and social representatives lead a continuous dialog with Capgemini business leadership and HR. In partnership, labor agreements are signed that contribute a better, safer, healthier work environment for all employees.

In 2017, there were 147 active labor agreements in 14 countries. The scope covered by the agreements vary from country to country depending on local legislation and encompass a wide array of topics ranging from employee compensation and benefits to equal pay and diversity in the workplace.

Capgemini acknowledges that collective and enterprise agreements are an opportunity to materialize a healthy and transparent social dialog, and concrete advancements in labor conditions and work environment that benefit the Company by increasing well-being at work, employees' satisfaction and engagement.

Some examples of our labor agreements are:

- France: 12 agreements signed in 2017 encompass compensation and benefits (including savings and retirement schemes), health and safety, private health insurance scheme, ESOP employee shareholding program, intergenerational agreement, organizational evolutions, among others;
- UK: there is a Works Council for each BU in the UK and an overarching national council, which includes union seats. Where required by law, Capgemini bargains on pay for union members and has framework agreements with four unions. 11 specific collective bargaining agreements in place for groups of employees inherited through Transfer of Undertakings (Protection of Employment) regulations (TUPE).

  No new agreement was signed in 2017, nor inherited through TUPE. Focus is on continuous improvement of existing agreements and dispositions;
- in the Netherlands, five collective agreements were signed on harmonization of salary systems and people management processes;
- in several European countries, agreements were signed in 2017 on gender equality, equal pay and work-life balance policies. In line with our own values, commitment and objective on gender balance in the Company, we value these agreements, *e.g.*:
  - Spain, Gender Plan Agreement,
  - Germany, sustaining since 2015 the certification of the "Job and Family" audit;
- India: there are currently no labor agreements signed for Capgemini India, the IT sector having a very low level of unionizing at the moment. Notwithstanding, Capgemini India provides a quality work environment and is committed to continuous improvement through its policies and standards, *e.g.* health and safety, nondiscrimination and diversity, prevention of sexual harassment, grievance procedure…

3.3 Social impact and digital inclusion

At Capgemini, we believe we have a valuable role to play in a world where Digital transformation is revolutionizing business, education, healthcare, ways of communicating and interacting… and ultimately society and every person's life.

Digital inclusion can be defined as the ability of individuals and groups to access and use information and communication technologies. It has three broad facets: access, adoption, and application[(1)]. Creating digitally inclusive societies is not only a social responsibility, it is an acute need if we want to preserve and improve the world we live in. It is one of the major challenges of our time.

As "leader for leaders", we have the capabilities to be a key player in bringing Digital inclusion to the communities we operate in, and especially to those who have less access to it, namely the disadvantaged or marginalized in any way. Our skilled employees can share their knowledge and contribute to Digital inclusion, provided we create the appropriate framework and opportunities for them to engage with a higher social purpose. This is a pressing expectation from the young generations, spreading swiftly to all generations.

From a talent and employee engagement perspective, we believe these opportunities can only raise the level of engagement of our employees, and provide a space where their talents can thrive, complementing their professional development in their day-to-day work. It has been proven that social challenges can trigger innovation, including business innovation.

Finally, leading and/or participating in valuable projects for Digital inclusion can be an opportunity for us to partner with our clients in collective social action, thus achieving higher impact and results.

3.3.1 Digital inclusion ambition

Since 2015, we started focusing our social impact efforts on Education and Skills, a space where Capgemini's specific capabilities can bring particular value to individuals and society. A wide array of initiatives with high impact are running across geographies, with India leading the way, and the rest of the countries engaged in various projects related to providing education and skills to the communities in which we operate, focusing on the populations who need it most.

Our new strategy, "Architects of Positive Futures", aims for higher focus and impact by concentrating our efforts on Digital inclusion and future skills, more strongly linked to our core business and capabilities.

Digital inclusion encompasses both the widening Digital divide and the need for Digital literacy. It addresses issues of opportunity, access, knowledge, and skill, not only at the individual level but also for whole communities. Capgemini acknowledges that the challenges and opportunities in the face of the Digital revolution are not evenly distributed. Digital technology has opened new domains of exclusion and privilege for some, leaving certain populations isolated from the Digital realm and the opportunities it creates for education, professional development and better life conditions in general.

Even in countries where access to Digital resources are mainstream and readily accessible, whole segments of the population are being left behind by the rapid progress of technology. Employability nowadays requires as a minimum Digital literacy; on the other hand, the wave of automation across industries, while bringing high value to business, also puts at risk certain categories of people who risk losing their jobs without gaining new skills enabling them to find new ones.

This complex challenge requires coordinated action from all sectors - public, private, NGO's… to create, sustain and improve the opportunities for the most disadvantaged individuals and communities to access and benefit from the Digital age. To do so, we will deepen existing relevant partnerships and develop new ones with global social innovators, non-for-profit organizations, corporates and institutes, universities, governments and other relevant players, local and global, competent and active in the Digital inclusion space.

To provide our employees with the opportunities to engage and share their knowledge, we'll set up a global volunteering policy, with the appropriate local implementation, leveraging existing national schemes and legislation where relevant to maximize impact.

The key actions to take these objectives forward all the way to our 2020 objective are:

- **leveraging our key competencies**: our position as a leading global technology services provider means that our greatest social impact will be in leveraging our skills to support societies manage the impacts of the Digital revolution;
- **bridging the Digital divide:** the differences in the impact of the Digital divide in each country requires a broad view to determine where we can deliver the most impact;
- **providing support for development of local plans**: Group CSR will work with each country to understand the greatest challenges in Digital inclusion and appropriate action;
- **transitioning support and refocusing**: local Digital Inclusion plans will be created in 2018 to transition support through donation and employee volunteering initiatives to focus on initiatives that will enable meaningful, measurable and sustained positive social impact.

(1) (2) The Digital Inclusion Survey, https://digitalinclusion.umd.edu/content/what-digital-inclusion

As an example, an impactful Digital inclusion initiative in India is:

- The Digital Empowerment Foundation, (DEF): aims to connect underserved communities of India by providing them with access to information. With the belief "Inform, Communicate and Empower", DEF finds sustainable Digital initiatives to overcome information poverty in rural and remote locations of India, and empower communities with Digital literacy, Digital tools and last mile connectivity.

Partnering with DEF, Capgemini reached 900 beneficiaries in 2017 in ten government primary and junior schools, creating e-learning centers under Raising Standards of Education and Going Digital (RAISED) project, in collaboration with the local administration of the Gautama Buddha Nagar District of Uttar Pradesh. E-learning prepares students of today to become responsible Digital citizens for their community and its empowerment for the future.

http://defindia.org/

3.3.2 Key drivers for Digital inclusion

- **Leadership engagement**: we will share our Digital inclusion strategy and framework and cascade group guidelines and policy for approving donations and volunteering opportunities.
- **Employee engagement**: we will create awareness and equip our workforce to engage in existing initiatives, drive conversations with clients on our Digital inclusion agenda in search of potential areas for collaboration and enable them to use their key skills to take positive action.
- **Donations**: channelling donations to relevant partners that can help us achieve our goals (see 3.3.3).
- **Client Partnerships**: working with clients and business partners on Digital inclusion initiatives is hugely beneficial to our relationship, our level of impact and our reputation.
- **Sponsorship**: the leadership at global and local level, HR and CSR will work with the business teams to ensure they are equipped to accelerate the streamlining of our partnerships and beneficiaries, and to engage employees adequately.

3.3.3 Donations

In 2017, we have contributed €3,371,900 to social impact initiatives across our geographies through donations made to local and global non-for-profit organizations, charities, educational institutions and other, mostly local, partners.

Donations are mostly charitable contributions, but there is also a significant and growing number of pro-bono hours given to the community by participating in social impact projects, initiatives, or in skills-based schemes to support the non-profit organizations with their specific challenges (*e.g.* with business consulting or IT skills to help them improve their effectiveness).

Our aim is to engage employees more strongly to use their skills for a positive social impact through innovative projects and actions led with local business leadership, partners, and whenever possible with clients, for higher collective social impact.

Donations, if channelled appropriately and by choosing the relevant partners, will help us accelerate our impact. They have been progressively aligned to education and skills (2015-2016) and will now align to Digital inclusion up to a certain level (80% by 2020), while leaving a level of autonomy (20%) for local business and employees to engage in equally relevant social challenges from a local perspective. These local needs will differ from one country to the other, reflecting different situations and challenges.

As an example, we have rationalized our social impact partner base by 20% in North America in H1, aligning to education & skills, and in 2018 will pursue opportunities to play in the Digital inclusion space.

Donations by top 5 donating regions/countries

Capgemini Group	Total
TOTAL (IN EUROS)	**€3,371,900**

Top regions/countries	Total
India	€1,470,160
France	€655,050
North America	€416,696
United Kingdom	€412,165
Sweden	€110,186

3.4 Environmental Sustainability

Capgemini is committed to using its expertise in consulting, technology and outsourcing to deliver the positive environmental benefits of the Digital revolution. According to the Global e-Sustainability Initiative (GeSI), these could be significant with the potential for the Information, Communication Tehnology (ICT) to cut ten times more CO_2e than the ICT sector emits, as well as make an important contribution to improving resource efficiency.

This comes at a time when significant and growing environmental challenges are already having an impact globally. Rapid urbanization and increased consumption rates are leading to the depletion of natural resources and damage to fragile ecosystems. The impacts of climate change are increasingly being felt by communities around the world.

Capgemini's Environmental Sustainability program is our response to both these challenges and these opportunities, with a focus on four core streams of activity:

1. management – we ensure we have rigorous processes in place to manage and monitor our environmental impacts, as well as respond to changing legislation;
2. performance – we are committed to reducing our material environmental impacts with ambitious, long term environmental targets that are aligned with the latest climate science;
3. engagement – we use our expertise and influence to promote environmental action across our value chain and help our clients cut their carbon; and
4. resilience – we are deploying a global climate change risk assessment process to build resilience and ensure business continuity in the face of inevitable climate change impacts.

3.4.1 Environmental Management

As a global company operating in over 40 countries around the world, we need to ensure we have rigorous procedures in place to manage our environmental impacts and respond to an increasingly complex legislative landscape. We measure our environmental impacts globally, using one centralized system to capture millions of data points from around 400 facilities and covering the travel patterns of nearly 200,000 people. We have a robust Environmental Management System (EMS) to help each Capgemini entity to identify and manage its environmental impacts, as well as act to reduce these impacts and ensure we meet Group-wide targets.

3.4.1.1 Group environmental policy

The Group Environmental Policy, endorsed by CEO Paul Hermelin, sets out the measures required by all Capgemini entities in support of our Global Environmental Sustainability program. It reinforces our commitment to the continual improvement of environmental performance across our global operations, specifically in the areas of energy, business travel and waste management. The policy can be found at:
https://www.capgemini.com/resources/group-environmental-policy

3.4.1.2 Advancing our environmental management system

Our Global Sustainability Center of Excellence, a team of environmental experts, leads the way in ensuring we manage all of our environmental risks and impacts effectively, and remain compliant with all legal and regulatory requirements. Since 2009, a growing number of Capgemini entities have implemented an Environmental Management System (EMS) in accordance with ISO 14001. We have seen how this structured approach towards continuous environmental improvement helps drive results. By streamlining our internal capabilities and establishing an Environmental Center of Excellence, we have made it possible to implement ISO 14001 and respond to revisions to the standard in a very efficient and effective way.

In late 2016, Capgemini Group achieved its first global ISO 14001 certificate for its Environmental Management System (EMS), the culmination of several years' effort developing a global one team approach to environmental management. During 2017, Capgemini Poland achieved ISO 14001 certification for the first time, joining a global certificate which now covers ten countries, 208 sites and operations associated with 142,215 people. A further five countries have retained individual ISO 14001 certificates covering all or part of their operations, meaning that across the Group more than 82% of our operations by headcount are now ISO 14001 certified. We are committed to increasing this coverage further, with a target to ensure all Capgemini entities with a headcount of over 1,000 people are ISO 14001 certified by the end of 2020.

3.4.1.3 Measuring our impacts

Capgemini's material operational environmental impacts result from our use of energy (in both offices and data centers), our business-related travel and from the disposal of office waste. These impacts, together with smaller impacts such as from water consumption and fugitive air-conditioning emissions are measured and reported as part of our sustainability accounting and reporting processes. Other environmental impacts, such as those on biodiversity, land use, noise pollution and the sourcing of raw materials, while regularly reviewed, are not currently considered significantly material to our operations and consequently are not discussed further in this report.

While certain local variations may exist, the Group's main environmental aspects and impacts (for which data is collected) are shown in the table below.

Main Environmental aspects	Aspects and impacts applicable to the Capgemini business
Business travel (55.88% of our GHG emissions)	The international and domestic business travel we undertake, by road, rail, air, and from staying in hotels, all involve the combustion of fossil fuels, which releases greenhouse gas (GHG) emissions and other pollutants into the air. Tackling this remains a major challenge for our industry, which is reliant on the mobility of its people in order to best utilize their skills and experience in serving customers worldwide.
Energy consumption (43.57% of our GHG emissions)	We use a significant amount of electricity, natural gas, district heating and oil to light, heat and power our offices and data centers. Data centers are particularly energy-intensive due to the high level of IT equipment to be housed, powered and cooled. Our energy use has an impact in terms of the depletion of finite fossil fuels and associated GHG emissions. Energy security is also a growing area of concern in several of the countries where we operate.
Waste Management (0.11% of our GHG emissions)	Much of the waste that the Group produces is generated by office consumables and packaging, as well as smaller amounts of food waste from on-site cafeterias or brought in by our people. The transportation, processing and disposal of this waste emits GHG emissions, with high levels of methane emissions associated with waste sent to landfill. Whilst waste emissions make up only a very small percentage of our total GHG emissions, waste management is also important in the context of mitigating against natural resource depletion and minimizing our material use.
Water (0.27% of our GHG emissions)	Given the nature of our services, our use of water is relatively low and has not been identified as a material environmental impact across the Group. However, concerns over water scarcity are growing in key countries where we operate such as India and Brazil and will continue to grow in future with the impacts of climate change. This makes it important that we play our part in measuring and controlling our water use.
F-gas (0.16% of our GHG remissions)	The manmade gases used in our air conditioning units are known as fluorinated gases (or F-gases) and whilst used in small quantities these have a high global warming potential. We measure and report on the F-gas leaked from air conditioning systems over time (or due to system faults).

We measure and track our environmental impacts through our global carbon accounting program, with a central team managing the data processing and validation, to ensure consistent, high quality and accurate carbon data is available across the Group. We remain committed to continuous improvement, both in terms of data quality and in terms of providing meaningful insights to inform our program. This includes, for example, gradually increasing the coverage of our reporting to reach the high level of 99.0% coverage of our operations we are currently at (with the remaining 1.0% estimated), as well as adding new emission sources to our inventory.

Our Greenhouse Gas (GHG) emissions have been calculated following the methodology outlined by the Greenhouse Gas Protocol Corporate Reporting and Accounting Standard, using an operational control approach. Our managed approach to environmental data collection and reporting is essential for meeting corporate reporting obligations, such as the French Grenelle II legislation at Group level and the Carbon Reduction Commitment legislation for Capgemini UK. It also enables us to participate and score well in various voluntary sustainability disclosures such as CDP and Vigeo-Eiris, as well as to meet information requests from our clients.

We are recognized externally for the comprehensiveness of our approach to carbon accounting, with the Capgemini Group was recognized by Bloomberg as being part of the "100% Carbon Club": an elite group of companies which transparently report on 100% of their Scope 1 and Scope 2 GHG emissions.

3.4.2 Environmental Performance

The Paris Agreement on climate change has further underlined the need for businesses to take swift and significant action in reducing greenhouse gas (GHG) emissions. We focus on making long term reductions to our material environmental impacts, particularly energy use in our offices and data centers and our business travel emissions. Environmental initiatives are driven at a country level, enabling each Capgemini entity to concentrate on their key impacts, as well as adapt their approach to the local business environment and culture.

3.4.2.1 Science-based targets

Our Group-wide commitment to improving our environmental performance is underpinned by a set of environmental targets, which are measured against a 2015 baseline. Our headline target focuses on carbon reduction, with a commitment to decoupling our development as a business from our greenhouse gas emissions. The number of people delivering our services is perhaps the most significant factor in determining our emissions and therefore our headline target focuses on reducing our total emissions per employee. This headline target is supported by additional reduction targets focused on our three most significant sources of emissions: office energy use, business travel and data center energy use. These targets provide a framework within which to drive agendas at a local level.

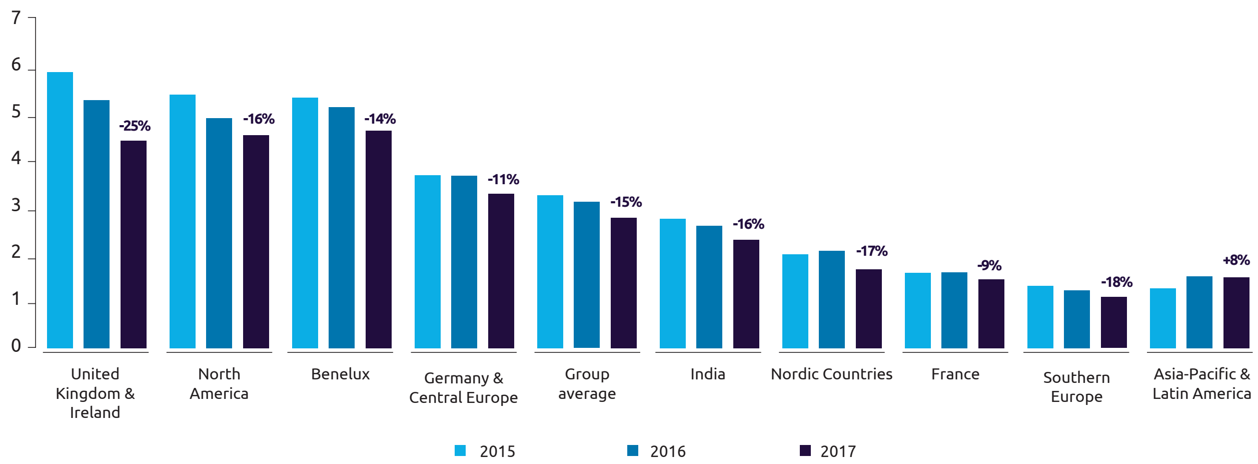
We were delighted to receive validation of our headline target from the Science-Based Target initiative (SBT) in 2017, underlining the credibility of our approach and becoming one of the first in our sector to achieve this validation. The SBT confirms that our long-term goals are consistent with the global effort to keep average temperature increase well below the 2°C threshold agreed at the COP 21 climate conference in Paris.

3.4.2.2 Reducing Our Emissions

In 2017, Capgemini's total greenhouse gas emissions for the entire Group were 499,756 tCO_2e √, which represents a significant 6.0% reduction since last year (or 6.1% reduction since our base year of 2015) – particularly notable given our average headcount has increased by 5.9% last year. As a result, we are showing strong progress against our headline Group target of a 20% reduction by 2020, with a 15.2% reduction in emissions per head since 2015 (from 2.99 tonnes CO_2e per head to 2.54 tonnes of CO_2e per head √ [(1)]. Primarily this has been driven by a reduction in our energy-related emissions per head of 12.7% and a reduction of our travel emissions per head of 9.9%.

Emissions per employee by region

(Percentages shown in chart represent % change vs 2015)



3.4.2.3 Improving energy efficiency

Across the Group, total reported energy use reduced by 8.6% in 2017 compared to the previous year, from 445,079 MWh to 406,713 MWh √ (which represents an 11.8% reduction compared to 2015). This reduction is made up of a 5.0% reduction in office energy use (or 5.7% since 2015) and a 15.7% reduction in data center energy use (22.7% since 2015). We also reduced total emissions associated with our use of energy by 7.6% in 2017.

(1) For the purposes of measuring GHG emissions per head, an average headcount over the year has been calculated for both 2016 and 2017, which represents a more accurate calculation than using the December 2016 head count as compared to the December 2017 headcount. As a consequence, the headcount data here may vary slightly from the figures quoted in other sections of this report.

Our energy reduction has been driven by a broad range of energy initiatives from around the Group, focused on six key areas:

Energy Focus Areas

1. MONITORING AND ASSESSMENT
- Smart Meters & Demand Logic
- Energy audits
- Fuel leak detection sensors
- Facility level reduction targets

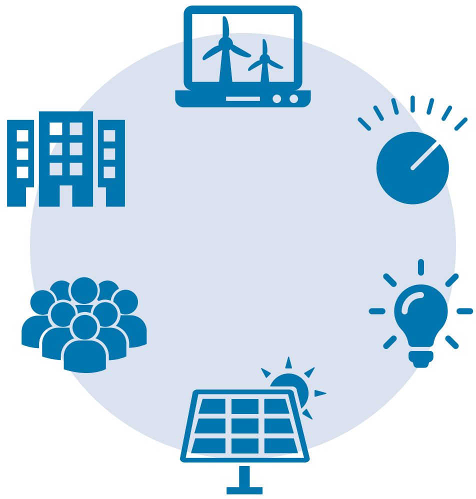
2. BUILDING CONTROLS
- Building Management Systems
- Passive Infrared Sensors
- Timers & thermostats

3. ENERGY EFFICIENT TECHNOLOGY
- LED lighting
- Highly efficient chillers
- UPS technology

4. RENEWABLE ENERGY
- Solar PV installation
- Solar thermal installation
- Renewable energy purchasing

5. POLICY AND ENGAGEMENT
- Energy Policy
- Switch-off campaigns
- Computer-based training

6. SPACE UTILISATION
- Reducing under-utilised space
- Moving to LEED or BREEAM certified buildings

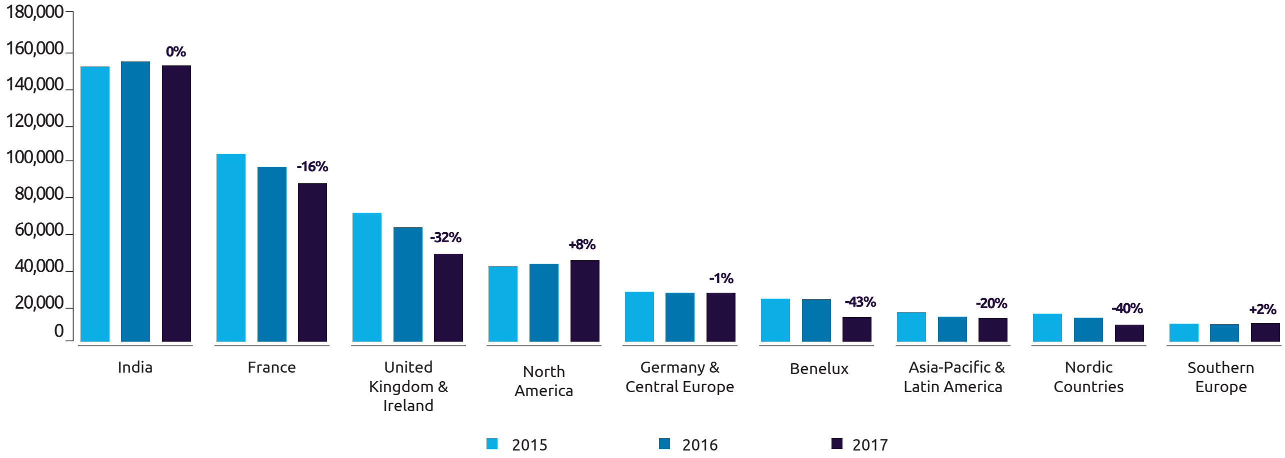


Key achievements this year at a country level include:

- despite an 9.1% headcount increase, Capgemini India achieved a 1.5% reduction in energy use. Key energy initiatives implemented this year include the installation of state-of-the-art chillers which use water cooling to reduce energy use at our Hyderabad and Pune campuses, the continued roll out of LED lighting across our Indian offices and a program to replace old uninterruptible power supplies (UPS) systems with modular installations which can reduce energy use by as much as 50%. We have also continued the deployment of large scale solar photovoltaic installations at our Mumbai, Pune and Chennai campuses. In total, 3,705 solar panels have been installed, including on the roof and along pedestrian walkways, leading to a generation capacity of around 2.8 million kWh of solar energy per year;
- we reduced total reported energy use by around 23% in the UK and total energy emissions by 34%. More than two thirds of this reduction is due to an ongoing data center optimization strategy, and reflects the closure of one of our older, less efficient data centers in 2016 followed by the partial closure of another in 2017. The refurbishment and upgrade of one of our key offices at Telford has enabled us to utilize space more efficiently in this location, and thereby close two other offices in the same area with low utilization. In addition, energy efficiency initiatives across our estate including LED lighting installations, optimization of our Building Management Systems, and upgrading to more efficient heating, ventilation and cooling systems have led to a total energy saving of around 1.3 million kWh per year and an associated cost saving of over €110,000;
- in the Netherlands we have achieved a 44% reduction in energy use (made up of a 50% reduction in data center energy use and a 29% reduction in office energy use. This has been driven in part by the closure of one of our major offices and a significant data center during 2017;
- in North America, overall energy use has increased by 4.3%, which largely reflects an increase in our data center energy use of around 8.8%. By contrast, our office energy use has reduced by around 4%, driven largely by improved space optimization including the closure of six sites, the remodeling of three others (Atlanta, Toronto, Burbank) and a significant focus on improving the energy efficiency of lighting, appliances and infrastructure at our Manhattan office;
- in France, we have been progressing a space optimization program, with the closure of 16 offices and four data centers reducing our floor area and our total energy use. Recent energy audits have helped identify several energy efficiency enhancements and improvements to internal lighting have been made, including the installation of LED lighting and passive infrared sensors.

Energy Use by Region

(Percentages shown in chart represent % change vs 2015)



Renewable Energy Purchasing

As well as controlling and reducing our energy use, we look for opportunities across the Group to switch our energy use to cleaner, renewable sources. Several Capgemini entities including India, the Netherlands, Sweden, the UK, Norway, Belgium, Germany and Finland purchased a large amount of electricity from renewable energy sources in 2017. In addition, Capgemini India and Capgemini UK have both made significant investments in renewable energy generation, with a total combined generation of 2,856 MWh this year.

Renewable energy

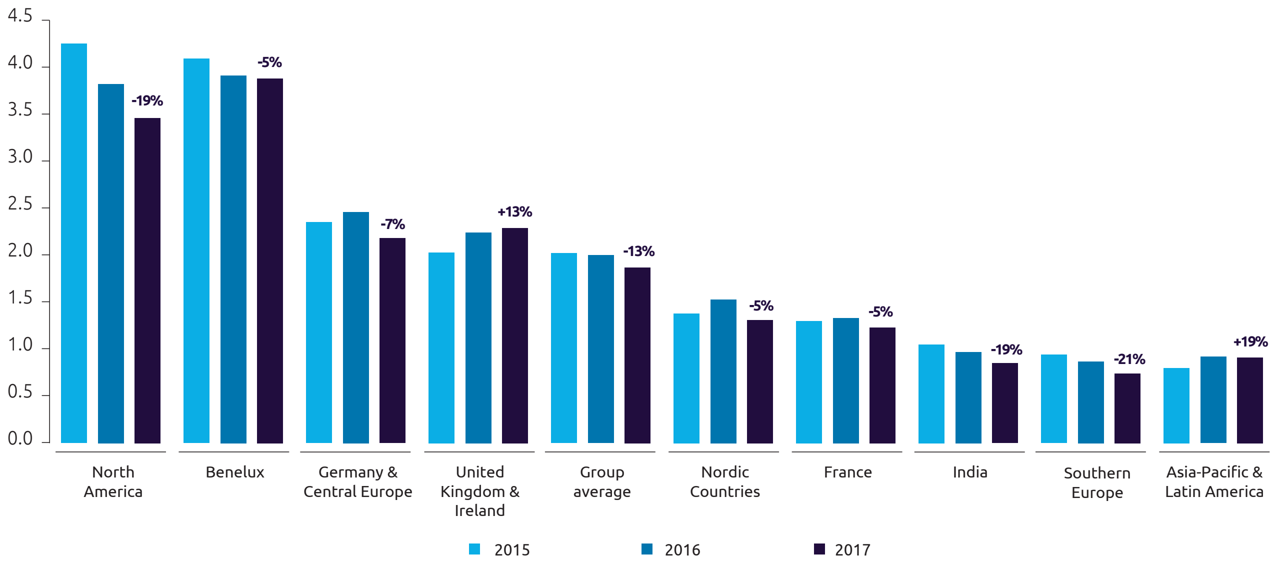
Country	% of Energy from Renewable Sources	Renewable Energy Generated *MWh*	Renewable Energy Purchased *MWh*	Other Electricity Supplies *MWh*	Market-Based Electricity Emissions *t CO_2e*
Finland	99.1%	-	4,585	43	70
Sweden	98.0%	-	1,633	33	171
Netherlands	97.6%	-	10,955	272	114
Belgium	93.3%	-	785	57	11
UK	69.4%	99	30,572	13,540	4,622
Norway	58.8%	-	514	360	117
Germany	17.4%	-	1,768	8,366	5,940
India	10.3%	2,757	11,812	126,999	95,839
All other regions	3%	-	4,677	152,643	30,913
TOTAL	**18.8%**	**2,856**	**67,302**	**302,314**	**137,798**

3.4.2.4 Reducing business travel

Business travel makes up over half of our total reported GHG emissions and poses a significant cost to the business, making it an important area of focus. This year our business travel emissions reduced by around 4.6% (from 292,594 tonnes CO_2e to 279,269 tonnes CO_2e √) which is a significant achievement given our headcount grew by 5.9% during the same period. When measured on a per head basis travel emissions have reduced by around 9.9% this year, or around 12.7% since our base year.

Business Travel Emissions Per Employee by Region

(Percentages shown in chart represent % change vs 2015)



Whilst recognizing the importance of face-to-face time with our clients, we continue to take pragmatic steps to reduce our travel-related impacts. Across the Group, the continued deployment of integrated mobile, audio and video conferencing technology enables our people to work more flexibly without the need to travel. We are also exploring options which enable people to choose low carbon transport for their commute and business travel, such as lift sharing, offering hybrid and electric vehicles and providing incentives to encourage the uptake of public transport. At the country level, the main results in 2017 were:

- in India, emissions from business travel reduced by 5.1% in 2017, a strong achievement given a corresponding increase in average headcount of 9% within the same period. To reduce emissions from employee commuting, a carpooling initiative through sRide mobile app was introduced in March 2017 across our Bengaluru, Chennai, Hyderabad, Kolkata, Mumbai and Pune offices. The response has been extremely positive, with 21,000 employees signing up to date, making Capgemini the highest user of the sRide app amongst technology companies;
- business travel emissions have decreased by 4.2% in France or 7.1% per head in 2017, with a wide range of initiatives implemented in 2017 to reduce travel emissions including the deployment of mobility plans across 28 key sites, increasing the use of electric and hybrid vehicles within our company car fleet, installing electric vehicle charging points across several major sites, introducing car parking spaces dedicated to carpooling and providing new shower and locker facilities for those travelling by bike. Communications and training have also been key, with four Smarter Travel weeks held, improved information about public transport options at major sites provided, an awareness campaign around electric vehicles and the provision of eco-driving training;
- in North America, communications and engagement on the topic of sustainable travel have helped reduce travel emissions by 6% overall and by 9.3% on a per head basis. A key focus during 2017 has been on identifying the most frequently used flight routes, so that opportunities for low carbon alternatives can be investigated;
- in the UK, business travel emissions have reduced by 4.4%, with a significant reduction in air travel in particular. This has been driven in part by ongoing improvements to mobile and audio communications. Capgemini UK has also been focused during 2017 on increasing engagement and awareness around travel behaviors with surveys and interviews conducted to improve understanding and awareness of travel patterns;
- a sustained focus on reducing emissions from business travel in The Netherlands has contributed to a further 4.2% reduction in business travel emissions since 2016. Capgemini Netherlands is part of the Dutch Business Sustainable Mobility Pledge and helped initiate the program *Anders Reizen* (Travel Differently);
- in Germany, business travel emissions reduced by 11.5% on a per head basis, or by 1.6% overall. Capgemini Germany promotes the use of green hotels, with employees able to view and select more sustainable hotel options when booking their travel. We continue to run a *Mit dem Rad zur Arbeit* (bike to work) initiative, with communications campaigns and support provided to make cycling to work a feasible option.

3.4.2.5 Waste and circular economy

As a provider of consulting and technology services, our waste is largely generated from office consumables and packaging and makes up a relatively small portion of our overall GHG emissions. Nonetheless we are taking steps to minimize and reduce the volume of waste we generate across the Group and some of our larger entities have ambitious waste reduction targets in place, such as Capgemini India which is committed to sending Zero Waste to Landfill.

The most efficient way of reducing our impacts from waste disposal is not to generate waste in the first place. The concept of "circular economy" is the idea of effectively "closing the loop" – maintaining products and materials in a positive development cycle for as long as possible to ensure as much value as possible can be extracted. As a provider of services, we have limited opportunities to practice circular economy principles as part of our core business model. However, circular economy thinking has influenced the way we buy goods and our overall waste strategy in various ways across the Group. To give a few examples:

- the deployment of managed print services with secure printing across various countries, as well as default black and white and double-sided print settings, has helped us significantly reduce the amount of paper and toner we use across the Group. In addition, our three chosen printer suppliers are all notable for their commitments to embedding sustainability within product design – the printers themselves are highly energy efficient achieving Energy Star certification, whilst the components are designed for durability, and where possible are re-usable or recyclable at end-of-life;
- in both France and the UK, we have programs to ensure reuse and recycling of old phones. In the UK, we launched a new campaign in 2017 "My 2nd Life" which provides employees with a simple way to recycle old personal electronic devices with all proceeds going to "Closing the loop" a circular economy social enterprise working in Africa. The French program called *Je recycle & Je gagne*, involves purchasing employees' smartphones at a competitive price for reuse and recycling. As part of the same program, our people can buy reconditioned PCs or smartphones from Capgemini employees at prices up to 70% cheaper than buying a new one. In addition, since 2014, a collaboration with the company Nodixia has enabled Capgemini France to re-use more than 93% of our old computers which are used to create reconditioned computers. This initiative also has social benefits, with Nodixia employing people with disabilities and reinvesting part of the profits in innovative social projects;
- in various Capgemini entities including the UK, India and North America, the provision of reusable mugs and water glasses or bottles has reduced the use of disposable cups;
- in the UK, the provision of energy-efficient hand dryers avoids the need for paper towels. We have also been working with suppliers for a number of years to minimize packaging on the goods we buy. In addition, the development and launch of a new supplier assessment tool during 2016 gives us a better ability to identify and engage with suppliers who have strong circular economy principles.

As well as reducing the amount of waste generated, we continue to identify opportunities to increase recycling rates and provide alternatives to sending waste to landfill:

- following our recent rebranding in late 2017, Capgemini Belgium collaborated with several local charities to re-use as many of items with the old branding as possible. T-shirts, notepads, pens, jackets were distributed to more than ten charity projects with an estimated ten cubic meters diverted from landfill;
- Capgemini France have been focused on improving recycling facilities and food waste collection across various sites, helping contribute to a 4% reduction in the overall amount of waste being sent to landfill;
- Capgemini UK took part in the "Square Mile Challenge" in London, to increase awareness about recycling of coffee cups and encourage people visiting local cafes to bring their own re-usable mugs.

Food waste is not a material environmental impact across the whole Group, as many countries do not provide cafeterias or food for employees. However, a number of initiatives to reduce food waste are in place at a country-level including:

- in India (where on-site cafeterias are provided), people are encouraged to self-serve to avoid foodwatage. Ongoing communication campaigns have helped raise awareness of the amount of food waste being generated, for example, by weighing the previous day's waste and equating it to the number of meals that could have been provided. In addition, organic waste converters were installed in 2017 in Chennai, Pune and Hyderabad locations, with 250 kg of compost already being generated each year for gardening and landscaping. We are also in the process of installing organic waste converters at two further offices in Mumbai and a bio-gas plant in one of our Pune offices;
- in Sweden, food waste is segregated for several of our locations including Stockholm, Göteborg, Malmö, Älmhult & Växjö. In these locations, the municipal waste system enables food waste to be used for the generation of biogas;
- in France, at our training campus (Les Fontaines), food waste is used to create compost which is then is re-used by gardeners for the maintenance of the 52-hectare park;
- in the UK, food waste is segregated at key sites and disposed of through waste-to-energy schemes (*i.e.* the food waste is used to generate electricity). In North America, cafeterias are not available on site but where food is brought in for team events, leftovers are made available to other employees. If there is a major event with large amount of excess food, caterers will donate to local shelters.

Our total waste generation has remained relatively stable this year, reducing slightly by 1.5%, a positive outcome given that our workforce grew by 6% during the same period. We also increased recycling rates significantly, meaning that overall 11.8% less waste was sent to landfill in 2017 than the previous year, with our rate of diversion from landfill increasing from 27% last year to 35% this year.

3.4.2.6 Other impact areas

The volume of measured water (used and recycled) in 2017 was 1,281,143 m^3, a small reduction of around 0.1% compared to 2016.

Several Capgemini entities, particularly India where water scarcity is a concern, have invested in innovative technology to reduce water use.

Rainwater harvesting equipment has been installed across six major sites in India (as well as one in the UK), with the rainwater collected, mostly used in HVAC systems. A sewage treatment plant with a state-of-the art membrane bio-reactor has been installed in Pune, enabling us to treat the water to the highest standard and efficiently reuse it for landscaping and flushing. In several locations across India the use of reverse osmosis water purification technology has enabled us to recycle water for use in landscaping and gardening. Improvements to tap fittings, sensors and flush controls, as well as water awareness tips on posters and as part of training courses have also had an impact.

Total F-Gas emissions from our air conditioning systems for 2017 totalled 2,021 tCO_2e, which represents a 2% increase since 2016. Collecting accurate F-gas data remains a challenge across the Group due to the fact that many of our sites are leased, with F-gas maintenance procedures not well regulated in some countries. Our F-gas data is split into:

- F-gas emissions which are considered to be GHG emissions (primarily HFCs, which are covered by the Kyoto Protocol) – these are included in our Scope 1 GHG emissions: in 2017 these emissions were 808 tCO_2e;
- F-gas emissions which have a global warming potential but are outside the usual scope of GHG reporting (such as HCFCs, which are covered by the Montreal Protocol). In 2017 these emissions were 1,213 tCO_2e.

Further country-level details are provided in the tables and the footnotes below.

The management of other potential pollutants (such as gas oil and hazardous cleaning chemicals) forms part of our ISO 14001 certified environmental management systems. Given the office-based nature of our business, these are relatively low risk areas. However, we still take proactive preventative measures such as maintaining Hazardous Substance registers, installing bunding, providing training to Facilities teams and conducting regular site "Walkaround" checks.

3.4.2.7 Summary of environmental data by country

The environmental data presented in this report has been taken from our Carbon Accounting and Sustainability Reporting system which covers 28 countries representing 99% of Group headcount. We have estimated the data for the remaining 1% of operations, by applying a relevant uplift to each office and travel emission source to account for operations where we do not have data collection processes in place. This estimated data is provided within the environmental data tables labelled as "Other Operations" and further explanations are given in the table footnotes.

Where data is not available for a particular country, it has sometimes been necessary to use assumptions and estimations. For all countries, data for the month of December 2017 has been estimated due to the time of the preparation of this report. In most countries, data for energy, F-gas, waste and water for October and November 2017 data has also been estimated. Other examples of the types of estimations and extrapolations which have been used for certain data include:

- estimating unavailable 2017 data based upon available 2016 data (according to documented methodologies related to differing circumstances and covering all aspects of energy, travel, water and waste management;
- estimating usage data based on available cost data (employing metrics such as the cost per kWh for electricity and gas; and cost per liter of diesel or per kilometer of travel); or
- estimating usage data for a facility based on data available for other facilities (such as estimating electricity usage, waste disposal & water consumption based on area of the facility.

Further disclosure about the scope of data available and extrapolations employed is presented in footnotes under the data tables.

Table 1: GHG emissions

	2017 GHG Emissions By Scope			Historic Trend			Headline Target	
Country	Scope 1 Emissions t CO_2e	Scope 2 Emissions t CO_2e	Scope 3 Emissions t CO_2e	2015 Total Emissions t CO_2e	2016 Total Emissions t CO_2e	2017 Total Emissions√ t CO_2e	2017 Emissions Per Employee√ t CO_2e/head	% Change vs 2015 %
India	3 365	112 827	113 829	234 070	238 411	230 021	2,31	(16,2%)
France	1 062	3 420	30 574	36 305	37 015	35 057	1,51	(6,8%)
UK	819	15 508	20 363	52 547	46 938	36 689	4,50	(24,4%)
Netherlands	175	5 313	22 368	36 203	33 247	27 856	4,55	(16,5%)
North America	**119**	**17 484**	**61 259**	**83 301**	**81 949**	**78 862**	**4,56**	**(15,7%)**
Canada	N/A	1 409	2 584	4 186	4 595	3 993	1,71	(7,5%)
USA	119	16 074	58 676	79 115	77 354	74 869	5,01	(16,9%)
Total Largest operations	**5 541**	**154 552**	**248 392**	**442 426**	**437 560**	**408 485**	**2,65**	**(17,4%)**
Belgium	25	174	5 710	5 967	6 130	5 910	4,91	0,4%
Czech Republic	32	68	91	239	217	192	1,57	(29,6%)
Denmark	N/A	45	259	333	342	304	1,11	(1,2%)
Finland	29	737	682	2 295	1 982	1 449	2,54	(42,3%)
Germany	201	5 158	21 896	25 183	27 714	27 256	6,29	(9,3%)
Ireland	N/A	23	171	69	218	194	1,25	94,9%
Italy	387	831	3 069	4 739	4 505	4 286	1,25	(22,7%)
Luxembourg	N/A	70	3 128	2 870	3 253	3 198	5,02	(8,8%)
Norway	N/A	24	910	874	836	933	1,12	(2,6%)
Poland	284	7 297	6 274	13 278	13 482	13 855	1,89	(11,5%)
Romania	86	250	242	381	531	578	0,74	(4,4%)
Spain	35	1 237	3 154	4 698	4 639	4 426	0,96	(14,2%)
Sweden	N/A	256	3 672	3 954	4 465	3 928	1,57	(7,5%)
Switzerland	N/A	2	359	416	410	361	1,52	(3,5%)
Other Europe	**1 079**	**16 173**	**49 619**	**65 296**	**68 723**	**66 871**	**2,48**	**(10,6%)**
Brazil	40	976	3 819	5 933	6 004	4 835	0,88	19,0%
Guatemala	75	436	797	1 124	1 012	1 308	1,08	(4,0%)
Argentina	N/A	127	159	181	376	286	0,80	90,0%
Mexico	N/A	118	1 375	710	791	1 493	1,38	6,8%
Total Latin America	**115**	**1 657**	**6 150**	**7 949**	**8 183**	**7 922**	**0,98**	**22,4%**
China	N/A	2 318	3 190	6 391	5 537	5 509	2,36	(20,4%)
Philippines	N/A	281	160	497	479	441	1,46	(42,0%)
Vietnam	N/A	89	240	262	247	329	1,42	(4,5%)
Australia	N/A	495	3 663	3 538	4 361	4 158	3,24	(9,5%)
Morocco	N/A	1 057	307	1 802	1 613	1 364	0,95	(37,9%)
Total Other Regions	**N/A**	**4 241**	**7 560**	**12 491**	**12 238**	**11 801**	**2,11**	**(20,6%)**
Other Countries (Estimated)	65	1 464	3 149	4 135	4 817	4 678	2,33	(12,7%)
GRAND TOTAL	**6 799**	**178 087**	**314 871**	**532 297**	**531 522**	**499 756**	**2,54**	**(15,2%)**

3

Table 2: Energy use & related emissions

Country	Energy Use: Office Energy Use√ MWh	Energy Use: Target - % Change in Office Energy vs 2015 %	Energy Use: Data Center Energy Use MWh	Energy Use: Total Energy Use√ MWh	2017 Energy Emissions: Office Electricity $t\ CO_2e$	2017 Energy Emissions: Data Center Electricity $t\ CO_2e$	2017 Energy Emissions: T&D Losses $t\ CO_2e$	2017 Energy Emissions: Other Energy $t\ CO_2e$	2017 Energy Emissions: Total Energy Emissions $t\ CO_2e$
India	151 805	0,4%	N/A	151 805	112 827	N/A	28 381	2 763	143 971
France	42 917	(12,2%)	42 507	85 423	1 493	1 729	301	1 261	4 784
UK	14 737	(25,0%)	33 346	48 083	3 853	11 655	1 450	730	17 688
Netherlands	4 619	(32,6%)	7 584	12 203	1 736	3 569	274	183	5 762
North America	**15 073**	**0,8%**	**29 621**	**44 694**	**5 967**	**11 517**	**1 304**	**119**	**18 907**
Canada	4 571	13,6%	4 826	9 396	686	724	169	N/A	1 579
USA	10 502	(3,9%)	24 795	35 298	5 282	10 793	1 134	119	17 328
Total Largest operations	**229 151**	**(5,1%)**	**113 058**	**342 209**	**125 876**	**28 469**	**31 710**	**5 057**	**191 112**
Belgium	980	(23,4%)	N/A	980	174	N/A	7	25	206
Czech Republic	243	(20,9%)	N/A	243	68	N/A	5	20	93
Denmark	175	63,7%	N/A	175	45	N/A	3	N/A	47
Finland	1 149	(49,9%)	3 870	5 019	127	554	28	85	795
Germany	7 278	1,3%	5 881	13 159	2 014	2 785	223	560	5 583
Ireland	55	(30,1%)	N/A	55	23	N/A	2	N/A	25
Italy	1 862	14,6%	2 747	4 610	256	575	68	387	1 286
Luxembourg	230	17,5%	N/A	230	70	N/A	2	N/A	72
Norway	965	(13,8%)	N/A	965	7	N/A	1	16	25
Poland	11 960	(0,8%)	N/A	11 960	7 054	N/A	583	527	8 164
Romania	1 438	89,2%	N/A	1 438	182	N/A	46	154	382
Spain	5 363	(3,4%)	N/A	5 363	1 134	N/A	143	138	1 415
Sweden	2 971	(21,4%)	71	3 042	17	1	1	237	257
Switzerland	97	18,4%	N/A	97	2	N/A	0	N/A	2
Other Europe	**34 767**	**(4,5%)**	**12 569**	**47 335**	**11 174**	**3 915**	**1 114**	**2 150**	**18 353**
Brazil	3 910	(32,0%)	2 242	6 152	617	360	70	18	1 065
Guatemala	1 423	18,0%	N/A	1 423	436	N/A	52	N/A	488
Argentina	323	311,5%	N/A	323	127	N/A	12	N/A	139
Mexico	258	(17,9%)	N/A	258	118	N/A	19	N/A	137
Total Latin America	**5 914**	**(19,5%)**	**2 242**	**8 156**	**1 297**	**360**	**153**	**18**	**1 828**
China	3 121	(22,5%)	289	3 410	2 122	197	166	N/A	2 484
Philippines	465	(24,2%)	N/A	465	281	N/A	26	N/A	307
Vietnam	251	22,8%	N/A	251	89	N/A	17	N/A	106
Australia	583	(0,6%)	N/A	583	495	N/A	26	N/A	522
Morocco	1 494	(25,0%)	N/A	1 494	1 057	N/A	157	N/A	1 214
Total Other Regions	**5 914**	**(20,3%)**	**289**	**6 203**	**4 044**	**197**	**392**	**N/A**	**4 633**
Other Countries (Estimated)	2 809	10,4%	N/A	2 809	1 451	N/A	314	70	1 834
GRAND TOTAL	**278 555**	**(5,7%)**	**128 158**	**406 713**	**143 843**	**32 940**	**33 682**	**7 295**	**217 760**

Table 3: Travel, waste & other impacts

Country	Business Travel: 2017 Business Travel Emissions√ (t CO_2e)	Business Travel: Target - % Change from 2015 (%)	Waste: Total Waste Generated (tonnes)	Waste: % Diverted from Landfill (%)	Waste: Total Waste Emissions (t CO_2e)	Other Impact Areas: Wate (cubic meters r)	Other Impact Areas: Water emissions (t CO_2e)	Other Impact Areas: F-gas (Scope 1) (t CO_2e)	Other Impact Areas: F-gas (Out of Scope) (t CO_2e)
India	84 166	(5,2%)	1 157	49,0%	290	942 511	992	602	1 108
France	30 146	(1,0%)	940	30,1%	72	52 166	55	N/A	N/A
UK	18 857	4,4%	189	82,2%	7	46 152	49	89	N/A
Netherlands	22 059	(14,5%)	237	20,1%	20	13 561	14	N/A	N/A
North America	**59 871**	**(8,6%)**	**651**	**5,9%**	**62**	**21 410**	**23**	**N/A**	**N/A**
Canada	2 392	(15,6%)	201	0,0%	20	2 329	2	N/A	N/A
USA	57 479	(8,3%)	450	8,5%	42	19 081	20	N/A	N/A
Total Largest operations	**215 100**	**(5,9%)**	**3 174**	**34,4%**	**451**	**1 075 800**	**1 132**	**691**	**1 108**
Belgium	5 700	0,1%	26	31,1%	2	1 504	2	N/A	N/A
Czech Republic	84	(33,8%)	17	0,0%	2	187	0	13	5
Denmark	254	(15,6%)	42	100,0%	1	940	1	N/A	N/A
Finland	653	2,6%	19	100,0%	0	905	1	N/A	N/A
Germany	21 657	12,8%	209	99,4%	5	10 314	11	N/A	N/A
Ireland	168	429,1%	1	100,0%	0	673	1	N/A	N/A
Italy	2 949	(15,0%)	73	0,0%	7	42 540	45	N/A	N/A
Luxembourg	3 125	11,3%	5	0,0%	0	1 082	1	N/A	N/A
Norway	904	10,8%	44	41,5%	3	2 022	2	N/A	N/A
Poland	5 638	8,1%	372	23,4%	30	21 724	23	N/A	N/A
Romania	188	12,6%	44	2,4%	4	3 184	3	N/A	N/A
Spain	2 971	(7,3%)	112	32,9%	24	15 012	16	N/A	N/A
Sweden	3 663	0,9%	65	69,8%	6	2 488	3	N/A	N/A
Switzerland	356	(12,3%)	9	0,0%	1	1 667	2	N/A	N/A
Other Europe	**48 310**	**5,7%**	**1 038**	**45,0%**	**86**	**104 243**	**110**	**13**	**5**
Brazil	3 727	(15,2%)	33	53,8%	2	18 660	20	21	88
Guatemala	729	4,5%	67	2,9%	7	8 926	9	75	N/A
Argentina	147	(0,2%)	1	100,0%	0	1	0	N/A	N/A
Mexico	1 355	155,2%	6	0,0%	1	1 172	1	N/A	N/A
Total Latin America	**5 958**	**3,2%**	**107**	**19,7%**	**9**	**28 759**	**30**	**96**	**88**
China	2 993	2,2%	109	0,4%	11	20 275	21	N/A	N/A
Philippines	132	61,4%	3	14,8%	0	1 501	2	N/A	N/A
Vietnam	220	29,8%	24	0,0%	2	791	1	N/A	N/A
Australia	3 600	21,4%	58	2,7%	6	28 887	30	N/A	N/A
Morocco	140	(33,5%)	17	0,0%	2	8 321	9	N/A	N/A
Total Other Regions	**7 085**	**11,5%**	**211**	**1,2%**	**21**	**59 774**	**63**	**N/A**	**N/A**
Other Countries (Estimated)	2 817	13,0%	45	35,6%	6	12 567	13	8	12
GRAND TOTAL	**279 269**	**(3,4%)**	**4 575**	**34,9%**	**572**	**1 281 143**	**1 348**	**808**	**1 213**

Notes

- Data identified in these tables by a √ mark has been reviewed by KPMG with a reasonable level of assurance.
- Data included in the tables is for the reporting period January to December 2017 (unless otherwise indicated).
- "Scope" is a reporting term from Greenhouse Gas Protocol, which is used in carbon accounting to categorize emissions reported according to the level of control a company has over an emissions source.
- All emission sources: With the exception of electricity and hotel nights (mentioned below), emissions have been calculated using the emission factors recommended by DEFRA:
https://www.gov.uk/measuring-and-reporting-environmental-impacts-guidance-for-businesses.
- Energy: Electricity emissions have been calculated in line with the location-based approach. "Regional" electricity emission factors for UK (DEFRA), the US (eGrid), Canada (NIR 2015) and Australia (NGA 2015) are used. For all other countries, an emission factor from International Energy Agency (IEA) has been applied to calculate Scope 2 emissions from purchased electricity.
- Energy: Given the nature of our business, many of Capgemini's offices have large server rooms. These are not considered to be data centers but their presence should be taken into consideration when comparing the energy usage of our offices against those in other sectors.
- Energy: "T&D losses" refers to electricity transmission and distribution grid losses *i.e.* the energy loss that occurs in getting the electricity from the power plant to our facilities.
- Energy: "Other Energy Sources" includes the use of natural gas, diesel or gas oil, LPG, district heating and cooling in our offices and data centers.
- Energy: Due to the continued absence of reliable data from the energy supplier, 80% of electricity consumption for all offices in France has been estimated based on a conversion factor derived from 2014 actual data, with the data adjusted to take account of the floor area of each facility. Including other cases when actual data was not available, France's estimated data accounts for approximately 11.1% of total Group energy use, 10.8% of total office energy use and 0.4% of total GHG emissions.
- Travel: Emission factors as produced by the Carbon Neutral Company have been used to calculate the emissions associated with hotel nights in all countries.
- Travel: In the Netherlands and Belgium, emissions data associated with car travel include personal car use as well as business mileage as it cannot be separated.
- Travel: New rail and taxi expenses data for India was available for the first time in 2017. Since corresponding data for 2015 & 2016 was not available, it was estimated proportionately for Capgemini India for those years.
- Travel: Guest house data for India was reported for all employee stays in guest houses for the first time in 2017. Since corresponding data for 2015 & 2016 was not available, it was estimated based on 2017 data. As no emission factors for guest houses are currently available, we completed an analysis of energy emissions of one guest house and derived a conversion factor of 1 guest house room night = 0.5 hotel room night.
- Where specific data related to energy, business travel, waste and water was not available, it has been estimated based on appropriate methods as described at the beginning of this section. Data for 2015 and 2016 has also been restated in the case of significant improvements being identified to the data, correction of errors or estimated data being replaced with actual data
- Table key: N/A = Not Applicable where data sources are not applicable.

3

3.4.3 Climate resilience

Climate change impacts and global temperature increases are not only a future inevitability, they are already being experienced. As well as minimizing our own contribution to climate change and working with clients to enable carbon reductions, we need to ensure we have the capability to adapt to climate change. This means, for example, ensuring business continuity and supporting the wellbeing of our people in the face of extreme weather events.

Over the last 18 months, we been developing and deploying a Group-wide Climate Change Risk Assessment (CCRA) approach to further integrate climate change risk into our corporate risk management. This will ensure the risks of climate change are planned for and we remain resilient in a changing global climate.

The CCRA assesses the vulnerability to climate change of our assets, workplace locations, employees and the national infrastructures we rely upon. We have undertaken significant analysis of scientific, peer reviewed research and models to identify the top climate hazards posed to each of our operating countries. The model analyzes six main hazards: extreme weather, extreme temperatures, changing weather patterns, water stress, rising sea levels and loss of natural capital. This information is then used to create a model which maps likely impacts and assesses the outcomes of these impacts for our business.

We believe our business will experience the outcomes of these impacts in six areas:

- project delivery;
- mobility;
- health and wellbeing;
- legislative compliance;
- insurance; and
- Digital connectivity.

In order to ensure business continuity and build resilience against the increasing likelihood of adverse climatic events, we are also reviewing current policies and processes in place that mitigate the impacts of these events. For any gaps identified, improvements are suggested to ensure that we are able to continue to deliver high quality services to our clients, even when faced with the more extreme impacts of climate change.

Our CCRA also focuses on ensuring employee safety when extreme weather events occur and providing sufficient support to those whose families and homes may be affected by them.

Our commitment to managing our climate risk effectively continues to be recognized externally. In 2017, we received a score of A- in the CDP Climate Change disclosure, placing us in the top 22% of companies disclosing to CDP.

3.4.4 Engagement

The biggest environmental impact we can have as a company is not from our own operations but through the solutions we deliver to our clients and through the influence we have over our people and our suppliers. Our engagement stream is in part about creating a coherent communications approach to encourage and inspire our people to take action on environmental issues. We set consistent standards for our suppliers on a range of environmental, ethical and social criteria (see 3.1.5 Responsible Procurement for further details) and we collaborate closely with our clients to enable us to achieve shared sustainability aspirations.

3.4.4.1 Engaging our people

Whilst most activity is driven at a country level, we run an annual Group-wide campaign during World Environment Week, with global communications supported by events and communications at a local level. In 2017, we themed our communications around the four elements earth, air, water and fire, publishing daily articles on our intranet site outlining Capgemini's sustainability aspirations, and individual actions employees can take to reduce their own impact.

2017 also saw us hold our first ever "Global Carbon Hackathon", which brought together over 200 talented Capgemini developers, data scientists and sustainability enthusiasts from across 11 countries. Teams were given access to millions of data points about Capgemini's carbon footprint and had two weeks to come up with creative new ways to visualize this data or ideas for new applications that would use the data to inspire and drive change. The quality of the submissions was so high that 2018 will see us take forward several of the best ideas to be deployed, with one winning team tasked with developing their solution and harnessing the input and expertise of other participating teams. Examples of communication, awareness and training provided at a local level include during:

- Capgemini France screened the films "Demain" & "Before the Flood" in more than ten offices to raise awareness of the topic of climate change. 25,000 LED lights were also distributed to employees to encourage people to make the change to more energy efficient lighting at home. Capgemini France also initiated several "bee clubs" to increase involvement in Capgemini's bee hive biodiversity program;
- Capgemini Belgium ran a social media campaign encouraging colleagues to share their sustainability pictures and stories (cycling to work, carpooling, taking the stairs and so on). This inspired our Young Talent Community to run their own sustainability event focused on sharing ideas;
- Capgemini North America held two webinars focussed on the topics of Smart Cities and Water and recorded three sustainability podcasts;
- Capgemini UK relaunched its external website and intranet site under the new "Positive Planet" campaign, with videos, blogs, webinars and events to celebrate and raise awareness of the UK sustainability program;
- Capgemini Germany ran several engaging campaigns to encourage employees to think about their impacts whilst in the office, including a poster campaign around reducing paper use and a sticker campaign to encourage switching off the lights;
- at our Serge Kampf Les Fontaines learning campus we ran a tree-planting campaign in partnership with the Mytree association. This involved planting 50 fruit trees at the campus, reforesting 52 hectares in the Amazon (equivalent to the size of the campus) and encouraging our clients to take similar action;
- Capgemini France and Capgemini UK both developed new sustainability computer-based training courses during 2017.

3.4.4.2 Engaging our clients

The biggest environmental impact we can have as a company is through the solutions we deliver to our clients. We are committed to actively supporting our clients to address their own sustainability challenges and believe there are huge opportunities for our business in this area. Many of our technology solutions already have significant environmental benefits, helping our clients improve efficiency or reduce resource consumption, and we are identifying ways in which these benefits can be further leveraged.

We are working to build low carbon innovation into new and existing client service offers. As a provider of IT services and consulting, we have the opportunity to collaborate with clients to help reduce their carbon footprint and wider sustainability impacts through the advice that we offer and the solutions that we design and deliver. Capgemini also recognizes that operational efficiency is a key driver in ensuring longevity for our clients, a driver that is often complemented by reduced carbon emissions.

Digital transformation brings many opportunities to develop new business services while improving the time to market. We are using and mastering Internet of Things, Cloud, Big Data, Mobility, Automation and Artificial Intelligence tools to help our clients create innovative services. Sustainability must be a key factor of this transformation as IT has the potential to be both the cause and the solution for sustainability issues; as such, planetary limits and net impacts must be considered when designing and implementing IT solutions. Designing lean architectures, that are respectful of the environment, optimizing energy consumption and computer resources, data transmission, data center hosting, quality coding and the Internet of Valuable Things is our way to promote an innovative and sustainable Digital transformation.

Reducing fuel consumption in supply chains

Carbon and cost reduction often come together, which is particularly true in two recent examples where we implemented transport management (TMS) and vehicle monitoring systems for a large logistics provider and a retailer. Both clients wanted to reduce the costs of their fuel consumption and Capgemini installed TMS solutions to increase the efficiency of route planning, showing drivers the most efficient route to sites and combining deliveries where multiple stops are possible. One client wanted to go one step further and improve efficiency of driver behavior, so we worked with them to install in-vehicle driver monitoring systems that track driving style, adherence to route and actual fuel efficiency compared to projections. Drivers are awarded points for eco-efficient driving, and those not meeting the expected threshold require a briefing and review of their style and route, thus encouraging efficient driving, saving fuel and reducing fuel emissions.

Accelerating the transition towards sustainable energy

The energy sector is undergoing a massive transformation on a global scale, evolving from a fossil-fuel based system to embrace renewable energy, and from commodity to a Digital services sector. To tap into the potential of new technologies and address sustainability challenges, utilities require a new business strategy. Capgemini has developed an offering to help energy companies transform, from a utility company into an energy services company (U2ES).

As a strategic innovation partner of Capgemini in this field, Eneco, the leading Dutch energy company has been increasingly focused on sustainability in the last decade. As well as investing in renewable energy, Eneco has introduced smart energy solutions to its customers. A key example is the Toon, Eneco's smart thermostat and smart home solution which is estimated to help customers reduce their energy consumption by 10% per year, providing customers and energy providers with tangible consumption pattern data.

Eneco, its subsidiary Quby and Capgemini have partnered to make the Toon available to other utility companies, thereby helping to accelerate the energy transition. Leveraging the Group's global presence, our Cloud Infrastructure Services unit will operate the new platform behind Toon and Capgemini Consulting is involved in driving the joint go-to-market including fulfilment scale up preparations. Building on Eneco's initial success, the partnership will be a powerful enabler for reducing energy consumption and for other smart and sustainable energy solutions around homes and offices such as electric mobility, solar power and energy storage.

Capgemini also works with utility providers globally on smart meter rollouts, both supporting the rollouts themselves and preparing utilities to leverage the data that smart meters provide and move towards functioning as part of a smart grid. This not only helps utilities and consumers to manage consumption more effectively, but also facilitates the integration of decentralised renewable energy generation into energy grids. It is therefore a vital step to enabling efficient energy grids and increasing the use of renewable energy.

Reducing water consumption using Capgemini's analytics platforms

Water companies have made huge progress in reducing leakage in recent years, but innovation in the ways it is managed going forward is critical to addressing water scarcity and balancing demand while reducing service costs. An essential enabler for meeting this requirement is business-driven analytics: insights that enable clients to tackle the key optimization problems inherent in managing leakage, by integrating and analyzing multiple data sources – including both current and historic data, and both internal and external sources. Capgemini has developed an As-a-Service Analytics platform that helps identifying where on the network leakage is likely to occur, and when a leak does occur, narrowing the search area to find and fix it as quickly as possible. It also helps in allocating capital expenditure to vulnerable infrastructure before leaks occur and to optimize the pressure on the network to prevent from leaks.

This platform has achieved some very encouraging results for large UK water companies. The platform is proven to detect 84% of leaks and alert a leak 21 days earlier than the current average. This not only reduces water consumption, but also saves energy and reduces carbon by reducing the amount of water needing to be pumped, cleaned and processed in the network. Utilities is just one field in which our ability to condense and process data is providing significant and growing opportunities to help our clients achieve their sustainability goals.

Energy optimization as a service

Building on the same As-a-Service Analytics platform and approach, Capgemini's Energy Optimization service enhances and extends the functionality of traditional building energy management systems.

Typically, today's systems analyze the "as-is" position within a building. Together with some historic data, this enables an engineer to monitor the system *via* a terminal, with the intention of recognizing any anomalies and resolving them in as efficient a manner as possible *via* human interaction. Capgemini's approach is to collect far more data regarding the energy profile of an estate, link it with other data sets – such as weather and real-time occupation statistics – to make adjustments through a direct feedback loop. This rapidity of reaction provided by the real-time bi-directional control of energy management enables the fine-tuning of the system at a rate faster than that which can be achieved with human intervention, significantly increasing the efficiency with which energy usage is optimized, leading in turn to significant extra savings.

Key to the approach is the collection of data from multiple monitoring systems across each building within an estate without the expensive overhead of implementing additional physical metering. Utilizing "Big Data" analytics and the IoT for data management, Capgemini may:

- monitor energy and reduce energy consumption of an estate, globally;
- rapidly identify and resolve break/fix issues within the estate;
- improve preventative maintenance, exploiting historic fail and mean time to fail data;
- micro manage the climate within a building, both reducing energy use and improving the working environment;
- provide engineers with the capability to review the system on the device of their choice on a truly mobile basis.

Enabling sustainable and resilient cities

Capgemini is involved in public-private consortia that accelerate the deployment of innovative platforms to support citizen services and the energy transition. Projects such as *Descartes 21* (Marne la Vallée, France) will industrialize the design and implementation of connected platforms that will enable the transformation to more sustainable and resilient cities. The project organization involves representatives from the city council, operators, energy suppliers and citizens who cooperate on the design of new use cases and business models for the global city ecosystem. Capgemini provides the technology that enables smart cities to plan, manage and control multi-energy systems, and the platforms that connect public equipment in order to enhance operational efficiency and reduce energy consumption.

3.5 Methodology and scope for non-financial information

3.5.1 Methodology and scope

The Group's HR and labor data are provided by three sources for general management and reporting purposes:

- the Group financial reporting tool, which provides data reported monthly or quarterly using common indicators, such as total permanent headcount (permanent and fixed-term contracts including non-actively working, excluding temporary agencies staff, individual freelancers, independent workers, subcontractors, trainees) and movements (hires/ acquisitions/ departures/ turnover rate) as of December 31, 2017. The scope of this data is Group-wide and therefore there is a perfect match between the sustainability reporting and the financial reporting for all indicators consolidated through this tool;
- an internal Business Intelligence (BI) tool, which is interfaced with most local HR systems. It provides monthly statistics on seniority, age range, gender and grading, whenever legal. 97% of Group employee's data are consolidated within this tool; A few countries are not interfaced yet due to either very stringent regulations on data privacy (Germany) or time required to get agreement and to build the appropriate interfaces; and
- a questionnaire collecting labor and societal indicators, which are either qualitative or only needed annually.

For learning and development, the Group has implemented a system accessible to all employees by simply registering, MyLearning. The system encompasses the full learning catalog (on site and virtual courses, webcasts, videos…). It enables monitoring and tracking of the training delivered.

As of 2017, all learning not tracked in the system is not reported on any longer. The reason for this is that tracked hours are >95% of all formal learning in MyLearning, and we aim for a 100%. Reporting only on system-tracked hours allow us to have full visibility down to the individual learning activity and secures an auditable trail.

Hours of training tracked by the business units *via* MyLearning system are calculated on the basis of the predefined duration of each training session (and not on the time effectively spent by employees on the training).

Environmental sustainability specific methodology is explained in the corresponding chapter.

Consistency checks and trend analysis are performed regularly to ensure the quality of data and in case of doubt or inaccuracies, corresponding data are excluded. The coverage rate indicated for each indicator reported below only includes data deemed relevant and appropriate, even though the intention is to ensure a full coverage. Whenever an explanation on methodology is necessary, the paragraph below provides with it.

All labor aspects of Article R.225-105-1 of the French Commercial Code are covered in this report as, based on our analysis, they are declared relevant for our business.

3.5.2 Grenelle II correlation table

The following Grenelle II table details the indicators included in the legislation and on which Capgemini has reported. When not reporting on a given indicator, the explanation is provided.

HR data indicators	Y	N	Explanation
a) Employment			
▪ Total headcount; Distribution of employees by gender, age and geographical area	■		See pages 129 to 132 and 138 to 139
▪ Recruitments and redundancies	■		See pages 130-131
▪ Remunerations and their evolution	■		See page 142
b) Work organization			
▪ Working time organization	■		See page 131-132
▪ Absenteeism	■		See page 131 Excluding India, where the indicator is not currently tracked.
c) Labor relations			
▪ Organization of social dialogue including information procedures, consultation and negotiation with the employees	■		See page 145 Excluding India, where no collective bargaining is conducted.
▪ Summary of collective agreements	■		See page 145
d) Health and safety			
▪ Occupational health and safety conditions	■		See pages 143-144
▪ Summary of collective agreements signed with trade unions or the representatives of the company health and safety committee	■		See pages 143-144 Excluding India.
▪ Occupational accidents including accident frequency and severity rates, and occupational diseases	■		See page 144
e) Training			
▪ Policies implemented regarding training	■		See pages 134-135
▪ Total number of training hours	■		See page 135
f) Equal opportunity			
▪ Measures implemented to promote gender equality	■		See pages 137-139
▪ Measures implemented to promote employment and integration of disabled people	■		See pages 140-141
▪ Policy against discrimination	■		See page 141
g) Promotion and compliance with ILO fundamental conventions relative to:			
▪ The freedom of association and recognition of the right to collective bargaining	■		See pages 121, 123, 124 and 145
▪ The elimination of discrimination in respect of employment and occupation	■		
▪ The elimination of all forms of forced labor	■		
▪ The abolition of child labor	■		

Environmental indicators	Y	N	Explanation
a) General environmental policy			
▪ The organization of the company to integrate environmental issues and, if appropriate, the assessments and certification process regarding environmental issues	■		See pages 120 and 148-155
▪ Information and training measures for employees regarding the protection of the environment	■		See page 160
▪ Resources allocated to prevention of environmental risks and pollution	■		Capgemini manages our environmental risks and pollution through a combination of our climate change risk assessment methodology (see pages 150 and 159) and our globally certified ISO 14001 environmental management system (see page 148). In addition, Capgemini has set ambitious science-based targets to reduce our material environmental impacts (see page 150).
▪ Amount of the environmental risks provisions and guarantees, unless such information is likely to cause serious prejudice to the company in an ongoing litigation		■	As above
b) Pollution			
▪ Measures of prevention, reduction or repair of discharges into the atmosphere, water and soil, impacting severely the environment	■		Our main source of pollutant emissions to air (although an indirect one) is from the business travel our people undertake by air, road and rail - (see pages 152-153). We manage and monitor F-gas emissions (see page 149) and other potential pollutants as part of our ISO 14001 certified management systems (see pages 150 and 151)
▪ Consideration of noise and of any other activity specific pollution		■	Due to the nature of our business noise pollution is not a material impact.
c) Circular Economy			
i) Waste prevention and management			
▪ measures of prevention, recycling, reuse, other forms of recovery and disposal of waste	■		See pages 153-154
▪ Actions against food waste	■		See page 154
ii) Sustainable use of resources			
▪ Water consumption and water supply adapted to the local constraints	■		See page 161
▪ Consumption of raw materials and measures implemented to improve efficiency in their use		■	Due to the nature of our business we do not consume raw materials.
▪ Energy consumption and measures implemented to improve energy efficiency and renewable energy use	■		See pages 150-152
▪ Land usage		■	As we do not own or lease significant amounts of land or green space, land use is not a material impact for our business.
d) Climate Change			
▪ Significant greenhouse gas emissions items generated as a result of the Group's activity, particularly by the use of goods and services they provide.	■		See pages 150-156
▪ Adaptation to consequences of climate change	■		See pages 159-160
e) Biodiversity protection			
▪ Measures implemented to protect and conserve the biodiversity	■		Biodiversity is not a material aspect at Group level, as there is very little "green space" at our office locations. However, we do give specific examples of biodiversity initiatives undertaken in France in Chapter 3.3.4 page 160.

Social and communities indicators	Y	N	Explanation
a) Territorial, economic and social impact of the company activity:			
▪ regarding regional employment and development	■		See page 132
▪ on the local populations	■		See pages 146 and 147
b) Relations with stakeholders , including associations of integration, educational institutes, associations for the protection of the Environment, consumers organization and local populations			
▪ Conditions of the dialogue with stakeholders	■		See page 122
▪ Actions of partnership and sponsorship	■		See page 147
c) Subcontractors and suppliers			
▪ Integration of social and environmental issues into the company procurement policy	■		See pages 126-127
▪ Importance of subcontracting and consideration, in the relationship with subcontractors and suppliers of their social and environmental responsibility	■		See pages 124-127
d) Fair business practices			
▪ Action implemented against corruption	■		See page 123
▪ Measures implemented to promote consumers health and safety		■	Due to the nature of our activities, we are not faced with consumers and are not building products which may impact health or security of consumers
e) Other actions implemented to promote Human Rights			
▪ Other actions implemented to promote Human Rights	■		See pages 123-124

3.6 Report by one of the Statutory Auditors, appointed as independent third party, on the consolidated human resources, environmental and social information included in the management report

3

This is a free English translation of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

For the year ended 31 December 2017

To the Shareholders,

In our capacity as Statutory Auditor of Cap Gemini S.E. (the "Company"), appointed as independent third party and certified by COFRAC under number 3-1049 [(1)], we hereby report to you on the consolidated human resources, environmental and social information for the year ended December 31st 2017, included in the management report (hereinafter named "CSR Information"), pursuant to article L.225-102-1 of the French Commercial Code (*Code de commerce*).

Company's responsibility

The Board is responsible for preparing a company's management report including the CSR Information required by article R.225-105-1 of the French Commercial Code in accordance with the guidelines used by the Company (hereinafter the "Guidelines"), summarised in the management report and available on request from the company's head office.

Independence and quality control

Our independence is defined by regulatory texts, the French Code of ethics (*Code de déontologie*) of our profession and the requirements of article L.822-11-3 of the French Commercial Code. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements and applicable legal and regulatory requirements.

Statutory Auditor's responsibility

On the basis of our work, our responsibility is to:

- attest that the required CSR Information is included in the management report or, in the event of non-disclosure of a part or all of the CSR Information, that an explanation is provided in accordance with the third paragraph of article R.225-105 of the French Commercial Code (Attestation regarding the completeness of CSR Information);
- express a limited assurance conclusion that the CSR Information taken as a whole is, in all material respects, fairly presented in accordance with the Guidelines (Conclusion on the fairness of CSR Information);
- at the request of the company and out of the scope of certification, express reasonable assurance, that information selected by the Group [(2)] and identified by the symbol √ in the chapter 3 of the management report is fairly presented, in all material respects, in accordance with the Guidelines (Reasonable assurance on a selection of CSR information).

However, it is not our responsibility to pronounce on the compliance with the relevant legal provisions applicable if necessary, in particular those envisaged by article L. 225-102-4 of the French Commercial Code (Duty of care) and by the law n ° 2016-1691 of December 9, 2016 known as Sapin II (fight against corruption).

Our work involved six persons and was conducted between October 2017 and February 2018 during a twelve week period. We were assisted in our work by our CSR experts.

We performed our work in accordance with the order dated 13 May 2013 defining the conditions under which the independent third party performs its engagement and with the professional guidance issued by the French Institute of statutory auditors (Compagnie nationale des commissaires aux comptes) relating to this engagement and with ISAE 3000 [(3)] concerning our conclusion on the fairness of CSR Information.

(1) "whose scope is available at www.cofrac.fr"

(2) Human resources indicators: Total headcount, Workforce broken down by geographical area, age and gender, Number of external hires, Total turnover rate, Number of training hours.Environmental indicators: Office direct energy consumption, Total direct energy consumption, Greenhouse gas emissions related to business travel, Total greenhouse gas emissions, Total greenhouse gas emissions per employee.

(3) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

1. Attestation regarding the completeness of CSR Information

Nature and scope of our work

On the basis of interviews with the individuals in charge of the relevant departments, we obtained an understanding of the Company's sustainability strategy regarding human resources and environmental impacts of its activities and its social commitments and, where applicable, any actions or programmes arising from them.

We compared the CSR Information presented in the management report with the list provided in article R.225-105-1 of the French Commercial Code.

For any consolidated information that is not disclosed, we verified that explanations were provided in accordance with article R.225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the scope of consolidation, i.e., the Company, its subsidiaries as defined by article L.233-1 and the controlled entities as defined by article L.233-3 of the French Commercial Code within the limitations set out in the methodological notes, presented in section 3 of the management report.

Conclusion

Based on the work performed and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

2. Conclusion on the fairness of CSR Information

Nature and scope of our work

We conducted around ten interviews with the persons responsible for preparing the CSR Information in the departments in charge of collecting the information and, where appropriate, responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability, and taking into account industry best practices where appropriate;
- verify the implementation of data-collection, compilation, processing and control process to reach completeness and consistency of the CSR Information and obtain an understanding of the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and procedures based on the nature and importance of the CSR Information with respect to the characteristics of the Company, the human resources and environmental challenges of its activities, its sustainability strategy and industry best practices.

Regarding the CSR Information that we considered to be the most important [(4)]:

- at parent entity level, we referred to documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in agreement with the other information in the management report;
- at the level of a representative sample of entities selected by us [(5)] on the basis of their activity, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify that procedures are properly applied and to identify potential undisclosed data, and we performed tests of details, using sampling techniques, in order to verify the calculations and reconcile the data with the supporting documents. The selected sample represents 53% of headcount considered as material data of social issues and between 66% and 80% of environmental data considered as material data [(6)] of environmental issues.

For the remaining consolidated CSR Information, we assessed its consistency based on our understanding of the company.

We also assessed the relevance of explanations provided for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes we have used, based on our professional judgement, are sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the CSR information cannot be totally eliminated.

(4) Quantitative information: Human resources indicators: Total headcount, Workforce broken down by geographical area, age and gender, Number of external hires, Total turnover rate, Number of training hours, Absenteeism ratio, Breakdown of part-time workforce, Percentage of employees who had a performance and career review.Environmental indicators: Office direct energy consumption, Total direct energy consumption, Greenhouse gas emissions related to business travel, Total greenhouse gas emissions, Total greenhouse gas emissions per employee.
Qualitative information: Policies implemented regarding training, Measures implemented to promote gender equality, policies implemented regarding employment and integration of disabled persons, Policy against discrimination, The organization of the company to integrate environmental issues and the certification process regarding environmental issues, Adaptation to climate change, Impact of the company activity on the local populations, Conditions of the dialogue with stakeholders, Integration of social and environmental issues into the company's procurement policy, Actions taken to prevent corruption, Cyber-security and data protection.

(5) Human resources indicators: Capgemini Brazil, Capgemini India (ACIS, FS and BSv) Environmental indicators: Capgemini India, Capgemini France, Capgemini Brazil, Capgemini Poland, Capgemini North America.

(6) See list of environnemental indicators presented in footnote n°4 of this report.

Conclusion

Based on the work performed, no material misstatement has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

3. Reasonable assurance on a selection of CSR Information

Nature and scope of our work

For the information selected by the Group and identified by the symbol √, our audit consisted of work of the same nature as described in paragraph 2 above for CSR information considered the most important, but in more depth, particularly regarding the number of tests. The selected sample represents represents 53% of headcount considered as material data of social issues and between 66% and 80% of quantitative environmental information identified by the symbol √ published.

We consider that this work enables us to express a conclusion of reasonable assurance for the information selected by the Group and identified by the symbol √.

Conclusion

In our opinion, the information selected by the Group and identified by the symbol √ is fairly presented, in all material respects, in compliance with the Guidelines.

Paris La Défense, February 20, 2018

Sustainability Services
Philippe Arnaud
Partner

KPMG S.A.
Frédéric Quélin
Partner

4

Financial information

4.1 Analysis of Capgemini Group 2017 consolidated results

4.1.1 General comments on the Group's activity over the past year

Capgemini's 2017 performance reflects the Group's ability to create value for its customers and capture - in particular - the demand fueled by their Digital transformation agendas, while pursuing its profitable growth journey.

The Group generated revenues of €12,792 million in 2017, up 2.0% compared with 2016. Excluding the Brazilian equipment resale business being discontinued, growth is 4.0% at constant exchange rates, above the 3% target set at the beginning of the year. Organic growth, which also exclude the impact of change in Group scope, stands at 3.6%.

The Group continued to transition its business portfolio towards Digital and Cloud offerings at a rapid pace. Business generated by those new client needs grew 24% at constant exchange rates to €4.9 billion and account for 38% of Capgemini's revenues. Digital and Cloud market has matured and clients are now seeking more extensive roll-out of these innovations, increasing the size of contracts. The global strategic partnership contract signed with McDonald's, notably to digitalize the customer experience, is a good example.

The operating margin is €1,493 million, or 11.7% of revenues, an increase of 4% or 20 basis points year-on-year, in line with annual objectives. Profitability continues to improve, reflecting the Group's ability to pursue industrialization (rightshore model, standardization of operations, increased automation) while rapidly expanding its innovation businesses. Geographically, this improvement is driven primarily by higher profitability in Europe, combining remarkable Digital and Cloud growth and strong offshoring demand.

Other operating income and expenses total €310 million, compared with €292 million in 2016. Higher restructuring costs of €131 million are offset by lower acquisition and integration costs of €38 million.

Operating profit totaled €1,183 million, or 9.2% of revenues, compared with €1,148 million in 2016.

Financial expenses represent a net charge of €72 million, down from €146 million in 2016. This follows a reduction in interest charge on borrowings following the early redemption of the ORNANE bonds at the end of 2016 and the early unwinding of USD debt hedging instruments in 2017.

The Group recorded a tax expense of €303 million in 2017, representing an effective tax rate of 27.3%. This amount includes the net impact of changes in deferred tax assets in the United States, notably resulting from the changes to tax rates under the US tax reform. In 2016, the tax expense was €94 million, following the recognition of non-cash tax income (net) of €180 million in respect of goodwill arising from legal reorganizations. Adjusted for this non-recurring non-cash item, the effective tax rate was also 27.3% in 2016.

Net profit (Group share) amounted to €820 million for 2017, compared with €921 million for 2016. Basic earnings per share for fiscal year 2017 are €4.88 and diluted earnings per share are €4.76. The Group defines Normalized earnings per share as basic earnings per share adjusted for the items recognized in "Other operating income and expense", net of tax calculated using the effective tax rate. Normalized earnings per share are €6.22 in 2017, representing a 11% increase on 2016 normalized earnings per share adjusted for the one-off tax profit.

Group cash flow from operations improved in 2017: after income tax payments of €139 million (compared with €167 million in 2016) and cash consumed by the change in operating working capital of €63 million (compared with cash generated of €37 million in 2016), net cash from operating activities increased €11 million year-on-year to €1,330 million. Capital expenditures, net of disposals, increased €50 million to €226 million, representing 1.9% of revenues. Net interest paid and received resulted in a cash outflow of €24 million, compared with €72 million in 2016. Organic free cash flow generated by the Group therefore is up year-on-year to €1,080 million, exceeding the €950 million objective set at the beginning of the year.

In 2017, Capgemini paid a dividend of €262 million, devoted €176 million to the multi-year share buyback program and spent €238 million, net, on acquisitions. In addition, in the context of the 4th employee share ownership plan, the Group spent €360 million under the share buyback agreement to neutralize dilution and received €322 million from the corresponding share capital increase.

Overall, the balance sheet structure remained broadly unchanged in 2017. At December 31, 2017 the Group had €1,988 million in cash and cash equivalents (net of bank overdrafts), compared with €1,870 million a year earlier. After accounting for borrowings of €3,372 million, cash management assets and derivative instruments, Group net debt is €1,209 million at the end of 2017, down on €1,413 million at December 31, 2016.

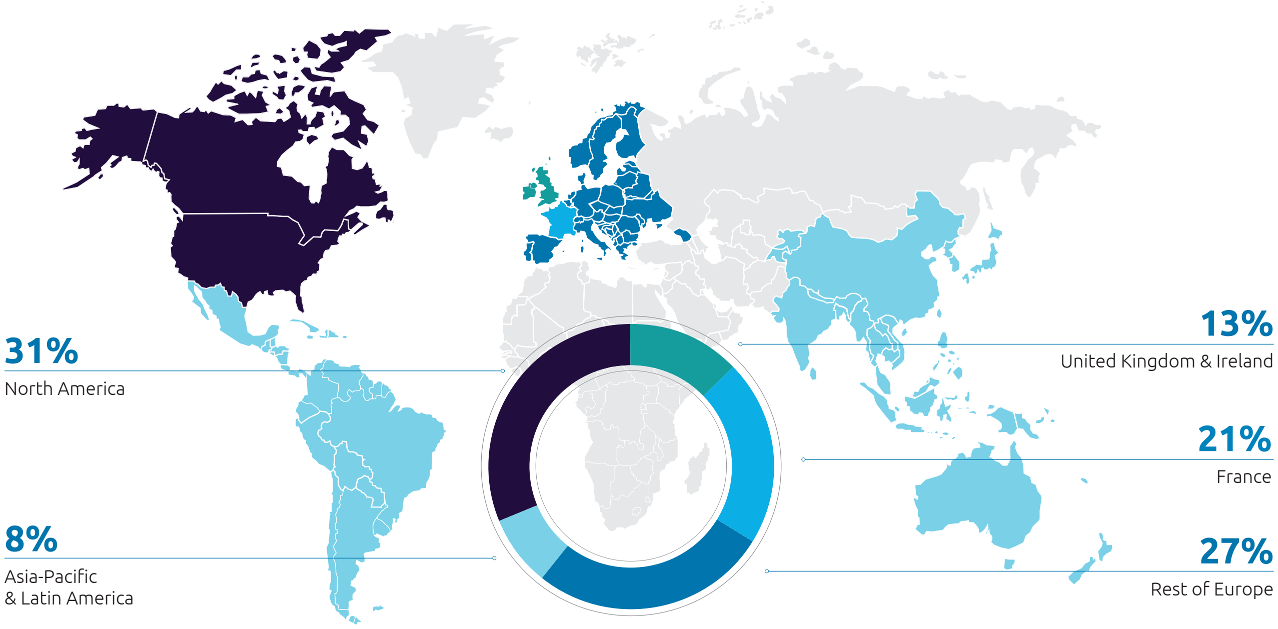
Deferred tax assets total €1,283 million at the end of the year. They include €554 million of US tax loss carry-forwards, after taking into account the following changes which had a non-significant net impact on the 2017 tax expense:

- the impact of the change in the US tax rate, which led to a decrease in deferred tax assets of €295 million;

- the outlook for taxable profits in the United States which has increased since the last remeasurement of US deferred tax assets in 2015, and led to the recognition of new deferred tax assets of €299 million. All tax losses carried forward in the United States are now recognized in the Group's consolidated financial statements at December 31, 2017.

Given the evolution of tax loss carry forwards and the tax reforms adopted, particularly in the United States, Capgemini estimates that the effective tax rate should increase by 3 to 4 percentage points in 2018, without any material impact on disbursements and therefore on free cash-flow. The evaluation of some other measures included in the US tax reform is still under process.

Operations by major region



North America revenues (31% of Group revenues) grew 5.0% at constant exchange rates in 2017 to €3,923 million, with a strong acceleration in the second half of the year, reflecting the impact of recent investments. This was mainly driven by the Manufacturing, Retail & Consumer Goods and Financial Services sectors. The Energy & Utilities sector full year revenues were down but returned to growth as of Q3. The operating margin is €529 million. The operating margin rate fell 190 basis points year-on-year to 13.5% of revenues, impacted by strong price pressure on some large contract renewals in the first-half and investments to accelerate growth in the region.

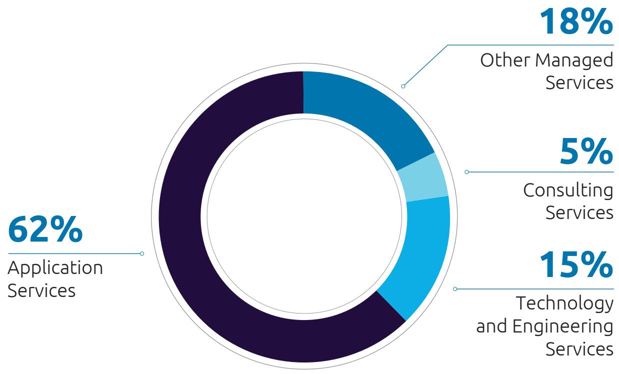
The **United Kingdom and Ireland** (13% of Group revenues) reported revenues down 9.6% at constant exchange rates to €1,681 million, reflecting the decline in the public sector anticipated from the beginning of the year while the private sector (63% of region revenues) is growing slightly. The operating margin is €254 million, representing a 50 basis point increase in the operating margin rate on 2016 to 15.1% of revenues. The Group noted a business slowdown in the second half with notably longer client decision cycles.

France (21% of Group revenues) reported revenue growth of 5.2% to €2,700 million, with Digital and Cloud demand driving strong momentum in Application Services and Consulting Services. The Financial Services and Retail & Consumer Goods sectors reported growth in excess of 10%. The operating margin increased 80 basis points to 9.9%, or €267 million.

The **Rest of Europe** (27% of Group revenues) reported revenue growth of 8.6% at constant exchange rates, driven by Germany, Scandinavia and Italy, where growth rates came close to or exceeded 10%. Benelux and Spain also grew in 2017. Business mix continued to evolve rapidly, with increased offshoring demand (+20% growth in volume year-on-year) and growing activity in Digital and Cloud. The operating margin increased 150 basis points year-on-year to 12.0% of revenues, or €418 million.

The **Asia-Pacific and Latin American** region (8% of Group revenues) reported growth of 7.9% at constant exchange rates in 2017, with contrasting trends again this year. Growth in the Asia-Pacific region remains very strong, supported by the development of the Financial Services, Retail & Consumer Goods and Energy sectors. Business declined further in Latin America However, following the stabilization of the situation in Brazil toward the end of the year and vibrant activity in Mexico, Latin America is back to growth in the fourth quarter. The operating margin for the region improved significantly to 9.8% in 2017, from 6.6% in 2016.

Results by business



Consulting Services (5% of Group revenues) grew 14% at constant exchange rates, with sustained demand in the main continental European countries. Activity is fueled by the Digital transformation needs of the Group's clients, notably in the Manufacturing, Financial Services and Retail & Consumer Goods sectors. The operating margin stands at 11.2% of revenues, up 50 basis points year-on-year.

Technology & Engineering Services (15% of Group revenues) progressed 4.7% at constant exchange rates. France and Scandinavia carried the momentum this year. The Energy & Utilities sector also stood out with double digit growth. The operating margin improved 80 basis points to 13.6%.

Application Services revenues (62% of Group revenues) increased 6.6%, with growth of ca. 10% in France, Germany, Italy, Scandinavia and Asia. Strong Digital and Cloud demand continues to drive business activity. Like for the rest of the Group, the Manufacturing and Retail & Consumer Goods sectors reported the highest growth. The operating margin rate is 12.9%, up 20 basis points on 2016.

Other Managed Services (18% of Group revenues) contracted 6.4% at constant exchange rates. The anticipated decline in the UK public sector and in infrastructure services - where the portfolio transition continues to exert pressure - were the primary causes. Business Services (Business Process Outsourcing and platforms) remained generally stable. The operating margin fell 80 basis points year-on-year to 9.2%.

Results by business

Revenues *(in millions of euros)*	2016	2017
Consulting Services	506	584
Technology & Engineering Services	1,873	1,927
Application Services	7,557	7,940
Other Managed Services	2,603	2,341
TOTAL GROUP	**12,539**	**12,792**

Operating margin *(as a % of revenues)*	2016	2017
Consulting Services	10.7%	11.2%
Technology & Engineering Services	12.8%	13.6%
Application Services	12.7%	12.9%
Other Managed Services	10.0%	9.2%
TOTAL GROUP	**11.5%**	**11.7%**

The following table presents the utilization rates (on a like-for- like basis) measuring the percentage of work time, excluding vacation, of production employees.

	2016				2017			
Utilization rate	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Consulting Services	70%	71%	68%	70%	71%	72%	69%	72%
Technology & Engineering Services	82%	83%	83%	83%	82%	84%	85%	84%
Application Services	81%	81%	82%	81%	81%	81%	82%	83%

Headcount

At December 31, 2017, the total Group headcount is 199,698 employees compared with 193,077 employees one year earlier. This 6,621 net increase (+3.4%) reflects:

- 53,693 additions; and
- 47,072 departures (including 38,578 resignations), representing a weighted attrition rate of 18.9% (compared with 18.3% in 2016).

Order book

Bookings totaled €12,890 million during the year, slightly higher than 2016 bookings of €13,027 million (+1% at constant exchange rates), with a book-to-bill ratio of 1.01.

Significant events of 2017

2017 marks the 50th year of the Group founded by Serge Kampf. In October, Capgemini launched its new brand identity using three fundamental differentiators to reflect Capgemini's unique character and strengths as a business partner: dynamism, precision and people.

Key events during the year at Group level included:

- the appointment by the Board of Directors on October 11, 2017 of Thierry Delaporte and Aiman Ezzat as Chief Operating Officers. These appointments took effect on January 1, 2018 and form part of management transition preparation measures announced by Paul Hermelin at the 2017 Shareholder's Meeting;
- the success of the fourth employee share ownership plan aimed at associating employees with the development and performance of the Group (November). This plan was subscribed 124%. The new Employee Share Ownership Plan (ESOP) of 3.6 million shares helps maintain employee share ownership at close to 5% of the capital. The dilutive effect of the capital increase was neutralized by share purchases under the share buyback agreement. In reducing the share capital by 1.8% (3.1 million shares) over 2017, Capgemini demonstrated its ability to associate employees with the development and performance of the Group while delivering an attractive return to shareholders.

On the financial front, the Standard & Poor's financial rating agency upgraded Capgemini's outlook from stable to positive, confirming its BBB long-term credit rating. This decision mainly reflects growing confidence in the Group's continued solid financial performance (May).

In 2017, the Group reached a major operating milestone in its growth-driving transition to Digital and the Cloud. This included a number of focused acquisitions to accelerate the process in certain areas:

- the Group strengthened its leadership in Digital and omnichannel commerce with the announcement of the acquisition of Itelios in March, followed by the US company, Lyons Consulting Group, in November. These teams of experts design, develop and implement e-commerce solutions for leading retail and B2B brands. These solutions help set them apart from the competition and build client loyalty, offering a unified customer journey across Digital, social, mobile and in-store experiences. The acquisition of these specialists, reputed for delivering Salesforce Commerce Cloud e-commerce solutions, also positions the Group as a global leader for Salesforce Commerce Cloud solutions;
- the Group also completed two focused acquisitions in North America in February: Idean, with its network of Digital studios, boosts the Group's Digital transformation and experience design consultancy offering, while TCube Solutions, a specialist in Duck Creek insurance software, strengthens the Group's expertise in this major sector.

Capgemini equally continued to develop an innovation-friendly ecosystem:

- the Group expanded its global network of innovation centers, adding two new Applied Innovation Exchanges (AIE). The Singapore AIE offers an extensive service portfolio, focusing on data analysis, visualization, artificial intelligence and cognitive IT solutions (February). A further innovation center was opened at the heart of New York's Silicon Alley, bringing together the Fahrenheit 212 teams that joined the Group in 2016 (October);
- Capgemini launched the Serge Kampf Awards to recognize outstanding innovation and entrepreneurship worldwide (February);
- the Group also again organized the InnovatorsRace50, a worldwide competition for early stage start-ups to showcase the potential of their projects and services (April and June).

These initiatives helped strengthen Capgemini's Digital leadership, as demonstrated by the range of engagements and contracts won across many economic sectors. The Group communicated on these wins and particularly:

- in the Retail & Consumer Goods sector:
  - Capgemini announced in August an iconic multi-year contract to become McDonald's global strategic provider and accelerate its Digital technology innovation and transform the customer experience. With this contract, the Group shows it can be the Digital innovation partner of the most prestigious international clients and leverage a strategic alliance initiated by IGATE, acquired in 2015,
  - the Group was also selected to transform the customer experience of a leading American cruise line (April) and a French international retailer (July). Capgemini built a Data Lake with advanced analytical modeling and deployed a CRM Cloud system for the cruise line and implemented several Digital Marketing solutions for the French retailer, from advanced customer data analysis to focused marketing campaigns,
  - the Group won a contract to implement its Odigo platform at a European chain store's contact center to improve customer relationship management (July);
- in the Manufacturing sector:
  - the Group won several major deals, including with a German automotive supplier (April) and a leading aircraft manufacturer (July). The Group's Digital Manufacturing offerings launched in 2016 and strong dynamics around product life-cycle management solutions underpinned these wins,

- the Group was also selected in North America by a global electronics company to accompany its Digital transformation through setting-up a Digital plant and implementing product lifecycle management solutions (April),
- finally, Capgemini built a Digital plant for a leading aerospace group, providing data analysis for use in monitoring satellite production and investigating possible anomalies (April);

- in the Financial Services & Insurance sector:
  - Capgemini partnered with an American bank to help it increase its US market share through new products, services and/or innovative experiences, leveraging Fahrenheit 212 expertise (April),
  - the Group was chosen to accompany a Scandinavian financial institution in its IT and financial transformation journey and provide cost-efficient and effective management of its IT landscape, to support its growth and performance (April);
- finally, in the Energies & Utilities sector:
  - Capgemini implemented Business Intelligence and DevOps agile technologies with SAP HANA for a major global oil and gas company (April),
  - the Group also announced the implementation of Salesforce in a leading European energy company (April) and provided a US energy company with application development, Cloud hosting and maintenance for web-based applications for energy conservation and efficiency programs (October).

Cloud migration, both public and private, continues to develop rapidly. It remains an additional growth lever for Capgemini, as illustrated by the following contracts:

- massive migration (several hundred applications) to a private Cloud for a major US bank and to the Amazon Web Services public Cloud for a global leader in the beverages industry (April);
- transformation of the infrastructure of one of the world's leading healthcare insurance organizations, moving its data and services to a private Cloud (April);
- development of new APIs (application programming interfaces, enabling software components to communicate) for a leading US bank (April);
- construction of a Digital platform hosted on a public Cloud, delivering a better customer experience to an Asian telecoms operator (October).

During its Capital Markets Day in September, the Group presented several customer case studies illustrating the rapid transition of its activities to Digital and the Cloud. Capgemini also confirmed its operating margin (between 12.5% and 13.0%) and organic growth (between 5% and 7%) ambitions.

The Group also presented a progress report on the automation of its IT services. Automation projects currently focus primarily on the outsourcing of business processes and infrastructure management. They have demonstrated that value creation mainly stems from reduced turnaround time, improved quality and user experience. Accordingly:

- at a utility company in the United-Kingdom, the automation of IT service desk operations leveraging Capgemini's Odigo and third-party technologies led to a 20% reduction in incidents with over 80% successful dialogue with the virtual agent;
- the automation of the deep monitoring of mission critical applications at a global media and entertainment group enabled ten times faster incident resolution and a 30% reduction in incidents;
- at a Europe-headquartered global furniture retailer, the automation of payment alerts processing allowed better consumer experience with an 80% drop in point-of-sale payment issues and a 70% reduction in resolution time;
- the automation of the incident management process using natural language processing (NLP) leveraging and feeding a knowledge database led to a 15% reduction in turnaround time at a British retail company.

The Group also announced in November, a two-year agreement with the UK Cabinet Office to develop a Robotic Process Automation (RPA) Center of Excellence.

Finally, in September the Group published the results of a study of 1,000 companies implementing artificial intelligence, countering fears that AI will cause massive job losses in the short-term and highlighting the associated growth opportunities.

4.1.2 Comments on the Capgemini Group consolidated financial statements and outlook for 2018

Consolidated Income Statement

Consolidated revenues total €12,792 million for the year ended December 31, 2017, compared with €12,539 million in 2016, up 2.0% on published figures. Excluding the Brazilian equipment resale activity, revenues increased 4.0% at constant exchange rates, with organic growth of 3.6%.

Operating expenses total €11,299 million, compared with €11,099 million in 2016.

An analysis of costs by nature highlights a €391 million increase in personnel costs (5.1%) to €8,002 million for 2017. Personnel costs represent 62.6% of revenues compared with 60.7% in 2016. The average headcount rose 6% in 2017 to 196,755, compared with 185,593 in 2016. Offshore employees represent 57% of the total Group headcount, compared with 56% in 2016.

An analysis of costs by function reveals:

- the cost of services rendered is €9,408 million, or 73.5% of revenues, down 0.2 points on 2016. The gross margin is 26.5% of revenues in 2017, compared with 26.7% in 2016;
- selling costs total €1,019 million, or 8.0% of revenues, a slight percentage decrease on last year;
- general and administrative expenses total €872 million (6.8% of revenues), a 0.2 point decrease on 2016 due to a strict cost control policy.

The **operating margin** is therefore €1,493 million in 2017, compared with €1,440 million in 2016, representing a margin rate of 11.7% (11.5% in 2016).

Other operating income and expense increased from a net expense of €292 million in 2016 to €310 million in 2017, due to higher restructuring costs and an increase in the performance share grant expense, partially offset by lower acquisition and integration costs.

Operating profit is €1,183 million (9.2% of revenues), compared with €1,148 million in 2016 (9.2% of revenues).

The **net financial expense** is €72 million, compared with €146 million in 2016. This improvement is mainly due to lower net finance costs following a reduction in the Group's net debt and the refinancing of the 2011 bond issue with the more favorable 2016 bond issue, the recognition of a profit on the early unwinding of the EUR/USD fix-to-fix cross currency swaps in 2017 and the impact of the early redemption of the ORNANE 2013 bonds at the end of 2016.

The **income tax expense** is €303 million, compared with €94 million in 2016. The effective tax rate is 27.3% in 2017, stable on 2016 excluding the tax income (net) of €180 million in respect of goodwill arising on legal restructurings. At December 31, 2017, the income tax expense includes the financial impact of the US tax reforms (€-312 million) and the recognition of deferred tax on US tax loss carried-forwards (€+299 million), to reflect the change in the taxable profit outlook since the last remeasurement of US deferred tax assets in 2015.

Profit for the year attributable to owners of the Company is €820 million in 2017, compared with €921 million in 2016. This represents an increase of 11% year-on-year, after adjustment for the tax income (net) of €180 million in respect of goodwill arising on legal restructurings. Normalized earnings per share are therefore €6.22 based on an average of 168,057,561 ordinary shares outstanding in 2017, compared with €6.69 based on an average of 169,450,721 ordinary shares outstanding in 2016, including the tax income (net) of €180 million in respect of goodwill arising on legal restructurings.

Consolidated Statement of Financial Position

Equity attributable to owners of the Company totaled €6,956 million at December 31, 2017, down €316 million on December 31, 2016. This decrease was mainly due to:

- a €781 million reduction in foreign exchange translation reserves;
- the payment to shareholders of a dividend of €262 million;
- the elimination of treasury shares for €534 million,

partially offset by profit for the year of €820 million and incentive and employee share ownership instruments for €393 million and particularly the impact of the €320 million share capital increase under the ESOP 2017 international employee share ownership plan.

Non-current assets totaled €9,854 million at December 31, 2017, down €736 million on December 31, 2016. This was mainly due to a €346 million decrease in goodwill following negative translation adjustments to goodwill denominated in US dollar and pound sterling of €613 million, partially offset by goodwill of €267 million recognized on acquisitions during the year.

Non-current liabilities fell 13.8% year-on-year to €4,487 million at December 31, 2017 (from €5,206 million), mainly due to the reclassification in current liabilities of a €500 million bond issue maturing in July 2018.

Operating receivables (accounts and notes receivable) totaled €3,265 million at December 31, 2017, compared with €3,074 million at December 31, 2016. Accounts and notes receivable, net of advances from clients and amounts billed in advance and excluding capitalized costs on projects, remained broadly stable at €2,276 million at December 31, 2017 (€2,244 million at December 31, 2016).

Accounts and notes payable mainly consist of trade payables and related accounts, personnel costs and accrued taxes other than income tax and totaled €2,837 million at December 31, 2017, compared with €2,818 million at December 31, 2016.

Consolidated net debt totaled €1,209 million at December 31, 2017 compared with €1,413 million at December 31, 2016. This €204 million decrease on December 31, 2016 is mainly due to the generation of organic free cash flow during the year of €1,080 million and the €320 million share capital increase under the ESOP 2017 international share ownership plan, partially offset by:

- the payment to shareholders of a dividend of €262 million;
- cash outflows and inflows on business combinations, net of cash and cash equivalents acquired, of €238 million;
- cash outflows of €531 million in respect of transactions in Capgemini SE shares.

Application of IFRS 15 from January 1, 2018

The application of IFRS 15 on January 1, 2018 will primarily impact the resale of hardware, software and services, that the Group may carry out, particularly at the request of customers. From now on, a larger proportion of these revenues will be recorded on a net basis (*i.e.* revenues invoiced to clients less amounts invoiced by suppliers).

The assessment of the impact that application of IFRS 15 would have had in 2017 shows:

- a reduction in revenues of €270 million, or 2.1% of published revenues, in line with the information communicated in July 2017;
- no change in the operating margin in euros, leading to a reported operating margin rate of 11.9%, compared with the 11.7% published;
- no change in the euro amount of net profit, earnings per share (basic, diluted or normalized) or organic free cash flow.

The audit of the results of this assessment will be finalized for the publication of the 2018 half-year results.

Outlook for 2018

For 2018, the Group aims to accelerate its growth with revenue progression of 6% to 7% at constant exchange rates, to increase profitability with an operating margin of 12.0% to 12.2% and to generate an organic free cash flow in excess of €1 billion.

In addition, the Group expects currency movements to negatively impact revenues by around 3.5 points, mainly due to the appreciation of the euro against the US dollar.

This outlook takes into account the application of IFRS 15 from January 1, 2018.

4.2 Consolidated Financial Statements

4.2.1 Consolidated income statement

in millions of euros	Notes	2016 Amount	2016 %	2017 Amount	2017 %
Revenues	4-6	**12,539**	**100**	**12,792**	**100**
Cost of services rendered		(9,183)	(73.3)	(9,408)	(73.5)
Selling expenses		(1,032)	(8.2)	(1,019)	(8.0)
General and administrative expenses		(884)	(7.0)	(872)	(6.8)
Operating expenses	7	**(11,099)**	**(88.5)**	**(11,299)**	**(88.3)**
Operating margin *		**1,440**	**11.5**	**1,493**	**11.7**
Other operating income and expense	8	(292)	(2.3)	(310)	(2.5)
Operating profit		**1,148**	**9.2**	**1,183**	**9.2**
Net finance costs	9	(104)	(0.8)	(18)	(0.1)
Other financial income and expense	9	(42)	(0.4)	(54)	(0.4)
Net financial expense		**(146)**	**(1.2)**	**(72)**	**(0.5)**
Income tax income (expense)	10	**(94)** (1)	**(0.8)**	**(303)**	**(2.4)**
PROFIT FOR THE YEAR		**908**	**7.2**	**808**	**6.3**
Attributable to:					
Owners of the Company		*921*	*7.3*	*820*	*6.4*
Non-controlling interests		*(13)*	*(0.1)*	*(12)*	*(0.1)*

EARNINGS PER SHARE	Notes	2016	2017
Average number of shares outstanding during the year		169,450,721	168,057,561
Basic earnings per share *(in euros)*	11	**5.44**	**4.88**
Diluted average number of shares outstanding		179,080,780	172,082,122
Diluted earnings per share *(in euros)*	11	**5.25**	**4.76**

(1) Including tax income (net) of €180 million in respect of goodwill arising on legal restructurings.
(*) Operating margin, an alternative performance measure monitored by the Group, is defined in Note 3 - Alternative performance measures.

4.2.2 Consolidated statement of comprehensive income

in millions of euros	2016	2017
Actuarial gains and losses on defined benefit pension plans, net of tax [1]	(257)	110
Remeasurement of hedging derivatives, net of tax [2]	53	(61)
Translation adjustments [2]	173	(780)
OTHER ITEMS OF COMPREHENSIVE INCOME	**(31)**	**(731)**
Profit for the year (reminder)	908	808
Total comprehensive income for the period:	877	77
Attributable to:		
Owners of the Company	*886*	*88*
Non-controlling interests	*(9)*	*(11)*

(1) Other items of comprehensive income that will not be reclassified subsequently to profit or loss.
(2) Other items of comprehensive income that may be reclassified subsequently to profit or loss.

4.2.3 Consolidated statement of financial position

in millions of euros	Note	December 31, 2016	December 31, 2017
Goodwill	13-15	7,176	6,830
Intangible assets	13	813	681
Property, plant and equipment	14	754	749
Deferred taxes	16	1,473	1,283
Other non-current assets	18	374	311
Total non-current assets		**10,590**	**9,854**
Accounts and notes receivable	19	3,074	3,265
Current tax receivables		132	107
Other current assets	20	627	657
Cash management assets	21	157	168
Cash and cash equivalents	21	1,879	1,988
Total current assets		**5,869**	**6,185**
TOTAL ASSETS		**16,459**	**16,039**

4

in millions of euros	Note	December 31, 2016	December 31, 2017
Share capital		1,373	1,348
Additional paid-in capital		3,453	3,169
Retained earnings and other reserves		1,525	1,619
Profit for the year		921	820
Equity (attributable to owners of the Company)		**7,272**	**6,956**
Non-controlling interests		13	4
Total equity		**7,285**	**6,960**
Long-term borrowings	21	3,287	2,783
Deferred taxes	16	227	172
Provisions for pensions and other post-employment benefits	24	1,374	1,196
Non-current provisions	25	26	25
Other non-current liabilities	26	292	311
Total non-current liabilities		**5,206**	**4,487**
Short-term borrowings and bank overdrafts	21	125	589
Accounts and notes payable	27	2,818	2,837
Advances from customers and billed in advance	19	737	890
Current provisions	25	104	88
Current tax liabilities		109	107
Other current liabilities	26	75	81
Total current liabilities		**3,968**	**4,592**
TOTAL EQUITY AND LIABILITIES		**16,459**	**16,039**

4.2.4 Consolidated statement of cash flows

Cash flows for the period are discussed in Note 22 - Cash flows.

in millions of euros	Notes	2016	2017
Profit for the year attributable to owners of the Company		**921**	**820**
Non-controlling interests		(13)	(12)
Depreciation, amortization and impairment of fixed assets		299	301
Change in provisions		(5)	(9)
Losses on disposals of assets		6	15
Expenses relating to share grants		54	64
Net finance costs	9	104	18
Income tax expense/(income)	10	94	303
Unrealized gains on changes in fair value and other		(11)	32
Cash flows from operations before net finance costs and income tax (A)		**1,449**	**1,532**
Income tax paid (B)		**(167)**	**(139)**
Change in accounts and notes receivable and advances from customers and amounts billed in advance		(45)	(113)
Change in capitalized costs on projects		13	(12)
Change in accounts and notes payable		128	55
Change in other receivables/payables		(59)	7
Change in operating working capital (C)		**37**	**(63)**
NET CASH FROM OPERATING ACTIVITIES (D = A + B + C)		**1,319**	**1,330**
Acquisitions of property, plant and equipment and intangible assets	13-14	(197)	(241)
Proceeds from disposals of property, plant and equipment and intangible assets		21	15
		(176)	**(226)**
Cash inflows (outflows) on business combinations net of cash and cash equivalents acquired		(23)	(238)
Cash outflows in respect of cash management assets		(36)	(16)
Other cash (outflows) inflows, net		(16)	(54)
		(75)	**(308)**
NET CASH USED IN INVESTING ACTIVITIES (E)		**(251)**	**(534)**
Proceeds from issues of share capital		-	320
Dividends paid		(229)	(262)
Net payments relating to transactions in Capgemini SE shares		(315)	(531)
Proceeds from borrowings		505	7
Repayments of borrowings		(1,004)	(97)
Interest paid		(115)	(86)
Interest received		43	62
NET CASH USED IN FINANCING ACTIVITIES (F)		**(1,115)**	**(587)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (G = D + E + F)		**(47)**	**209**
Effect of exchange rate movements on cash and cash equivalents (H)		(31)	(91)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (I)	21	**1,948**	**1,870**
CASH AND CASH EQUIVALENTS AT END OF YEAR (G + H + I)	21	**1,870**	**1,988**

4.2.5 Consolidated statement of changes in equity

in millions of euros	Number of shares	Share capital	Additional paid-in capital	Treasury shares	Consolidated retained earnings and other reserves	Total income and expense recognized in equity: Translation adjustments	Total income and expense recognized in equity: Other	Equity (attributable to owners of the Company)	Non-controlling interests	Total equity
At January 1, 2016	**172,181,500**	**1,377**	**3,499**	**(75)**	**2,586**	**248**	**(748)**	**6,887**	**26**	**6,913**
Dividends paid out for 2015	-	-	-	-	(229)	-	-	(229)	-	(229)
Incentive instruments and employee share ownership	-	-	-	62	15	-	-	77	-	77
Derivatives on Capgemini SE shares, net of tax	-	-	-	-	(32)	-	-	(32)	-	(32)
Early redemption of ORNANE 2013	-	-	-	56	(37)	-	-	19	-	19
Elimination of treasury shares	-	-	-	(340)	-	-	-	(340)	-	(340)
Share capital reduction by cancellation of treasury shares	(617,235)	(4)	(46)	50	-	-	-	-	-	-
Transactions with minority shareholders	-	-	-	-	4	-	-	4	(4)	-
Transactions with shareholders	**(617,235)**	**(4)**	**(46)**	**(172)**	**(279)**	**-**	**-**	**(501)**	**(4)**	**(505)**
Income and expense recognized in equity	**-**	**-**	**-**	**-**	**-**	**169**	**(204)**	**(35)**	**4**	**(31)**
Profit for the year		**-**	**-**	**-**	**921**	**-**	**-**	**921**	**(13)**	**908**
At December 31, 2016	**171,564,265**	**1,373**	**3,453**	**(247)**	**3,228**	**417**	**(952)**	**7,272**	**13**	**7,285**
Dividends paid out for 2016	-	-	-	-	(262)	-	-	(262)	-	(262)
Incentive instruments and employee share ownership	3,600,000	28	292	91	(18)	-	-	393	-	393
Elimination of treasury shares [(1)]	-	-	-	(534)	1	-	-	(533)	-	(533)
Share capital reduction by cancellation of treasury shares	(6,680,523)	(53)	(576)	629	-	-	-	-	-	-
Transactions with minority shareholders	-	-	-	-	(2)	-	-	(2)	2	-
Transactions with shareholders	**(3,080,523)**	**(25)**	**(284)**	**186**	**(281)**	**-**	**-**	**(404)**	**2**	**(402)**
Income and expense recognized in equity	**-**	**-**	**-**	**-**	**-**	**(781)**	**49**	**(732)**	**1**	**(731)**
Profit for the year	**-**	**-**	**-**	**-**	**820**	**-**	**-**	**820**	**(12)**	**808**
At December 31, 2017	**168,483,742**	**1,348**	**3,169**	**(61)**	**3,767**	**(364)**	**(903)**	**6,956**	**4**	**6,960**

(1) Including -€360 million in respect of the share purchase agreement implemented prior to the share capital increase under the ESOP 2017 international employee share ownership plan (see Note 12 - Equity).

4

4.2.6 Notes to the consolidated financial statements for the year ended December 31, 2017

Note 1 Accounting basis

The consolidated financial statements for the year ended December 31, 2017 and the notes thereto were adopted by the Board of Directors on February 14, 2018. The consolidated financial statements will be approved by the Combined Shareholders' Meeting, scheduled for May 23, 2018.

To enable the Group's legal form to better reflect its international and European outlook, the Board of Directors of Cap Gemini S.A., the Group's parent company, proposed to convert the legal form of the Company to a European company (*Societas Europaea*, SE). This conversion took effect following its approval by the Combined Shareholders' Meeting of May 10, 2017. The Company's name was changed from "Cap Gemini S.A." to "Capgemini SE" at the same time. This new corporate name is used in the consolidated financial statements for the year ended December 31, 2017.

A) IFRS standards-base

Pursuant to European Commission Regulation no. 1606/2002 of July 19, 2002, the 2017 consolidated financial statements have been prepared in accordance with international accounting standards (IFRS, International Financial Reporting Standards) as issued by the International Accounting Standards Board (IASB) and endorsed by the European Union (EU).

The Group also takes account of the positions adopted by Syntec Numérique, an organization representing major consulting and computer services companies in France, regarding the application of certain IFRSs.

The main accounting policies are presented at the beginning of each note to the consolidated financial statements.

B) New standards and interpretations applicable in 2017

a) New standards, amendments and interpretations of mandatory application (published by the IASB, endorsed by the EU, entered into effect on January 1, 2017)

The accounting policies applied by the Group are unchanged on those applied for the preparation of the 2016 consolidated financial statements, with the exception of new standards, amendments and interpretations which entered into effect on January 1, 2017 and which had no material impact on the Group financial statements.

b) New standards, amendments and interpretations not adopted early (published by the IASB, endorsed by the EU, not yet in effect at January 1, 2017)

b-1) IFRS 15 - Revenue from contracts with customers

IFRS 15 on revenue recognition entered into effect on January 1, 2018. The Group has been working with international sector peers and within Syntec Numérique in France on identifying implementation terms. At the same time, in 2016, the Group launched an analysis of a sample of contracts representative of the different revenue recognition categories. In 2017, the Group (i) completed its interpretation work, identifying the potential areas of impact and (ii) updated the sections of the accounting rules and procedures manual on the recognition of revenue and related costs and rolled out these principles in the Group entities.

The following main issues were identified:

- "Principal" *versus* "agent"

  As part of its operational activities, the Group can be required to resell hardware, software and services purchased from third-party suppliers to its customers. IFRS 15 amends the principles and indicators determining whether the Group should present these transactions in the Income Statement as a "principal", on a gross basis (with recognition of purchases in operating expenses) or as an "agent", on a net basis (recognition of revenues equal to amounts invoiced to the customer net of amounts invoiced by the supplier). Pursuant to IFRS 15, the Group considers it acts as a "principal" when it obtains control of the hardware, software or services before transferring them to the customer. Based on analyses, the Group expects more transactions will be presented on a net basis, resulting in a decrease in consolidated revenues estimated at €270 million for fiscal year 2017.

- Identification of performance obligations in outsourcing services

  The new standard clarifies the treatment of revenues and costs of initial activities, performed before the start or at the start of recurring services. Pursuant to the standard, it is necessary to determine whether these activities represent a service benefiting the customer distinct from the outsourcing services, or whether they represent internal start-up activities for a recurring service. In the latter case, revenue can only be recognized as the recurring services are rendered and the initial costs must be capitalized if they create a resource used in the future performance of services. These clarifications should not have a material impact.

- Measuring the progress of fixed-price services

  Fixed-price systems integration and solution development services will continue to be recognized based on expenditure incurred.

- Measuring the progress of outsourcing services

  Outsourcing services will generally continue to be recognized as invoicing rights arise, except in specific cases where invoicing terms and conditions do not reflect the value of services rendered.

- Costs of obtaining contracts

  Going forward, the Group will be required to capitalize commission and bonuses paid to obtain multi-year contracts. This change should not have a material impact.

- Reimbursements received from customers

  Reimbursements received from customers shall no longer be recognized as a deduction from costs incurred but as revenues unless the Group is acting as an "agent". This change should not have a material impact.

The Group has elected to adopt the full retrospective method with restatement of 2017 comparative figures and recognition of the cumulated effect in equity at January 1, 2017.

b-2) IFRS 9 - Financial Instruments

Application of this new standard at January 1, 2018 will not have a material impact on the Group consolidated financial statements.

b-3) IFRS 16 - Leases

The Group launched a project in 2017 to identify and analyze the contracts concerned by the application of IFRS 16 - Leases. This standard enters into effect on January 1, 2019.

C) Use of estimates

The preparation of consolidated financial statements involves the use of estimates and assumptions which may have an impact on the reported values of assets and liabilities at the period end or on certain items of either net profit or the income and expenses recognized directly in equity for the year. Estimates are based on economic data and assumptions which are likely to vary over time and are subject to a degree of uncertainty. They mainly concern revenue recognition on fixed-price contracts accounted for on a percentage-of-completion basis, recognition of deferred tax assets, measurement of the recoverable amount of intangible assets, provisions for pensions and other post-employment benefits, the fair value of derivatives, and provisions.

Note 2 Consolidation principles and Group structure

Consolidation methods

The accounts of companies directly or indirectly controlled by the parent company are fully consolidated. The parent company is deemed to exercise control over an entity when it has the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Investments in associates over whose management the parent company directly or indirectly exercises significant influence, without however exercising full or joint control, are accounted for by the equity method. This method consists of recording the Group's share in profit for the year of the associate in the Income Statement. The Group's share in net assets of the associate is recorded under "Other non-current assets" in the Consolidated Statement of Financial Position.

Details of the scope of consolidation are provided in Note 32 - List of the main consolidated companies by country.

All consolidated companies prepared their accounts to December 31, 2017 in accordance with the accounting policies adopted by the Group.

Inter-company transactions are eliminated on consolidation, as well as inter-company profits.

The Group does not control any special purpose entities that have not been consolidated.

Foreign currency translation

The consolidated accounts presented in these consolidated financial statements have been prepared in euros.

The Consolidated Statements of Financial Position of subsidiaries denominated in foreign currencies are translated into euros at year-end rates of exchange with the exception of equity accounts, which are carried at their historical values. Income statements denominated in foreign currencies are translated into euros at the average rates of exchange for the year. However, for certain material transactions, it may be relevant to use a specific rate of exchange. Differences arising from translation at these different rates are recognized directly in equity under "Translation reserves" and have no impact on the Income Statement.

Exchange differences arising on monetary items which form an integral part of the net investment in foreign subsidiaries are recognized in equity under "Translation reserves".

Exchange differences on receivables and payables denominated in a foreign currency are recorded in operating income or expense or financial income or expense, depending on the type of transaction concerned.

4

The exchange rates used to translate the financial statements of the Group's main subsidiaries into euros are as follows:

	Average rate		Closing rate	
	2016	**2017**	**2016**	**2017**
Australian dollar	0.67230	0.67970	0.68512	0.65164
Brazilian real	0.26057	0.27831	0.29150	0.25171
Canadian dollar	0.68234	0.68334	0.70482	0.66494
Chinese renminbi yuan	0.13609	0.13122	0.13661	0.12813
Indian rupee	0.01345	0.01362	0.01397	0.01305
Norwegian krone	0.10765	0.10728	0.11006	0.10162
Polish zloty	0.22920	0.23497	0.22674	0.23941
Pound sterling	1.22455	1.14188	1.16798	1.12710
Swedish krona	0.10567	0.10379	0.10469	0.10159
US dollar	0.90404	0.88730	0.94868	0.83382

Business combinations

Business combinations are accounted for using the acquisition method. Under this method, the identifiable assets acquired and liabilities assumed are recognized at fair value at the acquisition date and may be adjusted during the 12 months following this date.

Exchange gains and losses on inter-company transactions

The results and financial position of a foreign subsidiary are included in the Group's consolidated financial statements after the elimination of inter-company balances and transactions. However, a foreign exchange gain or loss arising on an inter-company monetary asset or liability (e.g. an inter-company receivable denominated in a currency different from the functional currency of the subsidiary) cannot be eliminated. Such foreign exchange gains and losses are recognized in the Income statement or in Income and expense recognized directly in equity, if the underlying forms an integral part of the net investment in the foreign operation (e.g. a loan with no fixed maturity).

The fair values of hedging instruments relating to inter-company operating transactions performed as part of the centralized management of currency risk in the parent company are eliminated.

Acquisitions in 2017

The Group acquired the following entities in 2017:

- TCube Solutions Inc. in the United States in January 2017, the largest independent IT service provider specializing in Duck Creek Technologies solutions for property and casualty insurance management. This acquisition aims to accelerate the transition of the Group's business portfolio, particularly in North America;
- Idean Enterprises Oy in February 2017, a Digital strategy and experience design consultancy with a strong presence in the United States and Finland. This acquisition helps the Group meet growing customer demand for end-to-end Digital services;
- Itelios SAS in France in March 2017, a consulting firm specializing in connected commerce. This acquisition will enable the Group to meet growing customer demand for its end-to-end Digital services, and positions it as the leader in Salesforce Commerce Cloud based solutions;
- Lyons Consulting Group LLC in the United States in November 2017, a US e-commerce provider with deep expertise in Salesforce Commerce Cloud solutions. This acquisition strengthens the Group's Digital growth strategy.

The fair value remeasurement of the assets and liabilities of these companies and the calculation and determination of goodwill pursuant to IFRS 3 is ongoing and will be finalized within 12 months of the acquisition dates.

Disposals in 2017

The Group sold its IBX business in early May 2017.

These acquisitions and disposals did not have a material impact on the Group financial statements for the year ended December 31, 2017.

Note 3 Alternative performance measures

The alternative performance measures monitored by the Group are defined as follows:

- **organic growth,** or like-for-like growth, in revenues is the growth rate calculated at constant Group scope and exchange rates. The Group scope and exchange rates used are those for the published period;
- **growth at constant exchange rates** in revenues is the growth rate calculated at exchange rates used for the published period;
- **operating margin** is equal to revenues less operating expenses. It is calculated before "Other operating income and expense" which include amortization of intangible assets recognized in business combinations, the charge resulting from the deferred recognition of the fair value of shares granted to employees (including social security contributions and employer contributions), and non-recurring revenues and expenses, notably impairment of goodwill, negative goodwill, capital gains or losses on disposals of consolidated companies or businesses, restructuring costs incurred under a detailed formal plan approved by the Group's management, the cost of acquiring and integrating companies acquired by the Group, including earn-outs comprising conditions of presence, and the effects of curtailments, settlements and transfers of defined benefit pension plans;
- **normalized earnings per share** are calculated by dividing normalized profit or loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period, excluding treasury shares. Normalized net profit or loss is equal to profit for the period attributable to owners of the Company corrected for the impact of items recognized in "Other operating income and expense" (see Note 8 - Other operating income and expense), net of tax calculated using the effective tax rate;
- **net debt** (or net cash and cash equivalents) comprises (i) cash and cash equivalents, as presented in the Consolidated Statement of Cash Flows (consisting of short-term investments and cash at bank) less bank overdrafts, (ii) cash management assets (assets presented separately in the Consolidated Statement of Financial Position due to their characteristics), less (iii) short- and long-term borrowings. Account is also taken of the impact of hedging instruments when these relate to borrowings and own shares;
- **organic *free cash* flow** calculated based on items in the Statement of Cash Flows is equal to cash flow from operations less acquisitions of property, plant, equipment and intangible assets (net of disposals) and adjusted for flows relating to the net interest cost.

Note 4 Operating segments

Group Management analyzes and measures activity performance:

- in the geographic areas where the Group is present;
- in the different businesses (Consulting Services, Technology and Engineering Services, Application Services, and Other Managed Services).

The geographic analysis enables management to monitor the performance:

- of commercial development: it focuses on trends in major contracts and clients in Group markets across all its businesses. This monitoring seeks to coordinate the service offering of the different businesses in the countries, given their considerable interaction and to measure the services rendered. These analyses are performed by Group Management within the Coordination Committee of the geographic area, which brings together the business managers operating in a given area;
- at operational and financial level: management of treasury and support services, the operating investment and financing policies and the acquisition policy are decided and implemented by geographic area.

The business analysis enables the transversal management and monitoring of resources and service production during the fiscal year in the strategic units, primarily business-focused and therefore the roll-out of uniform expertise and know-how in all countries and regions.

Accordingly, the Group presents segment reporting for the five geographic areas where it is located.

Costs relating to operations and incurred by Group holding companies on behalf of geographic areas and businesses are allocated to the relevant segments either directly or on the basis of an allocation key. Items not allocated correspond to headquarter expenses.

Inter-segment transactions are carried out on an arm's length basis.

The performance of operating segments is measured based on the operating margin*. This indicator enables the measurement and comparison of the operating performance of operating segments, irrespective of whether their business results from internal or external growth.

The operating margin* realized by the main offshore production centers (India, Poland and China) is reallocated to the geographic areas managing the contracts to enable a better understanding of the performance of these areas.

(*) Operating margin, an alternative performance measure monitored by the Group, is defined in Note 3 - Alternative performance measures.

Segment reporting by geographic area

The Group communicates segment information for five geographic areas: North America, France, United Kingdom and Ireland, the Rest of Europe, Asia-Pacific and Latin America.

Segment reporting is supplemented by information on revenues and operating margin for each of the Group's four businesses.

Analysis of the income statement by geographic area

2017 *(in millions of euros)*	North America	France	United Kingdom and Ireland	Rest of Europe	Asia-Pacific and Latin America	HQ expenses	Eliminations	Total
Revenues								
▪ external	3,923	2,700	1,681	3,478	1,010	-	-	12,792
▪ inter-geographic area	114	197	182	274	1,463	-	(2,230)	-
TOTAL REVENUES	**4,037**	**2,897**	**1,863**	**3,752**	**2,473**	**-**	**(2,230)**	**12,792**
OPERATING MARGIN *	**529**	**267**	**254**	**418**	**99**	**(74)**	**-**	**1,493**
% of revenues	*13.5*	*9.9*	*15.1*	*12.0*	*9.8*	-	-	*11.7*
OPERATING PROFIT	**412**	**211**	**215**	**353**	**66**	**(74)**	**-**	**1,183**

2016 *(in millions of euros)*	North America	France	United Kingdom and Ireland	Rest of Europe	Asia-Pacific and Latin America	HQ expenses	Eliminations	Total
Revenues								
▪ external	3,800	2,567	1,993	3,214	965	-	-	12,539
▪ inter-geographic area	151	200	155	273	1,251	-	(2,030)	-
TOTAL REVENUES	**3,951**	**2,767**	**2,148**	**3,487**	**2,216**	**-**	**(2,030)**	**12,539**
OPERATING MARGIN *	**587**	**234**	**290**	**339**	**64**	**(74)**	**-**	**1,440**
% of revenues	*15.4*	*9.1*	*14.6*	*10.5*	*6.6*	-	-	*11.5*
OPERATING PROFIT	**487**	**167**	**259**	**288**	**23**	**(76)**	**-**	**1,148**

(*) Operating margin, an alternative performance measure monitored by the Group, is defined in Note 3 - Alternative performance measures.

Analysis of assets and liabilities by geographic area

At December 31, 2017 *(in millions of euros)*	**North America**	**France**	**United Kingdom and Ireland**	**Rest of Europe**	**Asia-Pacific and Latin America**	**Not allocated**	**Eliminations**	**Total**
Assets by geographical area								
▪ external	3,436	2,623	1,502	2,854	1,796	36	-	12,247
▪ inter-geographic area	58	83	48	72	202	32	(495)	-
TOTAL ASSETS	**3,494**	**2,706**	**1,550**	**2,926**	**1,998**	**68**	**(495)**	**12,247**
o/w acquisitions of intangible assets and property, plant and equipment [(1)]	*35*	*51*	*30*	*42*	*126*	*1*		*285*
Deferred tax assets								1,283
Income tax assets								179
Cash management assets								168
Cash and cash equivalents								1,988
Derivative instruments								174
TOTAL ASSETS								**16,039**
Liabilities by geographical area								
▪ external	998	1,325	1,100	1,197	737	10	-	5,367
▪ inter-geographic area	157	108	41	129	60	-	(495)	-
TOTAL LIABILITIES	**1,155**	**1,433**	**1,141**	**1,326**	**797**	**10**	**(495)**	**5,367**
Equity								6,960
Deferred tax liabilities								172
Income tax liabilities								150
Borrowings and bank overdrafts								3,372
Derivative instruments								18
TOTAL LIABILITIES AND EQUITY								**16,039**

At December 31, 2016 *(in millions of euros)*	**North America**	**France**	**United Kingdom and Ireland**	**Rest of Europe**	**Asia-Pacific and Latin America**	**Not allocated**	**Eliminations**	**Total**
Assets by geographical area								
▪ external	3,507	2,611	1,620	2,835	1,910	39	-	12,522
▪ inter-geographic area	84	83	61	88	176	28	(520)	-
TOTAL ASSETS	**3,591**	**2,694**	**1,681**	**2,923**	**2,086**	**67**	**(520)**	**12,522**
o/w acquisitions of intangible assets and property, plant and equipment [(1)]	*26*	*46*	*29*	*64*	*91*	*1*		*257*
Deferred tax assets								1,473
Income tax assets								159
Cash management assets								157
Cash and cash equivalents								1,879
Derivative instruments								269
TOTAL ASSETS								**16,459**
Liabilities by geographical area								
▪ external	907	1,197	1,405	1,070	732	10	-	5,321
▪ inter-geographic area	150	100	80	127	61	-	(518)	-
TOTAL LIABILITIES	**1,057**	**1,297**	**1,485**	**1,197**	**793**	**10**	**(518)**	**5,321**
Equity								7,285
Deferred tax liabilities								227
Income tax liabilities								125
Borrowings and bank overdrafts								3,412
Derivative instruments								89
TOTAL LIABILITIES AND EQUITY								**16,459**

(1) Total acquisitions of intangible assets and property, plant and equipment is different from the figure reported in the Statement of Cash Flows (€241 million in 2017 and €197 million in 2016), which excludes acquisitions of assets held under finance leases (€44 million in 2017 and €60 million in 2016).

Segment reporting by business

Segment reporting by business is presented according to the following classification:

- Consulting Services, which help to enhance the performance of organizations based on in-depth knowledge of client industries and processes;
- Technology & Engineering Services, which provide assistance and support to internal IT teams;
- Application Services, which devise, develop, implement and maintain IT applications covering the Group's system integration and application maintenance activities;
- Other Managed Services, which integrate, manage and/or develop either fully or partially, client IT Infrastructure systems (or those of a group of clients), transaction services, on-demand services and/or business activities (Business Process Outsourcing, BPO).

Breakdown of revenues by business

	2016		2017	
in millions of euros	**Amount**	**%**	**Amount**	**%**
Consulting Services	506	4	584	5
Technology & Engineering Services	1,873	15	1,927	15
Application Services	7,557	60	7,940	62
Other Managed Services	2,603	21	2,341	18
REVENUES	**12,539**	**100**	**12,792**	**100**

Breakdown of operating margin * by business

	2016		2017	
in millions of euros	**Amount**	**%**	**Amount**	**%**
Consulting Services	54	10.7	66	11.2
Technology & Engineering Services	240	12.8	262	13.6
Application Services	960	12.7	1,024	12.9
Other Managed Services	260	10.0	215	9.2
Headquarter expenses	(74)	-	(74)	-
OPERATING MARGIN *	**1,440**	**11.5**	**1,493**	**11.7**

(*) Operating margin, an alternative performance measure monitored by the Group, is defined in Note 3 - Alternative performance measures.

Note 5 Consolidated income statement

Income and expenses are presented in the Consolidated Income Statement by function. Operating expenses are broken down into the cost of services rendered (corresponding to costs incurred for the execution of client projects), selling expenses, and general and administrative expenses.

These three captions represent ordinary operating expenses which are deducted from revenues to obtain operating margin *, one of the main Group business performance indicators.

Operating profit is obtained by deducting other operating income and expenses from operating margin.

Other operating income and expenses include amortization of intangible assets recognized in business combinations, the charge resulting from the deferred recognition of the fair value of shares granted to employees (including social security contributions and employer contributions), and non-recurring revenues and expenses, notably impairment of goodwill, negative goodwill, capital gains or losses on disposals of consolidated companies or businesses, restructuring costs incurred under a detailed formal plan approved by the Group's management, the cost of acquiring and integrating companies acquired by the Group, including earn-outs comprising conditions of presence and the effects of curtailments, settlements and transfers of defined benefit pension plans.

Profit for the year attributable to owners of the Company is then obtained by taking into account the following items:

- net finance costs, including net interest on borrowings calculated using the effective interest rate, less income from cash, cash equivalents and cash management assets;
- other financial income and expense, which primarily correspond to the impact of remeasuring financial instruments to fair value when these relate to items of a financial nature, disposal gains and losses and the impairment of investments in non-consolidated companies, net interest costs on defined benefit pension plans, exchange gains and losses on financial items, and other financial income and expense on miscellaneous financial assets and liabilities calculated using the effective interest rate;
- current and deferred income tax expense;
- share of profit of associates;
- share of non-controlling interests.

(*) Operating margin, an alternative performance measure monitored by the Group, is defined in Note 3 - Alternative performance measures.

4

Note 6 Revenues

The method for recognizing revenues and costs depends on the nature of the services rendered:

a. Time and materials contracts

Revenues and cost of services are recognized as services are rendered.

b. Long-term fixed-price contracts

Revenues, including systems development and integration contracts, are recognized using the "percentage-of-completion" method. Costs are recognized as they are incurred.

c. Outsourcing contracts

Revenues from outsourcing agreements are recognized over the term of the contract as the services are rendered.

The related costs are recognized as they are incurred. However, a portion of costs incurred in the initial phase of outsourcing contracts (transition and/or transformation costs) may be deferred when they are specific to a given contract, relate to future activity on the contract and/or will generate future economic benefits, and are recoverable. These costs are allocated to work-in-progress and any reimbursement by the customer is recorded as a deduction from the costs incurred.

When the projected cost of the contract exceeds contract revenues, a loss to completion is recognized in the amount of the difference.

Revenues receivable from these contracts are recognized in the Consolidated Statement of Financial Position under "Accounts and notes receivable" when invoiced to customers and "Accrued income" when they are not yet invoiced. Advances from customers and billed in advance are included in current liabilities.

In 2017, revenues grew 2.0% year-on-year at current Group scope and exchange rates. Excluding the Brazilian equipment resale business, revenues grew 4.0% at constant exchange rates [(1)], while organic growth [(1)] was 3.6%.

As disclosed in Note 1 - Accounting basis, the main impact of the application of IFRS 15 concerns the principal/agent distinction and is assessed at €270 million, or 2.1% of 2017 revenues. Under the new standard, 2017 revenues would therefore be €12,522 million. The operating margin would remain unchanged in value terms, while the operating margin rate would increase from 11.7% to 11.9%.

(1) Organic growth and growth at constant exchange rates, alternative performance measures monitored by the Group, are defined in Note 3 - Alternative performance measures.

Note 7 Operating expenses by nature

	2016		2017	
in millions of euros	**Amount**	**% of revenues**	**Amount**	**% of revenues**
Personnel expenses	7,611	60.7%	8,002	62.6%
Travel expenses	521	4.2%	516	4.0%
	8,132	**64.9%**	**8,518**	**66.6%**
Purchases and sub-contracting expenses	2,254	18.0%	2,105	16.4%
Rent and local taxes	380	3.0%	357	2.8%
Other charges to depreciation, amortization and provisions and proceeds from asset disposals	333	2.6%	319	2.5%
OPERATING EXPENSES	**11,099**	**88.5%**	**11,299**	**88.3%**

Breakdown of personnel costs

in millions of euros	Note	2016	2017
Wages and salaries		6,151	6,499
Payroll taxes		1,401	1,434
Pension costs related to defined benefit pension plans and other post-employment benefit expenses	24	59	69
PERSONNEL EXPENSES		**7,611**	**8,002**

Note 8 Other operating income and expense

in millions of euros	Notes	2016	2017
Amortization of intangible assets recognized in business combinations	13	(68)	(65)
Expense relating to share grants	12	(58)	(71)
Restructuring costs		(103)	(131)
Integration costs for companies acquired		(68)	(29)
Acquisition costs		(1)	(9)
Other operating expenses		(5)	(8)
Total operating expenses		**(303)**	**(313)**
Other operating income		11	3
Total operating income		**11**	**3**
OTHER OPERATING INCOME AND EXPENSE		**(292)**	**(310)**

Amortization of intangible assets recognized in business combinations

Amortization of intangible assets recognized in business combinations mainly concerns the Customer Relationship (see Note 13 - Goodwill and intangible assets).

Expense relating to share grants

The expense relating to share grants is €71 million, compared with €58 million in 2016. This increase mainly reflects the full-year impact of the 2016 International Plan approved by the Board of Directors on July 26, 2016 and the implementation of the new 2017 plans approved by the Board of Directors on July 26, 2017 and October 5, 2017 as well as the increased cost of social security contributions for the new plans. This increase also reflects the progressive increase in the Capgemini SE share price. (see Note 12 - Equity).

Restructuring costs

Fiscal year 2017 restructuring costs primarily concern workforce reduction measures in the amount of €94 million (€91 million in 2016) and the streamlining of real estate and production assets in the amount of €31 million (€7 million in 2016).

Integration costs for companies acquired

Integration costs for companies acquired total €29 million and mainly consist of earn-outs comprising conditions of presence.

In 2016, integration costs mainly concerned the integration of the IGATE group and primarily comprised the cost of consultants involved in the integration and expenses relating to incentive instruments granted to IGATE employees.

Note 9 Net financial expense

in millions of euros	Note	2016	2017
Income from cash, cash equivalents and cash management assets		25	37
Net interest on borrowings		(95)	(52)
Net finance costs at the nominal interest rate		**(70)**	**(15)**
Impact of amortized cost on borrowings		(34)	(3)
Net finance costs at the effective interest rate		**(104)**	**(18)**
Net interest cost on defined benefit pension plans	24	(37)	(34)
Losses (exchange gains) on financial transactions		28	(51)
Gains (losses) on derivative instruments		(30)	36
Other		(3)	(5)
Other financial income and expense		**(42)**	**(54)**
o/w financial income		*219*	*105*
o/w financial expenses		*(261)*	*(159)*
NET FINANCIAL EXPENSE		**(146)**	**(72)**

Net finance cost

"Net interest on borrowings" (€52 million) and the "Impact of amortized cost on borrowings" (€3 million) total €55 million in 2017 and mainly comprise (i) coupons on 2015 bond issues of €50 million, plus an amortized cost accounting impact of €3 million, unchanged on 2016 and (ii) the coupon on the 2016 bond issue of €2 million (negligible amount in 2016).

In 2016, "Net interest on borrowings" included coupons of €24 million on the 2011 bond issue redeemed in full on November 29, 2016 and the "Impact of amortized cost on borrowings" included €30 million in respect of the "ORNANE 2013" bonds redeemable in cash and/or in new and/or existing shares (see Note 21 - Net debt/Net cash and cash equivalents).

"Net interest on borrowings" include a net income on EUR/USD fix-to-fix cross currency swaps of €6 million, including the gain realized on the interest rate component of these swaps when unwound early in the first-half of 2017, compared with a net cost of €16 million in 2016.

Other financial income and expense

Exchange losses on financial transactions and gains on derivative instruments primarily concern inter-company loans denominated in foreign currencies as well as their related hedging arrangements and notably include the impact on the exchange rate component of the early unwinding of the cross currency swaps.

Note 10 Income tax expense

The income tax expense is the sum of the current tax expense and the deferred tax expense. It is recognized in net profit, except where it relates to a business combination or items recognized in equity or in income and expense recognized in equity.

Current income taxes

The current income tax expense is the estimated amount of tax payable (or receivable) in respect of the taxable profit (or loss) for a period and any adjustment to the current tax amount in respect of prior periods. The tax payable (or receivable) is calculated using tax rates that have been enacted or substantively enacted at the year-end.

Deferred taxes

Deferred taxes are recorded to take account of temporary differences between the carrying amounts of certain assets and liabilities and their tax basis. See Note 16 - Deferred tax.

The income tax expense for fiscal year 2017 breaks down as follows:

in millions of euros	Note	2016	2017
Current income taxes		(131)	(261)
Deferred taxes	16	37	(42)
INCOME TAX (EXPENSE)/INCOME		**(94)**	**(303)**

The difference between the French standard rate of income tax and the effective Group tax rate can be analyzed as follows:

	2016		2017	
in millions of euros	Amount	%	Amount	%
Profit before tax	**1,002**		**1,111**	
Standard tax rate in France *(%)*	**34.43**		**34.43**	
Tax expense at the standard rate	**(345)**	**34.43**	**(382)**	**34.43**
Difference in tax rates between countries	16	(1.6)	(23)	2.1
Impact of:				
Deferred tax assets not recognized on temporary differences and tax loss carry-forwards arising in the period	(26)	2.6	(23)	2.1
Net recognition of deferred tax assets on temporary differences and tax loss carry-forwards arising prior to January 1	116	(11.6)	133	(12.0)
Remeasurement of deferred tax assets on US tax loss carry-forwards			299	(26.9)
Impact of change in the US federal tax rate			(295)	26.6
Utilization of previously unrecognized tax loss carry-forwards	3	(0.3)	5	(0.4)
Prior year adjustments	8	(0.8)	1	(0.1)
Taxes not based on taxable profit	(45)	4.5	(53)	4.7
Permanent differences and other items	(1)	0.1	(10)	0.9
Income tax expense and effective tax rate before tax income (net) in respect of goodwill arising on legal restructurings	**(274)**	**27.3**	**(303)**	**27.3**
Tax income (net) in respect of goodwill arising on legal restructurings	180	(18.0)		
Income tax (expense)/income and effective tax rate after tax income (net) in respect of goodwill arising on legal restructurings	**(94)**	**9.3**	**(303)**	**27.3**

The "Difference in tax rates between countries" mainly comprises:

- in 2017, the impact of the progressive reduction in the corporate income tax rate in France, following the 2018 Finance Act, to 25.82% by 2022;
- in 2016, the impact of the reduction in the corporate income tax rate in France, following the 2017 Finance Act, to 28.92% by 2020.

The "Remeasurement of deferred tax assets on US tax loss carry-forwards" of €299 million as of December 31, 2017, reflects the change in the taxable profit outlook since the last remeasurement of US deferred tax assets in 2015. Tax loss carry-forwards in the United States are now fully recognized in the Group consolidated financial statements as of December 31, 2017.

The "Impact of change in US federal tax rate" reflects the change in our tax rate from 39% to 26%, following a decrease in the federal tax rate from 35% to 21% as part of the tax reforms introduced by the Tax Cuts and Jobs Act signed into law on December 22, 2017. The value of Group deferred tax assets was decreased by €295 million at December 31, 2017.

The "Taxes not based on taxable profit" primarily consists of:

- in France:
  - the Corporate Value-Added Contribution (*Cotisation sur la Valeur Ajoutée des Entreprises*, CVAE),
  - the repayment to Capgemini SE of the additional 3% contribution on distributed earnings following the October 6, 2017 decision of the Constitutional Court that it was unconstitutional,
  - the exceptional corporate income tax contribution and the additional exceptional corporate income tax contribution, introduced by the first 2017 amending Finance Act, increasing by 30% the income tax liability payable by the Group fiscal unity in France for fiscal year 2017 only;
- in the United States, the Transition Tax on Foreign Earnings introduced by the tax reforms, a one-time charge on accumulated undistributed earnings and profit of US owned foreign subsidiaries, for €17 million, and certain State taxes;
- in Italy, the regional tax on productive activities (IRAP).

In addition to the change in the US federal tax rate and the Transition Tax on Foreign Earnings, the US tax reforms introduced other measures applicable to the Group, for which further clarification is expected. These measures include:

- the Base Erosion and Anti-abuse Tax (BEAT): this alternative tax is applicable from 2018. The tax rate will be 5% in 2018, 10% for the tax years 2019 to 2025 and 12.5% thereafter. The tax base is distinct from the corporate income tax base and includes certain payments to non-US group entities, normally deductible for tax purposes. The tax amount is compared with the standard income tax expense calculated at the standard rate, and the higher of the two amounts is payable;
- the tax on Global Intangible Low-Taxed Income (GILTI): earnings and profits of foreign subsidiaries in excess of a 10% return on the tangible assets of the subsidiaries are included in the taxable profits of US companies. A 50% deduction is applied to the tax base and the tax rate is 21%. Foreign tax credits may be deducted after the offset of available tax losses carried forward.

Based on current market interpretations, in the Group's opinion, these two measures introduced by the recent US tax reforms will not impact the calculation of the Group consolidated tax expense or the valuation of Group deferred tax assets in the United States as of December 31, 2017.

Note 11 Earnings per share

Earnings per share, diluted earnings per share and normalized earnings per share are measured as follows:

- **basic earnings per share** are calculated by dividing profit or loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period, excluding treasury shares. The weighted average number of ordinary shares outstanding is calculated based on the number of ordinary shares outstanding at the beginning of the period, after deduction of treasury shares, adjusted on a time apportioned basis for shares bought back or issued during the period;
- **diluted earnings per share** are calculated by dividing profit or loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year as used to calculate basic earnings per share, both items being adjusted on a time-apportioned basis for the effects of all potentially dilutive financial instruments corresponding to (i) bonds redeemable in cash and/or in new and/or existing shares, (ii) performance shares (iii) free share grants and (iv) redeemable share subscription or purchase warrants;
- **normalized earnings per share** are calculated by dividing normalized profit or loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding, excluding treasury shares held during the period. Normalized net profit or loss is equal to profit for the year attributable to owners of the Company corrected for the impact of items recognized in "Other operating income and expense" (see Note 8 - Other operating income and expense), net of tax calculated using the effective tax rate.

Basic earnings per share

	2016	2017
Profit for the year attributable to owners of the Company *(in millions of euros)*	921	820
Weighted average number of ordinary shares outstanding	169,450,721	168,057,561
Basic earnings per share *(in euros)*	**5.44**	**4.88**

Diluted earnings per share

Diluted earnings per share are calculated by assuming conversion into ordinary shares of all dilutive instruments outstanding during the year. The average share price in 2017 was €91.54.

In 2017, instruments considered dilutive for the purpose of calculating diluted earnings per share include:

- shares delivered in March 2017 to non-French employees under the 2013 International performance share plan representing a weighted average of 110,650 shares;
- shares to be delivered to French and non-French employees under the 2014 and 2015 performance share plans, representing a weighted average of 1,736,149 shares. At December 31, 2017, the only remaining condition applicable to these shares is the presence of the beneficiaries in the Group at the scheduled delivery date in August 2018 for the non-French section of the 2014 plan, in March 2018 for the French section of the 2015 plan and in August 2019 for the non-French section of the 2015 plan;
- shares available for grant under the share plan, the terms of which were approved by the Board of Directors on February 17, 2016, representing a weighted average of 158,975 shares and whose related presence conditions will be assessed in March 2018 and March 2020;
- shares available for grant under the performance share plan, the terms of which were approved by the Board of Directors on July 26, 2016, representing a weighted average of 1,613,825 shares and whose related performance conditions will be assessed in August 2019;
- shares available for grant under the share plan, the terms of which were approved by the Board of Directors on July 26, 2017, representing a weighted average of 26,499 shares and whose related presence conditions will be assessed in August 2020;
- the shares available for grant under the performance share plan, the terms of which were approved by the Board of Directors on October 5, 2017, representing a weighted average of 378,463 shares and whose related performance conditions will be assessed in October 2020.

in millions of euros	2016	2017
Profit for the year attributable to owners of the Company	**921**	**820**
Finance cost savings linked to the conversion of "ORNANE 2013" convertible bonds, net of tax	20	-
Diluted profit for the year attributable to owners of the Company	**941**	**820**
Weighted average number of ordinary shares outstanding	169,450,721	168,057,561
Adjusted for:		
"ORNANE 2013" convertible bonds	5,305,591	-
Performance shares and free shares available for exercise	4,201,908	4,024,561
Redeemable Share Subscription or Purchase Warrants (BSAAR)	122,560	-
Weighted average number of ordinary shares outstanding (diluted)	**179,080,780**	**172,082,122**
DILUTED EARNINGS PER SHARE *(in euros)*	**5.25**	**4.76**

Normalized earnings per share

in millions of euros	2016	2017
Profit for the year attributable to owners of the Company	**921**	**820**
Other operating income and expenses, net of tax calculated at the effective tax rate	212	226
Normalized profit for the year attributable to owners of the Company	**1,133**	**1,046**
Weighted average number of ordinary shares outstanding	169,450,721	168,057,561
NORMALIZED EARNINGS PER SHARE *(in euros)*	**6.69**	**6.22**

Note 12 Equity

Incentive instruments and employee share ownership

a) Instruments granted to employees

Shares subject to performance and presence conditions

Performance shares are granted to a certain number of Group employees, subject to performance (internal and external) and presence conditions. Share grants become definitive after a vesting period of at least three years since July 2016 or four years, depending on the tax residence of the beneficiary.

The shares are measured at fair value, corresponding to the value of the benefit granted to the employee at the grant date.

The fair value of shares subject to external performance conditions is calculated using the "Monte Carlo" model, which incorporates assumptions concerning the share price at the grant date, implicit share price volatility, the risk-free interest rate, the expected dividend yield and market performance conditions.

The fair value of shares subject to internal performance and/or presence conditions is calculated using a model in compliance with IFRS 2, which incorporates assumptions concerning the share price at the grant date, share transfer restrictions, the risk-free interest rate and the expected dividend yield.

The expense recognized also takes into account staff attrition rates for eligible employee categories, which are reviewed each year and internal performance conditions (non-market conditions).

This amount is recognized in "Other operating income and expense" in the Income Statement on a straight-line basis over the vesting period, with a corresponding adjustment to equity.

b) Instruments proposed to employees

Redeemable share subscription or purchase warrants (BSAAR)

Redeemable share subscription or purchase warrants were proposed to employees and corporate officers of the Group. They conferred entitlement to subscribe for Capgemini SE shares at a strike price determined at their date of acquisition by the employees and corporate officers of the Group.

Employee savings plan

Leveraged employee share ownership plans offering the possibility to subscribe for shares at a discounted preferential rate have been set up by the Group. When determining the IFRS 2 expense measuring the benefit granted to employees, the Group adjusts the amount of the discount granted by the Group to employees on the subscription price based on the following two items:

- the cost of the non-transferability of shares granted to employees during a period of five years. This cost is measured taking account of the five-year lock-in period. It corresponds to the cost of a two-stage strategy under which the market participant enters into a forward sale effective at the end of the five-year lock-in period and simultaneously borrows the amount necessary to buy a share available for immediate transfer. This borrowing is financed with the proceeds from the forward sale of the share and the dividends received during the lock-in period. This cost is calculated based on the following assumptions:
  - the subscription price is set by the Chairman and Chief Executive Officer pursuant to the powers delegated by the Board of Directors. This subscription price is equal to the average Capgemini SE share price, weighted for volumes, during the twenty trading days preceding the decision of the Chairman and Chief Executive Officer, to which a discount is applied,
  - the grant date is the date at which employees are fully informed of the specific characteristics and terms and conditions of the offer and particularly the subscription price,
  - the loan rate granted to employees and used to determine the cost of the non-transferability of shares, is the rate at which a bank would grant a consumer loan repayable on maturity without allocation, to a private individual with an average risk profile, for a term corresponding to the term of the plan;
- the opportunity gain reflecting the possibility granted to employees to benefit from market terms and conditions identical to those of the Group.

In certain countries where the set-up of a leveraged plan through an Employee Savings Mutual Fund (*fonds commun de placement entreprise*) or directly in the name of the employee is not possible, the employee share ownership plan (ESOP) includes a Stock Appreciation Rights (SAR) mechanism. The benefit offered by the Group corresponds to the amount of the discount on the share subscription price.

Treasury shares

Capgemini SE shares held by the Company or by any consolidated companies are shown as a deduction from equity, at cost. Any proceeds from sales of treasury shares are taken directly to equity, net of the tax effect, such that the gain or loss on the sale, net of tax, does not impact the Income Statement for the period.

Derivative instruments on own shares

When derivative instruments on own shares satisfy IAS 32 classification criteria for recognition in equity, they are initially recognized in equity in the amount of the consideration received or paid. Subsequent changes in fair value are not recognized in the financial statements, other than the related tax effect.

Where these instruments do not satisfy the aforementioned criteria, the derivative instruments on own shares are recognized in assets or liabilities at fair value. Changes in fair value are recognized in profit or loss. The fair value remeasurement of these instruments at the year-end is recognized based on external valuations.

Incentive instruments and employee share ownership

A) Stock option plans

The Group no longer grants stock options since the plan authorized in 2005. The last grant under this plan was performed in June 2008.

B) Performance share plans

The Combined Shareholders' Meetings of May 24, 2012, May 23, 2013, May 6, 2015, May 18, 2016 and then May 10, 2017, authorized the Board of Directors to grant shares to a certain number of Group employees, on one or several occasions and within a maximum period of 18 months, subject to performance and/or presence conditions. On December 12, 2012, February 20, 2013, July 30, 2014, July 29, 2015, February 17, 2016, July 26, 2016, July 26, 2017 and October 5, 2017, the Board of Directors approved the terms and conditions and the list of beneficiaries of these eight plans.

The main features of these plans are set out in the table below:

	2012 International Plan	2013 International Plan
Maximum number of shares that may be granted	2,426,555 shares	2,426,555 shares
% of share capital at the date of the Board of Directors' decision	1.5%	1.5%
Total number of shares granted	1,003,500 (1)	1,209,100 (1)
Date of Board of Directors' decision	December 12, 2012	February 20, 2013
Performance assessment dates	At the end of the first and second calendar years following the grant date	At the end of the first and second years following the grant date
Vesting period	2 years and ½ month as from the grant date (France) or 4 years and ½ month as from the grant date (other countries)	2 years and 1 week as from the grant date (France) or 4 years and 1 week as from the grant date (other countries)
Mandatory lock-in period effective as from the vesting date (France only)	4 years	
Main market conditions at the grant date		
▪ *Volatility*	*25.80%*	*38.70%*
▪ *Risk-free interest rate*	*0.35% -0.98%*	*0.59% -1.28%*
▪ *Expected dividend rate*	*3.00%*	*3.00%*
Other conditions		
▪ *Performance conditions*	*Yes (see below)*	
▪ *Employee presence within the Group at the vesting date*	*Yes*	
Pricing model used to calculate the fair value of shares	Monte Carlo for performance shares with external (market) conditions	
Range of fair values (in euros)		
▪ *Free shares (per share and in euros)*	*n/a*	*n/a*
▪ *Performance shares (per share and in euros)*	*14.35 – 28.67*	*16.18 – 32.14*
Of which corporate officers	*16.18*	*18.12*
Number of shares at December 31, 2016	that may vest under the plan in respect of shares previously granted, subject to conditions (performance and presence)	
	499,500	663,900
	o/w to corporate officers	
	-	-
Change during the period	Number of shares subject to performance and/or presence conditions granted during the year	
	-	-
	o/w to corporate officers	
	-	-
	Number of shares forfeited or canceled during the year	
	0	4,800
	Number of shares vested during the year	
	499,500 (2)	659,100 (2)
Number of shares at December 31, 2017	0	0
Weighted average number of shares	-	110,650
Share price at the grant date (in euros)	33.15	36.53

	2014 International Plan	2015 International Plan
Maximum number of shares that may be granted	1,590,639 shares	1,721,759 shares
% of share capital at the date of the Board of Directors' decision	1%	1%
Total number of shares granted	1,290,500 (1)	1,068,550 (1)
Date of Board of Directors' decision	July 30, 2014	July 29, 2015
Performance assessment dates	Three years for the internal performance condition and two years for the external condition	Three years for the two conditions
Vesting period	2 years as from the grant date (France) or four years as from the grant date (other countries)	2 years and 7 months as from the grant date (France) or 4 years as from the grant date (other countries)
Mandatory lock-in period effective as from the vesting date (France only)	4 years	3 years
Main market conditions at the grant date		
▪ *Volatility*	*26.33%*	*24.54%*
▪ *Risk-free interest rate*	*0.34% -0.81%*	*0.10% -0.55%*
▪ *Expected dividend rate*	*2.31%*	*1.60%*
Other conditions		
▪ *Performance conditions*	*Yes (see below)*	
▪ *Employee presence within the Group at the vesting date*	*Yes*	
Pricing model used to calculate the fair value of shares	Monte Carlo for performance shares with external (market) conditions	
Range of fair values (in euros)		
▪ *Free shares (per share and in euros)*	*n/a*	*n/a*
▪ *Performance shares (per share and in euros)*	*26.46 – 48.26*	*61.73 – 82.18*
Of which corporate officers	*29.32*	*56.66*
Number of shares at December 31, 2016	that may vest under the plan in respect of shares previously granted, subject to conditions (performance and presence)	
	776,250	1,042,950
	o/w to corporate officers	
	-	40,000 (1)
Change during the period	Number of shares subject to performance and/or presence conditions granted during the year	
	-	-
	o/w to corporate officers	
	-	-
	Number of shares forfeited or canceled during the year	
	78,750	87,352
	Number of shares vested during the year	
	-	-
Number of shares at December 31, 2017	that may vest under the plan in respect of shares previously granted, subject to conditions (presence only)	
	697,500 (2)	955,598 (4)
Weighted average number of shares	736,875	999,274
Share price at the grant date (in euros)	53.35	87.60

	2016 International Plans	
Maximum number of shares that may be granted	1,721,815 shares	1,721,815 shares
% of share capital at the date of the Board of Directors' decision	1%	1%
Total number of shares granted	180,500 [5]	1,663,500 [1]
Date of Board of Directors' decision	February 17, 2016	July 26, 2016
Performance assessment dates	Presence condition only	Three years for the two conditions
Vesting period	2 years as from the grant date (France) or 4 years as from the grant date (other countries)	3 years and 1 week as from the grant date (France) or 4 years as from the grant date (other countries)
Mandatory lock-in period effective as from the vesting date (France only)	2 years	2 years
Main market conditions at the grant date		
▪ *Volatility*	*n/a*	*26.35%*
▪ *Risk-free interest rate*	*0.15% -0.03%*	*0.2% -0.17%*
▪ *Expected dividend rate*	*1.60%*	*1.60%*
Other conditions		
▪ *Performance conditions*	*Yes (see below)*	
▪ *Employee presence within the Group at the vesting date*	*Yes*	
Pricing model used to calculate the fair value of shares	Monte Carlo for performance shares with external (market) conditions	
Range of fair values (in euros)		
▪ *Free shares (per share and in euros)*	*n/a*	*n/a*
▪ *Performance shares (per share and in euros)*	55.45 – 57.59	54.02 – 77.1
Of which corporate officers	-	*52.68*
Number of shares at December 31, 2016	that may vest under the plan in respect of shares previously granted, subject to conditions (performance and/or presence)	
	173,900	1,652,600
	o/w to corporate officers	
	-	42,000 [1]
Change during the period	Number of shares subject to performance and/or presence conditions granted during the year	
	-	-
	o/w to corporate officers	
	-	-
	Number of shares forfeited or canceled during the year	
	29,850	77,550
	Number of shares vested during the year	
	-	-
Number of shares at December 31, 2017	that may vest under the plan in respect of shares previously granted, subject to conditions (performance and/or presence)	
	144,050 [6]	1,575,050 [7]
Weighted average number of shares	158,975	1,613,825
Share price at the grant date (in euros)	71.61	83.78

	2017 International Plans	
Maximum number of shares that may be granted	1,691,496 shares	1,691,496 shares
% of share capital at the date of the Board of Directors' decision	1%	1%
Total number of shares granted	63,597 (8)	1,522,500 (3)
Date of Board of Directors' decision	July 26, 2017	October 5, 2017
Performance assessment dates	Presence condition only	Three years for the two conditions
Vesting period	3 years and 1 week as from the grant date (other countries)	3 years as from the grant date (France) or 4 years as from the grant date (other countries)
Mandatory lock-in period effective as from the vesting date (France only)	n/a	2 years
Main market conditions at the grant date		
▪ *Volatility*	*n/a*	*25.65%*
▪ *Risk-free interest rate*	*-0.25% / -0.04%*	*-0.17%/ +0.90%*
▪ *Expected dividend rate*	*1.60%*	*1.60%*
Other conditions		
▪ *Performance conditions*	*Yes (see below)*	
▪ *Employee presence within the Group at the vesting date*	*Yes*	
Pricing model used to calculate the fair value of shares	Monte Carlo for performance shares with external (market) conditions	
Range of fair values (in euros)		
▪ *Free shares (per share and in euros)*	89.05	86.98 – 93.25
▪ *Performance shares (per share and in euros)*	*n/a*	62.02 – 93.25
Of which corporate officers	-	*66.38*
Number of shares at December 31, 2016	that may vest under the plan in respect of shares previously granted, subject to conditions (performance and/or presence)	
	-	-
	o/w to corporate officers	
	-	-
Change during the period	Number of shares subject to performance and/or presence conditions granted during the year	
	63,597	1,522,500
	o/w to corporate officers	
	-	35,000 (1)
	Number of shares forfeited or canceled during the year	
	-	17,300
	Number of shares vested during the year	
	-	-
Number of shares at December 31, 2017	that may vest under the plan in respect of shares previously granted, subject to conditions (performance and/or presence)	
	63,597 (8)	1,505,200 (9)
Weighted average number of shares	26,499	378,463
Share price at the grant date (in euros)	94.20	100.25

(1) Grant subject to performance conditions only.
(2) In respect of the "foreign" plan only.
(3) Grant subject to performance conditions only, except for 19,150 shares subject to presence conditions only.
(4) Of which 337,316 shares in respect of the "French" plan and 618,282 shares in respect of the "foreign" plan; these amounts include a 4% discount on the external performance condition as the performance of the Capgemini SE share compared with the basket of comparable securities and the CAC 40 index is between 109 and 110% of the average performance of the basket.
(5) Grant subject to presence conditions only for beneficiaries employed by IGATE, acquired on July 1, 2015.
(6) Of which 7,500 shares in respect of the "French" plan and 136,550 shares in respect of the "foreign" plan.
(7) Of which 441,350 shares in respect of the "French" plan and 1,133,700 shares in respect of the "foreign" plan.
(8) Grant subject to presence conditions only for beneficiaries employed by Idean, acquired in February 2017.
(9) Of which 456,400 shares in respect of the "French" plan and 1,048,800 shares in respect of the "foreign" plan.

a) Shares vested under the 2012 and 2013 plans

Shares representing 100% of the initial allocation vested to beneficiaries not tax resident in France and still present in the Group at the vesting date, following the assessment in 2015 of the performance conditions under the 2012 and 2013 plans. Satisfaction of the presence condition at the vesting date therefore led to the vesting in January 2017 of 499,500 shares under the 2012 plan and the vesting in March 2017 of 659,100 shares under the 2013 plan.

b) Performance conditions of the 2012, 2013 2014, 2015, 2016 and 2017 plans

In accordance with the AMF recommendation of December 8, 2009 regarding the inclusion of an internal and external performance condition when granting performance shares, the Board of Directors decided from the 2010 plan to add an internal condition to the external condition initially planned.

The following internal and external performance conditions apply:

The external performance condition accounts for 50% of the grant calculation as does the internal performance condition.

External performance condition

The external performance condition is applied in an identical manner across the 2012 to 2015 plans and in line with the conditions applied to the first two plans, as follows:

- no shares are granted if the performance of the Capgemini SE share during the period in question is less than 90% of the performance of the basket of securities over the same period;
- the number of shares ultimately granted:
  - is equal to 40% of the number of shares initially allocated if the performance of the Capgemini SE share is at least equal to 90% of the basket,
  - is equal to 60% of the number of shares initially allocated if the performance of the Capgemini SE share is equal to 100% of the basket,
  - is equal to 100% of the number of shares initially allocated if the relative performance of the Capgemini SE share is higher than or equal to 110% of the basket,
  - varies on a straight-line basis between 40% and 60% and between 60% and 100% of the initial allocation, based on a pre-defined schedule, where the performance of the Capgemini SE share is between 90% and 100% of the basket in the first case and 100% and 110% of the basket in the second case.

Under these conditions, if the performance of the Capgemini SE share is in line with that of the basket of comparable shares, only 60% of the initial allocation will be granted in respect of the external performance condition (*i.e.* 30% of the initial allocation).

The terms of the external performance condition were tightened for the 2016 and 2017 plans and accordingly:

- no shares are granted if the performance of the Capgemini SE share during the period in question is less than the performance of the basket of securities over the same period;
- the number of shares ultimately granted:
  - is equal to 50% of the number of shares initially allocated if the performance of the Capgemini SE share is at least equal to 100% of the basket,
  - is equal to 100% of the number of shares initially allocated if the relative performance of the Capgemini SE share is higher than or equal to 110% of the basket,
  - varies on a straight-line basis between 50% and 100% of the initial allocation, based on a pre-defined schedule, where the performance of the Capgemini SE share is between 100% and 110% of the basket.

The benchmark basket comprises the following securities, with each security equally weighted:

- 2012 and 2013 Plans: Accenture / CSC / Atos / Tieto / Steria / CGI Group / Infosys / Sopra / Cognizant;
- 2014, 2015 and 2016 Plans: Accenture / CSC / Atos / Tieto / CAC 40 index / CGI Group / Infosys / Sopra / Cognizant. Listing of the CSC security was ceased on April 1, 2017 and it was therefore replaced in the basket by the Stoxx 600 Technology E index;
- 2017 Plan: CSC was replaced by Indra following cessation of the security's listing on April 1, 2017. The rest of the basket remains unchanged.

The fair value of shares subject to external performance conditions is adjusted for a discount calculated in accordance with the Monte Carlo model, together with a discount for non-transferability for the shares granted in France.

Internal performance condition

The internal performance condition is based on the generation of organic free cash flow [(1)] (OFCF) over a three-year period encompassing fiscal years 2012 to 2014 for the 2012 and 2013 plans, fiscal years 2013 to 2015 for the 2014 plan, fiscal years 2015 to 2017 for the 2015 plan, fiscal years 2016 to 2018 for the 2016 plan and fiscal years 2017 to 2019 for the 2017 plan. Accordingly:

- no shares will be granted in respect of the internal performance condition if the cumulative increase in organic free cash flow over the reference period is less than €750 million for the 2012 and 2013 plans, €850 million for the 2014 plan, €1,750 million for the 2015 plan, €2,400 million for the 2016 plan and €2,900 million for the 2017 plan;
- 100% of the initial internal allocation will be granted if organic free cash flow is equal to or exceeds €1,000 million for the 2012 and 2013 plans, €1,100 million for the 2014 plan, €2,000 million for the 2015 plan, €2,700 million for the 2016 plan and €3,200 million for the 2017 plan.

The fair value of shares subject to internal performance conditions is calculated assuming 100% realization and will be adjusted where necessary in line with effective realization of this condition. A discount for non-transferability is also applied for the shares granted in France.

4

(1) Organic free cash flow, an alternative performance measure monitored by the Group, is defined in Note 3 - Alternative performance measures and Note 22 - Cash flows.

C) International Employee Share Ownership Plan – ESOP 2012

The Group set up an employee share ownership plan (ESOP 2012) in the second-half of 2012. On September 27, 2012, the Group issued 6,000,000 new shares reserved for employees with a par value of €8, representing a share capital increase of €153 million net of issue costs. The total cost of this employee share ownership plan in 2012 was €0.8 million, attributable to the Stock Appreciation Rights (SAR) mechanism for employees in countries where the set-up of an Employee Savings Mutual Fund (*fonds commun de placement entreprise, FCPE*) was not possible or relevant. This plan expired on September 27, 2017.

D) International Employee Share Ownership Plan – ESOP 2014

The Group set up an employee share ownership plan (ESOP 2014) in the second-half of 2014. On December 18, 2014, the Group issued 5,000,000 new shares reserved for employees with a par value of €8, representing a share capital increase of €229 million net of issue costs. The total cost of this employee share ownership plan in 2014 was €1.1 million, attributable to the Stock Appreciation Rights (SAR) mechanism for employees in countries where the set-up of an Employee Savings Mutual Fund (*fonds commun de placement entreprise, FCPE*) was not possible or relevant.

E) International Employee Share Ownership Plan – ESOP 2017

Pursuant to the 17th and 18th resolutions adopted by the Combined Shareholders' Meeting of May 10, 2017, the Group set up an employee share ownership plan (ESOP 2017) in the second-half of 2017. Nearly 187,300 Group employees in 21 countries, representing approximately 97% of the Group headcount, were invited to subscribe for Capgemini SE shares. Under the plan, a minimum length of service of three months was required at November 19, 2017, acquired consecutively or not since January 1, 2016 to qualify as a candidate for subscription. This leveraged plan offered employees the possibility of subscribing at a discounted preferential rate and, *via* a bank which secured and supplemented the investment so that the total amount invested represented ten times the personal contribution of the employee, potentially generating a greater capital gain than would have been the case had it been calculated based solely on the employee's personal contribution. In return, the employee waives a portion of any increase in the price of shares subscribed on his behalf, as well as dividends and other financial rights that could be paid on these shares throughout the entire term of the plan. In addition, the shares will be unavailable for a period of five years (except for cases of early release covered by plan rules in accordance with applicable legislation).

This employee share ownership plan (ESOP 2017) includes a 12.5% discount. Under the delegation of authority granted by the Board of Directors, the subscription price was set at €89.39 by the Chairman and Chief Executive Officer on November 15, 2017. This price corresponds to the daily average Capgemini SE share price, weighted for volumes, over the twenty stock market trading days preceding the Chairman and Chief Executive Officer's decision, less a 12.5% discount.

On December 18, 2017, the Group issued 3,600,000 new shares reserved for employees with a par value of €8, representing a share capital increase of €320 million net of issue costs (€1.0 million, net of tax). Paul Hermelin subscribed for Capgemini SE shares in the amount of €33,517.30 through the Capgemini Employee Savings Mutual Fund (FCPE).

In those countries where the leverage through an FCPE or directly in the employee's name has been possible, the IFRS 2 expense is nil, as the cost of non-transferability to the participant is greater than the total discount at the date of grant plus the opportunity gain. The IFRS 2 expense of €2.2 million is attributable to the Stock Appreciation Rights (SAR) mechanism for employees in countries where the introduction of a leveraged plan through an FCPE or directly in the employee's name is not possible or relevant.

Finally, it should also be noted that a decrease of 0.5 points in the employee financing rate would not impact the IFRS 2 expense, as the non-transferability cost would remain greater than the total discount at the grant date. This similarly applies to an increase of 0.5 points in the retail rate/institutional rate volatility difference, as the cost of non-transferability would still be greater than the total discount at the date of grant plus the opportunity gain.

The table below presents the main features of the ESOP 2017 employee share ownership plan, the amounts subscribed and the pricing assumptions (excluding SAR):

		2017 Plan
Plan features		
	Grant date	November 15, 2017
	Plan maturity (in years)	5
	Base price (in euros)	102.16
	Subscription price (in euros)	89.39
	Par value discount (in %)	12.50%
	Share price on Grant date (in euros)	100,00
	(a) Total discount at the grant date (in %)	10.61%
	Amount subscribed by employees (in millions of euros)	32.2
	Total amount subscribed (in millions of euros)	321.8
	Total number of shares subscribed	3,600,000
Pricing assumptions		
	Employee financing rate	5.31%
	5-year risk-free interest rate	0.19%
	Repo and reverse repo rates	0.40%
	Retail rate/Institutional rate volatility difference	1.51%
	(b) Cost to the participant of non-transferability (in %)	22.63%
	(c) Opportunity gain (in %)	0.84%
	(d) Total cost for the Group (in %) (a - b + c) (1)	0.00%

(1) The expense is nil as the cost to the participant of non-transferability is greater than the total discount at the date of grant plus the opportunity gain.

Pursuant to the share purchase agreement signed on September 21, 2017 with an investment services provider, which is also the institution managing the ESOP 2017 employee share ownership plan, Capgemini SE purchased 3,522,495 of its own shares for a consideration of €360 million to neutralize the dilution related to this plan. All of these shares were canceled in the fourth quarter of 2017.

Impact of incentive instruments and employee share ownership plans

The following table gives the expense recognized in “Other operating income and expense” (including payroll taxes and employer contributions) for incentive instruments and employee share ownership plans and the residual amount to be amortized in future periods.

		2016		2017	
in millions of euros	Note	Expense of the period	Residual amount to be amortized in future periods	Expense of the period	Residual amount to be amortized in future periods
EXPENSE ON INCENTIVE INSTRUMENTS AND EMPLOYEE SHARE OWNERSHIP PLANS	8	**58**	**161**	**71**	**217**

F) Employee incentive instruments - IGATE

The main features of this plan are set out in the table below:

	2015 Plan
Vesting period	One, two or three years for the market condition and three years for the internal condition
Number of Performance Units at December 31, 2016 that may vest under the plan in respect of Performance Units previously granted subject to performance and presence conditions	85,555
Number of Performance Units subject to performance and presence conditions granted during the year	-
Number of Performance Units forfeited or cancelled during the year	34,471
Number of Performance Units vested during the year	9,212
Number of Performance Units at December 31, 2017 that may vest under the plan in respect of units previously granted subject to performance and presence conditions	41,872
Main market conditions at the grant date	
▪ *Risk-free interest rate*	*0.35%*
▪ *Expected dividend rate*	*1.60%*
Fair value in euros (*per unit*)	€56.30

On July 1, 2015, in the context of the IGATE acquisition, Capgemini exchanged IGATE Performance Share Awards (PSA) held by beneficiaries for Capgemini Performance Units (PUs):

- the number of PUs granted was calculated by multiplying the number of IGATE PSAs outstanding by the following ratio:

US$48 (unit purchase price of IGATE shares paid by Capgemini)		
€78.37 (closing price of the Capgemini SE on April 24, 2015)	x	1.0824 (€/US$ exchange rate on April 24, 2015)

- this calculation is equivalent to adjusting the number of PSAs by the exchange parity of the IGATE and Capgemini SE shares in US$ on April 24, 2015;
- the vesting of PUs is subject to the attainment of internal and market performance conditions and the presence of the beneficiary in the Group at the vesting date:
  - the internal performance condition consists of a cumulative organic free cash flow (OFCF) [1] objective for the period 2015 to 2017, as presented in the audited, published Statements of Cash Flows for fiscal years 2015, 2016 and 2017, with the maximum number of units vesting for an aggregate amount of €2 billion,
  - the market performance condition is based on the ability of the Capgemini SE share to outperform a reference basket comprising the CAC 40 index and the following companies in equal weighting: Accenture, CSC, Atos, Tieto, CGI Group, Infosys, Sopra, and Cognizant;
- the vesting schedule is as follows:
  - 25% of PUs on July 1, 2016, subject to presence and market performance conditions,
  - 25% of PUs on July 1, 2017, subject to presence and market performance conditions,
  - 25% of PUs on July 1, 2018, subject to presence and market performance conditions,
  - 25% of PUs on July 1, 2019, subject to presence and internal performance conditions;
- in addition, PUs vesting in the first three years are subject to a final adjustment clause tied to the change in the Capgemini SE share price between the vesting dates and July 1, 2019.

The internal condition was only satisfied 54% at the first vesting date, resulting in the vesting of 15,400 PUs and the cancellation of 13,118 PUs for this first tranche.

The internal condition was only satisfied 44% at the second vesting date, resulting in the vesting of 9,212 PUs and the cancellation of 34,471 PUs for this second tranche, including the impact of failure to satisfy the presence condition.

Treasury shares and management of share capital and market risks

The Group does not hold any shares for financial investment purposes and does not have any interests in listed companies.

At December 31, 2017, treasury shares were deducted from consolidated equity in the amount of €61 million. These consist of (i) 570,393 shares purchased under the share buyback program and (ii) 123,628 shares held under the liquidity agreement (the associated liquidity line is €20 million) and the contractual holding system for key employees of American activities.

In view of the small number of treasury shares held, the Group is not therefore exposed to significant equity risk. Finally, as the value of treasury shares is deducted from equity, changes in the share price do not impact the Consolidated Income Statement.

(1) Organic free cash flow, an alternative performance measure monitored by the Group, is defined in Note 3 - Alternative performance measures and Note 22 - Cash flows.

The Group's capital management strategy is designed to maintain a strong capital base in view of supporting the continued development of its business activities and delivering a return to shareholders, while adopting a prudent approach to debt. At December 31, 2017, the Group had net debt [(1)] of €1,209 million (compared with €1,413 million at December 31, 2016). In order to best manage the structure of its capital, the Group can notably issue new shares, buy back its own shares, adjust the dividend paid to shareholders or enter into derivative instruments on its own shares.

Currency risk and translation gains and losses on the accounts of subsidiaries with a functional currency other than the euro

Regarding risks arising on the translation of the foreign currency accounts of consolidated subsidiaries, the consolidated financial statements are particularly impacted by fluctuations in the US dollar and the pound sterling against the euro. These had a negative impact on translation reserves, mainly due to the depreciation of the US dollar and the pound sterling against the euro in 2017.

The Group does not hedge risks arising on the translation of the foreign currency accounts of consolidated subsidiaries whose functional currency is not the euro. The main exchange rates used for the preparation of the financial statements are presented in Note 2 - Consolidation principles and Group structure.

Note 13 Goodwill and intangible assets

Goodwill

Goodwill is equal to the excess of the acquisition price (plus, where applicable, non-controlling interests) over the net amount recognized in respect of identifiable assets acquired and liabilities assumed. Where an acquisition confers control with remaining non-controlling interests (acquisition of less than 100%), the Group elects either to recognize goodwill on the full amount of revalued net assets, including the share attributable to non-controlling interests (full goodwill method) or on the share in revalued net assets effectively acquired only (partial goodwill method). This choice is made for each individual transaction.

Goodwill balances are allocated to the different cash-generating units (as defined in Note 15 - Cash-generating units and asset impairment tests) based on the value in use contributed to each unit.

When a business combination with non-controlling interests provides for the grant of a put option to these non-controlling interests, an operating liability is recognized in the Consolidated Statement of Financial Position in the amount of the estimated exercise price of the put option granted to non-controlling interests, through a reduction in equity. Changes in this put option resulting from any changes in estimates or the unwinding of the discount are also recognized through equity. Any additional acquisitions of non-controlling interests are considered a transaction with shareholders and, as such, identifiable assets are not remeasured and no additional goodwill is recognized.

When the cost of a business combination is less than the fair value of the assets acquired and liabilities assumed, the negative goodwill is recognized immediately in the Income Statement in "Other operating income and expense".

Acquisition-related costs are expensed in the Income Statement in "Other operating income and expense" in the year incurred.

Goodwill is not amortized but tested for impairment at least annually, or more frequently when events or changes in circumstances indicate that it may be impaired.

Customer relationships

On certain business combinations, where the nature of the customer portfolio held by the acquired entity and the nature of the business performed should enable the acquired entity to continue commercial relations with its customers as a result of efforts to build customer loyalty, customer relationships are valued in intangible assets and amortized over the estimated term of contracts held in portfolio at the acquisition date.

Licenses and software

Computer software and user rights acquired on an unrestricted ownership basis, as well as software and solutions developed internally and which have a positive, lasting and quantifiable effect on future results, are capitalized and amortized over three to five years.

The capitalized costs of software and solutions developed internally are costs that relate directly to their production, *i.e.* the salary costs of the staff that developed the relevant software.

(1) Net debt, an alternative performance measure monitored by the Group, is defined in Note 21 - Net debt/Net cash and cash equivalents.

in millions of euros	Goodwill	Customer relationships	Licenses and software	Other intangible assets	Total
GROSS					
At January 1, 2016	**7,148**	**807**	**282**	**414**	**8,651**
Translation adjustments	112	28	2	(4)	138
Acquisitions/Increase	-	-	24	-	24
Internal developments	-	-	-	47	47
Disposals/Decrease	-	(1)	(14)	-	(15)
Business combinations	19	1	-	-	20
Other movements	-	-	2	-	2
At December 31, 2016	**7,279**	**835**	**296**	**457**	**8,867**
Translation adjustments	(621)	(91)	(14)	(10)	(736)
Acquisitions/Increase	-	-	26	-	26
Internal developments	-	-	-	39	39
Disposals/Decrease	-	(2)	(6)	(1)	(9)
Business combinations	267	15	1	1	284
Other movements (2)	-	(3)	(9)	(43)	(55)
AT DECEMBER 31, 2017	**6,925**	**754**	**294**	**443**	**8,416**
ACCUMULATED AMORTIZATION AND IMPAIRMENT (1)					
At January 1, 2016	**93**	**212**	**214**	**229**	**748**
Translation adjustments	10	11	4	(3)	22
Charges and provisions	-	67	29	27	123
Disposals	-	(2)	(13)	-	(15)
At December 31, 2016	**103**	**288**	**234**	**253**	**878**
Translation adjustments	(8)	(29)	(11)	(2)	(50)
Charges and provisions	-	64	27	34	125
Disposals	-	(2)	(5)	(1)	(8)
Business combinations	-	-	1	-	1
Other movements (2)	-	(3)	(6)	(32)	(41)
AT DECEMBER 31, 2017	**95**	**318**	**240**	**252**	**905**
NET					
AT DECEMBER 31, 2016	**7,176**	**547**	**62**	**204**	**7,989**
AT DECEMBER 31, 2017	**6,830**	**436**	**54**	**191**	**7,511**

(1) Goodwill is subject to impairment only.
(2) In 2017, "Other movements" mainly concern the sale of the IBX business (see Note 2 - Consolidation Principles and Group Structure).

Note 14 Property, plant and equipment (PP&E)

Property, plant and equipment

The carrying amount of property, plant and equipment is recorded in assets in the Consolidated Statement of Financial Position and corresponds to the historical cost of these items, less accumulated depreciation and any impairment. No items of property, plant and equipment have been revalued. Buildings owned by the Group are measured based on the components approach.

Subsequent expenditure increasing the future economic benefits associated with assets (costs of replacing and/or bringing assets into compliance) is capitalized and depreciated over the remaining useful lives of the relevant assets. Ongoing maintenance costs are expensed as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the relevant assets. It is calculated based on acquisition cost less any residual value.

Property, plant and equipment are depreciated over the following estimated useful lives:

Buildings	20 to 40 years
Fixtures and fittings	10 years
Computer equipment	3 to 5 years
Office furniture and equipment	5 to 10 years
Vehicles	5 years
Other equipment	5 years

Residual values and estimated useful lives are reviewed at each period end.

The sale of property, plant and equipment gives rise to disposal gains and losses corresponding to the difference between the selling price and the net carrying amount of the relevant asset.

Finance leases

Leases that do not transfer to the Group substantially all the risks and rewards incidental to ownership are classified as operating leases, and give rise to lease payments expensed as incurred over the lease term.

However, when the Group assumes substantially all of the risks and rewards incidental to ownership, the lease is classified as a finance lease and is recognized as an asset at the lower of the fair value of the leased asset and the present value of future minimum lease payments. The related obligation is recorded in liabilities within borrowings. The asset is depreciated over the period during which it is expected to be used by the Group and the obligation is amortized over the lease term. Deferred tax is recognized as appropriate.

in millions of euros	Land, buildings and fixtures and fittings	Computer equipment	Other PP&E	Total
GROSS				
At January 1, 2016	**927**	**733**	**267**	**1,927**
Translation adjustments	(14)	(10)	1	(23)
Acquisitions/Increase	54	111	21	186
Disposals/Decrease	(24)	(94)	(15)	(133)
Business combinations	3	6	6	15
Other movements	-	2	(1)	1
At December 31, 2016	**946**	**748**	**279**	**1,973**
Translation adjustments	(39)	(26)	(16)	(81)
Acquisitions/Increase	103	97	20	220
Disposals/Decrease	(14)	(74)	(8)	(96)
Business combinations	2	6	1	9
Other movements	(39)	(7)	38	(8)
AT DECEMBER 31, 2017	**959**	**744**	**314**	**2,017**
ACCUMULATED DEPRECIATION AND IMPAIRMENT				
At January 1, 2016	**437**	**542**	**185**	**1,164**
Translation adjustments	(14)	(10)	1	(23)
Charges and provisions	53	101	22	176
Disposals	(21)	(72)	(14)	(107)
Business combinations	1	4	3	8
Other movements	1	1	(1)	1
At December 31, 2016	**457**	**566**	**196**	**1,219**
Translation adjustments	(14)	(20)	(11)	(45)
Charges and provisions	48	97	31	176
Disposals	(13)	(58)	(7)	(78)
Business combinations	1	4	1	6
Other movements	(21)	(8)	19	(10)
AT DECEMBER 31, 2017	**458**	**581**	**229**	**1,268**
NET				
AT DECEMBER 31, 2016	**489**	**182**	**83**	**754**
AT DECEMBER 31, 2017	**501**	**163**	**85**	**749**

Property, plant and equipment purchased under finance lease

Net *(in millions of euros)*	2016	2017
At January 1	**113**	**107**
Translation adjustments	(5)	(3)
Acquisitions/Increase	48	44
Disposals/Decrease	(1)	(1)
Charges and provisions	(46)	(46)
Other movements	(2)	-
AT DECEMBER 31	**107**	**101**

Note 15 Cash-generating units and asset impairment tests

Cash-generating units

The cash-generating units identified by the Group represent geographic areas.

Asset impairment tests

Intangible assets and property, plant and equipment with a definite useful life are tested for impairment when there is an indication at the period end that their recoverable amount may be less than their carrying amount. Goodwill and assets with an indefinite useful life are tested for impairment at least once a year.

The impairment test consists of assessing the recoverable amount of each asset or group of assets generating cash flows that are separate from the cash flows generated by other assets or groups of assets (cash-generating units or CGU).

The recoverable amount is defined as the higher of the fair value less costs to sell of the cash-generating unit and its value in use:

- fair value is the amount obtainable in an arm's length transaction and is determined with reference to the price in a binding agreement or the market price in recent and comparable transactions;
- value in use is based on the discounted future cash flows to be derived from these cash-generating units.

The value in use of each cash-generating unit is measured using the discounted future cash flow method, based on the various assumptions in the three-year strategic plan extrapolated over a period of five years, including growth and profitability rates considered reasonable. Long-term growth rates and discount rates are determined taking account of the specific characteristics of each of the Group's geographic areas and the main component countries. Discount rates reflect the weighted average cost of capital, calculated notably based on market data and a sample of sector companies. When the recoverable amount of a cash-generating unit is less than its carrying amount, the impairment loss is deducted from goodwill to the extent possible and charged under "Other operating income and expenses".

Goodwill per cash-generating unit

The allocation of goodwill to cash-generating units breaks down as follows:

	December 31, 2016			December 31, 2017		
in millions of euros	**Gross value**	**Impairment**	**Net carrying amount**	**Gross value**	**Impairment**	**Net carrying amount**
North America	2,193	(8)	2,185	2,129	(7)	2,122
France	1,469	(1)	1,468	1,431	(1)	1,430
United Kingdom and Ireland	1,014	-	1,014	928	-	928
Benelux	1,003	(12)	991	964	(12)	952
Southern Europe	132	-	132	121	-	121
Nordic countries	297	-	297	296	-	296
Germany and Central Europe	420	(32)	388	393	(31)	362
Asia-Pacific	581	-	581	514	-	514
Latin America	170	(50)	120	149	(44)	105
GOODWILL	**7,279**	**(103)**	**7,176**	**6,925**	**(95)**	**6,830**

Goodwill was tested for impairment at December 31, 2017 in line with the Group valuation procedure for such assets.

During 2017, the Group decided to refine its method of calculating discount and long-term growth rates, factoring in the specific characteristics of each geographic zone and market data for a sample of comparable companies.

The main assumptions used were therefore:

	December 31, 2017	
	Long-term growth rate	Discount rate
North America	2.9%	7.4%
Latin America	6.3%	12.1%
Asia-Pacific	4.7%	11.9%
United Kingdom and Ireland	2.9%	7.2%
Continental Europe	2.4%	6.7%

No impairment losses were recognized at December 31, 2017 as a result of these impairment tests.

For the Latin America cash-generating unit, which was tested for impairment at June 30, 2017, the use at December 31, 2017 of discount and long-term growth rates calculated using the 2016 calculation method, would not have resulted in the recognition of an impairment loss at December 31, 2017. Similarly, it would not have impacted the sensitivity tests presented below.

Furthermore, an analysis of the calculation's sensitivity to a combined change in the following key assumptions:

- +/-2 points in the revenue growth rate for the first five years;
- +/-1 point in the operating margin rate [1] for the first five years;
- +/-0.5 points in the discount rate;
- +/-0.5 points in the long-term growth rate;

did not identify any recoverable amounts below the carrying amount for any cash-generating units.

Note 16 Deferred taxes

Deferred taxes are:

- recorded to take account of temporary differences between the carrying amounts of certain assets and liabilities and their tax basis;
- recognized in income or expenses in the Income Statement, in income and expense recognized in equity, or directly in equity in the period, depending on the underlying to which they relate;
- measured taking account of known changes in tax rates (and tax regulations) enacted or substantively enacted at the year-end. Adjustments for changes in tax rates to deferred taxes previously recognized in the Income Statement, in income and expense recognized in equity or directly in equity are recognized in the Income Statement, in income and expense recognized in equity or directly in equity, respectively, in the period in which these changes become effective.

Deferred tax assets are recognized when it is probable that taxable profits will be available against which the recognized tax asset can be utilized. The carrying amount of deferred tax assets is reviewed at each period end. This amount is reduced to the extent that it is no longer probable that additional taxable profit will be available against which to offset all or part of the deferred tax assets to be utilized. Conversely, the carrying amount of deferred tax assets will be increased when it becomes probable that future taxable profit will be available in the long-term against which to offset tax losses not yet recognized. The probability of recovering deferred tax assets is primarily assessed based on a 10-year plan, weighted for the probability of realization of future taxable profits.

The main deferred tax assets and liabilities are offset if, and only if, the subsidiaries have a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred taxes relate to income taxes levied by the same taxation authority.

(1) Operating margin, an alternative performance measure monitored by the Group, is defined in Note 3 - Alternative performance measures.

Recognized deferred tax assets

Deferred tax assets and movements therein break down as follows:

in millions of euros	Note	Tax loss carry-forwards	Temporary differences on amortizable goodwill	Provisions for pensions and other post-employment benefits	Other deductible temporary differences	Total deferred tax assets
At January 1, 2016		**944**	**40**	**296**	**132**	**1,412**
Business combinations		-	-	-	2	2
Translation adjustments		20	9	(17)	(1)	11
Deferred tax recognized in the Income Statement	10	(46)	120	(15)	(24)	35
Deferred tax recorded in income and expense recognized in equity		(27)	-	22	12	7
Other movements		1	-	(5)	10	6
At December 31, 2016		**892**	**169**	**281**	**131**	**1,473**
Business combinations		1	-	-	(3)	(2)
Translation adjustments		(77)	(10)	(9)	(9)	(105)
Deferred tax recognized in the Income Statement	10	(63)	(39)	-	38	(64)
Deferred tax recorded in income and expense recognized in equity		18	-	(17)	-	1
Other movements including offset with deferred tax liabilities		(8)	(2)	(9)	(1)	(20)
AT DECEMBER 31, 2017		**763**	**118**	**246**	**156**	**1,283**

Recognized tax loss carry-forwards total €763 million at December 31, 2017 (€892 million at December 31, 2016) and primarily concern the United States in the amount of €554 million (US$ 664 million) and France in the amount of €181 million.

US deferred tax assets and tax loss carry-forwards

At December 31, 2017, cumulative US tax losses carried forward totaled €2,164 million (US$2,595 million) and are fully recognized following the change in the taxable profit outlook since the last remeasurement of US deferred tax assets in 2015.

Net deferred tax assets of €541 million (US$649 million) are therefore recognized in the Unites States, including tax loss carry-forwards of €554 million (US$664 million), after adjustment for losses offset during the year, the recognition of additional tax loss carry-forwards and the change in tax rates in the United States.

In addition to the change in the US federal tax rate and the Transition Tax on Foreign Earnings, the US tax reforms introduced other measures applicable to the Group, for which further clarification is expected.

These measures include:

- the Base Erosion and Anti-abuse Tax (BEAT): this alternative tax is applicable from 2018. The tax rate will be 5% in the 2018, 10% for the tax years 2019 through 2025 and 12.5% thereafter. The tax base is distinct from the corporate income tax base and includes certain payments to non-US Group entities, normally deductible for tax purposes. The tax amount is compared with the standard income tax expense calculated at the standard rate, and the higher of the two amounts is payable;
- the tax on Global Intangible Low-Taxed Income (GILTI): earnings and profits of foreign subsidiaries in excess of a 10% return on the tangible assets of the subsidiaries are included in the taxable profits of US companies. A 50% deduction is applied to the tax base and the tax rate is 21%. Foreign tax credits may be deducted after the offset of available tax losses carried forward.

Based on current market interpretations, in the Group's opinion, these two measures introduced by the recent US tax reforms will not impact the calculation of the Group consolidated tax expense or the valuation of Group deferred tax assets in the United States as of December 31, 2017.

Unrecognized deferred tax assets

At December 31 *(in millions of euros)*	**2016**	**2017**
Deferred tax on tax loss carry-forwards	660	228
Deferred tax on other temporary differences	38	6
UNRECOGNIZED DEFERRED TAX ASSETS	**698**	**234**

Expiry dates of tax loss carry-forwards (taxable base)

	2016		**2017**	
At December 31 *(in millions of euros)*	**Amount**	**%**	**Amount**	**%**
Between 1 and 5 years	51	1	41	1
Between 6 and 10 years	1,388	32	1,256	35
Between 11 and 15 years	1,071	25	835	24
Beyond 15 years (definite expiry date)	257	6	112	3
Carried forward indefinitely	1,529	36	1,337	37
TAX LOSS CARRY-FORWARDS *(taxable base)*	**4,296**	**100**	**3,581**	**100**
o/w recognized tax losses	*2,433*	*57*	*2,856*	*80*

Deferred tax liabilities

Deferred tax liabilities and movements therein break down as follows:

in millions of euros	**Note**	**Tax-deductible goodwill amortization**	**Customer relationships**	**Other taxable temporary differences**	**Total deferred tax liabilities**
At January 1, 2016		**64**	**71**	**86**	**221**
Business combinations		-	-	-	-
Translation adjustments		2	2	-	4
Deferred tax recognized in the Income Statement	10	1	(8)	5	(2)
Deferred tax recorded in income and expense recognized in equity		-	-	1	1
Other movements		-	(7)	10	3
At December 31, 2016		**67**	**58**	**102**	**227**
Business combinations		-	2	-	2
Translation adjustments		(5)	(7)	(4)	(16)
Deferred tax recognized in the Income Statement	10	(10)	(7)	(5)	(22)
Deferred tax recorded in income and expense recognized in equity		-	-	1	1
Other movements including offset with deferred tax assets		(2)	-	(18)	(20)
AT DECEMBER 31, 2017		**50**	**46**	**76**	**172**

Note 17 Financial instruments

Financial instruments consist of:

- financial assets, including other non-current assets, accounts receivable, other current assets, cash management assets and cash and cash equivalents;
- financial liabilities, including long- and short-term borrowings and bank overdrafts, accounts payable and other current and non-current liabilities;
- derivative instruments.

a) Recognition of financial instruments

Financial instruments (assets and liabilities) are initially recognized in the Consolidated Statement of Financial Position at their initial fair value.

The subsequent measurement of financial assets and liabilities is based on either their fair value or amortized cost depending on their classification in the Consolidated Statement of Financial Position.

The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Amortized cost corresponds to the initial carrying amount (net of transaction costs), plus interest calculated using the effective interest rate, less cash outflows (coupon interest payments and repayments of principal and redemption premiums where applicable). Accrued interest (income and expense) is not recorded on the basis of the financial instrument's nominal interest rate, but on the basis of its effective interest rate. Financial assets measured at amortized cost are subject to impairment tests as soon as there are indicators of a loss in value. Any loss in value is recognized in the Income Statement.

Financial instruments are recognized at inception and on subsequent dates in accordance with the methods described below. These methods draw on the following interest rate definitions:

- the coupon interest rate or coupon, which is the nominal interest rate on borrowings;
- the effective interest rate, which is the rate that exactly discounts the estimated cash flows through the expected term of the instrument, or, where appropriate, a shorter period to the net carrying amount of the financial asset or liability at initial recognition. The effective interest rate takes into account all fees paid or received, transaction costs, and, where applicable, premiums to be paid and received;
- the market interest rate, which reflects the effective interest rate recalculated at the measurement date based on current market parameters.

Financial instruments (assets and liabilities) are derecognized when the related risks and rewards of ownership have been transferred, and when the Group no longer exercises control over the instruments.

b) Derivative instruments

Derivative instruments mainly comprise forward foreign exchange purchase and sale contracts (in the form of tunnels, where applicable), interest rate swaps and call options on own shares.

Other derivative instruments

Other derivative instruments are initially recognized at fair value. Except as described below in the case of instruments designated as cash flow hedges, changes in the fair value of derivative instruments, estimated based on market rates or data provided by bank counterparties, are recognized in the Income Statement at the period end.

When operating or financial cash flow hedges are eligible for hedge accounting, the fair value of the hedging instruments are recognized firstly in "Income and expense recognized in equity" and subsequently taken to operating profit when the hedged item itself impacts the Income Statement.

c) Fair value measurement

Fair value measurement methods for financial and non-financial assets and liabilities as defined above are classified according to the following three fair value levels:

- Level 1: fair value measured based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities;
- Level 2: fair value measured using inputs other than quoted prices in active markets, that are observable either directly (*i.e.* as prices) or indirectly (*i.e.* derived from prices);
- Level 3: fair value of assets or liabilities measured using inputs that are not based on observable market data (unobservable inputs).

As far as possible, the Group applies Level 1 measurement methods.

Financial instrument classification and fair value hierarchy

The following table presents the net carrying amount of financial assets and liabilities and the fair value of financial instruments broken down according to the three classification levels defined above (except for financial instruments where the net carrying amount represents a reasonable approximation of fair value).

		Net carrying amount		Fair value		
December 31, 2017 *(in millions of euros)*	**Note**	**Fair value**	**Amortized cost**	**Level 1**	**Level 2**	**Level 3**
Financial assets						
Shares in non-consolidated companies and associates	18	4				4
Long-term deposits, receivables and other investments	18		124			
Other non-current assets	18		130			
Current and non-current asset derivative instruments	18-20	174			174	
Accounts and notes receivables	19		3,265			
Other current assets	20		536			
Cash management assets	21	168		168		
Cash and cash equivalents	21	1,988		1,988		
Financial liabilities						
Bonds	21		3,264			
Obligations under finance leases	21		87			
Draw-downs on bank and similar facilities and other borrowings, net	21		21			
Other current and non-current liabilities	26		374			
Current and non-current liability derivative instruments	26	18			18	
Accounts and notes payable	27		2,837			
Bank overdrafts	21	-		-		

Note 18 Other non-current assets

At December 31 *(in millions of euros)*	**Note**	**2016**	**2017**
Long-term deposits, receivables and other investments		119	124
Derivative instruments	23	120	53
Non-current tax receivables		83	72
Other		52	62
OTHER NON-CURRENT ASSETS	22	**374**	**311**

Long-term deposits, receivables and other investments consist mainly of *aides à la construction* (building aid program) loans and security deposits and guarantees relating to leases.

Derivative instruments primarily consist of the fair value of derivative instruments contracted as part of the centralized management of currency risk in the amount of €53 million (current portion of €110 million, see Note 20 - Other current assets).

At December 31, 2017, "Non-current tax receivables" include research tax credit receivables and competitiveness and employment tax credit receivables in France in the amount of €54 million (€56 million as of December 31, 2016).

Note 19 Accounts and notes receivable

At December 31 *(in millions of euros)*	**Note**	**2016**	**2017**
Accounts receivable		1,996	2,066
Provisions for doubtful accounts		(27)	(24)
Accrued income		1,012	1,124
Accounts and notes receivable, excluding capitalized costs on projects	22	**2,981**	**3,166**
Capitalized costs on projects	22	93	99
ACCOUNTS AND NOTES RECEIVABLE		**3,074**	**3,265**

Total accounts receivable and accrued income net of advances from customers and billed in advance, can be analyzed as follows in number of days revenue:

At December 31 *(in millions of euros)*	**Note**	**2016**	**2017**
Accounts and notes receivable, excluding capitalized costs on projects	22	2,981	3,166
Advances from customers and billed in advance	22	(737)	(890)
TOTAL ACCOUNTS RECEIVABLE NET OF ADVANCES FROM CUSTOMERS AND BILLED IN ADVANCE		**2,244**	**2,276**
In number of days' annual revenue [1]		64	64

(1) This ratio is adjusted to take account of the impact of entries into the scope of consolidation.

As of December 31, 2017, receivables totaling €99 million were assigned with transfer of credit risk as defined by IAS 39 to financial institutions (€66 million in 2016) and were therefore derecognized in the Statement of Financial Position as of December 31, 2017.

Aged analysis of accounts receivable

The low bad debt ratio reflects the fact that most invoices are only issued after the client has validated the services provided.

At end-2017, past due balances total €411 million (€341 million as of December 31, 2016) and represent 20.1% of accounts and notes receivable less provisions for doubtful accounts (17.3% in 2016). The breakdown is as follows:

in millions of euros	**< 30 days**	**> 30 days and < 90 days**	**> 90 days**
Net accounts receivable	**249**	**102**	**60**
As a % of accounts and notes receivable, net of provisions for doubtful accounts	12.2%	5.0%	2.9%

Past due balances concern accounts receivable from clients which are individually analyzed and monitored.

Credit risk

The Group's three largest clients contribute around 7% of Group revenues (compared with 9% in 2016). The Group's five largest clients contribute around 10% of Group revenues (compared with 11% in 2016). The top ten clients collectively account for 15% of Group revenues. The solvency of these major clients and the sheer diversity of the other smaller clients help limit credit risk. The economic environment could impact the business activities of the Group's clients, as well as the amounts receivable from these clients. However, the Group does not consider that any of its clients, business sectors or geographic areas present a significant credit risk that could materially impact the financial position of the Group as a whole.

4

Note 20 Other current assets

At December 31 *(in millions of euros)*	**Notes**	**2016**	**2017**
Social security and tax-related receivables, other than income tax		216	259
Prepaid expenses		209	212
Derivative instruments	23	149	121
Other		53	65
OTHER CURRENT ASSETS	22	**627**	**657**

As of December 31, 2017, Social security and tax-related receivables, other than income tax include research tax credit receivables and competitiveness and employment tax credit receivables in France in the amount of €107 million (€88 million at December 31, 2016), after recognition of research tax credit and competitiveness and employment tax credit income in France deducted from operating expenses of €60 million (€54 million in 2016).

Note 21 Net debt/net cash and cash equivalents

Cash and cash equivalents presented in the Consolidated Statement of Cash Flows consist of short-term investments and cash at bank less bank overdrafts.

Net debt or net cash and cash equivalents comprise cash and cash equivalents as defined above, and cash management assets (assets presented separately in the Consolidated Statement of Financial Position due to their characteristics), less short- and long-term borrowings. Account is also taken of the impact of hedging instruments when these relate to borrowings and own shares.

in millions of euros	**2016**	**2017**
Short-term investments	1,449	1,497
Cash at bank	430	491
Bank overdrafts	(9)	-
Cash and cash equivalents	**1,870**	**1,988**
Cash management assets	**157**	**168**
Bonds	(3,236)	(2,739)
Obligations under finance leases	(51)	(43)
Draw-downs on bank and similar facilities and other borrowings	-	(1)
Long-term borrowings	**(3,287)**	**(2,783)**
Bonds	(24)	(525)
Obligations under finance leases	(49)	(44)
Draw-downs on bank and similar facilities and other borrowings, net	(43)	(20)
Short-term borrowings	**(116)**	**(589)**
Borrowings	**(3,403)**	**(3,372)**
Derivative instruments	(37)	7
NET DEBT	**(1,413)**	**(1,209)**

Short-term investments

At December 31, 2017, short-term investments mainly consist of mutual fund units, negotiable debt securities and term bank deposits, paying interest at standard market rates.

Cash management assets

Cash management assets consist of capitalization contracts with insurance companies which may be cancelled by Capgemini SE at any time without penalty, as well as marketable securities held by certain Group companies which do not meet all the monetary UCITS classification criteria defined by ESMA (European Securities and Markets Authority) for money market mutual funds, particularly with regards to the average maturity of the portfolio. These funds may, however, be redeemed at any time without penalty.

Borrowings

A) Bonds

a) 2016 Bond issue

On November 3, 2016, Capgemini SE placed a €500 million bond issue comprising 5,000 bonds with a unit value of €100,000 each and with a settlement/delivery date of November 9, 2016.

The bonds mature on November 9, 2021 and pay an annual coupon of 0.50% (issue price 99.769%). The bond issue is callable before this date by Capgemini SE, subject to certain conditions set out in the issue prospectus and particularly concerning the minimum redemption price.

The bond issue is also subject to standard early redemption, early repayment and *pari passu* clauses.

The terms and conditions of the bond issue were set out in the prospectus approved by the AMF on November 7, 2016 under reference number no. 16-518.

b) July 1, 2015 Bond issue

On June 24, 2015, Capgemini SE performed a "triple tranche" bond issue for a total nominal amount of €2,750 million and with a settlement/delivery date of July 1, 2015:

- 2015 Bond issue (July 2018):

  This tranche has a nominal amount of €500 million, comprising 5,000 bonds with a unit value of €100,000 each. The bonds mature on July 2, 2018 and pay a floating coupon of 3 month Euribor +85 pb, revised quarterly (issue price 100%);
- 2015 Bond issue (July 2020):

  This tranche has a nominal amount of €1,250 million, comprising 12,500 bonds with a unit value of €100,000 each. The bonds mature on July 1, 2020 and pay an annual coupon of 1.75% (issue price 99.853%);
- 2015 Bond issue (July 2023):

  This tranche has a nominal amount of €1,000 million, comprising 10,000 bonds with a unit value of €100,000 each. The bonds mature on July 1, 2023 and pay an annual coupon of 2.50% (issue price 99.857%).

The July 2020 and July 2023 tranches are callable by Capgemini SE, subject to certain conditions set out in the issue prospectus and particularly concerning the minimum redemption price.

These three bond issues are also subject to standard early redemption, early repayment and *pari passu* clauses.

The terms and conditions of these three tranches were set out in the prospectus approved by the AMF on June 29, 2015 under reference number no. 15-318.

c) "ORNANE 2013" Bond issue

On October 18, 2013, Capgemini SE launched an offering of bonds redeemable in cash and/or in new and/or existing shares (*Obligations à option de Remboursement en Numéraire et/ou en Actions Nouvelles et/ou Existantes*, ORNANE), maturing on January 1, 2019. Bondholders enjoyed all rights from October 25, 2013.

The total nominal amount of the issue was €400 million, comprising 5,958,587 bonds with a nominal value of €67.13 each, representing an issue premium of 42.5% compared with the Capgemini SE reference share price over the relevant period.

On October 18, 2013, the Company purchased a call option on its own shares aimed at neutralizing the potential dilution related to the ORNANE 2013 bond issue. In addition, and in order to optimize the cost of the Group's financial resources, the Company sold a call option also on its own shares but with a higher strike price. Together, these two transactions synthetically enhanced the effective dilution threshold of the ORNANEs by approximately 5%.

The bonds did not bear any interest (zero coupon bonds).

Capgemini redeemed early all ORNANE bonds outstanding at November 21, 2016 at par and based on a conversion ratio of 1.00 Capgemini SE share for one ORNANE bond.

In this context, holders of 5,934,131 ORNANE bonds exercised their share allotment rights resulting in the presentation of €398 million and 640,184 existing shares. On November 21, 2016, Capgemini SE redeemed all outstanding ORNANE bonds, *i.e.* 24,456 bonds for a total of €2 million.

The conversion option embedded in the ORNANE bonds and the call option on own shares recognized in "Other non-current liabilities" and "Other non-current assets", respectively, of similar amount, were released without any net impact on the Income Statement.

In this context, Capgemini SE exercised in full the call option on its own shares purchased on October 18, 2013. The call option sold by the Company was also exercised in full. Capgemini SE received an amount of €14 million on the exercise of these two calls in 2016.

d) 2011 Bond issue

The 2011 bond issue of a nominal amount of €500 million bore annual interest of 5.25%. It was redeemed in full on maturity on November 29, 2016.

Impact of bonds on the financial statements

At December 31 *(in millions of euros)*	2017			
	2015 Bond issue			2016 Bond issue
	July 2018	July 2020	July 2023	
Equity component	n/a	n/a	n/a	n/a
Option component in respect of the embedded conversion option	n/a	n/a	n/a	n/a
Debt component at amortized cost, including accrued interest	500	1,258	1,008	498
Effective interest rate	0.6%	1.9%	2.6%	0.6%
Interest expense recognized in the Income Statement for the period	4	23	26	2
Nominal interest rate	0.5%	1.8%	2.5%	0.5%
Nominal interest expense (coupon)	3	22	25	2

At December 31 *(in millions of euros)*	2016					
	2011 Bond issue	"ORNANE 2013" bonds	2015 Bond issue			2016 Bond issue
			July 2018	July 2020	July 2023	
Equity component	n/a	n/a	n/a	n/a	n/a	n/a
Option component in respect of the embedded conversion option	n/a	n/a	n/a	n/a	n/a	n/a
Debt component at amortized cost, including accrued interest	-	-	500	1,256	1,007	497
Effective interest rate	5.5%	2.7%	1.0%	1.9%	2.6%	0.6%
Interest expense recognized in the Income Statement for the period	25	30	4	23	26	-
Nominal interest rate	5.3%	0.0%	0.8%	1.8%	2.5%	0.5%
Nominal interest expense (coupon)	24	-	3	22	25	-

Fair value of bonds

At December 31 *(in millions of euros)*	2017			
	2015 Bond issue			2016 Bond issue
	July 2018	July 2020	July 2023	
Fair value	502	1,309	1,112	505
Market rate	0.1%	0.2%	0.7%	0.3%

At December 31 *(in millions of euros)*	2016			
	2015 Bond issue			2016 Bond issue
	July 2018	July 2020	July 2023	
Fair value	505	1,320	1,116	502
Market rate	0.1%	0.4%	0.9%	0.4%

B) Breakdown of borrowings by currency

in millions of euros	At December 31, 2016 Euro	Other currencies	Total	At December 31, 2017 Euro	Other currencies	Total
2015 Bond issue – July 2018	500	-	500	500	-	500
2015 Bond issue – July 2020	1,256	-	1,256	1,258	-	1,258
2015 Bond issue – July 2023	1,007	-	1,007	1,008	-	1,008
2016 Bond issue	497	-	497	498	-	498
Draw-downs on bank and similar facilities and other borrowings, net	-	43	43	1	20	21
Obligations under finance leases	65	35	100	51	36	87
Bank overdrafts	3	6	9	-	-	-
BORROWINGS	**3,328**	**84**	**3,412**	**3,316**	**56**	**3,372**

Obligations under finance leases in other currencies than euro are mainly denominated in pound sterling in the amount of €22 million (€20 million as of December 31, 2016) and in US dollars in the amount of €9 million (€11 million as of December 31, 2016).

4

C) Syndicated credit facility negotiated by Capgemini SE

On July 30, 2014, the Group signed with a syndicate of 18 banks a €750 million multi-currency credit facility, maturing on July 30, 2019, with two one-year extension options, exercisable (subject to the approval of the banks) at the end of the first and second years, respectively, extending the maturity of the new facility by a maximum of two additional years. Following the exercise of the second one-year extension option, the maturity of this credit facility was extended to July 27, 2021.

The initial margin on this credit facility was 0.45% (excluding the fee on drawn amounts which varies according to the portion of the facility drawn). This margin may be adjusted upwards or downwards according to the credit rating of Capgemini SE. The facility is also subject to a fee on undrawn amounts equal to 35% of the margin. The margin currently applicable is 0.45% and the fee on undrawn amounts is 0.1575%.

An upgrade or downgrade in Capgemini SE's credit rating would have no impact on the availability of this credit facility. The other main terms and conditions of the credit facility, in particular with respect to certain financial ratios, are detailed in Note 29 - Off-balance sheet commitments.

This credit facility had not been drawn as of December 31, 2017.

Net debt by maturity at redemption value

The amounts indicated below correspond to the undiscounted value of future contractual cash flows. Future cash flows relating to the 2015 and 2016 bond issues were estimated based on contractual nominal interest rates and assuming the bonds would be redeemed in full at maturity. The contractual cash flows associated with "Obligations under finance leases" represent contractual repayments of the liability.

in millions of euros	Contractual maturity	Carrying amount	Contractual cash flows	Less than 1 year	1 to 2 years	2 to 5 years	Beyond 5 years
At December 31, 2017							
Cash and cash equivalents	**2018**	**1,988**	**1,988**	**1,988**	**-**	**-**	**-**
Cash management assets	**2018**	**168**	**168**	**168**	**-**	**-**	**-**
2015 Bond issue – July 2018	2018	(500)	(502)	(502)	-	-	-
2015 Bond issue – July 2020	2020	(1,258)	(1,316)	(22)	(22)	(1,272)	-
2015 Bond issue – July 2023	2023	(1,008)	(1,150)	(25)	(25)	(75)	(1,025)
2016 Bond issue	2021	(498)	(510)	(3)	(3)	(504)	-
Obligations under finance leases	2018 to 2022	(87)	(90)	(46)	(28)	(16)	-
Draw-downs on bank and similar facilities and other borrowings, net	2018 to 2022	(21)	(22)	(21)	-	(1)	-
Borrowings		**(3,372)**	**(3,590)**	**(619)**	**(78)**	**(1,868)**	**(1,025)**
Derivative instruments on borrowings		7					
NET DEBT		**(1,209)**	**(1,434)**	**1,537**	**(78)**	**(1,868)**	**(1,025)**

in millions of euros	Contractual maturity	Carrying amount	Contractual cash flows	Less than 1 year	1 to 2 years	2 to 5 years	Beyond 5 years
At December 31, 2016							
Cash and cash equivalents	**2017**	**1,870**	**1,870**	**1,870**	**-**	**-**	**-**
Cash management assets	**2017**	**157**	**157**	**157**	**-**	**-**	**-**
2015 Bond issue – July 2018	2018	(500)	(505)	(3)	(502)	-	-
2015 Bond issue – July 2020	2020	(1,256)	(1,338)	(22)	(22)	(1,294)	-
2015 Bond issue – July 2023	2023	(1,008)	(1,175)	(25)	(25)	(75)	(1,050)
2016 Bond issue	2021	(497)	(513)	(3)	(3)	(507)	-
Obligations under finance leases	2017 to 2020	(100)	(105)	(53)	(34)	(18)	-
Draw-downs on bank and similar facilities and other borrowings	2017 to 2020	(42)	(105)	(52)	(18)	(35)	-
Borrowings		**(3,403)**	**(3,741)**	**(158)**	**(604)**	**(1,929)**	**(1,050)**
Derivative instruments on borrowings		(37)					
NET DEBT		**(1,413)**	**(1,714)**	**1,869**	**(604)**	**(1,929)**	**(1,050)**

Net debt/Net cash and cash equivalents and liquidity risk

The 2015 bonds issues and the 2016 bond issues are the main borrowings that could expose the Group to liquidity risk in the event of repayment.

To manage the liquidity risk that could arise from these borrowings becoming due and payable, at the contractual due date or early, the Group has implemented a conservative financing policy mainly based on:

- prudent use of debt leveraging, coupled with limited use of any clauses that could lead to early repayment of borrowings;
- maintaining a high level of available funds at all times;
- actively managing borrowing due dates in order to limit the concentration of maturities;
- using diverse sources of financing, allowing the Group to reduce its reliance on certain categories of lenders.

Net debt/Net cash and cash equivalents and credit risk

Financial assets which could expose the Group to a credit or counterparty risk mainly consist of financial investments: in accordance with Group policy, cash balances are not invested in equity-linked products, but in (i) negotiable debt securities (certificates of deposit), (ii) term deposits, (iii) capitalization contracts or (iv) short-term money market mutual funds, subject to minimum credit rating and diversification rules.

At December 31, 2017, short-term investments totaled €1,497 million and comprise mainly (i) money market mutual fund units meeting the criteria defined by ESMA (European Securities and Markets Authority) for classification in the "monetary category"; and (ii) negotiable debt securities and term deposits maturing within three months or immediately available, issued by highly rated companies or financial institutions (minimum rating of A2/P2 or equivalent). Consequently, these short-term investments do not expose the Group to any material credit risk.

Note 22 Cash flows

The Consolidated Statement of Cash Flows analyzes the year-on-year change in cash flows from operating, investing and financing activities.

Foreign currency cash flows are translated into euros at the average exchange rate for the year. Exchange gains or losses resulting from the translation of cash flows relating to foreign currency assets and liabilities at the year-end exchange rate are shown in "Effect of exchange rate movements on cash and cash equivalents" in the Statement of Cash Flows.

At December 31, 2017, cash and cash equivalents totaled €1,988 million (see Note 21 - Net debt/Net cash and cash equivalents), up €118 million on December 31, 2016 (€1,870 million). Excluding the impact of exchange rate fluctuations on cash and cash equivalents of negative €91 million, this increase is €209 million. Cash flow impacts are shown in the Consolidated Statement of Cash Flows.

Net cash from operating activities

In 2017, net cash from operating activities totaled €1,330 million (compared with €1,319 million in 2016) and resulted from:

- cash flows from operations before net finance costs and income tax in the amount of €1,532 million;
- payment of current income taxes in the amount of €139 million;
- an increase in working capital requirements, generating a negative cash impact of €63 million.

Changes in working capital requirements (WCR) and the reconciliation with the Consolidated Statement of Financial Position are as follows:

		Working capital requirement components (Consolidated Statement of Financial Position)					Neutralization of items with no cash impact			Statement of Cash Flows items
in millions of euros	Notes	December 31, 2016	December 31, 2017	Net impact	Non working capital items (1)	Impact of WCR items	Net profit impact	Foreign ex-change impact	Reclassifications (2) and changes in Group structure	Amount
Accounts and notes receivable, excl. capitalized costs on projects	19	2,981	3,166	(185)	(3)	(188)	-	(144)	28	(304)
Capitalized costs on projects	19	93	99	(6)	-	(6)	-	(6)	-	(12)
Advances from customers and billed in advance	19	(737)	(890)	153	-	153	-	29	9	191
Change in accounts and notes receivable and advances from customers and amounts billed in advance				**(38)**	**(3)**	**(41)**	**-**	**(121)**	**37**	**(125)**
Accounts and notes payable (accounts payable)	27	(1,105)	(1,124)	19	4	23	-	52	(20)	55
Changes in accounts and notes payable				**19**	**4**	**23**	**-**	**52**	**(20)**	**55**
Other non-current assets	18	374	311	63	(72)	(9)	-	(6)	(18)	(33)
Other current assets	20	627	657	(30)	(16)	(46)	6	(18)	19	(39)
Accounts and notes payable (excluding accounts payable)	27	(1,713)	(1,713)	0	1	1	-	60	(4)	57
Other current and non-current liabilities	26	(367)	(392)	25	(10)	15	-	8	(1)	22
Change in other receivables/payables				**58**	**(97)**	**(39)**	**6**	**44**	**(4)**	**7**
CHANGE IN OPERATING WORKING CAPITAL						**(57)**	**6**	**(25)**	**13**	**(63)**

(1) Non-working capital items comprise cash flows relating to investing and financing activities, payment of the income tax expense and non-cash items.

(2) The Reclassifications heading mainly includes changes relating to the current and non-current reclassification of certain accounts and notes receivable and payable and changes in the position of certain tax and employee-related receivables and payables in assets or liabilities.

Net cash used in investing activities

The main components of net cash used in investing activities of €534 million (compared with €251 million in 2016) reflect:

- cash outflows of €161 million relating to acquisitions of property, plant and equipment, net of disposals, primarily due to purchases of computer hardware for customer projects or the partial renewal of IT installations and the renovation, extension and refurbishment of office space;
- cash outflows of €65 million relating to acquisitions of intangible assets, net of disposals, mainly involving software for customer projects or for internal use and internally generated intangible assets (see Note 13 - Goodwill and intangible assets);
- cash inflows and outflows on business combinations net of cash and cash equivalents acquired of €238 million.

Net cash from financing activities

Net cash outflows as a result of financing activities totaled €587 million (compared with cash outflow of €1,115 million in 2016) and mainly comprised:

- cash outflows of €531 million for the buyback of own shares;
- payment of the 2016 dividend of €262 million;
- cash outflows of €54 million to reimburse obligations under finance leases;
- cash outflows of €24 million in respect of interest payments net of interest received,

offset by:

- the €320 million share capital increase following the issue of new shares under the international employee share ownership plan (see Note 12 E - Equity).

Organic free cash flow

Organic free cash flow calculated based on items in the Statement of Cash Flows is equal to cash flow from operations less acquisitions of property, plant, equipment and intangible assets (net of disposals) and adjusted for flows relating to the net interest cost.

At December 31 *(in millions of euros)*	**2016**	**2017**
Cash flows from operations	**1,319**	**1,330**
Acquisitions of property, plant and equipment and intangible assets	(197)	(241)
Proceeds from disposals of property, plant and equipment and intangible assets	21	15
Acquisitions of property, plant, equipment and intangible assets (net of disposals)	**(176)**	**(226)**
Interest paid	(115)	(86)
Interest received	43	62
Net interest cost	**(72)**	**(24)**
ORGANIC FREE CASH FLOW	**1,071**	**1,080**

Note 23 Currency, interest rate and counterparty risk management

Currency risk management

A) Exposure to currency risk and currency risk management policy

a) Currency risk and hedging operating transactions

The significant use of offshore production centers located in India, Poland, China and Latin America, exposes the Group to currency risk with respect to some of its production costs.

The Group implements a policy aimed at minimizing and managing these currency risks, due in the majority to internal flows with India. The hedging policy and the management of operational currency risk is centralized at parent company level. Currency risk is managed primarily based on periodic reporting by subsidiaries of their exposure to currency risk over principally the coming one to three years. On this basis, the parent company acting as an internal bank, grants internal currency guarantees to subsidiaries and enters into currency hedges with its bank counterparties, primarily through forward purchase and sale foreign exchange contracts.

These hedging transactions are recorded in accordance with cash flow hedge accounting rules.

b) Currency risk and hedging financial transactions

The Group is exposed to the risk of exchange rate fluctuations in respect of:

- inter-company financing transactions, mainly within the parent company, these flows generally being hedged (in particular using forward purchase and sale foreign exchange contracts);
- fees paid to the parent company by subsidiaries whose functional currency is not the euro.

c) Sensitivity of revenues and the operating margin* to fluctuations in the main currencies

A 10% fluctuation in the US dollar-euro exchange rate would trigger a corresponding 2.8% change in revenues and a 2.4% change in the operating margin [(1)] amount. Similarly, a 10% fluctuation in the pound sterling-euro exchange rate would trigger a corresponding 1.3% change in revenues and a 1.2% change in the operating margin [(1)] amount.

B) Hedging derivatives

Amounts hedged at December 31, 2017 using forward purchase and sale foreign exchange contracts, mainly concern the parent company and the centralized management of currency risk on operating transactions and inter-company financing transactions.

(1) Operating margin, an alternative performance measure monitored by the Group, is defined in Note 3 - Alternative performance measures.

As of December 31, 2017, the euro-equivalent value of forward purchase and sale foreign exchange contracts breaks down by transaction type and maturity as follows:

in millions of euros		< 6 months	> 6 months and < 12 months	> 12 months	Total
Operating transactions		**1,461**	**1,298**	**1,776**	**4,535**
o/w	▪ fair value hedge	406	-	-	406
	▪ cash flow hedge	1,055	1,298	1,776	4,129
Financial transactions		**354**	**-**	**208**	**562**
o/w	▪ fair value hedge	354	-	208	562
TOTAL		**1,815**	**1,298**	**1,984**	**5,097**

Hedges contracted in respect of operating transactions mainly comprise forward purchase and sale foreign exchange contracts maturing between 2018 and 2021 with an aggregate euro-equivalent value at closing exchange rates of €4,535 million (€4,164 million at December 31, 2016). The hedges were chiefly taken out in respect of transactions in Indian rupee (INR219,000 million), US dollars (US$1,117 million) and Polish zloty (PLN1,218 million).

The maturities of the hedges range from 1 to 45 months and the main counterparty is Capgemini SE for a euro-equivalent value of €4,445 million.

Hedges contracted in respect of financial transactions concern Capgemini SE in the amount of €562 million at December 31, 2017, after the early unwinding at the end of April 2017 of EUR/USD fix-to-fix cross currency swaps. They mainly concern inter-company loans for €546 million (€1,241 million at December 31, 2016), primarily denominated in US dollar and Swedish krona.

The Group's overall exposure to currency risk on assets/liabilities primarily concerns the Group's internal financing activity.

	At December 31, 2017				
in millions of euros	US dollar	Swedish krona	Indian rupee	Other currencies	Total
Assets	604	5	-	246	855
Liabilities	(64)	(36)	(191)	(230)	(521)
Net exposure in the Consolidated Statement of Financial Position					**334**
Hedging derivatives					(372)
NET EXPOSURE					**(38)**

	At December 31, 2016				
in millions of euros	US dollar	Swedish krona	Indian rupee	Other currencies	Total
Assets	245	8	-	247	500
Liabilities	(1,098)	(130)	(151)	(226)	(1,605)
Net exposure in the Consolidated Statement of Financial Position					**(1,105)**
Hedging derivatives					946
NET EXPOSURE					**(159)**

C) Fair value of hedging derivatives

Hedging derivatives are recorded in the following accounts:

At December 31 *(in millions of euros)*		**Note**	**2016**	**2017**
Other non-current assets		18	120	53
Other current assets		20	149	121
Other current and non-current liabilities		26	(89)	(18)
Fair value of hedging derivatives, net			**180**	**156**
Relating to:	▪ *operating transactions*		217	149
	▪ *financial transactions*		(37)	7

The main hedging derivatives notably comprise the fair value of derivative instruments contracted as part of the centralized management of currency risk recorded in "Other non-current assets" in the amount of €53 million, in "Other current assets" in the amount of €110 million, in "Other non-current liabilities" in the amount of €8 million and in "Other current liabilities" in the amount of €10 million.

The change in the period in derivative instruments hedging operating and financial transactions recorded in income and expense recognized in equity breaks down as follows:

in millions of euros	**2017**
Hedging derivatives recorded in income and expense recognized in equity at January 1	**203**
Amounts reclassified to net profit in respect of transactions performed	(8)
Fair value of derivative instruments hedging future transactions	(88)
HEDGING DERIVATIVES RECORDED IN INCOME AND EXPENSE RECOGNIZED IN EQUITY AT DECEMBER 31	**107**

Interest rate risk management

A) Interest rate risk management policy

The Group's exposure to interest rate risk should be analyzed in light of its cash position: at December 31, 2017, the Group had €2,156 million in cash and cash equivalents, with short-term investments mainly at floating rates (or failing this, at fixed rates for periods of less than or equal to three months), and €3,372 million in gross indebtedness principally at fixed rates (85%) (see Note 21 - Net debt/Net cash and cash equivalents). The high proportion of fixed-rate borrowings is due to the weight of fixed-rate bond issues in gross indebtedness.

B) Exposure to Interest rate risk: sensitivity analysis

As 85% of Group borrowings were at fixed rates in 2017, any increase or decrease in interest rates would have had a negligible impact on the Group's net finance costs.

Based on average levels of floating-rate short-term investments, cash management assets and borrowings at floating rates, a 100-basis point rise in interest rates would have had a positive impact of around €6 million on the Group's net finance costs in 2017. Conversely, a 100-basis point fall in interest rates would have had an estimated €6 million negative impact on the Group's net finance costs.

Counterparty risk management

In addition, in line with its policies for managing currency and interest rate risks as described above, the Group also enters into hedging agreements with leading financial institutions. Accordingly, counterparty risk can be deemed not material. At December 31, 2017, the Group's main counterparties for managing currency and interest rate risk are Barclays, BNP Paribas, CA CIB, Citibank, Commerzbank, HSBC, ING, JP Morgan, Morgan Stanley, Natixis, Royal Bank of Scotland, Santander, and Société Générale.

Note 24 Provisions for pensions and other post-employment benefits

Defined contribution plans

Defined contribution plans are funded by contributions paid by employees and Group companies to the organizations responsible for managing the plans. The Group's obligations are limited to the payment of such contributions which are expensed as incurred. The Group's obligation under these plans is recorded in "Accounts and notes payable". Defined contribution plans are operated in most European countries (France, the United Kingdom, the Netherlands, Germany and Central Europe, Nordic countries, Italy and Spain), in the United States and in the Asia-Pacific area.

Defined benefit pension plans

Defined benefit pension plans consist of either:

- unfunded plans, where benefits are paid directly by the Group and the related obligation is covered by a provision corresponding to the present value of future benefit payments. Estimates are based on regularly reviewed internal and external assumptions. These unfunded plans correspond mainly to retirement termination payments and healthcare assistance plans;
- funded plans, where the benefit obligation is covered by external funds. Group contributions to these external funds are made in accordance with the specific regulations in force in each country.

Obligations under these plans are determined by independent actuaries using the projected unit credit method. Under this method, each period of service gives rise to an additional unit of benefit entitlement and each of these units is valued separately in order to obtain the amount of the Group's final obligation.

The resulting obligation is discounted by reference to market yields on high quality corporate bonds, of a currency and term consistent with the forecast outflows of the post-employment benefit obligation.

For funded plans, only the estimated funding deficit is covered by a provision.

Current and past service costs - corresponding to an increase in the obligation - are recorded within "Operating expenses" of the period.

Gains or losses on the curtailment, settlement or transfer of defined benefit pension plans are recognized in "Other operating income" or "Other operating expense."

The impact of discounting defined benefit obligations as well as the expected return on plan assets is recorded net in "Other financial expense" or "Other financial income."

Actuarial gains and losses correspond to the effect of changes in actuarial assumptions and experience adjustments (*i.e.* differences between projected actuarial assumptions and actual data) on the amount of the benefit obligation or the value of plan assets. They are recognized in full in "Income and expense recognized in equity" in the year in which they arise (with the related tax effect).

Breakdown of provisions for pensions and other post-employment benefits

Provisions for pensions and other post-employment benefits comprise obligations under funded defined benefit plans (particularly in the United Kingdom and Canada) and obligations primarily relating to retirement termination payments (particularly in France, Germany, Sweden and India).

Provision for pensions and other post-employment benefits by main countries

	Obligation		Plan assets		Net provision in the Consolidated Statement of Financial Position	
(in millions of euros)	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**
United Kingdom	3,633	3,490	(2,787)	(2,886)	846	604
Canada	674	716	(484)	(479)	190	237
France	237	263	(22)	(20)	215	243
Germany	101	99	(57)	(56)	44	43
Sweden	34	31	(9)	(10)	25	21
India	45	59	(27)	(48)	18	11
Other	145	154	(109)	(117)	36	37
PRESENT VALUE OF THE BENEFIT OBLIGATION AT DECEMBER 31	**4,869**	**4,812**	**(3,495)**	**(3,616)**	**1,374**	**1,196**

Movements in provisions for pensions and other post-employment benefits during the last two fiscal years were as follows:

in millions of euros	Note	Obligation 2016	Obligation 2017	Plan assets 2016	Plan assets 2017	Net provision in the Consolidated Statement of Financial Position 2016	Net provision in the Consolidated Statement of Financial Position 2017
PRESENT VALUE OF THE BENEFIT OBLIGATION AT JANUARY 1		**4,498**	**4,869**	**(3,282)**	**(3,495)**	**1,216**	**1,374**
Expense for the period recognized in the Income Statement		**209**	**201**	**(113)**	**(98)**	**96**	**103**
Service cost	7	59	69	-	-	59	69
Interest cost	9	150	132	(113)	(98)	37	34
Impact on income and expense recognized in equity		**772**	**54**	**(496)**	**(189)**	**276**	**(135)**
Change in actuarial gains and losses		772	54	-	-	772	54
Impact of changes in financial assumptions		*858*	*204*	-	-	*858*	*204*
Impact of changes in demographic assumptions		*(11)*	*(114)*	-	-	*(11)*	*(114)*
Experience adjustments		*(75)*	*(36)*	-	-	*(75)*	*(36)*
Return on plan assets [(1)]		-	-	(496)	(189)	(496)	(189)
Other		**(610)**	**(312)**	**396**	**166**	**(214)**	**(146)**
Contributions paid by employees		7	7	(7)	(7)	-	-
Benefits paid to employees		(152)	(158)	124	147	(28)	(11)
Contributions paid		-	-	(89)	(94)	(89)	(94)
Translation adjustments		(469)	(188)	369	144	(100)	(44)
Other movements		4	27	(1)	(24)	3	3
PRESENT VALUE OF THE BENEFIT OBLIGATION AT DECEMBER 31		**4,869**	**4,812**	**(3,495)**	**(3,616)**	**1,374**	**1,196**

(1) After deduction of financial income on plan assets recognized in the Income Statement and calculated using the discount rate.

Analysis of the change in provisions for pensions and other post-employment benefits

A) United Kingdom

In the United Kingdom, post-employment benefits primarily consist of defined contribution pension plans with some employees accruing pensionable service within a defined benefit pension plan. In addition certain former and current employees accrue deferred benefits in defined benefit pension plans. The plans are administered within trusts which are legally separate from the employer and are governed by a trustee Board comprising independent trustees and representatives of the employer.

The defined benefit pension plans provide pensions and lump sums to members on retirement and to their dependents on death. Members who leave service before retirement are entitled to a deferred pension. The main plan is closed to the accrual of benefits for all current employees since March 31, 2015.

Employees covered by defined benefit pension plans break down as follows:

- 617 current employees accruing pensionable service (700 at December 31, 2016);
- 7,583 former and current employees not accruing pensionable service (7,690 at December 31, 2016);
- 2,972 retirees (2,868 at December 31, 2016).

The plans are subject to the supervision of the UK Pension Regulator; the funding schedules for these plans are determined by an independent actuary as part of actuarial valuations usually carried out every three years. Capgemini UK Plc., the employer, gives firm commitments to the trustees regarding the funding of any deficits identified, over an agreed period.

The responsibility to fund these plans lies with the employer. The defined benefit pension plans expose the Group to the increase in liabilities that could result from changes in the life expectancy of members, fluctuations in interest and inflation rates and, more generally, a downturn in financial markets.

The average maturity of pension plans in the United Kingdom is 22 years.

In accordance with local regulations, the non-renewal of certain client contracts in full or in part could require Capgemini UK Plc. to bring forward the funding of any deficits in respect of the employees concerned.

in millions of euros	Obligation 2016	Obligation 2017	Plan assets 2016	Plan assets 2017	Net provision in the Consolidated Statement of Financial Position 2016	Net provision in the Consolidated Statement of Financial Position 2017
PRESENT VALUE OF THE BENEFIT OBLIGATION AT JANUARY 1	**3,330**	**3,633**	**(2,633)**	**(2,787)**	**697**	**846**
Expense for the period recognized in the Income Statement	**121**	**106**	**(88)**	**(72)**	**33**	**34**
Service cost	10	12	-	-	10	12
Curtailments, settlements and plan transfers	-	-	-	-	-	-
Interest cost	111	94	(88)	(72)	23	22
Impact on income and expense recognized in equity	**765**	**(18)**	**(481)**	**(174)**	**284**	**(192)**
Change in actuarial gains and losses	765	(18)	-	-	765	(18)
Impact of changes in financial assumptions	*830*	*151*	-	-	*830*	*151*
Impact of changes in demographic assumptions	-	*(139)*		-	-	*(139)*
Experience adjustments	*(65)*	*(30)*	-	-	*(65)*	*(30)*
Return on plan assets [(1)]	-	-	(481)	(174)	(481)	(174)
Other	**(583)**	**(231)**	**415**	**147**	**(168)**	**(84)**
Contributions paid by employees	1	1	(1)	(1)	-	-
Benefits paid to employees	(72)	(105)	72	105	-	-
Contributions paid	-	-	(58)	(58)	(58)	(58)
Translation adjustments	(512)	(127)	402	101	(110)	(26)
PRESENT VALUE OF THE BENEFIT OBLIGATION AT DECEMBER 31	**3,633**	**3,490**	**(2,787)**	**(2,886)**	**846**	**604**

(1) After deduction of financial income on plan assets recognized in the Income Statement and calculated using the discount rate.

a) Main actuarial assumptions

Discount rate, salary inflation rate and inflation rate

in %	At December 31, 2016	At December 31, 2017
Discount rate	2.6-2.8	2.4
Salary inflation rate	2.3-3.1	2.3-3.1
Inflation rate	3.1	3.1

Mortality tables used are those commonly used in the United Kingdom.

b) Plan assets

in millions of euros	At December 31, 2016		At December 31, 2017	
Shares	1,377	49%	1,516	52%
Bonds and hedging assets	1,336	48%	1,322	46%
Other	74	3%	48	2%
TOTAL	**2,787**	**100%**	**2,886**	**100%**

Shares correspond to investments in equities or diversified growth investments, the majority of which in developed markets.

Bonds and hedging assets consist of bonds invested in liquid markets. A portion of these investments seeks to partially hedge interest rate risk on the plan liabilities; this matching portfolio consists of UK government bonds (GILT), owned directly or borrowed *via* sale and repurchase agreements.

c) Sensitivity analysis

in millions of euros	Impact on the obligation at December 31, 2017 – Rate increase	Impact on the obligation at December 31, 2017 – Rate decrease
Increase/decrease of 50 basis points in the discount rate	(345)	399
Increase/decrease of 50 basis points in the inflation rate	264	(256)
Increase/decrease of 50 basis points in the mortality rate	(57)	61

d) Contributions

Future contributions

Contributions to defined benefit pension funds in the United Kingdom in respect of 2018 are estimated at €58 million, including the funding of pension plan deficits over the period defined with the trustees as part of the regular actuarial valuations.

B) Canada

In Canada, defined post-employment benefits consist of defined benefit pension plans and other pension and similar plans. The plan assets are held in trust separately from the employer's assets. Nonetheless, the responsibility to fund the plans lies with the employer. The plans expose the Group to the increase in liabilities that could result from changes in the life expectancy of members, fluctuations in interest and inflation rates and, more generally, a downturn in financial markets.

The average maturity of pension plans in Canada is 20 years.

The plans are subject to regular actuarial valuations performed at least every three years.

In accordance with local regulations, the non-renewal of certain client contracts in full or in part could require the Canadian entities to bring forward the funding of any deficits in respect of the employees concerned.

In Canada, employees covered by defined benefit pension plans break down as follows:

- 927 current employees accruing pensionable service (1,000 at December 31, 2016);
- 88 former and current employees not accruing pensionable service (80 at December 31, 2016);
- 348 retirees (303 at December 31, 2016).

4

	Obligation		Plan assets		Net provision in the Consolidated Statement of Financial Position	
in millions of euros	2016	2017	2016	2017	2016	2017
PRESENT VALUE OF THE BENEFIT OBLIGATION AT JANUARY 1	**624**	**674**	**(448)**	**(484)**	**176**	**190**
Expense for the period recognized in the Income Statement	**50**	**49**	**(19)**	**(18)**	**31**	**31**
Service cost	25	25	-	-	25	25
Interest cost	25	24	(19)	(18)	6	6
Impact on income and expense recognized in equity	**(6)**	**55**	**(9)**	**(9)**	**(15)**	**46**
Change in actuarial gains and losses	(6)	55	-	-	(6)	55
Impact of changes in financial assumptions	*14*	*57*	-	-	*14*	*57*
Impact of changes in demographic assumptions	*(14)*	*(2)*	-	-	*(14)*	*(2)*
Experience adjustments	*(6)*	-	-	-	*(6)*	-
Return on plan assets (1)	-	-	(9)	(9)	(9)	(9)
Other	**6**	**(62)**	**(8)**	**32**	**(2)**	**(30)**
Contributions paid by employees	4	4	(4)	(4)	-	-
Benefits paid to employees	(45)	(26)	43	23	(2)	(3)
Contributions paid	-	-	(14)	(15)	(14)	(15)
Translation adjustments	42	(40)	(30)	28	12	(12)
Other movements	5	-	(3)	-	2	-
PRESENT VALUE OF THE BENEFIT OBLIGATION AT DECEMBER 31	**674**	**716**	**(484)**	**(479)**	**190**	**237**

(1) After deduction of financial income on plan assets recognized in the Income Statement and calculated using the discount rate.

a) Main actuarial assumptions

Discount rate, salary inflation rate and inflation rate

in %	At December 31, 2016	At December 31, 2017
Discount rate	3.9	3.4
Salary inflation rate	2.8	2.3
Inflation rate	2.0	2.0

In 2017, the benchmark indexes used to calculate discount rates were similar to those used in previous years.

Mortality tables used are those commonly used in Canada.

b) Plan assets

in millions of euros	At December 31, 2016		At December 31, 2017	
Shares	280	58%	271	57%
Bonds and hedging assets	199	41%	198	41%
Other	5	1%	10	2%
TOTAL	**484**	**100%**	**479**	**100%**

Shares correspond to investments in equities or diversified growth investments, the majority of which in developed markets.

Bonds primarily comprise Canadian government bonds. A portion of these investments seeks to partially hedge interest rate risk on the plan liabilities; this matching portfolio consists of Canadian government bonds, owned directly or borrowed *via* sale and repurchase agreements.

c) Sensitivity analysis

	Impact on the obligation at December 31, 2017	
in millions of euros	Rate increase	Rate decrease
Increase/decrease of 50 basis points in the discount rate	(66)	74
Increase/decrease of 50 basis points in the inflation rate	47	(42)
Increase/decrease of 50 basis points in the mortality rate	-	3

d) Future contributions

Contributions to the Canadian defined benefit pension funds in respect of 2018 are estimated at €16 million, including the funding of pension plan deficits defined as part of the regular actuarial valuations.

Note 25 Non current and current provisions

A provision is recognized in the Consolidated Statement of Financial Position at the year-end if, and only if, (i) the Group has a present obligation (legal or constructive) as a result of a past event; (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (iii) a reliable estimate can be made of the amount of the obligation. Provisions are discounted when the impact of the time value of money is material.

Movements in current and non-current provisions break down as follows:

in millions of euros	2016	2017
At January 1	**118**	**130**
Charge	46	55
Reversals (utilization of provisions)	(14)	(46)
Reversals (surplus provisions)	(16)	(14)
Other	(4)	(12)
AT DECEMBER 31	**130**	**113**

At December 31, 2017, current provisions (€88 million) and non-current provisions (€25 million) mainly concern risks relating to projects and contracts of €96 million (€110 million at December 31, 2016) and risks relating to tax and labor disputes of €17 million (€20 million at December 31, 2016).

Note 26 Other non current and current liabilities

At December 31 *(in millions of euros)*	Note	2016	2017
Special employee profit-sharing reserve		28	34
Derivative instruments	23	89	18
Liabilities related to acquisitions of consolidated companies		147	201
Non-current tax liabilities		16	43
Other		87	96
OTHER CURRENT AND NON-CURRENT LIABILITIES	22	**367**	**392**

Liabilities related to acquisitions of consolidated companies consist for €117 million of put options granted to Caixa Participacões and EMC in 2012 and 2013 on their investments in Capgemini Brasil S.A. (formerly CPM Braxis) and earn-outs granted at the time of certain acquisitions.

At December 31, 2016, derivative instruments primarily consisted of EUR/USD fix-to-fix cross currency swaps valued at €35 million. These contracts were unwound early in fiscal 2017.

Note 27 Accounts and notes payable

At December 31 *(in millions of euros)*	Note	2016	2017
Accounts payable		1,105	1,124
Accrued taxes other than income tax		392	409
Personnel costs		1,311	1,291
Other		10	13
ACCOUNTS AND NOTES PAYABLE	22	**2,818**	**2,837**

Note 28 Number of employees

Average number of employees by geographic area

	2016		2017	
	Employees	%	Employees	%
North America	16,846	9	17,377	9
France	23,690	13	24,489	13
United Kingdom and Ireland	9,075	5	8,561	4
Benelux	8,200	4	7,970	4
Southern Europe	7,713	4	8,349	4
Nordic countries	4,041	2	4,173	2
Germany and Central Europe	11,897	7	13,245	7
Asia-Pacific and Latin America	103,972	56	112,445	57
Not allocated	159	-	146	-
AVERAGE NUMBER OF EMPLOYEES	**185,593**	**100**	**196,755**	**100**

Number of employees at December 31 by geographic area

	2016		2017	
	Employees	%	Employees	%
North America	16,895	9	17,209	9
France	24,226	13	25,299	13
United Kingdom and Ireland	9,025	5	8,217	4
Benelux	8,037	4	8,011	4
Southern Europe	8,074	4	8,629	4
Nordic countries	4,067	2	4,247	2
Germany and Central Europe	12,464	6	13,970	7
Asia-Pacific and Latin America	110,135	57	113,968	57
Not allocated	154	-	148	-
NUMBER OF EMPLOYEES AT DECEMBER 31	**193,077**	**100**	**199,698**	**100**

Note 29 Off-balance sheet commitments

Off-balance sheet commitments relating to Group operating activities

A) Commitments given on client contracts

The Group has provided performance and/or financial guarantees for a number of major contracts. The clients concerned represented approximately 8% of Group revenue in 2017.

In addition, certain clients enjoy:

- limited financial guarantees issued by the Group and totaling €1,719 million at December 31, 2017 (€1,601 million at December 31, 2016);
- bank guarantees borne by the Group and totaling €170 million at December 31, 2017 (€197 million at December 31, 2016).

B) Commitments given on non-cancellable leases

Commitments given on non-cancellable leases break down by maturity as follows:

in millions of euros	Computer equipment	Offices	Vehicles and other non-cancellable leases	Total
Y+1	6	182	54	242
Y+2	4	142	37	183
Y+3	2	96	20	118
Y+4	2	77	6	85
Y+5	-	65	-	65
Y+6 and beyond	-	114	-	114
AT DECEMBER 31, 2017	**14**	**676**	**117**	**807**
At December 31, 2016	**16**	**635**	**124**	**775**

Lease payments recognized in the Income Statement in 2017 totaled €339 million (€362 million in 2016).

C) Other commitments given

Other commitments given total €30 million at December 31, 2017 (€37 million at December 31, 2016) and mainly comprise firm purchase commitments relating to goods or services in the United Kingdom and France.

D) Other commitments received

Other commitments received total €118 million at December 31, 2017 (€130 million at December 31, 2016) and primarily comprise:

- commitments received on client contracts. The Group received a limited financial guarantee of €50 million from a client on the signature of a contract in 2010;
- commitments received following the purchase of shares held by certain minority shareholders of Capgemini Brasil S.A. for an amount of €59 million.

Off-balance sheet commitments relating to Group financing

A) Bonds

Capgemini SE has committed to standard obligations in respect of the 2015 bond issues and the 2016 bond issue detailed in Note 21 - Net debt/Net cash and cash equivalents, and particularly to maintain *pari passu* status with all other marketable bonds that may be issued by the Company.

B) Syndicated credit facility obtained by Capgemini SE and not drawn to date

Capgemini SE has agreed to comply with the following financial ratios (as defined in IFRS) in respect of the credit facility disclosed in Note 21 - Net debt/Net cash and cash equivalents:

- the consolidated net debt [(1)] to consolidated equity ratio must be less than 1 at all times;
- the interest coverage ratio (the extent to which consolidated net finance costs are covered by consolidated operating margin [(1)]) must be equal to or greater than 3 at December 31 and June 30 of each year (based on the 12 months then ended).

At December 31, 2017 and 2016, the Group complied with these financial ratios.

The credit facility agreement also includes covenants restricting Capgemini SE's ability to carry out certain operations. These covenants also apply to Group subsidiaries. They include restrictions primarily relating to pledging assets as collateral, asset sales, mergers and similar transactions. Capgemini SE also committed to standard obligations, including an agreement to maintain *pari passu* status.

C) Borrowings secured by assets

Some borrowings are secured by assets recorded in the Consolidated Statement of Financial Position. At December 31, 2017, these related to finance leases in the amount of €87 million and other borrowings in the amount of €3 million.

Contingent liabilities

During 2017 and in previous fiscal years, certain Group companies underwent tax audits leading in some cases to tax reassessments. A number of proposed adjustments have been challenged and litigation and pre-litigation proceedings were in progress at the period end. In general, no provisions have been set aside for these disputes in the consolidated financial statements in so far as Capgemini can justify its positions and considers the likelihood of winning the disputes to be high. This is particularly the case, in France, for research tax credits for the period 2008 to 2013, in respect of which the tax authorities have rejected the portion concerning private clients in certain companies registered for the research tax credit.

(1) The alternative performance measures monitored by the Group (operating margin and net debt) are defined in Note 3 - Alternative performance measures, and broken down in Note 21 - Net debt/Net cash and cash equivalents.

Note 30 Related-party transactions

Associates

Associates are equity-accounted companies over which the Group exercises significant influence. At December 31, 2017, O2C Pro LLC is the only company equity-accounted by the Group since the acquisition of a 49% stake. Transactions with this equity associate in 2017 were performed at arm's length and were of immaterial volume.

Other related-parties

In 2017, no material transactions were carried out with:

- shareholders holding significant voting rights in the share capital of Capgemini SE;
- members of management, including directors;
- entities controlled or jointly controlled by a member of key management personnel, or over which he/she has significant influence or holds significant voting rights.

Moreover, it is worth noting that Caixa Participacões, a minority shareholder, is also one of Capgemini Brasil S.A.'s main clients, accounting for approximately 24% of its revenues.

Finally, MM Consulting, whose Chairman and Chief Executive Officer is Yann Delabrière (a director of Capgemini SE), signed a one-year agreement with Capgemini Consulting to provide this entity with assistance in the Digital Manufacturing market, by contributing its knowledge of the automobile sector. Fees of €157,500 were invoiced to the consulting entity for work performed in 2017 under the terms of the agreement which entered into effect in October 2016.

Group management compensation

The table below provides a breakdown of the 2016 and 2017 compensation of members of management bodies at each year-end (22 members in 2017 and 26 in 2016) and directors (compensation, attendance fees and fees).

in thousands of euros	2016	2017
Short-term benefits excluding employer payroll taxes (1)	24,166	21,943
o/w attendance fees paid to salaried directors	*80*	*196*
o/w attendance fees paid to non-salaried directors (2) (3)	*719*	*1,004*
Short-term benefits: employer payroll taxes	4,573	5,144
Post-employment benefits (4)	1,695	1,258
Share-based payment (5)	9,781	8,722

(1) Including gross wages and salaries, bonuses, profit-sharings, attendance fees,fees and benefits in kind.
(2) Note that Paul Hermelin has waived receipt of his attendance fees since 2011.
(3) 15 directors in 2016 and 16 in 2017.
(4) Primarily the annualized expense in respect of retirement termination payments pursuant to contract and/or a collective bargaining agreement.
(5) Deferred recognition of the annualized expense relating to the grant of performance shares.

Note 31 Subsequent events

At the Ordinary Shareholders' Meeting, the Board of Directors will recommend a dividend payout to Capgemini SE shareholders of €1.70 per share in respect of 2017. A dividend of €1.55 per share was paid in respect of fiscal year 2016.

On February 5, 2018, the Group announced the acquisition of LiquidHub, a digital customer engagement firm. The transaction is due to close in the next couple of months.

Note 32 List of the main consolidated companies by country

Capgemini SE is the parent company of what is generally known as "the Capgemini Group" comprising 137 companies. The main consolidated companies at December 31, 2017 are listed below.

Country	List of the main companies consolidated at December 31, 2017	% interest	Consolidation Method [1]
ARGENTINA	Capgemini Argentina S.A.	100.00%	FC
AUSTRALIA	Capgemini Australia Pty Limited	100.00%	FC
AUSTRIA	Capgemini Consulting Österreich AG	100.00%	FC
BELGIUM	Capgemini Belgium N.V./S.A.	100.00%	FC
BRAZIL	Capgemini Business Services Brasil - Assessoria Empresarial Ltda.	100.00%	FC
	Capgemini Brasil S.A.	78.61%	FC
	CPM Braxis Tecnologia, Ltda.	78.61%	FC
CANADA	Capgemini Canada Inc.	100.00%	FC
	Capgemini Solutions Canada Inc.	100.00%	FC
	Inergi LP	100.00%	FC
	New Horizon System Solutions LP	100.00%	FC
	Société en Commandite Capgemini Québec	100.00%	FC
CHINA	Capgemini (China) Co., Ltd.	100.00%	FC
	Capgemini Business Services (China) Ltd.	100.00%	FC
	Capgemini Hong Kong Ltd.	100.00%	FC
DENMARK	Capgemini Danmark A/S	100.00%	FC
FINLAND	Capgemini Finland Oy	100.00%	FC
	Sogeti Finland Oy	100.00%	FC
	Idean Enterprises Oy	100.00%	FC
FRANCE	Capgemini SE	Parent company	
	Capgemini Consulting S.A.S.	100.00%	FC
	Capgemini France S.A.S.	100.00%	FC
	Capgemini Gouvieux S.A.S.	100.00%	FC
	Capgemini Latin America S.A.S.	100.00%	FC
	Capgemini Outsourcing Services S.A.S.	100.00%	FC
	Capgemini Service S.A.S.	100.00%	FC
	Capgemini Technology Services S.A.S.	100.00%	FC
	Immobilière Les Fontaines S.A.R.L.	100.00%	FC
	Prosodie S.A.S.	100.00%	FC
	SCI Paris Étoile	100.00%	FC
	Silgem S.A.S.	50.00%	FC
	Itelios S.A.S.	100.00%	FC
	Sogeti Corporate Services S.A.S.	100.00%	FC
	Sogeti France S.A.S.	100.00%	FC
	Sogeti High Tech S.A.S.	100.00%	FC
	Sogeti S.A.S.	100.00%	FC
GERMANY	Capgemini Deutschland GmbH	100.00%	FC
	Capgemini Deutschland Holding GmbH	100.00%	FC
	Capgemini Outsourcing Services GmbH	100.00%	FC
	Sogeti Deutschland GmbH	100.00%	FC
	Idean Enterprises GmbH	100.00%	FC
GUATEMALA	Capgemini Business Services Guatemala S.A.	100.00%	FC
INDIA	Capgemini Technology Services India Limited	99.77%	FC

(1) FC = Full consolidation, EM = Equity method.

Country	List of the main companies consolidated at December 31, 2017	% interest	Consolidation Method [(1)]
IRELAND	Capgemini Ireland Limited	100.00%	FC
ITALY	Capgemini BS S.r.l.	100.00%	FC
	Capgemini Italia S.p.A.	100.00%	FC
JAPAN	Capgemini Japan K.K.	100.00%	FC
LUXEMBOURG	Capgemini Reinsurance International S.A.	100.00%	FC
	Sogeti Luxembourg S.A.	100.00%	FC
MEXICO	Capgemini México S. de R.L. de C.V.	100.00%	FC
MOROCCO	Capgemini Technology Services Maroc SA	100.00%	FC
NETHERLANDS	Capgemini Educational Services B.V.	100.00%	FC
	Capgemini N.V.	100.00%	FC
	Capgemini Nederland B.V.	100.00%	FC
	Dunit B.V.	100.00%	FC
	Sogeti Nederland B.V.	100.00%	FC
NORWAY	Capgemini Norge AS	100.00%	FC
POLAND	Capgemini Polska Sp. z.o.o.	100.00%	FC
PORTUGAL	Capgemini Portugal, Serviços de Consultoria e Informática S.A.	100.00%	FC
SINGAPORE	Capgemini Asia Pacific Pte. Ltd.	100.00%	FC
	Capgemini Singapore Pte. Ltd.	100.00%	FC
SPAIN	Capgemini España S.L.	100.00%	FC
	Prosodie Ibérica S.L.	100.00%	FC
	Sogeti España S.L.	100.00%	FC
SWEDEN	Capgemini AB	100.00%	FC
	Capgemini Sverige AB	100.00%	FC
	Sogeti Sverige AB	100.00%	FC
SWITZERLAND	Capgemini Suisse S.A.	100.00%	FC
UNITED KINGDOM	Capgemini Financial Services UK Limited	100.00%	FC
	Capgemini UK plc	100.00%	FC
	CGS Holdings Limited	100.00%	FC
	IGATE Computer Systems (UK) Limited	100.00%	FC
	IGATE Information Services (UK) Limited	100.00%	FC
	Sogeti UK Limited	100.00%	FC
	Lyons Consulting Group Limited	100.00%	FC
UNITED STATES	Capgemini America, Inc.	100.00%	FC
	Capgemini Government Solutions LLC	100.00%	FC
	Capgemini North America, Inc.	100.00%	FC
	Capgemini Technologies LLC	100.00%	FC
	CHCS Services, Inc.	100.00%	FC
	Restaurant Application Development International LLC	100.00%	FC
	Idean Enterprises, Inc.	100.00%	FC
	O2C Pro LLC	49.00%	EM
	Lyons Consulting Group LLC	100.00%	FC

(1) FC = Full consolidation, EM = Equity method.

Note 33 Audit fees

Statutory audit fees for fiscal year 2017 breakdown as follows:

in millions of euros (excl. VAT)	KPMG		PwC	
	2017	2016	2017	2016
Certification of the accounts	3.2	3.3	3.0	3.1
▪ Capgemini SE	0.5	0.5	0.5	0.5
▪ Fully-consolidated subsidiaries	2.7	2.8	2.5	2.6
Non-audit services [(1)]	1.8	1.8	1.3	1.5
TOTAL	**5.0**	**5.1**	**4.3**	**4.6**

(1) The majority of these fees concern assignments performed at the request of our clients pursuant to ISA 34-02 and concern the audit of applications and/or processes outsourced to the Group.

4

4.2.7 Statutory Auditors' report on the consolidated financial statements

This is a translation into English of the Statutory Auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This Statutory Auditors' report includes information required by European regulation and French law, such as information about the appointment of the Statutory Auditors or verification of the information concerning the Group presented in the Management Report.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended December 31, 2017

To the Annual General Meeting of Capgemini SE,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Capgemini SE for the year ended December 31, 2017.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2017 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2017 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) no. 537/2014 or in the French Code of ethics (*Code de déontologie*) for Statutory Auditors.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Recognition of revenue and costs related to long-term service contracts

Risks identified

Capgemini is present in the professional IT services market and notably provides long-term services.

As described in Note 6 to the consolidated financial statements, the method used to recognize revenue and costs related to long-term contracts depends on the nature of the services rendered, as follows:

- revenue from long-term fixed-price contracts is recognized as and when the services are rendered using the percentage of completion method. The percentage of completion is determined for each project by correlating the total costs incurred at the end of the reporting period to the total estimated project costs. Costs are recognized as incurred; and
- revenue from outsourcing contracts is recognized over the term of the contract based on the total services rendered. Costs related to outsourcing contracts are expensed in the period in which they were incurred. The costs incurred in the initial phase of the contract (transition and/or transformation costs) may be deferred when they are specific to a given contract, relate to a future activity and/or will generate future economic benefits, and are recoverable. These costs are subsequently classified in work-in-progress.

Provisions for loss on completion are recognized in liabilities when the amount of the costs to be incurred exceeds the revenue not yet recognized on the contract.

The amount of revenue and the costs to be recognized for the period, and of any provisions for loss on completion at the end of the reporting period, depends on the Group's ability to:

- identify all separable items in the long-term multi-service contracts and determine their accounting treatment;
- determine the accounting treatment for transition and transformation costs linked to long term contracts implementation;
- measure the costs incurred or the total services rendered;
- estimate the costs to be incurred up until the end of the contract.

In light of the judgments and estimates made by management to determine how revenue and costs should be recognized, we deemed the recognition of revenue and costs related to long-term service contracts to be a key matter in our audit.

Our audit approach

We gained an understanding of the process related to recognizing various revenue flows.

Our approach took into account the information systems used in recognizing revenue and related costs by testing, with the assistance of our IT specialists, the effectiveness of the automatic controls for systems impacting revenue recognition.

Our work notably involved:

- assessing internal control procedures, identifying the most relevant controls for our audit and testing their design and operational efficiency;
- reviewing, based on a sample of contracts, the method used to recognize revenue and costs, comparing the accounting data against the operational monitoring of projects and assessing the reasonableness of the estimated used, particularly as regards measuring costs to be incurred;
- carrying out analytical audit procedures, and notably analyzing material changes in revenue and margin from one period to another;
- assessing the appropriateness of the information provided in the Notes to the consolidated financial statements.

Measurement of Goodwill

Risks identified

As part of its business development, the Group makes targeted acquisitions and recognizes goodwill as an asset in the consolidated financial statements.

Goodwill corresponds to the difference between the purchase price and the net amount of identifiable assets acquired and liabilities assumed. Goodwill is allocated to the various cash generating units (CGU) based on the value in use of each CGU.

At least once a year, Management ensures that the net carrying amount of goodwill recognized as an asset, amounting to €6,830 million at December 31, 2017, is not greater than the recoverable amount. Indeed, an adverse change in the business activities to which goodwill has been allocated, due to internal or external factors such as the financial and economic environment in markets where Capgemini operates, may have a significant adverse effect on the recoverable amount of goodwill and require the recognition of impairment. In such a case, it is necessary to reassess the relevance of the assumptions used to determine the recoverable amounts and the reasonableness and consistency of the criteria used in the calculation.

The impairment testing methods and details of the assumptions made are described in Note 15 of the Notes to the consolidated financial statements. The recoverable amount is determined based on value in use, which is calculated based on the present value of the estimated future cash flows expected to arise from the asset group comprising each cash generating unit.

We believe that the measurement of goodwill is a key audit matter, due to the significant amount of goodwill reported in the financial statements and its sensitivity to the assumptions made by Management.

Our audit approach

Our work entailed:

- assessing the appropriateness of the method used to identify cash generating units (CGU);
- gaining an understanding of and assessing the impairment testing process implemented by Management;
- verifying the appropriateness of the model used to calculate value in use;
- analysing the consistency of cash flow forecasts with Management's latest estimates presented to the Board of Directors as part of the budget process;
- comparing the cash flow forecasts for financial years 2018 to 2020 with the business plans used for prior year impairment testing;
- comparing 2017 earnings forecasts used for prior year impairment testing with actual results;
- interviewing the financial and operational staff responsible for the geographic areas representing cash generating units to analyse the main assumptions used in the business plans and cross-check the assumptions with the explanations obtained;
- assessing the methods used to calculate the discount rate applied to the estimated cash flows expected, as well as the long-term growth rate used to project the latest prior year expected cash flows to infinity; comparing these rates with market data and external sources and recalculating the rates based on our own data sources;
- assessing sensitivity testing of value in use to a change in the main assumptions used by Management;
- assessing the appropriateness of the financial information provided in Note 15 of the Notes to the consolidated financial statements.

Our firms' valuation specialists were involved in this work.

Recoverability of deferred tax assets recognized on tax loss carry-forwards

Risks identified

As of December 31, 2017, the following items were recorded in the consolidated financial statements: €1,283 million in respect of deferred tax assets, including €763 million related to deferred tax assets on tax loss carryforwards, of which €554 million in the United States, and €172 million in deferred tax liabilities. Deferred tax assets are only recognized when it is probable that the Company will have future taxable profits sufficient to recover them. Unrecognized deferred tax assets on tax loss carryforwards amounted to €228 million in the financial statements for the year ended December 31, 2017.

As stated in the Note 16 to the consolidated financial statements for the year ended December 31, 2017, the Group's ability to recognize deferred tax assets relating to tax loss carryforwards is assessed by management at the end of each reporting period, taking into account forecasts of future taxable profits. The probability of recovering deferred tax assets is primarily assessed based on a ten-year business plan, taking into account the probability of generating future taxable profits as well as an assessment by the Group and local Finance Departments of the Company's ability to meet the goals set out in its business plan in light of the risks identified at the end of the reporting period in the jurisdiction concerned.

We deemed the recognition of deferred tax assets relating to tax loss carryforwards to be a key matter in our audit due to their sensitivity to the assumptions used by management when it comes to recognizing these assets and to the materiality of their amounts.

Our audit approach

Our work consisted in assessing the Group's ability to recognize deferred tax assets on tax loss carryforwards, primarily in view of:

- existing deferred tax liabilities in the same tax jurisdiction that may be used to offset existing tax loss carryforwards prior to their expiry date; and
- future taxable profits for each tax jurisdiction that may be used to absorb previous tax losses.

We verified the appropriateness of the model adopted by management to identify the existing tax loss carryforwards to be used, whether through deferred tax liabilities or future taxable profits.

To assess future taxable profits, we measured the reliability of the preparation process for the ten-year business plan, which the Group used as a basis to recognize its deferred tax assets, by:

- analysing the consistency of cash flow forecasts with Management's latest estimates presented to the Board of Directors as part of the budget process;
- comparing forecasted profit and loss from prior periods with that of actual profit and loss for the periods concerned;
- checking that the business plan data and long-term growth rates used in impairment testing accurately reflected those used in the measurement of deferred taxes;
- conducting a critical review of the assumptions used by management to prepare profit and loss forecasts for the period beyond the three-year business plan approved by the Board of Directors. The review primarily focused on the assumptions' consistency with the long-term growth rates used and the information gathered during our meetings with members of management.

Based on current market interpretations, we also considered the potential impact of the US tax reform on the measurement of the US deferred tax assets and liabilities.

Our firms' tax specialists were involved in this work.

Tax Audit

Risks identified

The Group is present in a large number of tax jurisdictions. The tax authorities in the countries in which the Group operates regularly ask questions relating to the Group's position on subjects relating to its ordinary business.

Tax audits may lead to re-assessments and disputes with the tax authorities. Estimates of risk relating to tax disputes are reviewed regularly for each subsidiary and by the Group's Tax Department, with the assistance of external counsel for the most significant and complex disputes.

As stated in Note 29 to the Group's consolidated financial statements for the year ended December 31, 2017, these reassessments have not been accrued in the financial statements, as the Group has justified its position and believes that it is probable that it will win the disputes. This is the case, for instance in France, for the research tax credit for financial years 2008 to 2013. For some companies that have received approval for the research tax credit, the part relating to private customers has been rejected by the tax authorities.

We believe that tax risk is a key audit matter due to the Group's exposure to tax issues related to its presence worldwide, to the research tax credit for financial years 2008 to 2013 in connection with the specific characteristics of its business sector, and the level of judgment required by Management in estimating risk and the amounts recognized.

Our audit approach

Through discussions with Management, we have gained an understanding of the procedures implemented by the Group to identify uncertain tax positions and, where appropriate, provision for tax risk.

In addition, we have assessed the judgments made by Management to measure the probability of tax payable and the amount of potential exposures, and the reasonableness of the estimates made for providing tax risk.

We focused in particular on the effect of changes in local tax regulations and ongoing disputes with local tax authorities.

To assess whether tax disputes have been correctly accounted for, with the assistance of our tax experts we:

- conducted interviews with the Group's Tax Department and with local Tax Departments to assess the current status of investigations and reassessment notices received from the tax authorities, and monitor the status of ongoing claims, disputes and pre-litigation proceedings;
- consulted the decisions and recent correspondence between the Group's companies and local tax authorities, along with the correspondence between the companies concerned and their legal counsel, when required;
- performed a critical review of Management's estimates and positions and the opinions of external advisors;
- analyzed the responses from the Company's external advisors to our requests for information;
- verified that the latest developments have been taken into account in estimating the risks and provisions recognized in the balance sheet.

Provisions for pensions and other post-employment benefits

Risks identified

As stated in the Note 24 to the consolidated financial statements for the year ended December 31, 2017, the Group contributes to several post-employment defined benefit plans. The main pension plans in the United Kingdom, Canada and France represent an actuarial value of cumulative benefit obligations of €4,469 million out of a total of €4,812 million at December 31, 2017. Given that these benefit obligations are hedged, particularly in the United Kingdom and Canada, by dedicated assets with a fair value of €3,616 million, the net benefit obligation totaled €1,196 million at December 31, 2017.

Calculating pension plan assets and liabilities as well as actuarial costs for the period requires the judgment of management to determine which assumptions should be used, such as discount and inflation rates, salary inflation, staff turnover and life expectancy, etc. Any changes in these key assumptions can have a material impact on how the recognized net benefit obligation is determined and on the Group's results. Accordingly, management solicits external actuaries to assist in determining these assumptions.

In light of the amount the benefit obligation represents and the dedicated assets used to hedge it, as well as the judgment of management in determining actuarial assumptions and their resulting sensitivity, the obligations resulting from the defined benefit plans were deemed to be a key matter in our audit.

Our audit approach

We were informed of the procedures implemented by the Group for measuring post-employment net benefit obligations resulting from defined benefit plans.

With the support of our actuaries, our work involved:

- assessing the reasonableness of the assumptions regarding discount and inflation rates in light of current market conditions;
- assessing assumptions as regards salary inflation and demographic data in order to measure their consistency with the specific nature of each plan and, where applicable, the relevant national and sector references;
- confirming, based on sampling techniques, that individual data and the actuarial and statistical assumptions used by external actuaries to calculate the benefit obligation have been correctly transcribed;
- verifying the accuracy of the calculations prepared by external actuaries;
- assessing the reasonableness of the assumptions used to measure the dedicated assets.

Verification of the Information Pertaining to the Group Presented in the Management Report

As required by law we have also verified in accordance with professional standards applicable in France the information pertaining to the Group presented in the Management Report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Capgemini SE by the Annual General Meeting held on April 25, 2002 for KPMG Audit and on May 24, 1996 for PricewaterhouseCoopers Audit.

As at December 31, 2017, KPMG Audit and PricewaterhouseCoopers Audit were in the 16th year and 22nd year of total uninterrupted engagement.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) no. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

The Statutory Auditors

Neuilly-sur-Seine, February 26, 2018

PricewaterhouseCoopers Audit
Françoise Garnier
Partner

Paris La Défense, February 26, 2018

KPMG Audit
Division of KPMG S.A.
Frédéric Quélin
Partner

4.3 Comments on the Capgemini SE financial statements

4.3.1 Income statement

The Company reported **operating income** for the year ended December 31, 2017 of €393 million (including €300 million in royalties received from subsidiaries) compared with €304 million last year (including €264 million in royalties).

Operating profit is €255 million, compared with €162 million in 2016.

Net finance income totaled €2,472 million (compared with €867 million in 2016) and reflects the difference between:

- income of €2,854 million, mainly comprising reversals of provisions for equity interests (€2,389 million), particularly in the United States, Netherlands, Italy and Spain, foreign exchange gains on the pooling of currency risk at Group level (€323 million), dividends received from subsidiaries (€83 million) and income from loans granted to subsidiaries (€30 million);
- expenses of €382 million, mainly comprising foreign exchange losses on the pooling of currency risk at Group level (€246 million), charges to provisions for equity interests (€41 million), charges to provisions for foreign exchange losses (€22 million), as well as interest on bond issues and a currency swap (€72 million).

This €1,605 million increase in net finance income year-on-year was mainly due to the increase in net reversals of provisions for equity interests.

Net non-recurring income is €5 million compared with a net non-recurring expense of €71 million in 2016.

After an **income tax expense** of €13 million (compared with €8 million in 2016), notably reflecting the income tax expense of the tax consolidation group, the Company reported a **net profit** of €2,719 million.

4

4.3.2 Balance sheet

Net investments rose from €15,719 million last year to €17,460 million at December 31, 2017. This €1,741 million increase is mainly attributable to:

- net reversals of provisions for equity interests of €2,389 million;
- a €527 million decrease in amounts receivable from controlled entities, mainly corresponding to a decrease in loan outstandings with a US subsidiary;
- a €123 million decrease in other long-term investments corresponding to the net impact of treasury share transactions during the year.

Shareholders' equity is €13,846 million, up €2,137 million on last year. This increase essentially reflects the difference between:

- 2017 net profit (€2,719 million);
- the €322 million share capital increase for cash reserved for employees (ESOP 2017);
- the €630 million share capital reduction by cancellation of 6,680,523 Capgemini SE shares purchased under the share buyback program authorized by the Combined Shareholders' Meetings of May 18, 2016 and May 10, 2017;
- and the May 24, 2017 dividend payment of €1.55 per share on the 168,828,050 shares making up the Company's share capital at May 24, 2017 (after neutralization of the 321,530 treasury shares held by the Company), representing a total payment of €262 million.

Borrowings totaled €4,583 million at December 31, 2017, down €631 million compared with December 31, 2016. This decrease was mainly due to:

- the €674 million decrease in bank overdrafts on the accounts included in the Group's cash pooling arrangement (Cash pooling international), for which the Company acts as the centralizing agent, offset in full by an opposite position of the same amount in the Company's cash and cash equivalents;
- the €42 million increase in outstanding inter-company loans.

In addition to the above, the following information is required by law:

External accounts payable of Capgemini SE total €593 thousand, €581 thousand of which are not yet due. Group accounts payable total €8.3 million, none of which are due.

Inter-company accounts receivable total €31,924 thousand, including €550 thousand past due (including €395 thousand with China due to foreign exchange controls). Past due accounts receivable represent 0.1% of revenues.

4.3.3 Appropriation of earnings

During its meeting of February 14, 2018, the Board of Directors decided to recommend to the next Ordinary Shareholders' Meeting, the following appropriation of net profit for the year:

Net profit for the year	€2,718,722,306.93
Allocation to the legal reserve	€0.00
i.e. a balance of	€2,718,722,306.93
Retained earnings of previous years	€3,054,662,946.18
i.e. Distributable earnings at December 31, 2017 of	€5,773,385,253.11
This amount will be allocated to:	
▪ payment of a dividend of €1.70 per share (1)	€286,422,361.40
▪ retained earnings for the balance	€5,486,962,891.71
Giving a total of:	€5,773,385,253.11

(1) The total amount of the distribution is calculated based on the number of shares ranking for dividends at December 31, 2017 and could therefore change if this number varies between January 1, 2018 and the ex-dividend date.

This dividend of €1.70 on each of the 168,483,742 shares bearing dividend rights on January 1, 2018, will be eligible for the 40% tax rebate referred to in Article 158.3.2 of the French Tax Code (*Code général des impôts*) for private individuals tax resident in France who opt for taxation at the progressive income tax scale. Where this option is not made, the dividend will fall within the application scope of the flat-rate income tax advance payment mechanism introduced by the 2018 Finance Act and will no longer be eligible for this 40% rebate.

The ex-dividend date will be June 4, 2018 and the dividend will be payable from June 6, 2018. If, at the time of payment of the dividend, the number of treasury shares held by the Company has changed compared to that held on December 31, 2017, the fraction of the dividend relating to this variation will either increase or reduce retained earnings.

Pursuant to Article 243 *bis* of the French Tax Code, it is recalled that the following amounts were paid over the past three fiscal years:

	Total amount distributed (1) *(in euros)*	**Distributed income (2)** *(in euros)*	**Dividend per share** *(in euros)*
Fiscal year 2016	261,229,107.40	261,683,477.50	1.55
Fiscal year 2015	231,221,780.55	228,749,429.70	1.35
Fiscal year 2014	195,149,725.20	198,381,067.20	1.20

(1) Theoretical values calculated based on the number of shares bearing dividend rights on December 31 each year.

(2) Amounts effectively paid after adjusting the number of shares bearing dividend rights for any change in the number of treasury shares, the issuance of new shares and/or the cancellation of existing shares between January 1 and the ex-dividend date. These amounts were fully eligible for the 40% tax rebate referred to in Article 158.3.2 of the French Tax Code (Code général des impôts) for each fiscal year.

4.3.4 Share capital and ownership structure

At December 31, 2017, the share capital amounted to €1,347,869,936 (compared with €1,372,514,120 at December 31, 2016), divided into 168,483,742 fully paid-up shares with a par value of €8 each.

Share capital transactions during 2017 were as follows:

- cancellation of 2,414,685 treasury shares purchased under the multi-year share buyback program, decided by the Board of Directors on February 15, 2017;
- reduction in the number of shares on the concurrent completion on December 18, 2017 of a share capital increase under the 4th international share ownership plan (ESOP 2017) involving the issue of 3,600,000 shares and the cancellation of 4,265,838 treasury shares purchased under the share buyback agreement aimed at neutralizing the dilution related to the ESOP 2017 and the multi-year share buyback program.

Pursuant to Article L.233-13 of the French Commercial Code (*Code de commerce*), the Board of Directors informs shareholders that, based on notifications received, two shareholders held more than 5% of the Company's share capital and voting rights at the year-end:

- Société Générale, which disclosed it held 5.79% of the Company's share capital and voting rights at December 27, 2017 in the last legal threshold crossing disclosure received in 2017, comprising 945,886 shares and voting rights held directly and 8,805,937 shares and voting rights deemed held by "equivalence" [1];
- BlackRock Inc., a US company acting on behalf of clients and managed funds, which disclosed it held 5.10% of the Company's share capital and voting rights at December 19, 2017 on behalf of said clients and managed funds in the last legal threshold crossing disclosure received in 2017.

As far as the Company is aware, no other shareholder holds directly or indirectly, alone or in concert, over 5% of the share capital or voting rights.

Finally, shares held by members of the Board of Directors represent 0.19% of the Company's share capital at December 31, 2017.

(1) Following the repeal of the so-called "trading" exception due to the enactment into French law of the revised Transparency Directive 2013/50/EU by Order no. 2015-1576 of December 3, 2015, service providers must include in their threshold crossing disclosures certain agreements or financial instruments deemed to have an economic effect similar to the ownership of shares, irrespective of whether they are settled in shares or cash (e.g. forward purchases with physical settlement).

4.4 2017 financial statements

4.4.1 Balance Sheet at December 31, 2016 and 2017

	12/31/2016	12/31/2017		
in thousands of euros	Net	Gross	Depreciation, amortization	Net
Assets				
Intangible assets				
Trademarks, patents and similar rights	4,927	40,971	(36,084)	4,887
Property, plant and equipment	**224**	**224**	**-**	**224**
Financial fixed assets				
Equity interests	14,474,129	17,625,668	(761,139)	16,864,529
Receivable from controlled entities [1]	1,119,169	592,369		592,369
Other financial fixed assets [1]	126,111	3,338	-	3,338
Non-current assets	**15,724,559**	**18,262,569**	**(797,223)**	**17,465,347**
Bought-in goods	-	4		4
Accounts and notes receivable [1]	-	71	(71)	-
Other receivables [1]	126,344	119,072	-	119,072
Receivable from related and associated companies [1]	197,420	140,679	-	140,679
Marketable securities	1,069,205	861,309	(5)	861,304
Cash and cash equivalents	1,349,284	897,427	-	897,427
Current assets	**2,742,253**	**2,018,563**	**(77)**	**2,018,486**
Prepaid expenses [1]	3,598	2,833	-	2,833
Deferred charges	12,233	8,910	-	8,910
Unrealized foreign exchange losses	573	22,043	-	22,043
Other assets	**16,404**	**33,786**	**-**	**33,786**
TOTAL ASSETS	**18,483,216**	**20,314,917**	**(797,300)**	**19,517,618**
(1) of which due within one year	*570,052*	*290,738*	-	*290,738*

in thousands of euros	**12/31/2016**	**12/31/2017**
Shareholders' equity and liabilities		
Share capital (fully paid-up)	1,372,514	1,347,870
Additional paid-in capital	6,295,195	6,011,037
Legal reserve	137,745	137,745
Other reserves	559,573	559,573
Retained earnings	2,377,424	3,054,663
Profit for the year	950,196	2,718,722
Tax-driven provisions	15,948	15,948
Shareholders' equity	**11,708,595**	**13,845,558**
Provisions for contingencies and losses	**573**	**22,043**
Bond issues	3,250,000	3,250,000
Bank loans and borrowings (2)	1,377,376	704,164
Payable to controlled entities (2)	586,598	628,702
Borrowings (2)	**5,213,974**	**4,582,866**
Accounts and notes payable (2)	4,218	3,343
Tax and social security liabilities (2)	2,692	4,632
Payable to related and associated companies (2)	1,547,642	890,594
Other payables (2)	1,261	1,570
Unrealized foreign exchange gains	4,261	167,013
Other liabilities	**1,560,074**	**1,067,152**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**18,483,216**	**19,517,618**
(2) of which due within one year	*3,230,514*	*2,532,150*

4.4.2 Income Statement for the years ended December 31, 2016 and 2017

in thousands of euros	2016	2017
Royalties	264,234	299,627
Reversals of depreciation, amortization and provisions, expense transfers	2,447	-
Other income	37,275	93,189
Total operating income	**303,956**	**392,816**
Other purchases and external charges	59,404	37,075
Taxes, duties and other levies	10,401	4,606
Depreciation and amortization	8,754	4,604
Charges to provisions	24,991	-
Other expenses	38,044	91,769
Total operating expenses	**141,593**	**138,055**
Operating profit	**162,363**	**254,761**
Investment income (1)	68,926	83,370
Income from other marketable securities and amounts receivable on non-current assets (1)	55,278	29,924
Other interest income (1)	70,597	12,439
Reversals of provisions	759,312	2,404,151
Foreign exchange gains	242,603	323,463
Net proceeds on disposals of marketable securities	402	568
Total financial income	**1,197,117**	**2,853,915**
Depreciation, amortization and provisions relating to financial items	3,490	63,048
Interest and similar expenses (2)	124,184	72,117
Foreign exchange losses	202,461	246,035
Expenses on disposals of marketable securities		388
Total financial expenses	**330,135**	**381,588**
Net finance income (expense)	**866,982**	**2,472,327**
Recurring profit before tax	**1,029,346**	**2,727,087**
Non-recurring income from operations	0	2,224
Non-recurring income from capital transactions	2,761	2,544
Total non-recurring income	**2,761**	**4,767**
Non-recurring expenses on operations	69,937	111
Non-recurring expenses on capital transactions	3,539	-
Total non-recurring expenses	**73,476**	**111**
Net non-recurring income (expense)	**(70,715)**	**4,656**
Income tax expense	**(8,434)**	**(13,021)**
PROFIT FOR THE YEAR	**950,196**	**2,718,722**
(1) of which income concerning related companies	*125,627*	*116,273*
(2) of which interest concerning related companies	*17,225*	*7,591*

4.4.3 Notes to the financial statements

I - Accounting policies

The annual financial statements for the year ended December 31, 2017 are prepared and presented in accordance with Regulations no. 2014-03, no. 2015-06 and no. 2016-07 issued by the French Accounting Standards Authority (*Autorité des normes comptables*, ANC). They are also prepared in accordance with the principles of prudence and accruals, and assuming that the Company is able to continue as a going concern.

Change in accounting method

ANC Regulation no. 2015-05 of July 2, 2015 on forward financial instruments and hedging transactions entered into effect on January 1, 2017. It represents a change in accounting method. This text amends ANC Regulation no. 2014-03 on the French Chart of Accounts by adding provisions on financial instruments.

Centralized foreign currency hedging transactions are now recognized in accordance with hedge accounting rules. Unhedged transactions are recognized in isolated open positions. Any unrealized losses are provided. In addition the impact of hedging on inter-company loans and receivables is spread over the hedge term.

Items in the financial statements are generally measured using the historical cost method.

The Company's main accounting policies are described below:

Intangible assets

Computer software and user rights acquired on an unrestricted ownership basis, as well as software developed for internal use which has a positive, lasting and quantifiable effect on future results, are capitalized and amortized over a maximum period of three years. At the year-end, the value of computer software and user rights is compared to their value in use for the Company.

Financial fixed assets

The gross value of equity interests and other long-term investments carried in the balance sheet comprises their acquisition cost, including any transaction fees. A provision for impairment is set aside when the value in use falls below the acquisition cost. The value in use is calculated based on either the present value of discounted future cash flows adjusted for net debt and deferred tax, where applicable, the Company's share in net assets, or in certain cases, with reference to the market value of comparable transactions.

Treasury shares

Treasury shares held by Capgemini SE as part of the liquidity agreement are recorded on the balance sheet within long-term investments at the lower of cost and net realizable value. Realizable value is the average market price for Capgemini SE shares in December. Other treasury shares held for other objectives of the share buyback program are recorded in listed shares.

Marketable securities

Marketable securities are shown on the balance sheet at the lower of cost and net realizable value. The realizable value of listed securities is based on the average share price in December. The realizable value of unlisted securities is based on their net asset value. At the year-end, accrued interest receivable or interest received in advance on certificates of deposit and commercial paper is recognized in accrued income or prepaid income, respectively.

Capitalization contracts subscribed by the Company are also included in marketable securities.

Foreign currency transactions

Receivables, payables and cash and cash equivalents denominated in foreign currencies are translated into euros at the year-end exchange rate or at the hedging rate. Any differences resulting from the translation of foreign currency receivables and payables at these rates are included in the balance sheet under "Unrealized foreign exchange gains/losses". A provision for foreign exchange losses is set aside to cover any unrealized losses.

Receivables and payables

Receivables are measured at their nominal amount, and a provision for impairment set aside when their net realizable value falls below their net carrying amount. Unbilled payables are recognized excluding VAT.

Financial instruments

Currency and interest rate positions are taken using financial instruments presenting minimum counterparty risk listed on organized markets or over-the-counter. Gains and losses on financial instruments used in hedging transactions are recognized to match the gains and losses arising on the hedged items. Forward financial instruments, and options on own shares, are initially recognized in the balance sheet at acquisition cost and subsequently remeasured to fair value. Where there is indication of impairment, a provision for financial risk is set aside in accordance with the principle of prudence.

Tax consolidation

The Company and French subsidiaries at least 95% owned by the Group have elected to file a consolidated tax return pursuant to Article 223 A of the French General Tax Code. Any tax savings realized by the Group primarily on account of losses incurred by consolidated entities are treated as a gain for the Company in the period in which they arise.

II - Notes to the Capgemini SE Balance Sheet and Income Statement

1. Non-current assets

in thousands of euros		Gross value (January 1)	Increase	Decrease	Gross value (December 31)
Intangible assets					
Trademarks, patents and similar rights		39,729	1,241	-	40,971
	Sub-total	**39,729**	**1,241**	**-**	**40,971**
Property, plant and equipment		**224**	**-**		**224**
	Sub-total	**224**	**-**	**-**	**224**
Financial fixed assets					
Equity interests		17,583,656	42,013	-	17,625,668
Receivable from controlled entities		1,119,169	518,290	(1,045,090)	592,369
Other financial fixed assets		126,111	598,422	(721,195)	3,338
	Sub-total	**18,828,935**	**1,158,725**	**(1,766,285)**	**18,221,375**
TOTAL NON-CURRENT ASSETS		**18,868,889**	**1,159,966**	**(1,766,285)**	**18,262,569**

Equity interests

Equity interests comprise shares in the Company's subsidiaries. The main change during the year reflects a share capital increase in the Asia-Pacific region of €38,863 thousand.

Receivable from controlled entities

Amounts receivable from controlled entities mainly consist of loans granted by the Company to subsidiaries primarily in North America (€418,185 thousand), Latin America (€73,387 million), Europe (€51,918 thousand) and the Asia-Pacific region (€31,209 thousand).

The main changes in this heading reflect:

- loans granted to subsidiaries in the United States (€424,989 thousand), Europe (€45,241 thousand), Latin America (€26,181 thousand) and the Asia-Pacific region (€14,209 thousand);
- the repayment of loans granted to subsidiaries in the United States (€984,284 thousand), Europe (€21,129 thousand) and the Asia-Pacific region (€13,921 thousand).

Other financial fixed assets

This account mainly comprises treasury shares held under the liquidity agreement. This agreement relates to the share buyback program approved by the Combined Shareholders' Meeting of May 10, 2017. Accordingly, a total of 904,664 shares were acquired and 1,025,733 shares were sold between January 1, 2017 and December 31, 2017. At December 31, 2017, Capgemini SE held 28,931 treasury shares (150,000 at December 31, 2016), valued at €2,827 thousand.

In 2017, the Company continued to purchase treasury shares in the amount of 5,530,159 shares (€541,980 thousand, including transaction fees). During the year, 1,158,600 shares were presented to beneficiaries of performance shares and 6,680,523 shares were canceled.

2. Depreciation, amortization and provisions for non-current assets

in thousands of euros	Depreciation, amortization and provisions (January 1)	Charge	Reversal	Depreciation, amortization and provisions (December 31)
Intangible assets				
Amortization of trademarks, patents and similar rights	34,803	1,281	-	36,084
Financial fixed assets				
Provisions for equity interests	3,109,527	41,000	(2,389,388)	761,139
TOTAL DEPRECIATION, AMORTIZATION AND PROVISIONS	**3,144,329**	**42,281**	**(2,389,388)**	**797,223**

Provision reversals of €2,389,388 thousand concern US, Dutch, Italian, Spanish, Swiss and French subsidiaries. The €41,000 thousand charge to provisions concerns a French subsidiary holding investments in Latin America.

3. Marketable securities

Marketable securities break down as follows at December 31, 2017:

in thousands of euros	Net asset value	Nominal value	Carrying amount
Listed securities			
Investment funds (FCP & SICAV)	641,727	641,721	641,721
Treasury shares	51,903	51,903	51,903
Unlisted securities			
Term deposits	73,350	73,350	73,350
Other marketable securities			
Capitalization contracts	94,329	94,329	94,329
TOTAL	**861,309**	**861,303**	**861,303**

Other marketable securities comprise three capitalization fund contracts subscribed in July 2010, August 2010 and November 2014 with leading insurance companies in Europe for €80,000 thousand. The residual balance represents capitalized interest at December 31, 2017.

4. Maturity of receivables at year-end

in thousands of euros	Gross amount	One year or less	More than one year
Non-current assets			
Receivable from controlled entities	592,369	81,407	510,962
Other financial fixed assets	3,338	2,838	500
Current assets			
Income tax receivable	117,814	63,739	54,075
VAT receivable	1,258	1,258	-
Receivable from related companies	140,679	140,679	-
Prepaid expenses	2,833	818	2,015
TOTAL	**858,291**	**290,738**	**567,552**

Prepaid expenses mainly comprise prepaid interest on the 2015 and 2016 bond issues.

5. Deferred charges

in thousands of euros	Amount at January 1	Increase	Amortization & decrease	Amount at December 31
Loan issuance fees	12,233	-	(3,323)	8,910
TOTAL	**12,233**	**-**	**(3,323)**	**8,910**

Loan issuance fees include fees on the syndicated credit facility, as well as fees on the three 2015 bond issues and on the 2016 bond issue. They are amortized on a straight-line basis over the term of the debt.

In 2014, Capgemini SE refinanced its multi-currency credit facility with a group of 18 banks for an amount of €750 million. In July 2016, a one-year extension request was accepted by all banks, extending the maturity of this credit facility to July 27, 2021.

6. Share capital and additional paid-in capital

in thousands of euros	Number of shares	Share capital	Additional paid-in capital
At December 31, 2016 (par value of €8)	**171,564,265**	**1,372,514**	**6,295,195**
+ Share capital increase for cash reserved for employees	3,600,000	28,800	293,004
- Share capital reduction by cancellation of shares	(6,680,523)	(53,444)	(576,229)
- Share issue costs, net of tax	-	-	(933)
AT DECEMBER 31, 2017 (PAR VALUE OF €8)	**168,483,742**	**1,347,870**	**6,011,037**

Share capital increase reserved for employees, share issue costs

Pursuant to the 17th and 18th resolutions adopted by the Combined Shareholders' Meeting of May 10, 2017, the Group set up an employee share ownership plan (ESOP 2017) in the second half of 2017. Nearly 187,300 Group employees in 21 countries, representing approximately 97% of the Group headcount, were invited to subscribe for Capgemini SE shares. Under the plan, a minimum length of service of three months was required at November 19, 2017, acquired consecutively or not since January 1, 2016 to qualify as a candidate for subscription. This leveraged plan offered employees the possibility of subscribing at a discounted preferential rate and, *via* a bank which secured and supplemented the investment so that the total amount invested represented ten times the personal contribution of the employee, potentially generating a greater capital gain than would have been the case had it been calculated based solely on the employee's personal contribution. In return, the employee waives a portion of any increase in the price of shares subscribed on his behalf, as well as dividends and other financial rights that could be paid on these shares throughout the entire term of the plan. In addition, the shares will be unavailable for a period of five years (except for cases of early release covered by plan rules in accordance with applicable legislation).

Under the delegation of authority granted by the Board of Directors, the subscription price was set at €89.39 by the Chairman and Chief Executive Officer on November 15, 2017. This price corresponds to the daily average Capgemini SE share price, weighted for volumes, over the twenty stock market trading days preceding the Chairman and Chief Executive Officer's decision, less a 12.5% discount.

On December 18, 2017, the Group issued 3,600,000 new shares reserved for employees with a par value of €8, representing an increase in shareholders' equity of €320 million net of issue costs (€1.0 million, net of tax).

Using the powers delegated to him, the Chairman and Chief Executive decided concomitantly with the share capital increase, to deduct all related share issue costs from additional paid-in capital.

Share capital reduction by cancellation of shares purchased

During the year, the Board of Directors, using the delegation of authority granted for a period of 18 months by the 11th ordinary resolution adopted by the Combined Shareholders' Meeting of May 10, 2017, decided to reduce the share capital by €53,444 thousand by canceling 6,680,523 Capgemini SE shares purchased under the share buyback program authorized by the Combined Shareholders' Meetings of May 18, 2016 and May 10, 2017. The difference between the purchase cost of these 6,680,523 shares and their par value of €576,229 thousand was deducted from additional paid-in capital.

7. Share subscription plans

The Group no longer grants share subscription options since the plan authorized in 2005. The last grant under this plan was performed in June 2008.

8. Performance share plans

The Combined Shareholders' Meetings of May 24, 2012, May 23, 2013, May 6, 2015, May 18, 2016 and then May 10, 2017, authorized the Board of Directors to grant shares to a certain number of Group employees, on one or several occasions and within a maximum period of 18 months, subject to performance and/or presence conditions. On December 12, 2012, February 20, 2013, July 30, 2014, July 29, 2015, February 17, 2016, July 26, 2016, July 26, 2017 and October 5, 2017, the Board of Directors approved the terms and conditions and the list of beneficiaries of these eight plans.

The main features of these plans are set out in the tables below:

	2012 International Plan	2013 International Plan
Maximum number of shares that may be granted	2,426,555 shares	2,426,555 shares
% of share capital at the date of the Board of Directors' decision	1.50%	1.50%
Total number of shares granted	1,003,500 (1)	1,209,100 (1)
Date of Board of Directors' decision	December 12, 2012	February 20, 2013
Performance assessment dates	At the end of the first and second calendar years following the grant date	At the end of the first and second years following the grant date
Vesting period	2 years and ½ month as from the grant date (France) or 4 years and ½ month as from the grant date (other countries)	2 years and 1 week as from the grant date (France) or 4 years and 1 week as from the grant date (other countries)
Mandatory lock-in period effective as from the vesting date (France only)	4 years	4 years
Main market conditions at the grant date		
▪ *Volatility*	*25.80%*	*38.70%*
▪ *Risk-free interest rate*	*0.35% -0.98%*	*0.59% -1.28%*
▪ *Expected dividend rate*	*3.00%*	*3.00%*
Other conditions		
▪ *Performance conditions*	*Yes (see below)*	
▪ *Employee presence within the Group at the vesting date*	*Yes*	Yes
Pricing model used to calculate the fair value of shares	Monte Carlo for performance shares with external (market) conditions	
Range of fair values (in euros)		
▪ *Free shares (per share and in euros)*	*n/a*	*n/a*
▪ *Performance shares (per share and in euros)*	*14.35 -28.67*	*16.18 -32.14*
Of which corporate officers	*16.18*	*18.12*
Number of shares at December 31, 2016	that may vest under the plan in respect of shares previously granted, subject to conditions (performance and presence)	
	499,500	663,900
	o/w to corporate officers	
	-	-
Change during the period	Number of shares subject to performance and/or presence conditions granted during the year	
	-	-
	o/w to corporate officers	
	-	-
	Number of shares forfeited or canceled during the year	
	-	4,800
	Number of shares vested during the year	
	499,500 (2)	659,100 (2)
Number of shares at December 31, 2017	0	0
Weighted average number of shares	-	110,650
Share price at the grant date (in euros)	33.15	36.53

	2014 International Plan	2015 International Plan
Maximum number of shares that may be granted	1,590,639 shares	1,721,759 shares
% of share capital at the date of the Board of Directors' decision	1%	1%
Total number of shares granted	1,290,500 (1)	1,068,550 (1)
Date of Board of Directors' decision	July 30, 2014	July 29, 2015
Performance assessment dates	Three years for the internal performance condition and two years for the external performance condition	Three years for the two performance conditions
Vesting period	2 years as from the grant date (France) or 4 years as from the grant date (other countries)	2 years and 7 months as from the grant date (France) or 4 years as from the grant date (other countries)
Mandatory lock-in period effective as from the vesting date (France only)	4 years	3 years
Main market conditions at the grant date		
▪ *Volatility*	*26.33%*	*24.54%*
▪ *Risk-free interest rate*	*0.34% -0.81%*	*0.10% -0.55%*
▪ *Expected dividend rate*	*2.31%*	*1.60%*
Other conditions		
▪ *Performance conditions*	*Yes (see below)*	
▪ *Employee presence within the Group at the vesting date*	*Yes*	Yes
Pricing model used to calculate the fair value of shares	Monte Carlo for performance shares with external (market) conditions	
Range of fair values (in euros)		
▪ *Free shares (per share and in euros)*	*n/a*	*n/a*
▪ *Performance shares (per share and in euros)*	*26.46 -48.26*	*61.73 -82.18*
Of which corporate officers	*29.32*	*56.66*
Number of shares at December 31, 2016	that may vest under the plan in respect of shares previously granted, subject to conditions (performance and presence)	
	776,250	1,042,950
	o/w to corporate officers	
	-	40,000 (1)
Change during the period	Number of shares subject to performance and/or presence conditions granted during the year	
	-	-
	o/w to corporate officers	
	-	-
	Number of shares forfeited or canceled during the year	
	78,750	87,352
	Number of shares vested during the year	
	-	-
Number of shares at December 31, 2017	that may vest under the plan in respect of shares previously granted, subject to conditions (presence only)	
	697,500 (2)	955,598 (4)
Weighted average number of shares	736,875	999,274
Share price at the grant date (in euros)	53.35	87.60

	2016 International Plans	
Maximum number of shares that may be granted	1,721,815 shares	1,721,815 shares
% of share capital at the date of the Board of Directors' decision	1%	1%
Total number of shares granted	180,500 (5)	1,663,500 (1)
Date of Board of Directors' decision	February 17, 2016	July 26, 2016
Performance assessment dates	Presence condition only	Three years for the two performance conditions
Vesting period	2 years as from the grant date (France) or 4 years as from the grant date (other countries)	3 years and 1 week as from the grant date (France) or 4 years as from the grant date (other countries)
Mandatory lock-in period effective as from the vesting date (France only)	2 years	2 years
Main market conditions at the grant date		
▪ *Volatility*	*n/a*	*26.35%*
▪ *Risk-free interest rate*	*0.15% -0.03%*	*0.2% -0.17%*
▪ *Expected dividend rate*	*1.60%*	*1.60%*
Other conditions		
▪ *Performance conditions*	*Yes (see below)*	
▪ *Employee presence within the Group at the vesting date*	*Yes*	Yes
Pricing model used to calculate the fair value of shares	Monte Carlo for performance shares with external (market) conditions	
Range of fair values (in euros)		
▪ *Free shares (per share and in euros)*	*n/a*	*n/a*
▪ *Performance shares (per share and in euros)*	*55.45 -57.59*	*54.02 -77.1*
Of which corporate officers	-	*52.68*
Number of shares at December 31, 2016	that may vest under the plan in respect of shares previously granted, subject to conditions (performance and presence)	
	173,900	1,652,600
	o/w to corporate officers	
	-	42,000 (1)
Change during the period	Number of shares subject to performance and/or presence conditions granted during the year	
	-	-
	o/w to corporate officers	
	-	-
	Number of shares forfeited or canceled during the year	
	29,850	77,550
	Number of shares vested during the year	
	-	-
Number of shares at December 31, 2017	that may vest under the plan in respect of shares previously granted, subject to conditions (performance and presence)	
	144,050 (6)	1,575,050 (7)
Weighted average number of shares	158,975	1,613,825
Share price at the grant date (in euros)	71.61	83.78

	2017 International Plans	
Maximum number of shares that may be granted	1,691,496 shares	1,691,496 shares
% of share capital at the date of the Board of Directors' decision	1%	1%
Total number of shares granted	63,597 (8)	1,522,500 (3)
Date of Board of Directors' decision	July 26, 2016	October 5, 2017
Performance assessment dates	Presence condition only	Three years for the two performance conditions
Vesting period	3 years and 1 week as from the grant date (other countries)	3 years as from the grant date (France) or 4 years as from the grant date (other countries)
Mandatory lock-in period effective as from the vesting date (France only)	n/a	2 years
Main market conditions at the grant date		
▪ *Volatility*	*n/a*	*25.65%*
▪ *Risk-free interest rate*	*-0.25% / -0.04%*	*-0.17%/ +0.90%*
▪ *Expected dividend rate*	*1.60%*	*1.60%*
Other conditions		
▪ *Performance conditions*	*Yes (see below)*	
▪ *Employee presence within the Group at the vesting date*	*Yes*	Yes
Pricing model used to calculate the fair value of shares	Monte Carlo for performance shares with external (market) conditions	
Range of fair values (in euros)		
▪ *Free shares (per share and in euros)*	89.05	86.98 -93.25
▪ *Performance shares (per share and in euros)*		62.02 -93.25
Of which corporate officers	*n/a*	*66.38*
Number of shares at December 31, 2016	that may vest under the plan in respect of shares previously granted, subject to conditions (performance and presence)	
	-	-
	o/w to corporate officers	
	-	-
Change during the period	Number of shares subject to performance and/or presence conditions granted during the year	
	63,597	1,522,500
	o/w to corporate officers	
	-	35,000 (1)
	Number of shares forfeited or canceled during the year	
	-	17,300
	Number of shares vested during the year	
	-	-
Number of shares at December 31, 2017	that may vest under the plan in respect of shares previously granted, subject to conditions (performance and presence)	
	63,597 (8)	1,505,200 (9)
Weighted average number of shares	26,499	378,463
Share price at the grant date (in euros)	94.20	100.25

(1) Grant subject to performance conditions only.
(2) In respect of the "foreign" plan only.
(3) Grant subject to performance conditions only, except for 19,150 shares subject to presence conditions only.
(4) Of which 337,316 shares in respect of the "French" plan and 618,282 shares in respect of the "foreign" plan; these amounts include a 4% discount on the external performance condition as the performance of the Capgemini SE share compared with the basket of comparable securities and the CAC 40 index is between 109 and 110% of the average performance of the basket.
(5) Grant subject to presence conditions only for beneficiaries employed by IGATE, acquired on July 1, 2015.
(6) Of which 7,500 shares in respect of the French plan and 136,550 shares in respect of the foreign plan.
(7) Of which 441,350 shares in respect of the French plan and 1,133,700 shares in respect of the foreign plan.
(8) Grant subject to presence conditions only for beneficiaries employed by Idean, acquired in February 2017.
(9) Of which 456,400 shares in respect of the French plan and 1,048,800 shares in respect of the foreign plan.

a) Shares vested under the 2012 and 2013 plans

Shares representing 100% of the initial allocation vested to beneficiaries not tax resident in France and still present in the Group at the vesting date, following the assessment in 2015 of the performance conditions under the 2012 and 2013 plans. Satisfaction of the presence condition at the vesting date therefore led to the vesting in January 2017 of 499,500 shares under the 2012 plan and the vesting in March 2017 of 659,100 shares under the 2013 plan.

b) Performance conditions of the 2012, 2013, 2014, 2015, 2016 and 2017 plans

In accordance with the AMF recommendation of December 8, 2009 regarding the inclusion of an internal and external performance condition when granting performance shares, the Board of Directors decided as from the 2010 plan to add an internal condition to the external condition initially planned.

The following internal and external performance conditions apply:

The external performance condition accounts for 50% of the grant calculation as does the internal performance condition.

External performance condition

The external performance condition is applied in an identical manner across the 2012 to 2015 plans and in line with the conditions applied to the first two plans, as follows:

- no shares are granted if the performance of the Capgemini SE share during the period in question is less than 90% of the performance of the basket of securities over the same period;
- the number of shares ultimately granted:
  - is equal to 40% of the number of shares initially allocated if the performance of the Capgemini SE share is at least equal to 90% of the basket,
  - is equal to 60% of the number of shares initially allocated if the performance of the Capgemini SE share is equal to 100% of the basket,
  - is equal to 100% of the number of shares initially allocated if the relative performance of the Capgemini SE share is higher than or equal to 110% of the basket,
  - varies on a straight-line basis between 40% and 60% and between 60% and 100% of the initial allocation, based on a pre-defined schedule, where the performance of the Capgemini SE share is between 90% and 100% of the basket in the first case and 100% and 110% of the basket in the second case.

Under these conditions, if the performance of the Capgemini SE share is in line with that of the basket of comparable shares, only 60% of the initial allocation will be granted in respect of the external performance condition (*i.e.* 30% of the initial allocation).

The terms of the external performance condition were tightened for the 2016 and 2017 plans and accordingly:

- no shares are granted if the performance of the Capgemini SE share during the period in question is less than the performance of the basket of securities over the same period;
- the number of shares ultimately granted:
  - is equal to 50% of the number of shares initially allocated if the performance of the Capgemini SE share is at least equal to 100% of the basket,
  - is equal to 100% of the number of shares initially allocated if the relative performance of the Capgemini SE share is higher than or equal to 110% of the basket,
  - varies on a straight-line basis between 50% and 100% of the initial allocation, based on a pre-defined schedule, where the performance of the Capgemini SE share is between 100% and 110% of the basket.

The benchmark basket comprises the following securities, with each security equally weighted:

- 2012 and 2013 Plans: Accenture / CSC / Atos / Tieto / Steria / CGI Group/ Infosys / Sopra / Cognizant;
- 2014, 2015 and 2016 Plans: Accenture / CSC / Atos / Tieto / CAC 40 index / CGI Group/ Infosys / Sopra / Cognizant. Listing of the CSC security was ceased on April 1, 2017 and it was therefore replaced in the basket by the Stoxx 600 Technology E index;
- 2017 Plan: CSC was replaced by Indra following cessation of the security's listing on April 1, 2017. The rest of the basket remains unchanged.

The fair value of shares subject to external performance conditions is adjusted for a discount calculated in accordance with the Monte Carlo model, together with a discount for non-transferability for the shares granted in France.

Internal performance condition

The internal performance condition is based on the generation of organic free cash flow (OFCF) over a three-year period encompassing fiscal years 2012 to 2014 for the 2012 and 2013 plans, fiscal years 2013 to 2015 for the 2014 plan, fiscal years 2015 to 2017 for the 2015 plan, fiscal years 2016 to 2018 for the 2016 plan and fiscal years 2017 to 2019 for the 2017 plan. Accordingly:

- no shares will be granted in respect of the internal performance condition if the cumulative increase in organic free cash flow over the reference period is less than €750 million for the 2012 and 2013 plans, €850 million for the 2014 plan, €1,750 million for the 2015 plan, €2,400 million for the 2016 plan and €2,900 million for the 2017 plan;
- 100% of the initial internal allocation will be granted if organic free cash flow is equal to or exceeds €1 billion for the 2012 and 2013 plans, €1.1 billion for the 2014 plan, €2 billion for the 2015 plan, €2.7 billion for the 2016 plan and €3.2 billion for the 2017 plan.

The fair value of shares subject to internal performance conditions is calculated assuming 100% realization and will be adjusted where necessary in line with effective realization of this condition. A discount for non-transferability is also applied for the shares granted in France.

9. Change in shareholders' equity

in thousands of euros	01/01/2017	Appropiation of profit for 2016	Other movements	12/31/2017
Share capital	1,372,514	-	(24,644)	1,347,870
Additional paid-in capital	6,295,195	-	(284,158)	6,011,037
Legal reserve	137,745	-	-	137,745
Other reserves	559,573	-	-	559,573
Retained earnings	2,366,150	688,513		3,054,663
Dividends paid	-	261,683	(261,683)	-
Profit for the year	950,196	(950,196)	2,718,722	2,718,722
Tax-driven provisions	15,948	-	-	15,948
TOTAL	**11,697,321**	**0**	**2,148,237**	**13,845,558**

The appropriation of the net profit for 2016 led to the distribution on May 24, 2017 of a dividend of €1.55 on each of the 168,828,050 shares ranking for dividends, for a total of €261,683 thousand. The amount not paid out on the 321,530 shares held by the Company on May 24, 2017 of €498 thousand was appropriated to retained earnings.

Other movements mainly concern:

- the share capital increase of €28,800 thousand following the issue of 3.6 million new shares reserved for employees (ESOP 2017);
- the increase in additional paid-in capital of €293,004 thousand pursuant to the aforementioned transaction, net of post-tax share issue costs of €933 thousand;
- the share capital reduction by cancellation of 6,680,523 Capgemini SE shares purchased under the share buyback program authorized by the Combined Shareholders' Meeting of May 10, 2017 in the amount of €53,444 thousand;
- the decrease in additional paid-in capital of €576,229 thousand pursuant to this cancellation;
- 2017 net profit for the year of €2,718,722 thousand.

10. Provisions for contingencies and losses

in thousands of euros	At January 1	Charge	Reversal (utilized)	At December 31
Provisions for contingencies and losses				
▪ for foreign exchange losses	11,847	22,043	11,847	22,043
TOTAL	**11,847**	**22,043**	**11,847**	**22,043**

The first-time application of ANC Regulation no. 2015-05 on forward financial instruments and hedging transactions resulted in the recognition at January 1, 2017 of a provision for foreign exchange losses of €11,274 thousand. This provision was reversed and replaced at December 31, 2017 by a provision for €17,781 thousand.

11. Bond issues

in thousands of euros	December 31, 2016	December 31, 2017
2015-2018 Bond issue	500,000	500,000
2015-2020 Bond issue	1,250,000	1,250,000
2015-2023 Bond issue	1,000,000	1,000,000
2016-2021 Bond issue	500,000	500,000
TOTAL	**3,250,000**	**3,250,000**

a) 2016 bond issue

On November 3, 2016, Capgemini SE placed a €500 million bond issue comprising 5,000 bonds with a unit value of €100,000 each and with a settlement/delivery date of November 9, 2016.

The bonds mature on November 9, 2021 and pay an annual coupon of 0.50% (issue price 99.769%). The bond issue is callable before this date by Capgemini SE, subject to certain conditions set out in the issue prospectus and particularly concerning the minimum redemption price.

The bond issue is also subject to standard early redemption, early repayment and *pari passu* clauses.

The terms and conditions of this issue were set out in the prospectus approved by the AMF on November 7, 2016 under reference number no. 16-518.

b) July 1, 2015 bond issues

On June 24, 2015, Capgemini SE performed a "triple tranche" bond issue for a total nominal amount of €2,750 million and with a settlement/delivery date of July 1, 2015:

- **2015 Bond issue (July 2018):**

  The nominal amount of this tranche is €500 million, comprising 5,000 bonds with a unit value of €100,000 each. The bonds mature on July 2, 2018 and pay a floating coupon of 3 month Euribor +85 pb, revised quarterly (issue price 100%);
- **2015 Bond issue (July 2020):**

  The nominal amount of this tranche is €1,250 million, comprising 12,500 bonds with a unit value of €100,000 each. The bonds mature on July 1, 2020 and pay an annual coupon of 1.75% (issue price 99.853%);
- **2015 Bond issue (July 2023):**

  The nominal amount of this tranche is €1,000 million, comprising 10,000 bonds with a unit value of €100,000 each. The bonds mature on July 1, 2023 and pay an annual coupon of 2.50% (issue price 99.857%).

The July 2020 and July 2023 tranches are callable by Capgemini SE, subject to certain conditions set out in the issue prospectus and particularly concerning the minimum redemption price.

These three bond issues are also subject to standard early redemption, early repayment and *pari passu* clauses.

The terms and conditions of these three tranches were set out in the prospectus approved by the AMF on June 29, 2015 under reference number no. 15-318.

12. Bank loans and borrowings

Bank loans and borrowings total €704,164 thousand and comprise (i) the balances on certain euro and foreign currency bank accounts used in connection with the Group's worldwide cash pooling arrangements in the amount of €661,402 thousand, offset in the amount of €674,106 thousand by opposite balances presented in cash and cash equivalents of the Company and (ii) accrued interest on bond issues of €24,459 thousand (iii) liability derivatives of €17,781 thousand and (iv) bank overdrafts of €309 thousand.

Syndicated credit facility negotiated by Capgemini SE

On July 30, 2014, the Group signed with a syndicate of 18 banks a €750 million multi-currency credit facility, maturing on July 30, 2019, with two one-year extension options, exercisable (subject to the approval of the banks) at the end of the first and second years, respectively, extending the maturity of the new facility by a maximum of two additional years. Following the exercise of the second one-year extension option, the maturity of this credit facility was extended to July 27, 2021.

The initial margin on this credit facility was 0.45% (excluding the fee on drawn amounts which varies according to the portion of the facility drawn). This margin may be adjusted upwards or downwards according to the credit rating of Capgemini SE. The facility is also subject to a fee on undrawn amounts equal to 35% of the margin. The margin currently applicable is 0.45% and the fee on undrawn amounts is 0.1575%.

An upgrade or downgrade in Capgemini SE's credit rating would have no impact on the availability of this credit facility.

Capgemini SE has agreed to comply with the following financial ratios (as defined in IFRS) in respect of this credit facility:

- the consolidated net debt to consolidated equity ratio must be less than 1 at all times;
- the interest coverage ratio (the extent to which consolidated net finance costs are covered by consolidated operating margin) must be equal to or greater than 3 at December 31 and June 30 of each year (based on the 12 months then ended).

The credit facility agreement also includes covenants restricting Capgemini SE's ability to carry out certain operations. These covenants also apply to Group subsidiaries. They include restrictions primarily relating to pledging assets as collateral, asset sales, mergers and similar transactions. Capgemini SE also committed to standard obligations, including an agreement to maintain *pari passu* status.

At December 31, 2017, this credit facility had not yet been drawn.

13. Maturity of payables at the year end

in thousands of euros		Gross amount	One year or less	More than one year
Bond issues				
▪ 2015-2018 Bond issue		500,000	500,000	-
▪ 2015-2020 Bond issue		1,250,000		1,250,000
▪ 2015-2023 Bond issue		1,000,000		1,000,000
▪ 2016-2021 Bond issue		500,000		500,000
	Sub-total	**3,250,000**	**500,000**	**2,750,000**
Bank loans and borrowings				
▪ Bank overdrafts		310	310	-
▪ Bank overdrafts (Group cash pooling arrangement)		661,402	661,402	-
▪ Accrued interest		24,671	24,671	-
▪ Cash instruments		17,781	11,872	5,909
	Sub-total	**704,164**	**698,255**	**5,909**
Group loans and borrowings				
▪ Loans		386,111	353,111	33,000
▪ Group investments		242,591	242,591	-
▪ Other payables		890,594	728,648	161,946
	Sub-total	**1,519,296**	**1,324,350**	**194,946**
Accounts and notes payable		**3,343**	**3,343**	**-**
Tax and social security liabilities		**4,632**	**4,632**	**-**
Other payables		**1,570**	**1,570**	**-**
TOTAL		**5,483,006**	**2,532,151**	**2,950,855**

Other Group payables mainly consist of subsidiary current account balances under the Group's worldwide cash pooling arrangement of €674,106 thousand and subsidiary current accounts for tax consolidation purposes of €208,156 thousand.

14. Accrued income and charges

Accrued charges reported in the balance sheet break down as follows:

in thousands of euros	Amount
Borrowings	
▪ Accrued interest	24,671
Other liabilities	
▪ Accounts and notes payable	2,750
▪ Tax and social security liabilities	1,419
TOTAL	**28,839**

Accrued interest payable mainly comprises interest on bond issues of €24,459 thousand.

Accrued income reported in the balance sheet break down as follows:

in thousands of euros	Amount
Cash and cash equivalents	
▪ Accrued interest receivable	151
TOTAL	**151**

15. Unrealized foreign exchange gains and losses on foreign currency receivables and payables and on cash instruments

in thousands of euros	Reported in assets	Reported in liabilities	Provision for foreign exchange losses
On cash instruments	17,781	166,942	17,781
On other receivables/payables	4,261	70	4,261
TOTAL	**22,043**	**167,013**	**22,043**

The application of ANC Regulation no. 2015-05 on forward financial instruments and hedging transactions resulted in the recognition at December 31, 2017 of the value of asset and liability derivative instruments and unrealized foreign exchange differences on the corresponding cash instruments. Asset derivatives and unrealized foreign exchange liabilities total €166,942 thousand and liability derivatives and unrealized foreign exchange assets total €17,781 thousand. Derivatives assets are recorded in the balance sheet in cash and cash equivalents in the amount of €166,942 thousand.

16. Net finance income (expense)

in thousands of euros		Amount
Provisions for financial items		
Charge		(63,048)
Reversal		2,404,151
	Sub-total	**2,341,103**
Dividends received		**83,370**
	Sub-total	**83,370**
Other financial income and expense		
Net income from short-term investments		1,910
Other investment income (capitalization contracts)		1,743
Revenue from loans, current accounts and Group cash pooling arrangements		34,129
Net foreign exchange gains (losses)		77,428
Interest on borrowings, current accounts and Group cash pooling arrangements		(8,896)
Interest on bond issues		(52,803)
Interest on the cross currency swap		(5,367)
Net expenses on investment funds (FCP & SICAV)		(388)
Other		97
	Sub-total	**47,854**
NET FINANCE INCOME (EXPENSE)		**2,472,327**

Provision reversals of €2,404,151 thousand mainly comprise reversals of provisions for equity interests in subsidiaries in the amount of €2,392,878 thousand (US for €1,946,000 thousand and European for €430,544 thousand), and a reversal of the provision for financial risks and treasury shares in the amount of €3,490 thousand.

The dividends of €83,370 thousand correspond to dividends received during the period by the Company from its subsidiaries.

17. Net non-recurring income (expense)

in thousands of euros		Amount
Net proceeds on disposals of treasury shares under the liquidity agreement		2,544
Default interest received		2,224
	Sub-total	**4,767**
Other		(111)
	Sub-total	**(111)**
NET NON-RECURRING INCOME (EXPENSE)		**4,656**

18. Income tax expense

In France, Capgemini SE is the parent company of a French tax consolidation group comprising 18 companies. In 2017, Capgemini SE recognized a total tax expense of €13,021 thousand, including notably an expense of €31,812 thousand in respect of the tax consolidation.

In the absence of tax consolidation, Capgemini SE would have recognized a theoretical income tax expense of €39,260 thousand. Tax losses carried forward by Capgemini SE totaled €525,518 thousand as of December 31, 2017.

Breakdown of the income tax expense

	2017	
in thousands of euros	Net profit before tax	Income tax expense
▪ Recurring profit before tax	2,727,087	(869,293)
▪ Net non-recurring income (expense)	4,656	(1,484)
▪ Accounting profit for the year before tax	2,731,743	(870,778)
▪ Tax differences	(2,484,417)	791,939
▪ Offset of tax losses carried forward	(124,163)	39,579
▪ Tax consolidation of subsidiaries	-	26,239
INCOME TAX EXPENSE		**(13,021)**

Impact of tax-driven valuations

in thousands of euros	Amount
Profit for the year	**2,718,722**
Income tax expense (net)	13,021
Profit for the year before tax	**2,731,743**
Change in tax-driven provisions:	
▪ Accelerated depreciation	-
Other tax-driven valuations	-
PROFIT EXCLUDING TAX-DRIVEN VALUATIONS (BEFORE TAX)	**2,731,743**

Change in deferred tax liabilities

Deferred tax on temporary differences *(in thousands of euros)*	**Prior year amount**	**Current year amount**
Non-deductible provisions		
Organic sales tax	43	70
Provisions for contingencies and losses		
Provision for foreign exchange losses	573	22,043
Unrealized foreign exchange gains	4,261	167,013
Unrealized foreign exchange losses	(573)	(22,043)
Remeasurement differences on receivables and payables and fair value measurement of derivatives	96,742	(474)
TOTAL	**101,047**	**166,608**
Tax rate for temporary differences	34.43%	34.43%
DEFERRED TAX	**34,790**	**57,363**
Deferred tax assets		
▪ Tax losses carried forward	649,681	525,518
Tax rate for temporary differences	34.43%	34.43%
DEFERRED TAX	**223,685**	**180,936**

4

III - Other information

19. Off-balance sheet commitments

a) Commitments given in favor of subsidiaries

Guarantees, deposits and comfort letters granted by Capgemini SE to its subsidiaries at December 31, 2017 break down as follows:

in thousands of euros	**Amount**
▪ Financial items	97,001
▪ Operating items	1,356,404
▪ Tax and other items	19,300
TOTAL	**1,472,705**

Guarantees, deposits and comfort letters granted to subsidiaries in respect of financial items provide them with access to local cash facilities in the form of credit lines. Total draw-downs on these credit lines at December 31, 2017 amounted to €21,562 thousand.

b) Other commitments

The Group has provided performance and/or financial guarantees for a number of major contracts. The clients concerned represented approximately 8% of Group revenue in 2017.

Capgemini SE, together with all of its subsidiaries and any entities which it directly or indirectly owns more than 50%, are insured for the financial implications of any civil or professional liability claims that may be filed against them as a result of their activities. The insurance is part of a worldwide program comprising a number of policies taken out with leading insurance companies. The terms and conditions of this insurance program (including maximum coverage) are regularly reviewed and adjusted to reflect changes in revenues, business activities and risk profiles.

Capgemini SE granted a financial guarantee in connection with the agreement signed on May 25, 2004 with France Telecom to transfer the management of part of the latter's telecommunications network for a term of eight years, renewed on January 1, 2012 for a term of six years.

c) Financial instruments

Currency hedges/Derivative instruments

At December 31, 2017, the values of external currency derivative instruments negotiated in respect of foreign currency denominated internal financing arrangements (loans granted by the Company to its subsidiaries), primarily break down as follows:

- euro/US dollar currency swaps with a net positive value of €7,151 thousand for a nominal amount of US$508 million (€424 million);
- a euro/Mexican pesos currency swap with a positive value of €376 thousand for a nominal amount of MXN144 million (€6 million);

- a euro/Swedish krona currency swap with a positive value of €277 thousand for a nominal amount of SEK350 million (€36 million);
- a euro/Swiss franc currency swap with a positive value of €75 thousand for a nominal amount of CHF21 million (€18 million);
- a euro/Singapore dollar currency swap with a positive value of €62 thousand for a nominal amount of SGD15 million (€9 million);
- a euro/pound sterling currency swap with a negative value of €611 thousand for a nominal amount of GBP29 million (€33 million).

At December 31, 2017, external currency derivatives hedging brand royalties invoiced to subsidiaries had a positive value of €56 thousand and mainly concerned the US Dollar, pound sterling, Mexican peso and Australian dollar.

20. Related companies

in thousands of euros	Total	Related companies
Balance sheet items		
▪ Equity interests	17,625,668	17,625,668
▪ Receivable from controlled entities	592,369	592,369
▪ Payable to controlled entities	628,702	628,702
▪ Related and associated companies		
receivable	140,679	140,679
payable	890,594	890,594
Income Statement items		
▪ Investment income	83,370	83,370
▪ Income on Group loans	29,924	29,924
▪ Other interest and similar income	12,439	2,979
▪ Interest and similar expenses	72,117	7,591

21. Consolidating company

Capgemini SE is the consolidating company for the Capgemini Group.

22. Subsequent events

At the Combined Shareholders' Meeting, the Board of Directors will recommend a dividend payment of €1.70 per share in respect of 2017.

23. Remuneration of members of the Board of Directors

Attendance fees paid to directors in 2017 totaled €966,250 (or €627,774 after deduction of 30% withholding tax for beneficiaries not tax resident in France and the 21% flat-rate income tax advance payment and 15.5% social security contributions for beneficiaries tax resident in France).

24. Audit fees

in thousands of euros	KPMG	PWC
Statutory audit of the consolidated and separate financial statements	463	475
Non-audit services (1)	162	320
TOTAL	**625**	**795**

(1) These services mainly concern procedures on human ressources, environmental and social information and acquisition due diligence assignments.

4.4.4 Subsidiaries and investments

in millions of euros	Capital	Other share-holders' equity (including net income for the year)	% interest	Number of shares owned	Book value of shares		Loans & advances granted	Gua-rantees given	2017 Revenue	Divi-dends
					Gross	Net				
Subsidiaries										
Capgemini North America Inc.	1	2,324	100.00%	982,000	9,132	9,132	417	-	-	-
CGS HOLDINGS Ltd	598	1	100.00%	558,777,061	721	721	-	-	-	-
Gemini Consulting Holding Ltd	-	8	100.00%	1,083	23	23	-	-	-	-
Capgemini Oldco Ltd	12	25	100.00%	1,033,938,858	801	801	-	-	-	-
Capgemini AB (Suède)	3	277	100.00%	25,861	387	387	-	8	26	-
Capgemini NV (Benelux)	2	302	100.00%	21,582,376	1,467	1,467	-	-	-	19
Capgemini Business services BV	19	(12)	100.00%	42,227	41	41	-	-	-	-
Capgemini Deutschland Holding GmbH	129	13	95.59%	3	629	629	31	-	-	-
Capgemini Consulting Österreich AG	-	8	100.00%	64,999	60	46	-	-	23	-
Capgemini Suisse AG	-	15	100.00%	500	73	73	18	72	103	-
Capgemini Polska Sp Z.o.o (Pologne)	4	40	100.00%	129,160	25	25	-	-	238	13
Capgemini Magyarorszag Kft	-	1	100.00%	1	2	2	-	-	8	-
Capgemini Czech Republic s r o	1	3	99.00%	21,255	8	8	2	-	8	-
Capgemini France S.A.S.	89	813	100.00%	5,713,954	1,324	1,324	-	-	1	31
Capgemini Technology Services Maroc	3	9	99.99%	329,996	3	3	-	-	44	3
Sogeti S.A.S.	261	466	100.00%	52,106,876	754	754	-	-	-	15
Capgemini Italia S.p.A.	18	23	100.00%	3,575,000	543	461	10	17	290	-
Capgemini España S.L. (Sociedad Unipersonal)	42	(12)	85.73%	363,217	319	251	-	5	247	-
Capgemini Portugal, Serviços de Consultoria e Informatica, SA	8	5	100.00%	1,698,842	44	29	-	-	29	-
Capgemini Business Services Guatemala S.A.	1	11	99.80%	12,900,034	1	1	-	-	28	-
Capgemini Argentina S.A.	-	1	1.16%	126,369	-	-	-	-	13	-
Capgemini Asia Pacific Pte. Ltd.	181	(29)	100.00%	278,083,711	309	309	-	28	4	-
Capgemini Australia Pty Ltd	134	(109)	100.00%	1,575,512	182	182	15	-	206	-
Capgemini Technology Services India Limited	8	1,366	11.99%	7,090,662	25	25	-	-	1,481	-
Capgemini Service S.A.S	8	14	100.00%	8,000,000	164	24	-	15	22	-
S.C.I. Paris Étoile	-	5	99.99%	9,999	48	31	-	-	3	2
Immobilière les Fontaines S.A.R.L.	3	3	99.90%	1,004,628	52	52	-	-	4	-
Capgemini Gouvieux S.A.S.	3	(1)	100.00%	210,000	3	3	-	-	11	-
Capgemini Latin America	468	(375)	100.00%	46,824,750	477	53	-	-	-	-
Capgemini Reinsurance International	20	-	100.00%	10,000	5	5	-	-	8	-
Other French compagnies	nm	nm	nm	nm	-	-	nm	nm	nm	nm
Investments										
As of December 31, 2017, other investments held by Capgemini SE are not material.										

na: not applicable.

4

4.4.5 Statutory Auditors' report on the financial statements

This is a translation into English of the Statutory Auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This Statutory Auditors' report includes information required by European regulation and French law, such as information about the appointment of the Statutory Auditors or verification of the Management Report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended December 31, 2017

To the Annual General Meeting of Capgemini SE,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of Capgemini SE for the year ended December 31, 2017.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2017 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2017 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) no. 537/2014 or in the French Code of ethics (*Code de déontologie*) for Statutory Auditors.

Emphasis of Matter

We draw attention to the following matter described in Note - Accounting policies – Change in accounting method to the financial statements which describes the change in account method related to the first application of ANC Regulation no. 2015-05 of July 2, 2017 on forward financial instruments and heging transactions. Our opinion is not modified in respect of this matter.

Justification of Assessments - Key Audit Matter

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matter relating to risks of material misstatement that, in our professional judgment, was of most significance in our audit of the financial statements of the current period, as well as how we addressed this risk.

This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Measurement of investments in subsidiaries in Capgemini SE

Risks identified

At December 31, 2017, equity investments reported in the balance sheet amount to €16,865 million. Equity investments are recognized at their acquisition-date cost and may be written down based on their value in use.

As stated in the Note - Accounting policies – Financial Assets to the financial statements, a depreciation is accounted for should the value in use of the equity investments is lower than its carrying amount. The value in use of equity investments is estimated by Management, either using discounted future cash flows adjusted of net debt and deferred taxes, or using the proportionate share of consolidated net equity, or in some cases, based on the market value of comparable transactions.

The measurement of the value in use requires judgment by Management in terms of the inputs chosen, which may correspond to historical or forward-looking information.

Management ensures at year end that the carrying amount of the equity investments is not higher than their value in use. An adverse change in the activities related to these investments, due to internal or external factors related to the financial and economic environment in the markets where Capgemini operates, may significantly affect the value in use of the equity investments and require the recognition of an impairment. Such change would require reassessing the relevance of the assumptions used to determine value in use and the reasonableness and consistency of the calculation criteria.

We believe that measurement of the value of equity investments is a key audit matter given the significant amount of equity investments reported in the financial statements and their sensitivity to assumptions made by Management.

Our audit approach

Our work included:

- gaining an understanding of and assessing the impairment testing process implemented by Management;
- when value in use of equity investments is assessed using the discounted cash flow method:
  - verifying that the model used to calculate value in use is appropriate,
  - analysing the consistency of cash flow forecasts with the latest estimates by Management presented to the Board of Directors during the budget process,
  - comparing cash flow forecasts for financial years 2018 to 2020 with the business plans used for prior year impairment testing,
  - comparing the 2017 earnings forecasts used for prior year impairment testing with actual results,
  - interviewing financial and operational managers to analyse the main assumptions used in the business plans and cross-check the assumptions with the explanations obtained,
  - assessing the methods used to calculate the discount rate applied to estimated future cash flows and the latest long-term growth rate used to project cash flows to infinity, for the latest financial year estimates; comparing these rates with market data or external sources and recalculating the rates based on our own data sources,
  - comparing financial debt with underlying data used to prepare the Company's consolidated financial statements;
- when value in use of equity investments is measured based on the proportionate share of consolidated net equity or based on the market value of comparable transactions:
  - assessing the appropriateness of the valuation method used,
  - assessing the documentation used to measure value in use;
- assessing the appropriateness of the financial information provided in the Notes to the annual financial statements.

Our firms' valuation specialists were involved in this work.

Verification of the Management Report and of the Other Documents Provided to shareholders

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Management Report of the Board of Directors and in the other documents provided shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of Article L.225-37-3 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlling and controlled companies. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the Management Report.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Capgemini SE by the Annual General Meeting held on April 25, 2002 for KPMG Audit and on May 24, 1996 for PricewaterhouseCoopers Audit.

As at December 31, 2017, KPMG Audit and PricewaterhouseCoopers Audit were in the 16th year and 22nd year of total uninterrupted engagement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) no. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

The Statutory Auditors

Neuilly-sur-Seine, February 26, 2018

PricewaterhouseCoopers Audit
Françoise Garnier, *Partner*
Richard Béjot, *Partner*

Paris La Défense, February 26, 2018

KPMG Audit
Division of KPMG S.A.
Frédéric Quélin
Partner

4.4.6 Statutory Auditors' special report on related party agreements and commitments

Shareholders' Meeting held to approve the financial statements for the year ended December 31, 2017

This is a free translation into English of the Statutory Auditors' special report on related party agreements and commitments issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Capgemini SE, we hereby report to you on related party agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of, as well as the reasons provided for, the agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. Under the provisions of Article R.225-31 of the French Commercial Code (*Code de commerce*), it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by Article R.225-31 of the French Commercial Code in relation to the performance during the year of agreements and commitments already approved by the Shareholders' Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

Agreements and commitments to be submitted for the approval of the Shareholders' Meeting

Agreements and commitments authorised during the year

In accordance with Article L.225-40 of the French Commercial Code, we were informed of the following agreements and commitments authorised by the Board of Directors.

▶ Severance pay for Chief Operating Officers Thierry Delaporte and Aiman Ezzat

Type and purpose of agreement

The agreement sets out the severance pay entitlement of Thierry Delaporte and Aiman Ezzat in the event of their departure from their position as Chief Operating Officer.

Terms and conditions

The severance pay will depend on the percentage of fulfilment of the financial performance objectives applicable to the Chief Operating Officer in question for the V1 variable portion of his remuneration calculated for each of the three complete financial years preceding the termination of his duties as Chief Operating Officer, based on a weighting of 40% for the financial year immediately preceding the termination and 30% for each of the remaining two years. Since the V1 part of the variable remuneration is subject to performance criteria, the severance pay will be conditional upon the fulfilment of these same criteria.

No severance pay would be paid if the Chief Operating Officer leaves of his own accord, if he changes roles within the Group, if he is able to take retirement at very short notice or if he leaves as a result of serious or gross misconduct.

In accordance with the recommendations of the AFEP-MEDEF Code, the Board of Directors set an upper limit on the aggregate amount that may be paid out to the Chief Operating Officer with respect to (i) the final calculated amount of severance pay, (ii) the compensation paid under the collective bargaining agreement in the event of termination of the employment contract, and (iii) any compensation that may be paid under a non-competition agreement. This amount is limited to twice the theoretical annual compensation (fixed plus variable) applicable on the date of termination of service.

Reasons justifying the interest of the agreement for the Company

The appointment of two Chief Operating Officers is part of the transition within the management of Capgemini. On December 6, 2017, the Board of Directors decided that it was in the Company's interest to protect both the newly appointed Chief Operating Officers through a severance pay scheme and the Group through a non-competition agreement during this transition period.

Conditions precedent

Pursuant to Article L.225-42-1 of the French Commercial Code, these appointments are to be submitted for approval to the Shareholders' Meeting on May 23, 2018, subject to two conditions precedent, namely (i) the adoption of the compensation policy for the Chief Operating Officers by the Shareholders' Meeting of May 23, 2018, and (ii) the re-appointment of Thierry Delaporte and Aiman Ezzat as Chief Operating Officers by the Board of Directors at the meeting to be held following the Shareholders' Meeting of May 23, 2018.

▶ Non-competition obligations concerning Chief Operating Officers Thierry Delaporte and Aiman Ezzat

Type of agreement

The agreement provides for a non-competition obligation applicable to Thierry Delaporte and Aiman Ezzat, in exchange for which they may be entitled to a compensation payment.

4

Terms and conditions

Subject to compliance with the non-competition obligation for a period of 12 months as from the date of termination of their employment contract further to the termination of their corporate office, the two Chief Operating Officers may be entitled to a compensation payment equal to half of their maximum theoretical gross compensation (fixed plus variable) applicable on the date of termination of their corporate office.

The Board of Directors reserves the right to decide to release the Chief Operating Officers from the non-competition obligation and thus to waive payment of the non-competition compensation payment.

In accordance with the recommendations of the AFEP-MEDEF Code, the Board of Directors set an upper limit on the aggregate amount that may be paid out to the Chief Operating Officer with respect to (i) the final calculated amount of severance pay, (ii) the compensation paid under the collective bargaining agreement in the event of termination of the employment contract, and (iii) any compensation that may be paid under a non-competition agreement. This amount is limited to twice the theoretical annual compensation (fixed plus variable) applicable on the date of termination of service.

Reasons justifying the interest of the agreement for the Company

The appointment of two Chief Operating Officers is part of the transition within the management of Capgemini. On December 6, 2017, the Board of Directors decided that it was in the Company's interest to protect both the newly appointed Chief Operating Officers through a severance pay scheme and the Group through a non-competition agreement during this transition period.

Conditions precedent

Pursuant to Article L.225-42-1 of the French Commercial Code, these appointments are to be submitted for approval to the Shareholders' Meeting on May 23, 2018, subject to two conditions precedent, namely (i) the adoption of the compensation policy for the Chief Operating Officers by the Shareholders' Meeting of May 23, 2018, and (ii) the re-appointment of Thierry Delaporte and Aiman Ezzat as Chief Operating Officers by the Board of Directors at the meeting to be held following the Shareholders' Meeting of May 23, 2018.

Agreements and commitments already approved by the Shareholders' Meeting

Agreements and commitments approved in previous years which remained in force during the year

In accordance with Article R.225-30 of the French Commercial Code, we were informed that the following agreements and commitments, approved by the General Meeting in previous years, remained in force during the year ended December 31, 2017.

▶ Supplementary collective pension plan of Paul Hermelin, Chief Executive Officer

Type of agreement

A supplementary collective defined benefit pension plan was set up by the Company for certain senior executives regarded as having made a significant and lasting contribution to the development of the Capgemini Group. Paul Hermelin was listed as a beneficiary of this plan by decision of the Shareholders' Meeting of April 26, 2007.

Purpose and terms and conditions

On December 13, 2006, the Board of Directors authorised the establishment of a supplementary collective defined benefit pension plan for certain senior executives, enabling them to receive, at retirement, a maximum supplementary pension of 40% of their benchmark remuneration. The total pension collected by the beneficiary may not exceed 50% of this benchmark remuneration, which is itself limited to 60 times the maximum annual salary limit defined by French Social Security.

On July 29, 2015, the Board of Directors decided to freeze Paul Hermelin's rights under this supplementary pension plan with effect from October 31, 2015, without consideration, thus leading to a change in the rules in the Company's favour.

On December 6, 2017, the Board of Directors noted that the agreement had been submitted for review.

Paul Hermelin received no compensation under this agreement in 2017.

The Statutory Auditors

Neuilly-sur-Seine and Paris La Défense, February 26, 2018

PricewaterhouseCoopers Audit
Françoise Garnier — *Partner*
Richard Béjot — *Partner*

KPMG Audit
Department of KPMG S.A.
Frédéric Quélin
Partner

4.5 Other Financial and accounting information

4.5.1 Five-Year Financial Summary

(in thousand of euros)	2013	2014	2015	2016	2017
I-SHARE CAPITAL AT YEAR-END					
Share capital	1 282 543	1 308 744	1 377 452	1 372 514	1 347 870
Number of common shares outstanding	160 317 818	163 592 949	172 181 500	171 564 265	168 483 742
Maximum number of future shares to be created :					
▪ through exercise of equity warrants	5 910 064	6 412 285	3 980 902	4 809 100	4 940 995
▪ through conversion fo convertible bonds	5 961 483	5 958 587	5 958 587	-	-
II-OPERATIONS AND RESULTS OF THE CURRENT YEAR					
Operating revenue	241 145	248 316	311 679	303 956	392 816
Operating revenue and financial revenue	700 839	1 480 875	2 165 823	1 501 074	3 246 731
Income before taxes, amortization and provisions	38 404	284 241	224 791	236 553	395 244
Income tax	(11 344)	33 555	29 532	8 434	13 021
Net income / (losses)	164 839	1 161 201	1 156 947	950 196	2 718 722
Distributed income	176 350	196 312	232 445	265 925	286 422 (*)
III-EARNINGS PER SHARE (in euros)					
Earnings after taxes, but before amortization and provisions	0,31	1,53	1,13	1,33	2,27
Net earnings	1,03	7,10	6,72	5,54	16,14
Dividend per share	1,03	1,20	1,35	1,55	1,70
IV-EMPLOYEE DATA					
Average number of employee during the year					
Total payroll		Capgemini SE does not have any employees			
Total benefits					

(*) Subject to approval by the Combined shareholders' Meeting of May 23, 2018

5

Capgemini and its shareholders

5.1 Capgemini share capital

5.1.1 Share capital (amount, table of movements and delegations of authority)

Amount of capital

At December 31, 2017, the Company's share capital amounted to €1,347,869,936, divided into 168,483,742 fully paid-up ordinary shares with a par value of €8 each.

Shares may be held in either registered or bearer form, at the shareholder's discretion.

Changes in the Company's share capital over the past five years

	Number of shares	Share capital *(in euros)*	Additional paid-in capital *(in euros)*
AT DECEMBER 31, 2013	**160,317,818**	**1,282,542,544**	**5,772,277,199**
Share capital increase:			
▪ Shares issued reserved for employees	5,000,000	40,000,000	190,000,000
▪ Issue costs for shares, net of taxes			(864,294)
▪ Shares issued after the vesting of performance shares	530,539	4,244,312	(4,244,312)
Allocation to legal reserve	**-**	**-**	**(1,458,070)**
Capital reduction:			
▪ Cancellation of treasury shares	(2,255,408)	(18,043,264)	(103,919,200)
AT DECEMBER 31, 2014	**163,592,949**	**1,308,743,592**	**5,851,791,323**
Share capital increase:			
▪ Shares issued by private placement	6,700,000	53,600,000	452,250,000
▪ Shares issued after the vesting of free shares	6	48	0
▪ Shares issued following the exercise of BSAAR warrants	1,888,545	15,108,360	49,102,170
▪ Issue costs for shares, net of taxes	-	-	(5,922,837)
Allocation to legal reserve	**-**	**-**	**(6,833,742)**
AT DECEMBER 31, 2015	**172,181,500**	**1,377,452,000**	**6,340,386,914**
Capital reduction:			
▪ Cancellation of treasury shares	(617,235)	(4,937,880)	(45,191,920)
AT DECEMBER 31, 2016	**171,564,265**	**1,372,514,120**	**6,295,194,994**
Share capital increase:			
▪ Shares issued reserved for employees	3,600,000	28,800,000	293,004,000
▪ Issue costs for shares, net of taxes			(933,063)
Capital reduction:			
▪ Cancellation of treasury shares	(6,680,523)	(53,444,184)	(576,228,867)
AT DECEMBER 31, 2017	**168,483,742**	**1,347,869,936**	**6,011,037,063**

5.1.2 Financial authorizations

Authorizations granted by the Shareholders' Meeting to the Board of Directors to increase share capital

The following table summarizes (pursuant, to Article L.225-37-4 3° of the French Commercial Code) authorizations still in effect and those that have expired since the last Shareholders' Meeting.

Purpose of the authorization	Maximum amount (1) (2) *(in euros)*	Authorization date and resolution number	Expiry date	Used during 2017
a) Purchase by the Company of its own shares under a share buyback program(3)	10% of share capital	05/10/2017 (11th)	11/10/2018	5,530,159 shares were purchased under the share buyback program (excluding the liquidity contract) at an average price of €97.69 As part of the liquidity contract: a) 904,664 shares purchased at an average market price of €91.96 b) 1,025,733 shares sold at an average market price of €91.70 c) The balance on 12/31/2017 is 28,931 shares and about €20 million
b) Cancellation of treasury shares	10% of share capital per 12-month period	05/18/2016 (11th)	07/18/2018	6,680,523 shares with a value of €629,673,051 were cancelled by decisions of the Board of Directors on 02/15/2017 and on 12/06/2017
c) Share capital increase by capitalizing additional paid-in capital, reserves, profit or other eligible amounts	€1.5 billion (par value)	05/18/2016 (12th)	07/18/2018	This authorization was not used in 2017
d) Share capital increase by issuing shares and/or securities granting access to the share capital, or granting a right to allocation of debt instruments, **with retention of PSR** (pre-emptive subscription rights)	€550 million (par value) €7.5 billion (issue amount)	05/18/2016 (13th)	07/18/2018	This authorization was not used in 2017
e) Share capital increase by issuing shares and/or securities granting access to the share capital, or granting a right to allocation of debt instruments, **with cancellation of PSR, by public offering**	€137 million (par value) €2.5 billion (issue amount)	05/18/2016 (14th)	07/18/2018	This authorization was not used in 2017
f) Share capital increase by issuing shares and/or securities granting access to the share capital, or granting a right to allocation of debt instruments, **with cancellation of PSR, by private placement**	€137 million (par value) €2.5 billion (issue amount)	05/18/2016 (15th)	07/18/2018	This authorization was not used in 2017
g) Setting the issue price of shares in the context of a share capital increase with cancellation of PSR	€137 million (par value) €2.5 billion (issue amount) 10% of share capital	05/18/2016 (16th)	07/18/2018	This authorization was not used in 2017
h) Increase of the number of shares to be issued in case of a capital increase in the context of resolutions (d) to (f) (*Greenshoe*) with and without PSR	Within the limit of the ceiling applicable to the initial increase	05/18/2016 (17th)	07/18/2018	This authorization was not used in 2017

Purpose of the authorization	Maximum amount (1) (2) *(in euros)*	Authorization date and resolution number	Expiry date	Used during 2017
i) Share capital increase by issuing shares and/or securities granting access to the share capital in consideration for contributions in kind	€137 million (par value) €2.5 billion (issue amount) 10% of share capital	05/18/2016 (18th)	07/18/2018	This authorization was not used in 2017
j) Share capital increase by issuing shares and/or securities granting access to the share capital with cancellation of PSR, reserved for members of Group savings plans	€48 million (par value) (2)	05/10/2017 (17th)	11/10/2018	3,446,537 shares were issued pursuant to this 17th resolution within the context of the 2017 employee savings plan, representing a par value amount of €27,572,296
k) Share capital increase by issuing shares and/or securities granting access to the share capital with cancellation of PSR, reserved for employees of certain non-French subsidiaries	€24 million (par value) (2)	05/10/2017 (18th)	11/10/2018	153,463 shares were issued pursuant to this 18th resolution within the context of the 2017 employee savings plan, representing a par value amount of €1,227,704
l) Grant of performance shares	1% of share capital	05/10/2017 (16th)	11/10/2018	1,586,097 performance shares (€12,688,776 million par value) were granted to 1,332 beneficiaries by decisions of the Board of Directors on 07/26/2017 and on 10/05/2017

(1) Recap of overall limits: a maximum par value amount of €550 million and a maximum issue amount of €7.5 billion for all issues with and without pre-emptive subscription rights; issues performed pursuant to j), k) and l) above are not included in these general limits.

(2) Total share capital increases decided pursuant to j) and k) are aggregated at a maximum par value amount of €48 million.

(3) Shares purchased in the course of 2017 but prior to the Ordinary Shareholders' Meeting of May 10, 2017 were acquired pursuant to the 10th resolution of the Shareholder's Meeting of May 18, 2016.

Use of authorizations during 2017

Pursuant to the authorization granted by the Ordinary Shareholders' Meeting of May 10, 2017 in the eleventh resolution, 5,530,159 shares have been purchased under the share buyback program (excluding the liquidity contract) at an average price of €97.69. As part of the liquidity contract 904,664 shares were purchased at an average price of €91.96 and 1,025,733 shares were sold at an average market price of €91.70. The balance of the liquidity contract on December 31, 2017 is 28,931 shares and about €20 million.

In addition, pursuant to the powers conferred on it by the Extraordinary Shareholders' Meeting of May 18, 2016 in the eleventh resolution, the Board of Directors in its meeting of February 15, 2017 cancelled 2,414,685 shares with a value of €195,291,999.69, and in its meeting of December 6, 2017 cancelled 4,265,838 shares with a value of €434,051,051.63.

Pursuant to the authorization granted by the Extraordinary Shareholders' General Meeting of May 10, 2017, in its sixteenth resolution, the Board of Directors decided on July 26, 2017, to award 63,597 restricted shares to 35 beneficiaries, and on October 5, 2017 to award 1,522,500 performance shares to 1,297 beneficiaries (managers and corporate officers of French and foreign subsidiaries, members of the Executive Committee including the Chairman and Chief Executive Officer).

Finally, the Board of Directors by decision on July 26, 2017, made use of the seventeenth and eighteenth resolutions adopted by the Extraordinary Shareholders' Meeting of May 10, 2017, to increase the capital of the Company in favor of employees by issuing 3,600,000 new shares within the fourth employee savings plan. The increase of capital, representing a par value amount of €28,800,000, was completed on December 18, 2017.

Renewal of the authorizations to increase share capital at the 2018 Shareholders' Meeting

The outstanding authorizations described above will all be submitted for renewal at the Shareholders' Meeting of May 23, 2018.

For further details, please refer to chapter 6 of this Registration Document.

5.1.3 Other share equivalents outstanding

There are no other securities granting access to the share capital outstanding at December 31, 2017.

5.1.4 Employee shareholders

Share subscription or purchase plans

Capgemini no longer grants stock options. The last stock option plan expired in June 2013.

Performance shares grant

Performance shares grant in 2017

The Extraordinary Shareholders' Meeting of May 10, 2017 authorized the Board of Directors in its sixteenth resolution to grant performance shares to employees and corporate officers of the Company and its French and non-French subsidiaries, during a period of 18 months commencing May 10, 2017. The number of shares granted (existing and to be issued) was not to exceed 1% of the share capital at the date of the Board of Directors' decision to grant such shares (this maximum number of shares being referred to hereafter by the letter "N"). Up to a maximum of 10% of "N", these performance shares may be granted to the executive corporate officers of the Company, it being specified that the portion of shares that must be held by them until the end of their term of office is set by the Board of Directors. By exception, and for an amount not exceeding 15% of "N", shares may be granted to employees of the Company and its French and non-French subsidiaries, excluding members of the General Management Team (the "Executive Committee"), without performance conditions.

Pursuant to this authorization, the Board of Directors' Meeting of October 6, 2017 decided the issue of 1,522,500 performance shares to 1,276 managers and employees of the Group, 20 members of the Executive Committee (excluding Mr. Paul Hermelin) and Mr. Paul Hermelin.

Since the performance share grant of 2012, the internal performance condition of all performance share plans is based on organic free cash flow over a three-year period, reflecting the Board of Directors' desire to prioritize long-term goals in the context of these grants.

The external performance condition is based on the comparative performance of the Capgemini share against average performance of a basket of companies or comparable indexes over a minimum of three years (in line with the duration covered by the internal performance condition).

Accordingly, the total number of shares that will vest to beneficiaries at the end of the vesting period will be equal to:

- a number of shares equal to half the number indicated in the grant notification multiplied by the percentage achievement of the chosen internal performance target: published and audited organic free cash flow for the three years from 2017 to 2019 compared with a minimum objective of €2,900 million; the maximum number of shares will vest for organic free cash flow generation of more than €3,200 million; and
- a number of shares equal to half the number indicated in the grant notification multiplied by the percentage achievement of the chosen external performance target: performance of the Capgemini share compared with the average performance measured over an identical three year period of a basket of securities and indexes containing (i) shares of eight listed companies operating in the same sector as the Group in a minimum of five countries in which the Group is firmly established (Accenture/Indra/Atos/Tieto/Sopra Steria/CGI Group/Infosys and Cognizant) and (ii) the CAC 40 index. No shares vest in respect of the external performance condition if the relative performance of the Capgemini share is less than 100% of the average performance of the basket.

The vesting period was set by the Board of Directors at three years for beneficiaries tax-resident in France and four years for beneficiaries non-tax-resident in France. In addition, a two years minimum holding period for vested shares following the vesting period was set for beneficiaries tax-resident in France. Furthermore, the Chairman and Chief Executive Officer is required to hold the shares vested until the end of his term of office in the amount of 50% of shares vested if the number of shares held by him at the grant date, valued at the grant price, is equal to less than two years' theoretical salary, and in the amount of 33% otherwise.

Out of the total amount of 1,522,500 shares, a total of 19,150 shares (1.26% of the total grant) have been granted without performance conditions and no members of the Group Executive Committee benefited from such grant.

In accordance with the recommendations of the AFEP-MEDEF Code, performance share grants will be undertaken at the same calendar periods from now on and will be decided by either the Board of Directors' Meeting held at the end of July or at the following meeting generally held at the beginning of October.

Share grants without performance conditions in 2017

Pursuant to this sixteenth resolution authorized by the Extraordinary Shareholders' Meeting of May 10, 2017, the Board of Directors' Meeting of July 26, 2017 decided the issue of 63,597 restricted shares to 35 managers and employees of the company Idean bought in February 2017. This grant was made as part of retention agreement defined in the Purchase Agreement. Overall, the authorization to grant a maximum of 15% of shares without performance conditions has only been used at 35% up to 5.21%. Neither the Chairman and Chief Executive Officer, nor the Group Executive Committee members were beneficiaries of this grant.

Vesting of performance shares in 2017

Pursuant to the authorization granted by the Extraordinary Shareholders' Meeting of May 24, 2012, the Board of Directors granted on December 12, 2012, 1,003,500 shares subject to performance and presence conditions on January 1, 2017 and granted on February 20, 2013, 1,209,100 shares subject to performance and presence conditions on March 1, 2017.

The performance shares were granted on December 12, 2012, subject to a vesting period of two years and half a month for beneficiaries tax-resident in France and four years and half a month for beneficiaries not tax resident in France. The grant therefore vested for non French tax residents on January 1, 2017. The performance shares were granted on February 20, 2013, subject to a vesting period of two years and one week for beneficiaries tax-resident in France and four years and one week for beneficiaries not tax resident in France. The grant therefore vested for non French tax residents on March 1, 2017.

These two performance shares grants were subject to internal and external performance conditions. These conditions were detailed in the resolution presented to the Combined Shareholders' Meeting which authorized accordingly the Board of Directors to grant performance shares.

The internal performance condition for this share grant concerned organic free cash flow generated over the three-year period, 2012, 2013 and 2014.

The external performance condition was assessed based on the performance of the Capgemini share compared with a basket of comparable companies in our business sector in at least five different countries. These companies were as follows in both plans: Accenture, Atos, CSC, CGI Group, Cognizant, Infosys, Sopra, Tieto and Steria. For these grants, no shares vest in respect of the external performance condition if the relative performance of the Capgemini share is less than 90% of the average performance of the basket over a two-year period, while 30% of shares vest if this performance is equal to that of the basket and 50% of shares vest if this performance is 110% or more of that of the basket.

The internal and external performance conditions for these plans were satisfied in full, enabling the vesting to beneficiaries non tax-resident in France of 499,500 shares in January 2017 and of 659,100 shares in March 2017.

The final percentage of shares that has vested out of the initial grant of 1,003,500 shares is 87,9% (882,500 shares) and out of the initial grant of 1,209,100 shares this percentage is 83,9% (1,014,700 shares)

International employee shareholding system

The Combined Shareholders' Meetings of May 26, 2011, May 7, 2014 and May 10, 2017 authorized the Board of Directors to issue a maximum of 6 million shares by way of a share capital increase reserved for employees and corporate officers of the Company and its French and non-French subsidiaries who are members of the Capgemini Group Company Savings Plan.

The international employee shareholding transaction performed in 2012 was subscribed in the amount of 6 million shares directly and indirectly *via* an Employee Savings Mutual Fund (FCPE) by Group employees from 19 countries. It is recalled that subscribers to the second employee share ownership plan "ESOP 2012", which expired on September 27, 2017, had the option of recovering their investment (and in numerous cases reinvesting in the 2017 plan), staying invested in Capgemini shares or leaving their investment in the Group Savings Plan (France only).

The international employee shareholding transaction performed in 2014 was fully subscribed in the amount of 5 million shares, authorized by the Board of Directors, directly and indirectly *via* an Employee Savings Mutual Fund (FCPE) by Group employees from 20 countries.

The international employee shareholding transaction performed in 2017 was fully subscribed in the amount of 3.6 million shares, authorized by the Board of Directors, directly and indirectly *via* an Employee Savings Mutual Fund (FCPE) by Group employees from 21 countries.

Overall and pursuant to the provisions of Article L.225-102 of the French Commercial Code, the Board of Directors informs you that employees and corporate officers of the Company (and related companies) together held 5.3% of the Company's share capital at December 31, 2017.

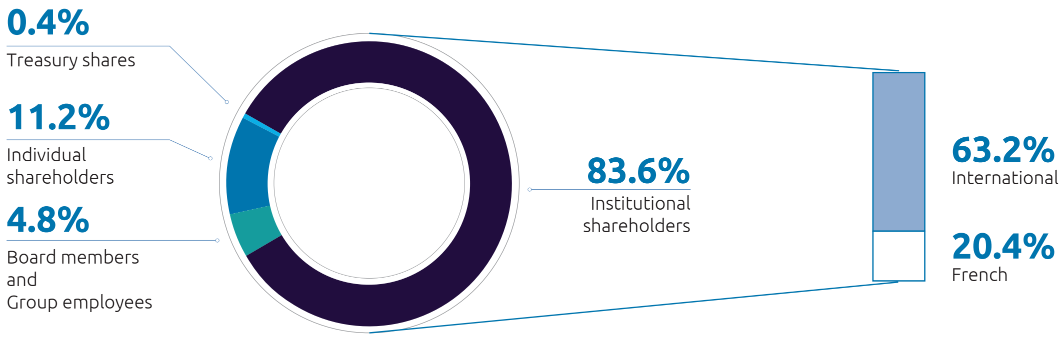
5.1.5 Potential dilution resulting from the exercise of all securities granting access to the Company's share capital

As of December 31, 2017, the potential dilution in respect of performance and free share grants plans was 2.8%.

5.2 Capgemini and the stock market

At December 31, 2017, Capgemini SE's share capital comprised 168,483,742 shares (ISIN code: FR0000125338). Capgemini SE shares are listed on the "Euronext Paris" market (compartment A) and are eligible for the SRD deferred settlement system of the Paris Stock Exchange. Capgemini shares are included in the CAC 40 and the Euronext 100 indexes and the Dow Jones STOXX and Dow Jones Euro STOXX European indexes. Between January 1 and December 31, 2017, Capgemini recorded a 23.38% increase in its share price, to end the year at €98.89. Capgemini has a stock market capitalization of €16.7 billion at December 31, 2017, compared with €13.8 billion at December 31, 2016.

Capgemini share ownership structure at the end of December 2017

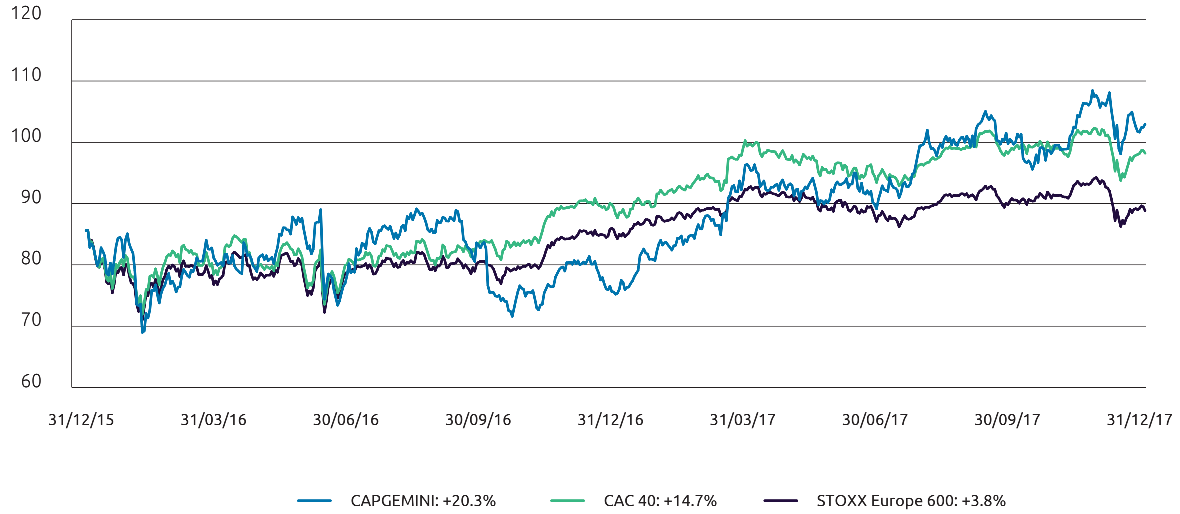


2018 provisional financial calendar

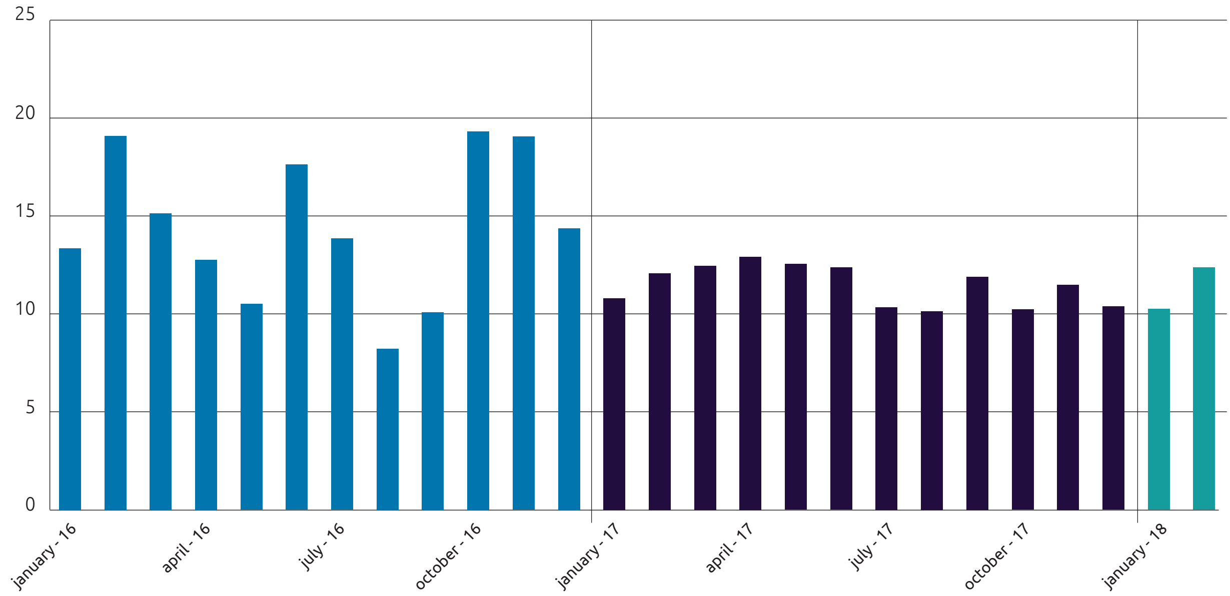
2018 first-quarter revenues:	April 26, 2018
2018 first-half results:	July 26, 2018
2018 third-quarter revenues:	October 24, 2018
2018 annual results:	February 14, 2019

This provisional calendar is provided for information purposes only and may subsequently be amended.

Share performance – from December 31, 2015 to February 28, 2018 *(in euros)*



Monthly trading volumes on NYSE EURONEXT PARIS – from January 2016 to February 2018 *(in million of shares)*



Share price and trading volumes

The following table represents trading in the Company's shares on NYSE Euronext Paris over the past 24 months:

					Trading volume		
		Share price *(in euros)*			Number of shares		
Month	Number of trading Days	High	Average	Low	Total	Average *(Daily)*	Value *(in millions of euros)*
March 2016	21	84.70	78.98	74.85	15,139,358	720,922	1,195.7
April 2016	21	83.63	80.84	77.96	12,768,662	608,032	1,032.2
May 2016	22	86.06	82.16	78.68	10,500,146	477,279	862.7
June 2016	22	89.01	82.83	73.45	17,625,297	801,150	1,459.9
July 2016	21	86.73	79.65	72.38	13,842,367	659,160	1,102.5
August 2016	23	89.40	85.78	82.95	8,218,761	357,337	705.0
September 2016	22	89.52	87.09	84.19	10,081,839	458,265	878.1
October 16	21	89.80	81.45	75.00	19,325,817	920,277	1,574.2
November 2016	22	77.56	74.40	71.10	19,053,091	866,050	1,417.5
December 2016	21	80.81	76.87	71.45	14,368,098	684,195	1,104.4
January 2017	22	81.74	78.26	74.05	13,574,487	617,022	1,062.3
February 2017	20	83.38	79.43	75.71	12,080,322	604,016	959.6
March 2017	23	86.76	83.75	80.21	12,457,476	541,629	1,043.3
April 2017	18	93.79	88.79	84.84	12,910,025	717,224	1,146.3
May 2017	22	97.33	93.90	91.16	12,551,655	570,530	1,178.6
June 2017	22	95.09	92.29	89.32	12,369,298	562,241	1,141.5
July 2017	21	97.49	92.55	89.14	10,341,860	492,470	957.1
August 2017	23	94.23	91.85	88.13	10,131,716	440,509	930.6
September 2017	21	102.30	98.02	91.79	11,891,868	566,279	1,165.7
October 2017	22	105.10	100.94	99.07	10,225,714	464,805	1,032.2
November 2017	22	105.80	100.91	96.60	11,481,053	521,866	1,158.6
December 2017	19	99.63	97.71	94.95	10,379,774	546,304	1,014.2
January 2018	22	108.80	105.15	97.72	10,252,502	466,023	1,078.0
February 2018	20	108.85	102.34	97.38	12,369,694	618,485	1,265.9

Source: Euronext.

Dividend payment policy

The Group has a historic dividend distribution policy that ensures a balance between the investments required for its development and the distribution of profits to shareholders. The payout ratio is approximately 35%. This ratio is defined as: dividend per share/net profit (Group share) per share, based on the number of shares outstanding at December 31. In case exceptional items have been recognized, in particular non-cash items, net profit (Group share) may be restated for these items before applying the payout ratio.

A dividend payment of €1.70 per share is proposed for fiscal year 2017, up 10% compared to the dividend for fiscal year 2016.

Based on 168,483,742 shares outstanding at December 31, 2017, the total Capgemini dividend distribution in respect of fiscal year 2017 would be €286 million. The effective dividend distribution will depend on the number of treasury shares held at the ex-dividend date and any shares issued or cancelled prior to this date.

Dividends payout

	Dividend distribution				
Year ended December 31	in millions of euros	% of net profit	Number of shares (at December 31)	Dividend per share *(in euro)*	Ex-dividend date
2012	162	44%	161,700,362	1.00	June 3, 2013
2013	176	40%	160,317,818	1.10	May 16, 2014
2014	196	34%	163,592,949	1.20	May 18, 2015
2015	232	36%	172,181,500	1.35	May 30, 2016
2016	266	36%	171,564,265	1.55	May 22, 2017
2017*	286	35%	168,483,742	1.70	June 4, 2018

(*) Recommended dividend submitted to the Annual Shareholders' Meeting of May 23, 2018.

5.3 Current share ownership

At December 31, 2017, the share capital amounted to €1,347,869,936 (compared with €1,372,514,120 at December 31, 2016), divided into 168,483,742 fully paid-up shares with a par value of €8 each.

Share capital transactions during 2017 were as follows:

- cancellation of 2,414,685 treasury shares decided by the Board of Directors on February 15, 2017;
- reduction in the number of shares on the concurrent completion on December 18, 2017 of a share capital increase under the 4th international share ownership plan (ESOP 2017) involving the issue of 3,600,000 shares and the cancellation of 4,265,838 treasury shares bought back under the share buyback agreement aimed at neutralizing the dilution related to the ESOP 2017 and the multi-year share buyback program.

The following table presents the ownership structure at December 31, 2017. No share carry double voting rights.

Breakdown of share ownership in the past three years

	At December 31, 2015			At December 31, 2016			At December 31, 2017		
	Number of shares	% share capital	% voting rights	Number of shares	% share capital	% voting rights	Number of shares	% share capital	% voting rights
Board members and Group employees	**13,490,294**	**7.8**	**7.8**	**9,356,859**	**5.5**	**5.5**	**8,032,616**	**4.8**	**4.8**
Serge Kampf (1)	3,670,000	2.1	2.1	-	-	-	-	-	-
Paul Hermelin	247,048	0.1	0.1	297,048	0.2	0.2	282,048	0.2	0.2
Employee shareholders	9,573,246	5.6	5.6	9,059,811	5.3	5.3	7,750,568	4.6	4.6
Treasury shares	**906,107**	**0.5**	**0.5**	**3,029,357**	**1.8**	**1.8**	**599,324**	**0.4**	**0.4**
Own shares	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Public	**157,785,099**	**91.7**	**91.7**	**159,178,049**	**92.8**	**92.8**	**159,851,802**	**94.8**	**94.8**
Individual shareholders (2) (bearer + registered)	9,799,109	5.7	5.7	15,367,915	8.9	8.9	18,835,216	11.2	11.2
Institutional shareholders	147,985,990	85.9	85.9	143,810,134	83.8	83.8	141,016,586	83.6	83.6
TOTAL	**172,181,500**	**100**	**100**	**171,564,265**	**100**	**100**	**168,483,742**	**100**	**100**

1) Serge Kampf passed away on March 15, 2016 and his stake is no longer recognized as held by a corporate officer from this date.
2) May include shares held by employees outside the employee share ownership plan.

Each share carries entitlement to one vote irrespective of whether the share is held in registered or bearer form.

It is also stated that at December 31, 2017, Capgemini SE held 599,324 treasury shares (including 28,931 shares resulting from execution of the liquidity contract as at December 31, 2017) and, in addition, that the Company does not hold any “own shares”.

Based on a study of identifiable bearer shares carried out at December 15, 2017, the Company has 38,988 identifiable holders of bearer shares holding more than 50 shares.

In addition, 17,615 shareholders held shares in registered form at December 31, 2017.

Finally, shares held by members of the Board of Directors represent 0.19% of the Company’s share capital at December 31, 2017.

Shareholders holding more than 5% of the share capital and voting rights at December 31, 2017

Pursuant to Article L.233-13 of the French Commercial Code (*Code de commerce*), the Board of Directors informs shareholders that, based on notifications received, two shareholders held more than 5% of the Company's share capital and voting rights at the year-end:

- Société Générale, which disclosed it held 5.79% of the Company's share capital and voting rights at December 19, 2017 in the last legal threshold crossing disclosure received in 2017, comprising 945,886 shares and voting rights held directly and 8,805,937 shares and voting rights deemed held by "equivalence";
- BlackRock Inc., a US company acting on behalf of clients and managed funds, which disclosed it held 5.10% of the Company's share capital and voting rights at December 28, 2017 on behalf of said clients and managed funds in the last legal threshold crossing disclosure received in 2017;

As far as the Company is aware, no other shareholder holds directly or indirectly, alone or in concert, over 5% of the share capital or voting rights.

Threshold crossing disclosures received in 2017

In 2017, the Company was notified that the following legal thresholds had been crossed:

The US company, BlackRock Inc., acting on behalf of clients and managed funds, disclosed the following threshold crossings:

- on January 3, 2017, it disclosed it had raised its interest above the 5% threshold and held 5.004% of Capgemini SE's share capital and voting rights following an increase in the number of shares held as collateral;
- on January 5, 2017, it disclosed it had reduced its interest below the 5% threshold and held 4.92% of Capgemini SE's share capital and voting rights following the sale of shares and a decrease in the number of shares held as collateral;
- on January 6, 2017, it disclosed it had increased its interest above the 5% threshold and held 5.07% of Capgemini SE's share capital and voting rights following the purchase of shares and an increase in the number of shares held as collateral;
- on January 10, 2017, it disclosed it had reduced its interest below the 5% threshold and held 4.86% of Capgemini SE's share capital and voting rights following the sale of shares and a decrease in the number of shares held as collateral;
- on January 11, 2017, it disclosed it had raised its interest above the 5% threshold and held 5.15% of Capgemini SE's share capital and voting rights following an increase in the number of shares held as collateral;
- on February 16, 2017, it disclosed it had reduced its interest below the 5% threshold and held 4.77% of Capgemini SE's share capital and voting rights following the sale of shares and a decrease in the number of shares held as collateral;
- on December 28, 2017, it disclosed it had increased its interest above the 5% threshold and held 5.10% of Capgemini SE's share capital and voting rights following the purchase of shares and an increase in the number of shares held as collateral.

Société Générale disclosed the following threshold crossings:

- on September 27, 2017, it disclosed it had reduced its interest below the 5% threshold and held 3.27% of Capgemini SE's share capital and voting rights following a decrease in the number of financial contracts with physical settlement involving the Company's shares held by Société Générale;
- on December 19, 2017, it disclosed it had increased its interest above the 5% threshold and held 5.79% of Capgemini SE's share capital and voting rights following an increase in the number of financial contracts with physical settlement involving the Company's shares held by Société Générale.

Finally, the Company received the following notifications in accordance with the provisions of the bylaws:

- Société Générale reported various threshold crossings pursuant to the bylaws in 2017, the ultimate disclosure on May 30, 2017 being it had reduced its interest below the threshold of 6% of Capgemini SE's share capital and voting rights;
- DNCA Investments disclosed it had reduced its interest below the threshold of 2% of Capgemini SE's share capital and voting rights on January 3, 2017;
- GIC Private Ltd disclosed it had increased its interest above the threshold of 3% of Capgemini SE's share capital and voting rights on January 16, 2017;
- Lyxor Asset Management disclosed it had increased its interest above the threshold of 1% of Capgemini SE's share capital and voting rights on March 24, 2017.

It is recalled that Article 10 of Capgemini SE's bylaws was amended by the Combined Shareholders' Meeting of May 10, 2017 and that a shareholder is now required to disclose the crossing, through an increase or a decrease, of each threshold of 1% of the Company's share capital or voting rights, from the lower threshold of 5% to the threshold triggering a mandatory public offer in accordance with prevailing regulations. The obligation to disclose the crossing of thresholds below 5% was removed. Interests of between 1% and 5% (exclusive) of the share capital or voting rights may now be acquired without any disclosure obligations.

Shareholders' agreements

There are no shareholder agreements or pacts in force.

5.4 Share buyback program

5.4.1 Authorization to buy back the Company's shares

The Ordinary Shareholders' Meeting of May 10, 2017 renewed the authorization granted to the Company to buy back its shares. This authorization was used in 2017 in connection with the liquidity contract (entered into with Kepler Cheuvreux) and more generally as part of the continued purchase by the Company of its own shares.

The liquidity contract seeks to improve the liquidity of the Capgemini SE share and to allow regular quotations. In 2017, a total of 904,664 shares were purchased on behalf of Capgemini SE, at an average price of €91.96 per share, representing 0.54% of the share capital at December 31, 2017. During the same period, 1,025,733 Capgemini SE shares were sold at an average price of €91.70 per share, representing 0.61% of the share capital at December 31, 2017. At year-end, the liquidity account balance comprised 28,931 treasury shares (0.02% of the share capital) and approximately €20 million.

In addition, the Company continued to purchase its own shares in 2017. Excluding the liquidity contract, the Company held 570,393 of its own shares at December 31, 2017, following the various transactions described below:

- purchase of 5,530,159 shares representing 3.28% of the share capital as at December 31, 2017, at an average price of €97.69 per share;
- transfer of 1,158,600 shares to employees under the free share grant plan;
- cancellation of 6,680,523 shares.

Trading fees (excluding VAT) and the financial transaction tax totaled €1,724,799 in 2017.

At December 31, 2017, excluding the liquidity contract, all of the 570,393 treasury shares representing 0.34% of the Company's share capital were allocated to the objective of grant or sale to employees and/or corporate officers.

Lastly, no treasury shares were reallocated between the various objectives in 2017.

5.4.2 Description of the share buy-back program to be authorized by the Shareholders' Meeting on May 23, 2018

Pursuant to articles 241-1 *et seq.* of the *Autorité des marchés financiers* (AMF – the French Financial Market Authority) general regulations, the purpose of this program description is to describe the objectives and the terms of the share buy-back program subject to the authorization of the Shareholders' Meeting on May 23, 2018.

Legal framework – date of the Shareholders' Meeting called to authorize the share buy-back program

This share buy-back program is taking place within the legal framework of articles L.225-209 *et seq.* of the French Commercial Code, and within the scope of the European Regulation No. 2273/2003 of December 22, 2003 taken by way of application of the 2003/6/CE directive of January 28, 2003, referred to as "Market Abuse" directive or any other European regulation that may be substituted for it.

The May 23, 2018 Shareholders' Meeting will be offered to authorize the implementation of this share buy-back program.

Pursuant to the provisions of article 241-2 II of the AMF general regulations, any change in the information contained in this program description listed in § 3, 4 and 5 of section I of article 241-2 will be, as soon as practicable, made available to the general public, in accordance with the provisions of article 221-3 of the AMF general regulations, notably by making it available on the Company's website: www.capgemini.com.

Breakdown by objective of held shares

The 632,893 own shares held as at March 1, 2018 are allocated as follows:

- 62,500 shares to the objective of managing the secondary market or maintaining the liquidity of the Capgemini share by way of a liquidity contract signed with Kepler Cheuvreux on October 3, 2016;
- 570,393 shares to the objective of allocation or sale of shares to employees and/or corporate officers.

Objectives of the share buy-back program and allocation of shares purchased

Capgemini's intention is to make use of the possibility to acquire its own shares, with the following objectives:

- the allocation or sale of shares to employees and/or corporate officers (on the terms and by the methods provided by law), in particular with a view to the allocation of free shares pursuant to the provisions of Articles L.225-197-1 *et seq.* of the French Commercial Code, the allocation or sale of shares to employees under the French statutory profit-sharing scheme or the implementation of any Company or Group savings plan (or similar plan) on the terms provided by law, in particular Articles L.3332-1 *et seq.* of the French Labor Code (*Code du travail*), and generally, honoring all obligations relating to share option programs or other share allocations to employees or corporate officers of the Company or a related company; or

- the delivery of shares on the exercise of rights attached to securities granting access to the share capital by redemption, conversion, exchange, presentation of a warrant or any other means; or
- the cancellation of some or all of the shares purchased; or
- the delivery of shares (in exchange, as payment, or otherwise) in connection with acquisitions, mergers, demergers or asset-for-share exchanges; or
- the management of the secondary market or maintenance of the liquidity of the Capgemini share by an investment services provider under a liquidity contract that complies with the ethical code recognized by the *Autorité des marchés financiers* (AMF - the French financial markets authority).

This program is also intended to enable the implementation of any market practice that may be permitted by the AMF and more generally the carrying out of any transaction that complies with prevailing regulations.

Proportion of share capital, number of shares and purchase price

- Maximum percentage of the share capital and maximum number of shares of Capgemini that may be purchased: Purchases of the Company's own shares may be made such that, at the date of each purchase, the total number of shares acquired by the Company since the beginning of the buyback program (including the shares subject to the current purchase) does not exceed 10% of the shares comprising the Company's share capital at that date [(1)] (including transactions impacting the share capital and performed after the May 23, 2018 Shareholders' Meeting), it being stipulated that (i) the number of shares purchased with a view to their retention or presentation in a merger, demerger or asset-for-share exchange transaction may not exceed 5% of the Company's share capital; and (ii) where the shares are repurchased to improve liquidity on the terms set out in the AMF general regulations, the number of shares taken into account in calculating the above 10% limit will be the number of shares purchased minus the number of shares resold during the authorization period. For illustrative purposes, as at March 1, 2018, considering that the Company holds 632,893 of its own shares as at March 1, 2018, representing 0.37% of its share capital as at March 1, 2018 the maximum number of shares which may be purchased amounts to 16,248,810 shares, representing 9.63% of the share capital as at March 1, 2018, unless the Company sells or cancels own shares currently held.
- Maximum purchase price: €150 per share (or the equivalent at the same date in any other currency). It should be noted that (i) this price could be adjusted in the event of a change in the par value of the share, a share capital increase by capitalizing reserves, a free share allocation, a stock split or reverse stock split, a distribution of reserves or any other assets, a share capital redemption, or any other transaction impacting share capital and (ii) the total amount of purchases may not exceed €2,520 million.

Implementation and duration of the share buy-back program

- Implementation of the program: Acquisitions, sales and transfers of shares may be performed at any time other than during the period of a public offer for the Company's shares, subject to the limits authorized by prevailing laws and regulations, on one or more occasions and by any means, and particularly on regulated markets, *via* a multilateral trading facility or systematic internalizer or over the counter, including by block purchases or sales, by public offer for cash or shares or using options or other forward financial instruments traded on regulated markets, *via* a multilateral trading facility or systematic internalizer or over the counter, either directly or through an investment services provider, or in any other manner (with no limit on the portion of the share buyback program carried out by each of these means).
- Share buy-back program duration and schedule: eighteen months as from the date of adoption of the 14th resolution by the May 23, 2018 Combined Shareholders' Meeting, *i.e.*, up to November 23, 2019. Pursuant to article 225-209 of the French Commercial Code, the aggregate number of shares which may be cancelled in any given period of twenty-four months shall not exceed 10% of the Company's share capital (adjusted for any transactions performed after the May 23, 2018, Combined Shareholders' Meeting)

5

(1) i.e., for illustrative purposes, on the basis of the total number of shares issued and outstanding as at March 1, 2018, 16,881,703 shares.

6

Report of the Board of Directors and draft resolutions to be presented at the Combined Shareholders' Meeting of May 23, 2018

This report presents the proposed resolutions submitted to the Combined Shareholders' Meeting by the Board of Directors. It consists of this introduction, the overview statements preceding the resolutions and a summary table of financial authorizations submitted for approval. The objective of this report is to draw your attention to the important points in the draft resolutions, in accordance with prevailing laws and regulations and with best corporate governance practice recommended for companies listed in Paris. It does not purport to be comprehensive and does not replace a careful reading of the draft resolutions prior to voting.

Shareholders are also invited to refer to the guidelines on the "Draft resolutions presented to shareholders of listed companies for vote", produced by the French business association, MEDEF, in conjunction with ANSA and AFEP and available in French on its website www.medef.com for further information on the issues surrounding draft resolutions and the related legal framework application to French companies.

An overview of the financial position, activities and results of the Company and its Group during the last fiscal year and other information required by prevailing law and regulations are also presented in the Management Report on fiscal year 2017 included in the 2017 Registration Document (available on www.capgemini.com), to which you are invited to refer.

6.1 Resolutions presented at the Ordinary Shareholders' Meeting

PRESENTATION OF THE 1ST AND 2ND RESOLUTIONS

APPROVAL OF THE FINANCIAL STATEMENTS

OVERVIEW

In these two resolutions, we ask you to approve the Company financial statements and the consolidated financial statements of Capgemini for the year ended December 31, 2017 as follows:

- the Company financial statements of Capgemini SE showing a net profit of €2,718,722,306.93;
- the consolidated financial statements of Capgemini showing net profit for the Group of €820 million.

FIRST RESOLUTION

Approval of the 2017 Company financial statements

The Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings and after having read the Board of Directors' and the Statutory Auditors' reports, approves the Company financial statements for the year ended December 31, 2017, showing net profit for the year of €2,718,722,306.93, as presented, and the transactions recorded therein and summarized in these reports.

SECOND RESOLUTION

Approval of the 2017 consolidated financial statements

The Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings and after having read the Board of Directors' and the Statutory Auditors' reports, approves the consolidated financial statements for the year ended December 31, 2017, showing net profit for the Group of €820 million, as presented, and the transactions recorded therein and summarized in these reports.

PRESENTATION OF THE 3RD RESOLUTION

APPROPRIATION OF EARNINGS AND SETTING OF THE DIVIDEND

OVERVIEW

The third resolution relates to the appropriation of earnings for the year ended 2017 and the setting of the dividend.

It is proposed that the dividend be set at €1.70 per share, representing a total distribution of €286,422,361.40 based on the number of shares ranking for dividends at December 31, 2017.

In line with the Group's historic dividend distribution policy that ensures a balance between the investments required for its long-term development and the redistribution of profits to shareholders, the payout ratio for the year ended December 31, 2017, excluding exceptional items, would be 35%.

Residual distributable profits for the year, *i.e.* €5,486,962,891.71, shall be added to retained earnings.

For individual beneficiaries who are French tax residents, the dividend is fully eligible for the 40% tax rebate referred to in Article 158.3.2 of the French Tax Code (*Code général des impôts*) where an express, global and irrevocable election is made for taxation under the progressive scale of personal income tax. Where such an election is not made, the dividend is subject to the standard flat tax (*prélèvement forfaitaire unique*) introduced by the 2018 Finance Bill and is no longer eligible for this 40% tax rebate.

Taking account of the recommendations of certain investors, and so as not to encourage security lending/borrowing transactions around the date of the Shareholders' Meeting, the Board of Directors proposes an ex-dividend date of June 4, 2018 and a dividend payment date starting from June 6, 2018.

THIRD RESOLUTION

Appropriation of earnings and setting of the dividend

The Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings, approves the recommendations of the Board of Directors to appropriate the net profit for the year ended December 31, 2017 as follows:

▪ net profit for the year	€2,718,722,306.93
▪ no funding of the legal reserve as already fully funded	
i.e. a balance of:	€2,718,722,306.93
▪ retained earnings of previous years:	€3,054,662,946.18
i.e. distributable earnings:	€5,773,385,253.11
▪ allocated to:	
payment of a dividend of €1.70 per share:	€286,422,361.40 (1)
retained earnings for the balance:	€5,486,962,891.71
giving a total of:	**€5,773,385,253.11**

(1) The total amount of the distribution is calculated based on the number of shares ranking for dividends at December 31, 2017 and could therefore change if this number varies between January 1, 2018 and the ex-dividend date.

It should be noted that the dividend, set at €1.70 for each of the shares bearing dividend rights on January 1, 2018, will be fully eligible for the 40% tax rebate referred to in Article 158.3.2 of the French Tax Code (*Code général des impôts)* where an express, global and irrevocable election is made for taxation under the progressive scale of personal income tax.

The ex-dividend date will be June 4, 2018 and the dividend will be payable from June 6, 2018. If, at the time of payment of the dividend, the number of treasury shares held by the Company has changed compared to the number held on December 31, 2017, the fraction of the dividend relating to this change will either increase or reduce retained earnings.

Pursuant to Article 243 *bis* of the French Tax Code, it is recalled that the following amounts were paid over the past three fiscal years:

	Total amount (1) *(in euros)*	Distributed income (2) *(in euros)*	Dividend per share *(in euros)*
Fiscal year 2016	261,229,104.40	261,683,477.50	1.55
Fiscal year 2015	231,221,780.55	228,749,429.70	1.35
Fiscal year 2014	195,149,725.20	198,381,067.20	1.20

(1) Theoretical values calculated based on the number of shares bearing dividend rights on December 31 each year.

(2) Amounts effectively paid after adjusting the number of shares bearing dividend rights for any change in the number of treasury shares, the issuance of new shares and/or the cancellation of existing shares between January 1 and the ex-dividend date. These amounts were fully eligible for the 40% tax rebate referred to in Article 158.3.2 of the French Tax Code (Code général des impôts) for each fiscal year.

PRESENTATION OF THE 4TH RESOLUTION

APPROVAL OF THE COMPONENTS OF COMPENSATION AND ALL TYPES OF BENEFIT IN KIND PAID OR GRANTED IN RESPECT OF FISCAL YEAR 2017 TO MR. PAUL HERMELIN, CHAIRMAN AND CHIEF EXECUTIVE OFFICER

OVERVIEW

Pursuant to Article L.225-100 II of the French Commercial Code and provisions introduced by the law on transparency, the fight against corruption and the modernization of the economy (the so-called Sapin II law), shareholders are now called to express their opinion on the fixed, variable and exceptional components of total compensation and all types of benefit in kind paid or granted in respect of the previous fiscal year to executive corporate officers.

It is recalled that the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional components of total compensation and all types of benefit in kind granted to Mr. Paul Hermelin, Chairman and Chief Executive Officer, in respect of his duties, were approved by shareholders at the Shareholders' Meeting of May 10, 2017 (5th resolution).

On the Compensation Committee's recommendation, the Board of Directors, at its meeting of February 14, 2018, has approved the fixed, variable and exceptional components of total compensation and all types of benefit in kind, paid or granted to Mr. Paul Hermelin in respect of fiscal year 2017.

The table below summarizes all the components of Mr. Paul Hermelin's compensation, submitted to shareholder vote pursuant to the 4th resolution, as presented in the Board of Directors' report on corporate governance and also included in Section 2.4.2 of the 2017 Registration Document, paragraph "Compensation components due or awarded in respect of 2017 to Mr. Paul Hermelin, Chairman and Chief Executive Officer".

Compensation components due or awarded in respect of 2017 to Mr. Paul Hermelin, Chairman and Chief Executive Officer and subject to shareholder mandatory vote

	Amount or accounting value subject to vote	Presentation
Fixed compensation	**€1,452,000 (paid in 2017)**	The gross fixed compensation of €1,452,000 for fiscal year 2017 was approved by the Board of Directors on February 15, 2017 at the recommendation of the Compensation Committee. It represents 60% of the total theoretical compensation if objectives are attained and is reviewed at long intervals in accordance with the AFEP-MEDEF Code. This amount is unchanged on 2013 when it was increased by 10% to reflect the change in Mr. Paul Hermelin's role who became Chairman and Chief Executive Officer at the end of the Combined Shareholders' Meeting of May 24, 2012, the extension of his responsibilities and the evolution and internationalization of the Group since 2008, when his compensation was last modified. The annualized increase in his theoretical compensation since 2008 and therefore in his fixed compensation is 1.1% *per annum*. This theoretical compensation falls within the median of CAC 40 executives.

	Amount or accounting value subject to vote	Presentation
Annual variable compensation	**€991,668 (paid in 2018)**	During the Board of Directors' meeting of February 14, 2018, the Board, based on the audited and approved accounts and at the recommendation of the Compensation Committee, assessed the amount of Mr. Paul Hermelin's variable compensation for fiscal year 2017, of a target amount if objectives are attained of €968,000, *i.e.* 40% of his total theoretical compensation and comprising two equal components, V1 and V2, that may vary between 0% and 200% of the theoretical amount. **V1 component:** this component is calculated in accordance with quantifiable criteria and the following respective weightings, all relating to the financial results as compared to an ambition decided by the Board: 1) % attainment of the **revenue**: 30% weighting; 2) % attainment of the **operating margin rate: 30%** weighting; 3) % attainment of **pre-tax net profit: 20%** weighting; 4) 2017 **Free Cash Flow: 20%** weighting. These objectives were assessed with respect to the objectives set by the Board of Directors' meeting of February 15, 2017. **Attainment rates** for these four objectives were **99.38%, 93.11%, 98.77% and 103.6%** respectively, which taking account of the relative weighting of each objective, gives a **weighted attainment rate of 98.22%.** The Group's historical calculation formula accelerates actual performance upwards and downwards such that for 2017: ▪ if the weighted performance of the above four financial indicators is less than or equal to 75%, the V1 component will be nil; ▪ if the weighted performance of the above four financial indicators is greater than or equal to 125%, the V1 component will be capped and equal to twice its theoretical amount. Accordingly, with this formula, a one point variance in the weighted attainment rate increases or decreases the variable component by 4%. Therefore, application of the formula to the weighted attainment rate of 98.22% in 2017 results in the multiplication of the theoretical variable component by **92.89%, giving an amount of 968,000/2*92.89% = €449,588**. **V2 component:** The evaluation and the associated proposal have been prepared on the basis of the work done by the Compensation Committee which reviewed the various qualitative objectives grouped into three categories: "Digital and Cloud strategic roadmap" for 40%, "the HR and delivery strategy" for 30% and "the growth of the North American market" for 30%. For the first **category (Digital and Cloud strategic acceleration-40%)**, the Board set three qualitative indicators with an overall 25% weight around i) ensuring the communication of a clear strategic roadmap, an aligned and effective acquisition strategy and targets supporting the roadmap and an associated go to market structure. The overall assessment made by the Board on these three elements were supported by a clear presentation made during the Group "Rencontres" last October in Geneva, five new acquisitions realized or managed in 2017 and a defined road map for the go to market. It was partly balanced by the fact that the go-to-market implementation will only be effective July 1, and that a new major acquisition was announced only in 2018. This led them to evaluate the overall achievement at 96% for this part, the first two being exceeded, while the last one being in progress. For the quantitative measure weighting 15%, the growth of Digital& Cloud offerings was due to be strong in 2017 with a similar trend in the 2018 budget. With a 24% communicated growth in these domains, the Board considered that this quantitative objective has been well exceeded. In regard to the achieved quantified indicators and to the qualitative evaluation, **the Board considered that the objectives set for this category have been achieved at 115%**.

6

Amount or accounting value subject to vote	Presentation

For the second **category (HR and delivery strategy -30%)**, the Board based its recommendations on the following quantitative objectives for 15% i) an above 20% growth year on year of the female representation in the Group Executive Committee and Strategic Business Units/key Business Units Management Committees which has been more than doubled at 47% ii) a 10% internal VP mobility vs 14% achieved and iii) a 15% growth of the senior offshore leadership presence in Management Committee, which has been met. He has also based its recommendations on the two following qualitative objectives for 15% i) a progressive refreshment of Group leadership supported by an external renowned assessment firm, and ii) adaptation/anticipation to regulatory changes. For these two qualitative elements, the Board in addition to the new governance, noticed the nominations of several leaders to the Executive Committee and a significant renewal in the VP population as well as the creation of a global mobility function associated with a risk mitigation strategy around mobility. **Given these achievements, the Board considered that the objectives set for this category have been overachieved at 113%**.

For the third category (growth of the North American market -30%), the Board took into consideration two quantitative indicators each with a 10% weight i) the revenue growth at least equal to market growth in the second semester year on year which has been exceeded with an organic growth of 8.3% achieved in the second semester and ii) the increase by 5 points of the Digital& Cloud offerings in the portfolio which has been nearly achieved with a +4.7points improvement. From a qualitative standpoint, the indicator was around the reinforcement of the North America organization and governance, which following several appointments and based on a strong second semester has been evaluated by the Board as achieved for the qualitative part. **The Board considered that the objectives set for this category have been realized at 107%**.

The Board approved a weighted performance of 112% as per the table below:

	Target		Proposal	
Objective type	**Computed**	**Qualitative**	**Computed**	**Qualitative**
Digital and Cloud acceleration	15%	25%	22%	24%
HR and delivery strategy (diversity, mobility and talent management)	15%	15%	19%	15%
North America growth	20%	10%	22%	10%
Total	**50%**	**50%**	**63%**	**49%**
	Target	**100%**	**Proposed**	**112%**

leading to a **V2 calculation of €484,000*112%=€542,080**

Accordingly, a **variable compensation of €991,668** was approved by the Board for 2017, ***i.e.*** **68.3% of his fixed compensation for the same year and 102.4% of the theoretical variable compensation**. Total fixed and variable compensation for 2017 is therefore **€2,443,688** *i.e.* 101% of the theoretical compensation and may be summarized as follows:

2017 Variable compensation calculation for Mr. Paul Hermelin

V1: quantitative part based on budgeted financial targets

Indicators	**Weight**	**% of achievement**	**Weighted**
Total Revenue	30%	99.38%	29.82%
Operational Margin %	30%	93.11%	27.93%
Net results before tax	20%	98.77%	19.75%
Organic Free cash Flow	20%	103.6%	20.72%
Total weighted R/B before flex			98.22%
Total weighted after 75/125 flex (4*weighted R/B-3)			92.89%
Variable V1 on target			484,000
Computed V1			**449,588**

	Amount or accounting value subject to vote	Presentation		
		V2: qualitative part based on 2017 objectives		
		Categories	**Weight**	**Overall weight**
		Digital and Cloud acceleration	40%	112.0%
		HR and delivery strategy	30%	
		North America growth	30%	
		Variable V2 on target		484,000
		Computed V2		**542,080**
		TOTAL 2017 VARIABLE COMPENSATION		**991,668**
		As a % of the total variable on target		*102.4%*
		As a % of fixed compensation		*68.3%*
		The variable compensation due in respect of a given year is calculated based on the audited accounts approved by the Board at the beginning of Y+1 and is paid after the submission of the compensation policy to the shareholders.		
Deferred variable compensation	**N/A**	There is no deferred variable compensation.		
Multi-year variable compensation	**N/A**	There is no multi-year variable compensation mechanism.		
Exceptional compensation	**N/A**	No exceptional compensation was paid.		
Stock options, performance shares or any other form of long-term compensation	**Performance shares €2,323,342 (accounting value on grant date)**	35,000 shares granted subject to performance and presence conditions. The vesting of performance shares is contingent on the realization of both an external performance condition and an internal performance condition. The internal performance condition accounts for 50% of the grant and is based on Organic Free Cash Flow over the three-year period from 2017 to 2019. The minimum amount necessary for shares to vest is €2.9 billion. Above this threshold, shares vest progressively on a straight-line basis, with the maximum grant requiring Organic Free Cash Flow of €3.2 billion or more. The external performance conditions accounts for 50% of the grant and is based on the comparative performance of the Capgemini share over three years against the average performance of a basket of 8 comparable companies in the same business sector and from at least 5 countries (Accenture/Indra/Atos/Tieto/Sopra Steria/CGI Group/Infosys and Cognizant) and the CAC 40 index (new since 2014). Accordingly, no shares vest if the relative performance of the Capgemini share is less than 100% of the performance of the basket of comparable companies, while 100% of shares vest only if this relative performance is at 110% or above. If performance is similar to that of the market only 50% of the initial grant vests. **The external condition has been strengthened** since 2016, as the effective vesting of shares starts from a minimum achievement of 100% of the basket of comparable companies, while it historically started at 90%. The number of shares that may vest to the executive corporate officer may not exceed 0.001% of the share capital. Authorized by the Combined Shareholders' Meeting of May 10, 2017. Sixteenth resolution Grant authorized by the Board of Directors on October 5, 2017		
	Stock options = N/A Other items = N/A	No stock options or other items were granted.		
Attendance fees	**Voluntary waiver**	The Board of Directors took due note of Mr. Paul Hermelin's decision to waive his right to collect attendance fees as a director of Capgemini SE. in respect of 2017 (as he has done for the last eight years).		
Valuation of benefits in kind	**€0**	No benefits in kind.		

FOURTH RESOLUTION

Approval of fixed, variable and exceptional components of total compensation and all types of benefit in kind paid or granted in respect of fiscal year 2017 to Mr. Paul Hermelin, Chairman and Chief Executive Officer.

The Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings, and after having read the Board of Directors' report, approves, as presented, the fixed, variable and exceptional components of total compensation and all types of benefit in kind paid or granted in respect of fiscal year 2017 to Mr. Paul Hermelin, Chairman and Chief Executive Officer.

PRESENTATION OF THE 5TH AND 6TH RESOLUTIONS

APPROVAL OF THE COMPENSATION POLICY APPLICABLE TO THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER AND THE CHIEF OPERATING OFFICERS

OVERVIEW

Shareholders are asked to approve the compensation policy applicable to corporate executive officers pursuant to the provisions of Article L.225-37-2 of the French Commercial Code, introduced by the so-called Sapin II law on transparency, the fight against corruption and the modernization of the economy.

The principles and criteria for determining, allocating and awarding the fixed, variable and exceptional components of total compensation and all types of benefit in kind granted to the Chairman and Chief Executive Officer and the Chief Operating Officers as well as the compensation policy applicable to such officers for 2018, were approved by the Board of Directors on February 14, 2018 on the recommendation of the Compensation Committee. They are detailed in the Board of Directors' report on corporate governance presented in Section 2.4.1 of the 2017 Registration Document.

FIFTH RESOLUTION

Approval of the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional components of total compensation and all types of benefit in kind granted to the Chairman and Chief Executive Officer and their application as part of the renewal of his duties as Chairman and Chief Executive Officer.

The Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings and after having read the Board of Directors' report, approves (i) the principles and criteria for determining, allocating and granting the fixed, variable and exceptional components of total compensation and all types of benefit in kind granted to the Chairman and Chief Executive Officer by virtue of his office as detailed in the said report, and (ii) their application as part of the renewal of his duties as Chief Executive Officer and Chairman of the Board by the Board of Directors' meeting to be held following this Shareholders' Meeting, subject to approval of the 10th resolution relating to the renewal of Mr. Hermelin's term of office as director.

SIXTH RESOLUTION

Approval of the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional components of total compensation and all types of benefit in kind granted to the Chief Operating Officers and their application as part of the renewal of their duties as Chief Operating Officers.

The Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings and after having read the Board of Directors' report, approves (i) the principles and criteria for determining, allocating and granting the fixed, variable and exceptional components of total compensation and all types of benefit in kind granted to the Chief Operating Officers by virtue of their office as detailed in the said report, and (ii) their application as part of the renewal of their duties as Chief Operating Officers by the Board of Directors' meeting to be held following this Shareholders' Meeting.

PRESENTATION OF THE 7TH AND 8TH RESOLUTIONS

APPROVAL OF REGULATED COMMITMENTS GIVEN IN FAVOR OF MR. THIERRY DELAPORTE AND MR. AIMAN EZZAT, CHIEF OPERATING OFFICERS

OVERVIEW

The 7th and 8th resolutions submit for approval of the shareholders regulated commitments falling within the provisions of Article L.225-42-1 of the French Commercial Code and given in favor of Messrs. Thierry Delaporte and Aiman Ezzat, Chief Operating Officers, subject to the provisions of Article L.225-42-1 of the French Commercial Code as mentioned in the Statutory Auditors' special report.

In anticipation of the appointment of Messrs. Thierry Delaporte and Aiman Ezzat as Chief Operating Officers with effect from January 1, 2018 and on the Compensation Committee's proposal, the Board of Directors, at its meeting of December 6, 2017, authorized in their favor the principle of a severance indemnity in the event of termination of their corporate office as Chief Operating Officer as well as a non-compete undertaking, described below.

The appointment of the two Chief Operating Officers forms part of measures to prepare Capgemini's management transition. The Board of Directors considered it was in the Company's interest during this transition period to protect both the newly appointed Chief Operating Officers, by introducing a termination benefit mechanism, and the Group, through a non-compete clause.

The employment contracts of the Chief Operating Officers do not contain a termination benefits clause, other than the provisions provided for in the collective bargaining agreement. These contracts will be suspended during their terms of office as corporate officer in accordance with the recommendations of the AFEP-MEDEF Governance Code applicable to Chief Operating Officers.

It is recalled that the rules of the performance share plans benefiting Messrs. Delaporte and Ezzat do not provide for the retention of rights to performance shares not yet delivered in the event of early departure, except on retirement, death or invalidity.

The Board ensured strict performance conditions were attached to the termination benefits in the event of cessation of the corporate office.

Finally, the Board of Directors, in accordance with the recommendations of the AFEP-MEDEF Code, has capped at twice the theoretical annual compensation (fixed and variable) applicable at the date of cessation of duties the aggregate amount of (i) termination benefits effectively paid, (ii) severance payments for termination of the employment contract and (iii) any compensation paid, if any, on application of a non-compete commitment.

Compensation pursuant to the collective bargaining agreement in respect of the employment contract payable, except in the event of gross or willful misconduct, based on seniority as an employee prior to appointment as an executive corporate officer)	+	**Termination benefits on cessation of the corporate office based on performance over the last three years** (payable, unless departure at the individual's initiative, due to a change in function within the Group, retirement or gross or willful misconduct)	+	**Compensation resulting from application of a non-compete clause on cessation of the corporate office** Equal to 50% of theoretical gross compensation (fixed + variable) applicable on the date of cessation of the duties of Chief Operating Officer (i.e. ≤ 1 year)	≤	**2 year cap on theoretical annual compensation (fixed + variable)** applicable at the date of cessation of duties

Severance indemnity due in the event of cessation of corporate office

In case of termination of their corporate office as Chief Operating Officer, Messrs. Delaporte and Ezzat would receive a severance indemnity.

The aggregate amount (i) of the severance indemnity effectively paid, (ii) of any indemnity likely to be paid in connection with the termination of an employment agreement, and (iii) of any indemnity likely to be paid in consideration for the non-compete undertaking, may not exceed a maximum amount equal to twice the applicable gross theoretical compensation (fixed plus variable) as at the date of termination of said duties.

The granting and the amount of the severance indemnity depend on the percentage attainment of the weighted performance of the financial indicators applicable to the Chief Operating Officer in regard to his V1 variable component (linked to performance criteria and the Group's consolidated financial results) during each of the last three completed fiscal years preceding the termination of his duties as Chief Operating Officer, it being specified that the last year will count for 40%, while the two previous fiscal years will count for 30% each. As the grant and the amount of the V1 variable part is subject to performance indicators and the Group's consolidated results, the severance indemnity is as a result subject to the satisfaction of these same performance conditions.

No severance indemnity shall be due if the Chief Operating Officer leaves the Company on his own initiative, changes functions within the Group, is entitled to assert in a near future his rights to retirement, or in the event of gross negligence or serious misconduct.

Non-compete undertaking

Messrs. Delaporte and Ezzat would be subject to a non-compete undertaking for a period of twelve months as from the termination of their employment contracts following termination of their duties as Chief Operating Officer in return for an indemnity equal to half of the applicable gross theoretical compensation (fixed plus variable) where all the objectives have been reached as at the date of termination of the duties of Chief Operating Officer.

The Board of Directors will be entitled, at its own discretion, to lift this non-compete obligation on departure of the Chief Operating Officers and therefore in such case, not to implement this non-compete indemnity.

Pursuant to Article L.225-42-1 of the French Commercial Code, the commitments given by the Board of Directors to Messrs. Thierry Delaporte and Aiman Ezzat are presented for approval to the Shareholders' Meeting subject to the adoption of the Chief Operating Officer compensation policy set out in the 6th resolution and the renewal of the corporate office of Messrs. Delaporte and Ezzat duties as Chief Operating Officers by the Board of Directors' meeting to be held following this Shareholders' Meeting.

SEVENTH RESOLUTION

Approval of the regulated commitments subject to the provisions of Article L.225-42-1 of the French Commercial Code given in favor of Mr. Thierry Delaporte, Chief Operating Officer, relating to severance indemnities due in the event of termination of his corporate office and a non-compete undertaking

The Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings and after having read the Board of Directors' report and the Statutory Auditors' special report on regulated agreements and commitments, approves, in accordance with the provisions of Article L.225-42-1 of the French Commercial Code, the commitments referred to in said article given by the Company in favor of Mr. Thierry Delaporte and relating to indemnities that may be paid to him in the event of termination of his corporate office and as part of a non-compete undertaking.

This resolution is approved subject to approval of the 6th resolution relating to the compensation policy for the Chief Operating Officers, and the renewal of Mr. Thierry Delaporte's duties as Chief Operating Officer by the Board of Directors' meeting to be held following this Shareholders' Meeting.

EIGHTH RESOLUTION

Approval of the regulated commitments subject to the provisions of Article L.225-42-1 of the French Commercial Code given in favor of Mr. Aiman Ezzat, Chief Operating Officer, relating to severance indemnities due in the event of termination of his corporate office and a non-compete undertaking

The Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings and after having read the Board of Directors' report and the Statutory Auditors' special report on regulated agreements and commitments, approves, in accordance with the provisions of Article L.225-42-1 of the French Commercial Code, the commitments referred to in said article given by the Company in favor of Mr. Aiman Ezzat and relating to indemnities that may be paid to him in the event of termination of his corporate office and as part of a non-compete undertaking.

This resolution is approved subject to approval of the 6th resolution relating to the compensation policy for the Chief Operating Officers, and the renewal of Mr. Aiman Ezzat's duties as Chief Operating Officer by the Board of Directors' meeting to be held following this Shareholders' Meeting.

PRESENTATION OF THE 9TH RESOLUTION

REGULATED AGREEMENTS AND COMMITMENTS – SPECIAL REPORT OF THE STATUTORY AUDITORS

OVERVIEW

In this resolution, we ask you to take due note that:

- no new related-party agreements were authorized during the year ended December 31, 2017; and
- the regulated commitments submitted to shareholders vote under the 7th and 8th resolutions were authorized in fiscal year 2017 in favor of the Chief Operating Officers, subject to the approval by shareholders of the compensation policy for the Chief Operating Officers and the renewal of their duties by the Board of Directors' meeting to be held following this Shareholders' Meeting.

As indicated in the Statutory Auditors' special report, the registration of Mr. Hermelin as beneficiary of a supplementary pension scheme, which was previously approved by shareholders at the Combined Shareholders' Meeting of April 10, 2007, is the only agreement authorized in previous years with continuing effect during 2017.

As a reminder, the Board of Directors decided on July 29, 2015 to freeze the rights of Mr. Paul Hermelin pursuant to the supplementary pension plan, with effect as of October 30, 2015. This was a favorable development for the Company with regard to the commitment it made to Mr. Hermelin. This plan was closed to potential new beneficiaries with effect on the same date.

During 2017, Mr. Paul Hermelin did not receive any compensation pursuant to this agreement.

Pursuant to Article L.225-40-1 of the French Commercial Code, the Board of Directors performed an annual review of this agreement.

NINTH RESOLUTION

Regulated agreements and commitments – Special report of the Statutory Auditors

The Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings and after having read the Statutory Auditors' special report on regulated agreements governed by Article L.225-38 *et seq.* of the French Commercial Code, approves the said special report and takes due note that no new related-party agreements or commitments, which had not previously been approved by the shareholders, were authorized during the year ended December 31, 2017.

PRESENTATION OF THE 10TH, 11TH, 12TH AND 13TH RESOLUTIONS

RENEWAL OF DIRECTORS' TERM OF OFFICE – APPOINTMENT OF A DIRECTOR

OVERVIEW

The Board of Directors of Capgemini SE, meeting on March 13, 2018 under the chairmanship of Mr. Paul Hermelin, Chairman and Chief Executive Officer, and on the report of Mr. Pierre Pringuet, Chairman of the Ethics and Governance Committee and Lead Independent Director, deliberated on the evolution of the composition of the Board of Directors given the expiry of the terms of office of seven directors at the coming Shareholders' Meeting of May 23, 2018.

In line with the announcements made in October 2017, the Board of Directors decided to propose the renewal of the term of office of Mr. Paul Hermelin as director for a period of four years and intends to confirm him in his duties of Chairman of the Board and Chief Executive Officer if the Shareholders' Meeting renews his term of office as director.

This renewal of office is part of the preparation of the management succession engaged with the support of the Board of Directors since the end of 2016. Mr. Hermelin had indicated in May 2017 his wish to continue exercising the duties of Chairman and Chief Executive Officer for a period representing approximately half a term of office; he has informed the Board of Directors of his intention to step down as Chief Executive Officer while remaining Chairman of the Board. It is recalled that, as part of this transition, two Chief Operating Officers were appointed on October 11, 2017 upon his proposal.

The Board also wished to combine efforts in recent years to renew the Board's composition, increase the number of women and diversify profiles with a reduced number of directors reinforcing cohesion and collective and efficient decision-making.

The Board therefore decided to propose the renewal of the terms of office of Ms. Laurence Dors, Chairman of the Compensation Committee and of Mr. Xavier Musca, Chairman of the Audit and Risk Committee, both Independent Directors, for a period of four years.

The Board of Directors further proposed the appointment of Mr. Frédéric Oudéa as a member of the Board of Directors for a period of four years. Chief Executive Officer of Société Générale, Mr. Oudéa will bring to the Board his experience in managing a leading banking group with an ambitious international development plan and highly innovative in Digital. The Board has indicated that Mr. Oudéa would be considered independent pursuant to the criteria of the AFEP-MEDEF Code to which the Company refers.

The Board of Directors warmly thanked Ms. Caroline Watteeuw-Carlisle, Mr. Yann Delabrière, Mr. Phil Laskawy and Mr. Bruno Roger whose contributions to the work of the Board and its Committees during their respective terms of office accompanied the different phases of the Group's development.

Assuming the adoption of these resolutions by the Shareholders' Meeting of May 23, 2018, the composition of the Board of Directors will decrease from 16 to 13 directors, with 80% of Independent Directors (1) and 45% of female directors (2) and a reduced average age of 59 years old.

(1) The directors representing employees and employee shareholders are not taken into account in calculating this percentage, in accordance with the provisions of the AFEP-MEDEF Code.

(2) The two directors representing employees are not taken into account in calculating this percentage, in accordance with Article L.225-27 of the French Commercial Code.

Date of birth:
April 30, 1952
Nationality:
French
Business address:
Capgemini SE
11, rue de Tilsitt
75017 Paris
First appointment:
2000
Expiry of term of office:
2018
(Ordinary Shareholders' Meeting held to approve the 2017 financial statements)
Number of shares held at Dec. 31, 2017:
282,048

PAUL HERMELIN

Chairman and Chief Executive Officer
Member of the Strategy & Investment Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Mr. Paul Hermelin is a graduate of École Polytechnique and École Nationale d'Administration. He spent the first fifteen years of his professional life in the French government, primarily in the Ministry of Finance. He held a number of positions in the Budget Office and on various ministry staffs, including that of Finance Minister Jacques Delors. He was chief of staff to the Minister of Industry and Foreign Trade, from 1991 to 1993.

Mr. Paul Hermelin joined the Capgemini Group in May 1993, where he was first in charge of coordinating central functions. In May 1996, he was appointed member of the Management Board and Chief Executive Officer of Capgemini France. In May 2000, following the merger of Capgemini and Ernst & Young Consulting, he became Chief Operating Officer of the Group and director. On January 1, 2002, he became Chief Executive Officer of the Capgemini Group, followed by Chairman and Chief Executive Officer on May 24, 2012. He has been a member of the Strategy & Investment Committee since July 24, 2002.

Principal office:

Mr. Paul Hermelin has been Chairman and Chief Executive Officer of Capgemini SE since May 2012.

OFFICES HELD IN 2017 OR CURRENT OFFICES AT DECEMBER 31, 2017

Chairman and Chief Executive Officer of:
- CAPGEMINI SE* (since May 2012)

Director of:
- AXA* (until April 2017)

Chairman of:
- THE BRIDGE SAS

Other offices in Capgemini Group:

Chairman of the Board of Directors of:
- CAPGEMINI NORTH AMERICA, INC. (USA) (since April 2002)
- CAPGEMINI AMERICA, INC. (USA) (since December 2000)

Chairman of the Supervisory Board of:
- CAPGEMINI N.V. (Netherlands) (until November 2012)

Chairman of:
- CAPGEMINI SERVICE S.A.S. (since March 2016)
- CAPGEMINI LATIN AMERICA S.A.S. (since November 2005)
- SOGETI FRANCE 2005 S.A.S. (since November 2005)
- CAPGEMINI 2015 S.A.S. (since December 2010)

Manager of:
- SCI PARIS ETOILE (since March 2016)

Chief Executive Officer of:
- CAPGEMINI NORTH AMERICA, Inc. (USA) (since November 2005)

Director of:
- CGS HOLDINGS LTD (UK) (since June 1999)
- CAPGEMINI TECHNOLOGY SERVICES INDIA Ltd (since August 2017)

OTHER OFFICES HELD DURING THE LAST FIVE YEARS (OFFICES EXPIRED)

Offices held in Capgemini Group:

Chairman of:
- CAPGEMINI 2010 S.A.S. (until September 2015)
- CAMELIA PARTICIPATIONS SAS (until January 2013)

Chairman and Chief Executive Officer of:
- CAPGEMINI HOLDING INC. (USA) (until December 2013)

Chairman of the Board of Directors of:
- CAPGEMINI US LLC (USA) (until July 2016)

Chief Executive Officer of:
- CAPGEMINI SERVICE S.A.S. (until March 2016)

Chairman of the Supervisory Board of:
- CAPGEMINI GOUVIEUX S.A.S. (until April 2014)

Director of:
- CAPGEMINI FINANCIAL SERVICES INTERNATIONAL, INC. (USA) (until March 2016)
- IGATE CORPORATION (USA) (until May 2016)
- SOGETI SA / NV (Belgium) (until December 2013)
- CPM BRAXIS SA (Brazil) (until May 2013)
- CAPGEMINI AUSTRALIA Pty Ltd (until May 2014)

(*) Listed company.

6

LAURENCE DORS

Independent Director
Chairman of the Compensation Committee
Member of the Audit & Risk Committee
Member of the Ethics & Governance Committee

Date of birth:
March 16, 1956

Nationality:
French

Business address:
Theano Advisors
57, rue Pierre Charron
75008 Paris

First appointment:
2010

Expiry of term of office:
2018
(Ordinary Shareholders' Meeting held to approve the 2017 financial statements)

Number of shares held at Dec. 31, 2017:
1,000

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Ms. Laurence Dors is a graduate of Ecole Normale Supérieure and Ecole Nationale d'Administration. A former senior civil servant in the French Finance Ministry and former member of the Prime Minister's staff (1995-1997) and the Ministry of the Economy's staff (1994-1995), Ms. Laurence Dors has spent much of her professional career in international and executive management positions in major international groups (Lagardère, EADS, Dassault Systems, Renault). She is the cofounder and a Senior Partner of the consulting firm Theano Advisors (formerly Anthenor Partners). A specialist in governance issues and an Independent Director, she sits on the Board of Directors of IFA (French Institute of Directors).

Ms. Laurence Dors has been a member of the Board of Directors of Crédit Agricole SA since May 19, 2009. She chairs the Compensation Committee and is a member of the Audit Committee and the Appointments and Governance Committee. She also sits on the Board of Directors of Egis, a non-listed engineering company specializing in consulting and the development of projects offering added value through innovation. She chairs the Compensation Committee and is a member of the Engagements Committee.

Ms. Laurence Dors holds the ranks of Knight of the Legion of Honor and Officer of the National Order of Merit.

Ms. Laurence Dors has been a member of the Board of Directors of Capgemini SE since May 27, 2010. She has been Chairman of the Compensation Committee since May 10, 2017 and a member of the Audit & Risk Committee (formerly the Audit Committee) and the Ethics & Governance Committee since May 7, 2014.

Ms. Laurence Dors brings to the Board of Directors her considerable governance experience, her financial and business consulting expertise and her experience in the management of leading international groups in the technology sector.

Principal office:

Ms. Laurence Dors has been a Senior Partner of Theano Advisors (formerly Anthenor Partners) since July 2012.

OFFICES HELD IN 2017 OR CURRENT OFFICES AT DECEMBER 31, 2017

Director of:

- CAPGEMINI SE* (since May 2010)
- CRÉDIT AGRICOLE SA* (since May 2009)
- EGIS SA (since November 2011)
- IFA (French Institute of Directors) (since May 2012)

Senior Partner of:

- THEANO ADVISORS (since July 2012)

Member of:

- IHEAL (Institute of Latin American Studies) Strategic Policy Committee (since June 2012)
- CEFA (Franco-German Economic Club) Policy Committee (since October 2005)

OTHER OFFICES HELD DURING THE LAST FIVE YEARS (OFFICES EXPIRED)

Director of:

- INHESJ (French National Institute for Advanced Studies in Security and Justice) (until April 2016)

(*) Listed company.

Date of birth:
February 23, 1960

Nationality:
French

Business address:
Crédit Agricole SA
50, avenue Jean Jaurès
92120 Montrouge

First appointment:
2014

Expiry of term of office:
2018
(Ordinary Shareholders' Meeting held to approve the 2017 financial statements)

Number of shares held at Dec. 31, 2017:
1,000

XAVIER MUSCA

Independent Director
Chairman of the Audit & Risk Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

A graduate of Institut d'Etudes Politiques in Paris and École Nationale d'Administration, Mr. Xavier Musca began his career at the General Finance Inspectorate in 1985. In 1989, he joined the Treasury Directorate, where he became head of the European Affairs Bureau in 1990. In 1993, he was called to the Prime Minister's staff, then returned to the Treasury Directorate in 1995. Between 2002 and 2004, he was Principal Private Secretary to Francis Mer, Minister for the Economy, Finance and Industry, then appointed Treasury Director in 2004. He was subsequently appointed Director General of Treasury and Economic Policy in June 2005. In these positions, he played a key role in preparing major European and global summits at the start of the financial crisis. He was the French negotiator at IMF and World Bank meetings and coordinated the bailout of the European Union banking sector with his European counterparts. In 2009, he became Deputy Secretary General to the French President in charge of economic affairs and was responsible for negotiations at the G20 meeting in London on April 2, 2009 on placing the global financial system on a sounder footing and improving supervision and the fight against tax havens. He was appointed Secretary General to the French President in 2011.

On June 13, 2012, Mr. Xavier Musca was appointed Deputy Chief Executive Officer of Crédit Agricole SA, responsible for International retail banking, Asset management and Insurance. He has been Deputy Chief Executive Officer of Crédit Agricole SA, as effective second Executive Director of Crédit Agricole SA since May 2015.

Mr. Xavier Musca is a Knight of the Legion of Honor, the National Order of Merit and the Order of Agricultural Merit.

Mr. Xavier Musca joined the Board of Directors of Capgemini SE on May 7, 2014. He has been a member of the Audit & Risk Committee (formerly the Audit Committee) since this date and was appointed Chairman on December 7, 2016. Mr. Xavier Musca brings to the Board of Directors his management experience with a major international group and his financial expertise. He has in-depth knowledge of the financial sector, including both retail and BtoB services, which accounts for some 25% of Group revenues. He also provides the Board with his knowledge of economic globalization issues.

Principal office:

Mr. Xavier Musca has been Deputy Chief Executive Officer of CRÉDIT AGRICOLE SA since July 2012.

OFFICES HELD IN 2017 OR CURRENT OFFICES AT DECEMBER 31, 2017

Director of:

- CAPGEMINI SE* (since May 2014)

Offices held in Crédit Agricole Group:

Deputy Chief Executive Officer (since July 2012) **and effective second Executive Director** (since May 2015) **of:**

- CRÉDIT AGRICOLE SA* (**Member of the Management Committee – Member of the Executive Committee**)

Chairman of:

- AMUNDI SA* **Director** (since July 2012, renewed in April 2015) and **Chairman** (since December 7, 2016)
- CA CONSUMER FINANCE (since July 2015)

Director – Vice-Chairman of:

- PREDICA (since November 2012)

Director of:

- CA ASSURANCES (since November 2012)
- CACI (since June 2013)

Director of:

- CARIPARMA (ITALY) (since October 2016)

Permanent Representation of Crédit Agricole SA on the Board of Directors of:

- PACIFICA (since October 2012)

OTHER OFFICES HELD DURING THE LAST FIVE YEARS (OFFICES EXPIRED)

Offices held in Crédit Agricole Group:

Vice-Chairman of the Supervisory Board of:

- CRÉDIT DU MAROC* (until 2015)

Vice-Chairman of:

- UBAF (until 2015)

Member of the Executive Committee of:

- CARIPARMA (ITALY) (until 2015)

Director – Vice-Chairman of:

- CRÉDIT AGRICOLE EGYPT SAE* (until 2015)

Director of:

- BESPAR (until May 2014)
- BANCO ESPIRITO SANTO (until December 2014)
- CACEIS (until 2015)

(*) Listed company.

Date of birth:
July 3, 1963
Nationality:
French
Business address:
Tours Société Générale,
75886 Paris Cedex 18
First appointment:
2018
Expiry of term of office:
2022 (Ordinary Shareholders' Meeting held to approve the 2021 financial statements)
Number of shares held at March 13, 2018:
0

FRÉDÉRIC OUDÉA

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Born in 1963. Frédéric Oudéa is a graduate of the École Polytechnique and the École Nationale d'Administration.

From 1987 to 1995, Frédéric Oudéa held various positions in the French senior civil service (Audit Department of the Ministry of Finance, Ministry of Economy and Finance, Budget Ministry, Private Office of the Minister of Budget and Communication). In 1995, he joined Société Générale and in 1996 he was appointed Deputy Head then Head of the bank's Corporate Banking arm in London. In 1998, he became Head of Global Supervisory and Development of the Equities division. In May 2002, he was named Deputy Chief Financial Officer of Société Générale Group. He became Chief Financial Officer of the Group in January 2003. In 2008 he was appointed CEO of the Group, before becoming Chairman and Chief Executive Officer in 2009. Following the regulatory split between the roles of Chairman and chief executive, he was appointed Chief Executive Officer in May 2015. In 2010 he was named Chairman of the Steering Committee on Regulatory Capital ("SCRC") at the Institute of International Finance ("IIF"), President of the European Banking Federation ("EBF") since January 2015.

Principal office:

Mr. Frédéric Oudéa has been Chief Executive Officer of Société Générale since May 2015.

OFFICES HELD IN 2017 OR CURRENT OFFICES AT DECEMBER 31, 2017

Chief Executive Officer of:

- SOCIÉTÉ GÉNÉRALE * (since May 2015)

OTHER OFFICES HELD DURING THE LAST FIVE YEARS (OFFICES EXPIRED)

N/A

* *Listed company.*

TENTH RESOLUTION

Renewal of the term of office as director of Mr. Paul Hermelin.

At the recommendation of the Board of Directors, the Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings, renews for a four-year period the term of office as director of Mr. Paul Hermelin, which expires at the close of this meeting. This new term of office will therefore expire at the close of the Ordinary Shareholders' Meeting held to approve the financial statements for the year ending December 31, 2021.

ELEVENTH RESOLUTION

Renewal of the term of office as director of Ms. Laurence Dors.

At the recommendation of the Board of Directors, the Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings, renews for a four-year period the term of office as director of Ms. Laurence Dors, which expires at the close of this meeting. This new term of office will therefore expire at the close of the Ordinary Shareholders' Meeting held to approve the financial statements for the year ending December 31, 2021.

TWELFTH RESOLUTION

Renewal of the term of office as director of Mr. Xavier Musca.

At the recommendation of the Board of Directors, the Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings, renews for a four-year period the term of office as director of Mr. Xavier Musca, which expires at the close of this meeting. This new term of office will therefore expire at the close of the Ordinary Shareholders' Meeting held to approve the financial statements for the year ending December 31, 2021.

THIRTEENTH RESOLUTION

Appointment of Mr. Frédéric Oudéa as a director.

At the recommendation of the Board of Directors, the Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings, appoints Mr. Frédéric Oudéa as a director for a period of four years. This term of office will expire at the close of the Ordinary Shareholders' Meeting held to approve the financial statements for the year ending December 31, 2021.

PRESENTATION OF THE 14TH RESOLUTION

SHARE BUYBACK PROGRAM

OVERVIEW

We ask you to authorize the Board of Directors to buy back shares of the Company for the objectives and in accordance with the conditions presented in the draft resolution.

Use of the authorization granted in 2017

Shareholders are reminded that last year, the Ordinary Shareholders' Meeting of May 10, 2017 renewed the authorization granted to the Company to buy back its shares. This authorization was used in 2017 in connection with the liquidity contract (entered into with Kepler Cheuvreux) and more generally as part of the continued purchase by the Company of its own shares.

The liquidity contract seeks to improve the liquidity of the Capgemini share and to allow regular quotations. In 2017, a total of 904,664 shares were purchased on behalf of Capgemini SE, at an average price of €91.96 per share, representing 0.54% of the share capital at December 31, 2017. During the same period, 1,025,733 Capgemini SE shares were sold at an average price of €91.70 per share, representing 0.61% of the share capital at December 31, 2017. At the year-end, the liquidity account balance comprised 28,931 treasury shares (0.02% of the share capital) and approximately €20 million.

In addition, the Company continued to purchase its own shares in 2017. Excluding the liquidity contract, the Company held 570,393 of its own shares at December 31, 2017, following the various transactions described below:

- purchase of 5,530,159 shares representing 3.28% of the share capital at December 31, 2017, at an average price of €97.69 per share;
- transfer of 1,158,600 shares to employees under the free share grant plan;
- cancellation of 6,680,523 shares.

Trading fees (excluding VAT) and the financial transaction tax totaled €1,724,799 in 2017.

At December 31, 2017, excluding the liquidity contract, the 570,393 treasury shares representing 0.34% of the Company's share capital were allocated to the grant or sale of shares to employees and/or corporate officers.

Finally, it is noted that during fiscal year 2017, treasury shares held by the Company were not reallocated to other objectives.

Shares buybacks by the Company during fiscal year 2017 were performed either under the multi-year buyback program launched in 2016, or within the framework of a specific buyback authorization related to the ESOP 2017 share ownership plan.

Shareholders are reminded that as part of the active management of the share capital, the Board of Directors decided on December 7, 2016 to increase by €500 million the Company's multi-year share buyback program, previously approved in February 2016 and initially for €600 million. The terms of this multi-year buy-back program fall within the scope of the authorization granted by the Shareholders' Meeting of May 10, 2017 and any subsequent authorization, such as the one submitted for approval in the 14th resolution.

In addition, as part of the active management of the shareholder dilution related to the employee share ownership plan (ESOP 2017), the Board of Directors, at its meeting of September 19, 2017, authorized share buybacks, in addition to the multi-year share buyback program, for a maximum amount of €400 million and within the limit of 3.6 million shares exclusively for the purpose of canceling shares thus acquired.

New authorization requested in 2018

The new resolution submitted for approval provides for the buy back by the Company of its own shares up to the statutory limit of 10% of the number of shares comprising the share capital at the date of such purchases, and a maximum number of treasury shares held after such purchases not exceeding 10% of the amount of the Company's share capital at any time. The maximum purchase price will be set at €150 per share. The acquisition, disposal and transfer transactions described above may be carried out by any means in accordance with prevailing laws and regulations – including through the use of derivative instruments or by means of a block purchase or transfer of shares – and be carried out at any time, except during public offers for the Company's shares. This authorization is granted for a limited period of 18 months.

FOURTEENTH RESOLUTION

Authorization of a share buyback program.

The Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings, and after having read the Board of Directors' report, authorizes the Board of Directors, with the power of sub-delegation to the extent authorized by law and in accordance with Articles L.225-209 *et seq.* of the French Commercial Code, to purchase or arrange the purchase of the Company's shares, particularly with a view to:

- the allocation or sale of shares to employees and/or corporate officers (on the terms and by the methods provided by law), in particular with a view to the allocation of free shares pursuant to the provisions of Articles L.225-197-1 *et seq.* of the French Commercial Code, the allocation or sale of shares to employees under the French statutory profit-sharing scheme or the implementation of any Company or Group savings plan (or similar plan) on the terms provided by law, in particular Articles L.3332-1 *et seq.* of the French Labor Code (*Code du travail*), and generally, honoring all obligations relating to share option programs or other share allocations to employees or corporate officers of the Company or a related company; or
- the delivery of shares on the exercise of rights attached to securities granting access to the share capital by redemption, conversion, exchange, presentation of a warrant or any other means; or
- the cancellation of some or all of the shares purchased; or

- the delivery of shares (in exchange, as payment, or otherwise) in connection with acquisitions, mergers, demergers or asset-for-share exchanges; or
- the management of the secondary market or maintenance of the liquidity of the Capgemini share by an investment services provider under a liquidity contract that complies with the ethical code recognized by the French Financial Markets Authority (*Autorité des marchés financiers*, AMF).

This program is also intended to enable the implementation of any market practice that may be permitted by the AMF and more generally the carrying out of any transaction that complies with prevailing regulations. In such cases, the Company will inform its shareholders by means of a press release.

Purchases of the Company's own shares may be made such that, at the date of each purchase, the total number of shares acquired by the Company since the beginning of the buyback program (including the shares subject to the current purchase) does not exceed 10% of the shares comprising the Company's share capital at that date (including transactions impacting the share capital and performed after this Shareholders' Meeting), it being stipulated that (i) the number of shares purchased with a view to their retention or presentation in a merger, demerger or asset-for- share exchange transaction may not exceed 5% of the Company's share capital; and (ii) where the shares are repurchased to improve liquidity on the terms set out in the AMF general regulations, the number of shares taken into account in calculating the above 10% limit will be the number of shares purchased minus the number of shares resold during the authorization period.

Acquisitions, sales and transfers of shares may be performed at any time other than during the period of a public offer for the Company's shares, subject to the limits authorized by prevailing laws and regulations, on one or more occasions and by any means, and particularly on regulated markets, *via* a multilateral trading facility or systematic internalizer or over the counter, including by block purchases or sales, by public offer for cash or shares or using options or other forward financial instruments traded on regulated markets, *via* a multilateral trading facility or systematic internalizer or over the counter, either directly or through an investment services provider, or in any other manner (with no limit on the portion of the share buyback program carried out by each of these means).

The maximum purchase price of shares purchased pursuant to this resolution will be €150 per share (or the equivalent at the same date in any other currency). The Shareholders' Meeting delegates to the Board of Directors powers to adjust the aforementioned maximum purchase price in the event of a change in the par value of the share, a share capital increase by capitalizing reserves, a free share allocation, a stock split or reverse stock split, a distribution of reserves or any other assets, a share capital redemption, or any other transaction impacting share capital, to take account of the impact of such transactions on the value of the shares.

The total amount allocated to the share buyback program authorized above may not exceed €2,520 million.

The Shareholders' Meeting confers full powers on the Board of Directors, with the power of sub-delegation to the extent authorized by law, to decide and implement this authorization and if necessary to specify the conditions and determine the terms thereof, to implement the share buyback program, and in particular to place stock market orders, allocate or reallocate purchased shares to desired objectives subject to applicable legal and regulatory conditions, set any terms and conditions that may be necessary to preserve the rights of holders of securities or other rights granting access to the share capital in accordance with legal and regulatory provisions and, where applicable, any contractual terms stipulating other cases where adjustment is necessary, to make declarations to the French Financial Markets Authority or any other competent authority, to accomplish all other formalities and generally do all that is necessary.

This authorization is granted for a period of eighteen months as from the date of this Shareholders' Meeting.

It supersedes from this date, in the amount of any unused portion, the authorization granted by the 11th resolution adopted by the Combined Shareholders' Meeting of May 10, 2017.

6.2 Resolutions presented at the Extraordinary Shareholders' Meeting

PRESENTATION OF 15TH RESOLUTION

CANCELLATION OF TREASURY SHARES

OVERVIEW

It is recalled that the Combined Shareholders' Meeting of May 18, 2016 authorized the Board of Directors to cancel, up to a maximum of 10% of the share capital, on one or several occasions, at its sole discretion, all or some of the treasury shares held by the Company or that it comes to hold pursuant to Article L.225-209 of the French Commercial Code and to reduce the share capital accordingly.

During fiscal year 2017, 6,680,523 treasury shares, excluding the liquidity contract, were cancelled.

Shareholders are asked today to renew for a period of 26 months the authorization granted to the Board of Directors to cancel shares bought back up to a maximum of 10% of the share capital by 24-month period, this share capital amount being adjusted for any transactions performed after the date of the Shareholders' Meeting.

FIFTEENTH RESOLUTION

Authorization to the Board of Directors, for a period of twenty-six months, to cancel shares bought back by the Company under the share buyback programs.

The Shareholders' Meeting, voting in accordance with quorum and majority rules for Extraordinary Shareholders' Meetings, and after having read the Board of Directors' report and the Statutory Auditors' special report, authorizes the Board of Directors to reduce the share capital, on one or more occasions, in the proportions and at the times it sees fit, by cancellation of whatever number of treasury shares it decides up to the limits authorized by law, in accordance with Articles L.225-209 *et seq.* and L.225-213 of the French Commercial Code.

At the date of each cancellation, the maximum number of shares cancelled by the Company during the twenty-four month period preceding such cancellation, including the shares subject to the current cancellation, may not exceed 10% of the shares comprising the Company's share capital at that date, this limit being applied to a share capital amount adjusted to reflect any transactions impacting the share capital subsequent to this Shareholders' Meeting.

The Shareholders' Meeting confers full powers on the Board of Directors, with the power of sub-delegation, to carry out such cancellation(s) and reduction(s) of share capital as may be performed pursuant to this authorization, to deduct from additional paid-in capital or the distributable reserves of its choice the difference between the purchase price of the cancelled shares and their par value, to allocate the portion of the legal reserve that becomes available as a result of the capital reduction, to amend the bylaws and to carry out all necessary formalities.

This authorization is granted for a period of twenty-six months as from the date of this Shareholders' Meeting.

The Shareholders' Meeting takes due note that this authorization supersedes from this date, in the amount of any unused portion, the authorization granted by the 11th resolution adopted by the Combined Shareholders' Meeting of May 18, 2016.

PRESENTATION OF 16TH TO 22ND RESOLUTIONS

FINANCIAL AUTHORIZATIONS

OVERVIEW

Financial authorizations requested in 2018

1. Resolutions 16 to 22 are all intended to give the Board of Directors powers to make certain decisions regarding increasing the Company's share capital. The aim of these financial authorizations is to give the Board of Directors flexibility in its choice of potential issue, and to enable it, at the appropriate time, to adapt the nature of the financial instruments issued to the Company's needs and conditions in French or international financial markets.
2. These resolutions may be split into two main categories: those that would result in share capital increases with retention of pre-emptive subscription rights, and those that would result in share capital increases with cancellation of pre-emptive subscription rights.

   All share capital increases for cash entitle existing shareholders to a "pre-emptive subscription right", which is detachable and may be traded during the subscription period. For a period of at least five trading sessions after the opening of the subscription period, each shareholder has the right to subscribe for a quantity of new shares proportionate to his/her existing interest in the share capital.

   In some of these resolutions, the Board of Directors requests your authorization to cancel this pre-emptive subscription right. Depending on market conditions and the type of securities issued, it may be necessary to cancel pre-emptive subscription rights in order for the newly-issued securities to be placed on the best possible terms, particularly when speed is essential to the success of an issue. The authorizations requested are nevertheless in line with market practices.
3. These authorizations are indeed subject to limits covering their validity and issue ceilings. Firstly, each authorization is granted for a limited period. In addition, the Board of Directors may only increase the share capital up to strictly defined ceilings, above which the Board of Directors cannot increase the share capital again without calling a new Shareholders' Meeting. These ceilings are presented in the summary table following this report. They consist mainly of a common overall ceiling of €540 million (*i.e.* nearly 40% of the share capital at December 31, 2017) applicable to all share capital increases by issue of shares and/or securities granting access to the share capital, and a sub-ceiling of €134 million (*i.e.* nearly 10% of the share capital at December 31, 2017) common to all share capital increases by issue of shares and/or securities granting access to the share capital with cancellation of pre-emptive subscription rights.

   Furthermore, the 16th to 22nd resolutions may not be used by the Board of Directors following a public offer for the Company's shares until the end of the offer period (unless specifically authorized by a Shareholders' Meeting).

Use of the authorizations granted previously

It is reminded that the Board of Directors did not make use of the previous financial authorizations granted by the Shareholders' Meeting of May 18, 2016.

It is recalled that the last share capital increase was performed in 2015 in the context of the IGATE acquisition financing. It was a share capital increase of a par value amount of €54 million, raising equity of €506 million by way of a private placement exclusively with institutional investors.

SIXTEENTH RESOLUTION

Delegation of authority to the Board of Directors, for a period of twenty-six months, to increase the share capital by a maximum amount of €1.5 billion by capitalizing additional paid-in capital, reserves, profits or any other amounts.

The Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings, having read the Board of Directors' report and in accordance with Articles L.225-129-2 and L.225-130 of the French Commercial Code:

1. delegates to the Board of Directors, with the power of sub-delegation to the extent authorized by law, its authority to decide share capital increases, on one or more occasions, in the proportions and at the times it sees fit, by capitalizing additional paid-in capital, reserves, profits or any other amounts that may be converted into share capital under the law and the Company's bylaws and by issuing new shares or increasing the par value of existing equity instruments or by a combination of both methods;
2. resolves that the maximum par value amount of share capital increases performed pursuant to this delegation may not exceed €1.5 billion or the equivalent in any other currency or currency unit established by reference to more than one currency, it being stipulated that this ceiling will be increased, where applicable, by the par value amount of shares to be issued to preserve, in accordance with legal and regulatory provisions and, where applicable, any contractual terms stipulating other cases where adjustment is necessary, the rights of holders of securities or other rights granting access to the share capital;
3. in the event the Board of Directors uses this delegation of authority, delegates to the Board full powers, with the power of sub-delegation to the extent authorized by law, to implement this delegation, and in particular to:
   - determine the amount and nature of sums to be capitalized, set the number of new equity instruments to be issued and/or the amount by which the par value of existing equity instruments will be increased and decide the date, which may be retroactive, from which the new equity instruments will rank for dividends or the increase in the par value of existing equity instruments will take effect,

- decide in the event of a free allocation of equity instruments that fractional rights will not be negotiable or transferable and that the corresponding equity instruments will be sold in accordance with the methods determined by the Board of Directors, it being specified that the sale and allocation of the sales proceeds must be performed within the time period set by Article R.225-130 of the French Commercial Code,
- set terms enabling the preservation, where applicable, of the rights of holders of securities or other rights granting access to the share capital (including by means of cash adjustments),
- duly record completion of each share capital increase and make the corresponding amendments to the bylaws,
- generally, enter into all agreements, take all measures and accomplish all formalities for the issue, listing and financial administration of securities issued by virtue of this delegation and for the exercise of the rights attached thereto;

4. resolves that the Board of Directors may not, without prior authorization of a Shareholders' Meeting, use this delegation following a third party public offer for the Company's shares, until the end of the offer period;
5. grants this delegation for a period of twenty-six months as from the date of this Shareholders' Meeting;
6. takes due note that this delegation supersedes from this date, in the amount of any unused portion, the delegation granted by the 12th resolution adopted by the Shareholders' Meeting of May 18, 2016.

SEVENTEENTH RESOLUTION

Delegation of authority to the Board of Directors, for a period of twenty-six months to issue, with retention of pre-emptive subscription rights, ordinary shares and/or securities granting access to the Company's share capital.

The Shareholders' Meeting, voting in accordance with quorum and majority rules for Extraordinary Shareholders' Meetings, having read the Board of Directors' report and the Statutory Auditors' special report and in accordance with Articles L.225-129 *et seq.* of the French Commercial Code and particularly Articles L.225-129, L.225-129-2, L.225-132 to L.225-134 and L.228-91 *et seq.* of the French Commercial Code:

1. delegates to the Board of Directors, with the power of sub-delegation to the extent authorized by law, its authority to decide a share capital increase with retention of pre-emptive subscription rights, on one or more occasions, in France or abroad, in the proportions and at the times it sees fit, in euros or in any other currency or currency unit established by reference to more than one currency, with or without a share premium, whether for valuable consideration or without consideration, by issuing (i) shares of the Company (excluding preference shares), and/or (ii) securities governed by Articles L.228-92 paragraph 1, L.228-93 paragraphs 1 and 3 or L.228-94 paragraph 2 of the French Commercial Code granting access, immediately or in the future, at any time or at fixed dates, by subscription, conversion, exchange, redemption, presentation of a warrant or any other means, to the share capital of the Company or other companies (including companies in which the Company owns directly or indirectly more than half the share capital), it being stipulated that the shares may be paid-up in cash, by offset of debt, or by capitalizing reserves, profits or additional paid-in capital;
2. resolves to set the following limits on authorized share capital increases in the event of use by the Board of Directors of this delegation:
   - the maximum par value amount of share capital increases that may be carried out under this delegation is set at €540 million or the equivalent in any other currency or currency unit established by reference to more than one currency, it being stipulated that the maximum aggregate par value amount of increases in the Company's share capital made under this delegation and under those delegations granted by the 18th, 19th, 20th, 21st and 22nd resolutions of this Shareholders' Meeting is set at €540 million or the equivalent in any other currency or currency unit established by reference to more than one currency,
   - added to those ceilings will be the par value amount of any shares to be issued to preserve, in accordance with legal and regulatory provisions and, where applicable, any contractual terms stipulating other cases where adjustment is necessary, the rights of holders of securities or other rights granting access to the share capital,
   - in the case of a share capital increase by capitalizing additional paid-in capital, reserves, profits or any other amounts and allocating free shares during the period of validity of this delegation, the above ceilings will be adjusted based on the ratio between the number of shares issued and outstanding before and after the transaction;
3. resolves to set the following limits on authorized debt instruments on the issue of securities representing debt instruments granting access, immediately or in the future, to the share capital of the Company or other companies:
   - the maximum nominal value of debt instruments that may be issued immediately or in the future under this delegation is set at €9.3 billion or the equivalent in any other currency or currency unit established by reference to more than one currency at the issue date, it being stipulated that the maximum aggregate nominal value of debt instruments that may be issued under this delegation and under those delegations granted by the 18th, 19th, 20th, 21st and 22nd resolutions of this Shareholders' Meeting is set at €9.3 billion or the equivalent in any other currency or currency unit established by reference to more than one currency,
   - these limits will be increased, where applicable, for any redemption premium above par,
   - these limits are independent of the amount of any debt instrument issues decided or authorized by the Board of Directors in accordance with Articles L.228-36-A, L.228-40, L.228-92 paragraph 3, L.228-93 paragraph 6 and L.228-94 paragraph 3 of the French Commercial Code;

6

4. in the event the Board of Directors uses this delegation:
   - resolves that the issue(s) will be reserved in priority for shareholders, who may subscribe pursuant to their priority rights in proportion to the number of shares owned by them at that time,
   - takes due note that the Board of Directors will have the option of instituting pro-rated subscription rights,
   - takes due note that this delegation of authority involves the waiver by shareholders, in favor of holders of securities issued granting access to the Company's share capital, of their pre-emptive subscription rights to the shares to which these securities will grant entitlement immediately or in the future,
   - takes due note that, in accordance with Article L.225-134 of the French Commercial Code, if subscriptions as of right and any pro-rated subscriptions do not absorb the entire issue, the Board of Directors may use, in the conditions provided by law and in the order it sees fit, any or all of the options listed below:
     - allocate at its discretion some or all of the shares or in the case of securities granting access to the share capital, all or part of securities not subscribed,
     - offer to the public (on the French market or on a foreign market) some or all of the shares or in the case of securities granting access to the share capital, all or part of securities not subscribed,
     - generally limit the share capital increase to the amount of subscriptions received, provided, in the case of issues of shares or securities where the primary instrument is a share, that the share capital increase reaches at least three-quarters of the amount of the share capital increase initially decided after the use, where applicable, of the above-two options;
   - resolves that share subscription warrants may also be issued without consideration to holders of existing shares;
5. resolves that the Board of Directors shall have full powers, with the power of sub-delegation to the extent authorized by law, to implement this delegation, and in particular to:
   - decide the issue of shares and/or securities granting access, immediately or in the future, to the share capital of the Company or other companies,
   - determine the amount of the issue, the issue price and the amount of any premium that may be required on issue or, as the case may be, the amount of reserves, profits or any other amounts to be incorporated in the share capital,
   - determine the dates and terms of the issue, the nature, number and characteristics of the shares and/or securities to be issued,
   - for issues of debt instruments, set all the terms and conditions of these securities (particularly their term, which may or may not be fixed, whether they are subordinated and their remuneration) and amend, during the life of these securities, the above terms and conditions, in compliance with applicable formalities,
   - set the terms, where applicable, for the exercise of rights (rights to conversion, exchange or redemption as the case may be, including by delivery of Company assets) attached to shares or securities granting access to share capital, and in particular set the date, which may be retroactive, from which the new shares will rank for dividend, and all other terms and conditions for the completion of the share capital increase,
   - set the terms on which the Company, where applicable, will have the option of purchasing or exchanging securities on the stock market, at any time or during specified periods, whether or not such purchase or exchange is performed with a view to cancellation in accordance with legal provisions,
   - at its sole discretion, offset the share issue costs against the related premiums and deduct from such premiums the sums necessary to increase the legal reserve,
   - determine and make all adjustments to take account of the impact of transactions in the share capital or equity of the Company, in particular in the event of a change in the par value of the share, a share capital increase by capitalizing reserves, profits or additional paid-in capital (or any other amounts), a free share allocation, a stock split or reverse stock split, a distribution of dividends, reserves, additional paid-in capital or any other assets, a share capital redemption, or any other transaction impacting share capital or equity (including in the case of a public offer for the Company's shares and/or a change in control) and set all other terms enabling the preservation, where applicable, of the rights of holders of securities or other rights granting access to the share capital (including by means of cash adjustments),
   - duly record completion of each share capital increase and make the corresponding amendments to the bylaws,
   - generally, enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and accomplish all formalities for the issue, listing and financial administration of securities issued by virtue of this delegation and for the exercise of the rights attached thereto;
6. takes due note that, in the event the Board of Directors uses the delegation of authority granted pursuant to this resolution, the Board of Directors will report to the next Ordinary Shareholders' Meeting, in accordance with the law and regulations, on the use made of the authorizations conferred in this resolution;
7. resolves that the Board of Directors may not, without prior authorization of a Shareholders' Meeting, use this delegation following a third party public offer for the Company's shares, until the end of the offer period;
8. grants this delegation for a period of twenty-six months as from the date of this Shareholders' Meeting;
9. takes due note that this delegation supersedes from this date, in the amount of any unused portion, the delegation granted by the 13th resolution adopted by the Shareholders' Meeting of May 18, 2016.

EIGHTEENTH RESOLUTION

Delegation of authority to the Board of Directors, for a period of twenty-six months to issue, by way of a public offer with cancellation of pre-emptive subscription rights, ordinary shares and/or securities granting access to the Company's share capital.

The Shareholders' Meeting, voting in accordance with quorum and majority rules for Extraordinary Shareholders' Meetings, having read the Board of Directors' report and the Statutory Auditors' special report and in accordance with Articles L.225-129 *et seq.* of the French Commercial Code and in particular Articles L.225-129-2, L.225-135, L.225-136, L.225-148 and L.228-91 *et seq.* of the French Commercial Code:

1. delegates to the Board of Directors, with the power of sub-delegation to the extent authorized by law, its authority to decide a share capital increase with cancellation of pre-emptive subscription rights, on one or more occasions, in France or abroad, in the proportions and at the times it sees fit, by public offer, in euros or in any other currency or currency unit established by reference to more than one currency, with or without a share premium, whether for valuable consideration or without consideration, by issuing (i) shares of the Company (excluding preference shares), and/or (ii) securities governed by Articles L.228-92 paragraph 1, L.228-93 paragraphs 1 and 3 or L.228-94 paragraph 2 of the French Commercial Code granting access, immediately or in the future, at any time or at fixed dates, by subscription, conversion, exchange, redemption, presentation of a warrant or any other means, to the share capital of the Company or other companies (including companies in which the Company owns directly or indirectly more than half the share capital), it being stipulated that the shares may be paid-up in cash, by offset of debt, or by capitalizing reserves, profits or additional paid-in capital. Such securities may be issued in particular as consideration for securities meeting the conditions laid down in Article L.225-148 of the French Commercial Code that may be contributed to the Company in connection with a public exchange offer initiated by the Company in France or abroad under local rules (for example in connection with a reverse merger);
2. delegates to the Board of Directors, with the power of sub-delegation to the extent authorized by law, its authority to decide issues of shares and/or securities granting access to the Company's share capital to be carried out further to the issue, by companies in which the Company directly or indirectly owns more than half the share capital, of securities granting access to the Company's share capital.

   This decision involves the waiver by shareholders, in favor of holders of securities that may be issued by companies of the Company's group, of their pre-emptive subscription rights to the shares or securities granting access to the Company's share capital to which these securities grant entitlement;
3. resolves to set the following limits on authorized share capital increases in the event of use by the Board of Directors of this delegation:
   - the maximum par value amount of share capital increases that may be carried out under this delegation is set at €134 million or the equivalent in any other currency or currency unit established by reference to more than one currency, it being stipulated that this amount will count towards the overall ceiling for share capital increases set in paragraph 2 of the 17th resolution of this Shareholders' Meeting or, as the case may be, towards any overall ceiling stipulated by a resolution of the same kind that may supersede said resolution during the period of validity of this delegation,
   - added to those ceilings will be the par value amount of any shares to be issued to preserve, in accordance with legal and regulatory provisions and, where applicable, any contractual terms stipulating other cases where adjustment is necessary, the rights of holders of securities or other rights granting access to the share capital,
   - in the case of a share capital increase by capitalizing additional paid-in capital, reserves, profits or any other amounts and allocating free shares during the period of validity of this delegation, the above ceilings will be adjusted based on the ratio between the number of shares issued and outstanding before and after the transaction;
4. resolves to set the following limits on authorized debt instruments on the issue of securities representing debt instruments granting access, immediately or in the future, to the share capital of the Company or other companies:
   - the maximum nominal value of debt instruments that may be issued immediately or in the future under this delegation is set at €3.1 billion or the equivalent in any other currency or currency unit established by reference to more than one currency at the issue date, it being stipulated that this amount will count towards the overall ceiling set in paragraph 3 of the 17th resolution of this Shareholders' Meeting or, as the case may be, towards any overall ceiling stipulated by a resolution of the same kind that may supersede said resolution during the period of validity of this delegation,
   - these limits will be increased, where applicable, for any redemption premium above par,
   - these limits are independent of the amount of any debt instrument issues decided or authorized by the Board of Directors in accordance with Articles L.228-36-A, L.228-40, L.228-92 paragraph 3, L.228-93 paragraph 6 and L.228-94 paragraph 3 of the French Commercial Code;
5. resolves to cancel shareholders' pre-emptive subscription rights in respect of the securities covered by this resolution, whilst however giving the Board of Directors discretion pursuant to Article L.225-135, paragraph 5 of the French Commercial Code to grant shareholders, for a period and on terms to be set by the Board of Directors in compliance with applicable laws and regulations, and for all or part of any issue that may be carried out, a priority subscription period that does not give rise to negotiable rights and which must be exercised in proportion to the quantity of shares owned by each shareholder and which may be supplemented by an application to subscribe for shares on a pro-rated basis, it being stipulated that securities not thus subscribed will be offered to the public in France or abroad;
6. resolves that if subscriptions, including where applicable by shareholders, do not absorb the entire issue, the Board of Directors may limit the issue to the amount of subscriptions received, provided, in the case of issues of shares or securities where the primary instrument is a share, that the share capital increase reaches at least three-quarters of the amount of the issue decided;

7. takes due note that this delegation involves the waiver by shareholders, in favor of holders of securities issued granting access to the Company's share capital, of their pre-emptive subscription rights to the shares to which these securities will grant entitlement;
8. takes due note that, in accordance with Article L.225-136 1° paragraph 1 of the French Commercial Code:
   - the issue price of shares issued directly will be at least equal to the minimum stipulated by applicable regulations at the date of the issue (currently, the weighted average price of the Company's share on the Euronext Paris regulated market during the three trading days preceding the date on which the price is set, less 5%) after making any adjustments to that average in the event of differences in dividend ranking dates,
   - the issue price of securities granting access to the share capital and the number of shares to which conversion, redemption or more generally transformation of each security granting access to the share capital would confer entitlement will be such that the amount received immediately by the Company plus any amount to be received subsequently by the Company will, for each share issued as a consequence of the issue of such securities, be at least equal to the minimum subscription price defined in the previous paragraph;
9. resolves that the Board of Directors shall have full powers, with the power of sub-delegation to the extent authorized by law, to implement this delegation, and in particular:
   - decide the issue of shares and/or securities granting access, immediately or in the future, to the share capital of the Company or other companies,
   - determine the amount of the issue, the issue price and the amount of any premium that may be required on issue or, as the case may be, the amount of reserves, profits or any other amounts to be incorporated in the share capital,
   - determine the dates and terms of the issue, the nature, number and characteristics of the shares and/or securities to be issued,
   - for issues of debt instruments, set all the terms and conditions of these securities (particularly their term, which may or may not be fixed, whether they are subordinated or not and their remuneration) and amend, during the life of these securities, the above terms and conditions, in compliance with applicable formalities,
   - set the terms, where applicable, for the exercise of rights (rights to conversion, exchange or redemption as the case may be, including by delivery of Company assets) attached to shares or securities granting access to share capital, and in particular set the date, which may be retroactive, from which the new shares will rank for dividend, and all other terms and conditions for the completion of the share capital increase,
   - set the terms on which the Company, where applicable, will have the option of purchasing or exchanging securities on the stock market, at any time or during specified periods, whether or not such purchase or exchange is performed with a view to cancellation, in accordance with legal provisions,
   - in the event of an issue of securities intended as consideration for securities contributed to the Company in connection with a public offer with an exchange component (public exchange offer), draw up a list of securities contributed to the exchange, set the conditions of the issue, the exchange ratio and the amount of any cash portion to be paid as an exception to the method for determining the price set in paragraph 8 of this resolution, and determine the terms of the issue in connection with a public exchange offer, or an alternative cash or exchange offer, or a single offer to purchase or exchange the securities in question in return for payment in securities and cash, or a principal public cash offer or public exchange offer accompanied by a subsidiary public exchange offer or public cash offer, or any other form of public offer in compliance with the laws and regulations applicable to public offers,
   - at its sole discretion, offset the share issue costs against the related premiums and deduct from such premiums the sums necessary to increase the legal reserve,
   - determine and make all adjustments to take account of the impact of transactions in the share capital or equity of the Company, in particular in the event of a change in the par value of the share, a share capital increase by capitalizing reserves, profits or additional paid-in capital (or any other amounts), a free share allocation, a stock split or reverse stock split, a distribution of dividends, reserves, additional paid-in capital or any other assets, a share capital redemption, or any other transaction impacting share capital or equity (including in the case of a public offer for the Company's shares and/or a change in control) and set all other terms enabling the preservation, where applicable, of the rights of holders of securities or other rights granting access to the share capital (including by means of cash adjustments),
   - duly record completion of each share capital increase and make the corresponding amendments to the bylaws,
   - generally, enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and accomplish all formalities for the issue, listing and financial administration of securities issued by virtue of this delegation and for the exercise of the rights attached thereto;
10. resolves that the Board of Directors may not, without prior authorization of a Shareholders' Meeting, use this delegation following a third party public offer for the Company's shares, until the end of the offer period;
11. takes due note that, in the event the Board of Directors uses the delegation of authority granted pursuant to this resolution, the Board of Directors will report to the next Ordinary Shareholders' Meeting, in accordance with the law and regulations, on the use made of the authorizations conferred in this resolution;
12. grants this delegation for a period of twenty-six months as from the date of this Shareholders' Meeting;
13. takes due note that this delegation supersedes from this date, in the amount of any unused portion, the delegations granted by the 14th resolution adopted by the Shareholders' Meeting of May 18, 2016.

NINETEENTH RESOLUTION

Delegation of authority to the Board of Directors, for a period of twenty-six months to issue, by way of a private placement with cancellation of pre-emptive subscription rights, ordinary shares and/or securities granting access to the Company's share capital.

The Shareholders' Meeting, voting in accordance with quorum and majority rules for Extraordinary Shareholders' Meetings, having read the Board of Directors' report and the Statutory Auditors' special report and in accordance with Articles L.225-129 *et seq.* of the French Commercial Code and in particular Articles L.225-129-2, L.225-135, L.225-136 and L.228-91 *et seq.* of the French Commercial Code and Article L.411-2 II of the French Monetary and Financial Code (*Code monétaire et financier*):

1. delegates to the Board of Directors, with the power of sub-delegation to the extent authorized by law, its authority to decide a share capital increase with cancellation of pre-emptive subscription rights by way of a private placement governed by Article L.411-2 II of the French Monetary and Financial Code, on one or more occasions, in France or abroad, in the proportions and at the times it sees fit, in euros or in any other currency or currency unit established by reference to more than one currency, with or without a share premium, whether for valuable consideration or without consideration, by issuing (i) shares of the Company (excluding preference shares), and/or (ii) securities governed by Articles L.228-92 paragraph 1, L.228-93 paragraphs 1 and 3 or L.228-94 paragraph 2 of the French Commercial Code granting access, immediately or in the future, at any time or at fixed dates, by subscription, conversion, exchange, redemption, presentation of a warrant or any other means, to the share capital of the Company or other companies (including companies in which the Company owns directly or indirectly more than half the share capital), it being stipulated that the shares may be paid-up in cash, by offset of debt, or by capitalizing reserves, profits or additional paid-in capital;
2. delegates to the Board of Directors, with the power of sub-delegation to the extent authorized by law, its authority to decide issues of shares or securities granting access to the Company's share capital to be carried out further to the issue, by companies in which the Company directly or indirectly owns more than half the share capital, of securities granting access to the Company's share capital.

   This decision involves the waiver by shareholders, in favor of holders of securities that may be issued by companies of the Company's group, of their pre-emptive subscription rights to the shares or securities granting access to the Company's share capital to which these securities grant entitlement;
3. resolves to set the following limits on authorized share capital increases in the event of use by the Board of Directors of this delegation:
   - the maximum par value amount of share capital increases that may be carried out under this delegation is set at €134 million or the equivalent in any other currency or currency unit established by reference to more than one currency (without exceeding the limits set by applicable regulations at the time of the issue, *i.e.* currently 20% of the share capital per year), it being stipulated that this amount will count towards the ceiling set in paragraph 3 of the 18th resolution of this Shareholders' Meeting and towards the overall ceiling set in paragraph 2 of the 17th resolution or, as the case may be, towards any ceilings stipulated by resolutions of the same kind that may supersede said resolutions during the period of validity of this delegation,
   - added to those ceilings will be the par value amount of any shares to be issued to preserve, in accordance with legal and regulatory provisions and, where applicable, any contractual terms stipulating other cases where adjustment is necessary, the rights of holders of securities or other rights granting access to the share capital,
   - in the case of a share capital increase by capitalizing additional paid-in capital, reserves, profits or any other amounts and allocating free shares during the period of validity of this delegation, the above ceilings will be adjusted based on the ratio between the number of shares issued and outstanding before and after the transaction;
4. resolves to set the following limits on authorized debt instruments on the issue of securities representing debt instruments granting access, immediately or in the future, to the share capital of the Company or other companies:
   - the maximum nominal value of debt instruments that may be issued immediately or in the future under this delegation is set at €3.1 billion or the equivalent in any other currency or currency unit established by reference to more than one currency at the issue date, it being stipulated that this amount will count towards the ceiling set in paragraph 4 of the 18th resolution and the overall ceiling set in paragraph 3 of the 17th resolution of this Shareholders' Meeting or, as the case may be, towards any ceilings stipulated by resolutions of the same kind that may supersede said resolutions during the period of validity of this delegation,
   - these limits will be increased, where applicable, for any redemption premium above par,
   - these limits are independent of the amount of any debt instrument issue decided or authorized by the Board of Directors in accordance with Articles L.228-36-A, L.228-40, L.228-92 paragraph 3, L.228-93 paragraph 6 and L.228-94 paragraph 3 of the French Commercial Code;
5. resolves to cancel shareholders' pre-emptive subscription rights in respect of the securities covered by this delegation;
6. resolves that if subscriptions, including where applicable by shareholders, do not absorb the entire issue, the Board of Directors may limit the issue to the amount of subscriptions received, provided, in the case of issues of shares or securities where the primary instrument is a share, that the share capital increase reaches at least three-quarters of the amount of the issue decided;
7. takes due note that this delegation involves the waiver by shareholders, in favor of holders of securities issued granting access to the Company's share capital, of their pre-emptive subscription rights to the shares to which these securities will grant entitlement;

8. takes due note that, in accordance with Article L.225-136 1° paragraph 1 of the French Commercial Code:
   - the issue price of shares issued directly will be at least equal to the minimum stipulated by applicable regulations at the date of the issue (currently, the weighted average price of the Company's share on the Euronext Paris regulated market during the three trading days preceding the date on which the price is set, less 5%) after making any adjustments to that average in the event of differences in dividend ranking dates,
   - the issue price of securities granting access to the share capital and the number of shares to which conversion, redemption or more generally transformation of each security granting access to the share capital would confer entitlement will be such that the amount received immediately by the Company plus any amount to be received subsequently by the Company will, for each share issued as a consequence of the issue of such securities, be at least equal to the minimum subscription price defined in the previous paragraph;
9. resolves that the Board of Directors shall have full powers, with the power of sub-delegation to the extent authorized by law, to implement this delegation, and in particular:
   - decide the issue of shares and/or securities granting access, immediately or in the future, to the Company's or other company's share capital,
   - determine the amount of the issue, the issue price and the amount of any premium that may be required on issue or, as the case may be, the amount of reserves, profits or any other amounts to be incorporated in the share capital,
   - determine the dates and terms of the issue, the nature, number and characteristics of the shares and/or securities to be issued,
   - for issues of debt instruments, set all the terms and conditions of these securities (particularly their term, which may or may not be fixed, whether they are subordinated and their remuneration) and amend, during the life of these securities, the above terms and conditions, in compliance with applicable formalities,
   - set the terms, where applicable, for the exercise of rights (rights to conversion, exchange or redemption as the case may be, including by delivery of Company assets) attached to shares or securities granting access to share capital to be issued, and in particular set the date, which may be retroactive, from which the new shares will rank for dividend, and all other terms and conditions for the completion of the share capital increase,
   - set the terms on which the Company, where applicable, will have the option of purchasing or exchanging securities on the stock market, at any time or during specified periods, whether or not such purchase or exchange is performed with a view to cancellation, in accordance with legal provisions,
   - at its sole discretion, offset the share issue costs against the related premiums and deduct from such premiums the sums necessary to increase the legal reserve,
   - determine and make all adjustments to take account of the impact of transactions in the share capital or equity of the Company, in particular in the event of a change in the par value of the share, a share capital increase by capitalizing reserves, profits or additional paid-in capital (or any other amounts), a free share allocation, a stock split or reverse stock split, a distribution of dividends, reserves, additional paid-in capital or any other assets, a share capital redemption, or any other transaction impacting share capital or equity (including in the case of a public offer for the Company's shares and/or a change in control) and set all other terms enabling the preservation, where applicable, of the rights of holders of securities or other rights granting access to the share capital (including by means of cash adjustments),
   - duly record completion of each share capital increase and make the corresponding amendments to the bylaws,
   - generally, enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and accomplish all formalities for the issue, listing and financial administration of securities issued by virtue of this delegation and for the exercise of the rights attached thereto;
10. resolves that the Board of Directors may not, without prior authorization of a Shareholders' Meeting, use this delegation following a third party public offer for the Company's shares, until the end of the offer period;
11. takes due note that, in the event the Board of Directors uses the delegation of authority granted pursuant to this resolution, the Board of Directors will report to the next Ordinary Shareholders' Meeting, in accordance with the law and regulations, on the use made of the authorizations conferred in this resolution;
12. grants this delegation for a period of twenty-six months as from the date of this Shareholders' Meeting;
13. takes due note that this delegation supersedes from this date, in the amount of any unused portion, the delegation granted by the 15th resolution adopted by the Shareholders' Meeting of May 18, 2016.

TWENTIETH RESOLUTION

Authorization to the Board of Directors, on the issue of ordinary shares or securities granting access to the Company's share capital with cancellation of pre-emptive subscription rights, to set the issue price in accordance with the terms set by the Shareholders' Meeting, up to a maximum of 10% of the share capital per twelve-month period.

The Shareholders' Meeting, voting in accordance with quorum and majority rules for Extraordinary Shareholders' Meetings, having read the Board of Directors' report and the Statutory Auditors' special report and in accordance with Article L.225-136 1°, paragraph 2, of the French Commercial Code:

1. authorizes the Board of Directors, with the power of sub-delegation to the extent authorized by law, in the case of a share capital increase by way of an issue of equity instruments with cancellation of pre-emptive subscription rights pursuant to the 18th and 19th resolutions of this Shareholders' Meeting, to set the issue price as follows:
   - the issue price of shares will be at least equal to the lower of the average price of the share on the Euronext Paris regulated market, weighted for trading volumes on the last trading day preceding the setting of the issue price and the average price of the share on the Euronext Paris regulated market, weighted for trading volumes on the trading day when the issue price is set, in both cases potentially reduced by a discount of up to 5%,

- the issue price of securities granting access to the share capital and the number of shares to which conversion, redemption or more generally transformation of each security granting access to the share capital would confer entitlement will be such that the amount received immediately by the Company plus any amount to be received subsequently by the Company will, for each share issued as a consequence of the issue of such securities, be at least equal to the minimum subscription price defined in the previous paragraph;

2. resolves that the par value amount of share capital increases that may be performed immediately or in the future pursuant to this authorization is set, in accordance with the law, at 10% of the share capital per 12-month period (it being stipulated that this limit will be assessed at the date of the decision to issue shares and/or securities granting access to the share capital);
3. takes due note that, in the event the Board of Directors uses this authorization, it will prepare an additional report, certified by the Statutory Auditors, describing the definitive terms of the transaction and providing information enabling an assessment of the effective impact on shareholder positions.

TWENTY-FIRST RESOLUTION

Delegation of authority to the Board of Directors, for a period of twenty-six months, to increase the number of shares to be issued in the event of a share capital increase (through the issue of ordinary shares and/or of securities granting access to the share capital) with retention or cancellation of pre-emptive subscription rights.

The Shareholders' Meeting, voting in accordance with quorum and majority rules for Extraordinary Shareholders' Meetings, having read the Board of Directors' report and the Statutory Auditors' special report and in accordance with Articles L.225-129-2 and L.225-135-1 of the French Commercial Code:

1. delegates to the Board of Directors, with the power of sub-delegation to the extent authorized by law, its authority to decide to increase the number of shares to be issued in the event of a share capital increase (through the issue of ordinary shares and/or of securities granting access to the share capital immediately or in the future) with retention or cancellation of pre-emptive subscription rights, at the same price as that of the initial issue, within the limits as to time and quantity specified in applicable regulations at the date of the issue (currently, within thirty days of the closure of subscriptions and up to a maximum of 15% of the initial issue), in particular with a view to granting a greenshoe option in accordance with market practices;
2. resolves that the par value amount of share capital increases decided pursuant to this resolution shall count towards the ceiling stipulated in the resolution pursuant to which the initial issue is decided and the overall ceiling set in paragraph 2 of the 17th resolution of this Shareholders' Meeting and that the nominal value of debt instruments issued pursuant to this resolution shall count towards the ceiling stipulated in the resolution pursuant to which the initial issue is decided and the overall ceiling set in paragraph 3 of the 17th resolution of this Shareholders' Meeting or, as the case may be, towards the ceilings stipulated by resolutions of the same kind that may supersede said resolutions during the period of validity of this delegation;
3. resolves that the Board of Directors may not, without prior authorization of a Shareholders' Meeting, use this delegation following a third party public offer for the Company's shares, until the end of the offer period;
4. grants this delegation for a period of twenty-six months as from the date of this Shareholders' Meeting;
5. takes due note that this delegation supersedes from this date, in the amount of any unused portion, the delegation granted by the 17th resolution adopted by the Shareholders' Meeting of May 18, 2016.

TWENTY-SECOND RESOLUTION

Authorization to the Board of Directors, for a period of twenty-six months, to issue ordinary shares and/or securities granting access to the Company's share capital, in consideration for contributions in kind to the Company of shares or securities granting access to share capital, up to a maximum of 10% of the share capital.

The Shareholders' Meeting, voting in accordance with quorum and majority rules for Extraordinary Shareholders' Meetings, having read the Board of Directors' report and the Statutory Auditors' special report and in accordance with Articles L.225-129, L.225-129-2, L.225-147 and L.228-91 *et seq.* of the French Commercial Code:

1. authorizes the Board of Directors, with the power of sub-delegation to the extent authorized by law, to perform a share capital increase, on one or more occasions, by issuing (i) shares of the Company (excluding preference shares), and/or (ii) securities governed by Articles L.228-92 paragraph 1, L.228-93 paragraphs 1 and 3 or L.228-94 paragraph 2 of the French Commercial Code granting access, immediately or in the future, at any time or at fixed dates, by subscription, conversion, exchange, redemption, presentation of a warrant or any other means, to the share capital of the Company or other companies (including companies in which the Company owns directly or indirectly more than half the share capital), as consideration for assets transferred to the Company comprising equity instruments or securities granting access to share capital, in cases where Article L.225-148 of the French Commercial Code does not apply;
2. resolves to set the following limits on authorized share capital increases in the event of use by the Board of Directors of this authorization:
   - the maximum par value amount of share capital increases that may be carried out under this authorization is set at €134 million or the equivalent in any other currency or currency unit established by reference to more than one currency (without exceeding the limits set by applicable regulations at the time of the issue, *i.e.* currently 10% of the share capital), it being stipulated that this amount will count towards the par value ceiling set in paragraph 3 of the 18th resolution and towards the overall ceiling set in paragraph 2 of the 17th resolution or, as the case may be, towards the ceilings stipulated by resolutions of the same kind that may supersede said resolutions during the period of validity of this authorization,

- added to those ceilings will be the par value amount of any shares to be issued to preserve, in accordance with legal and regulatory provisions and, where applicable, any contractual terms stipulating other cases where adjustment is necessary, the rights of holders of securities or other rights granting access to the share capital,
- in the case of a share capital increase by capitalizing additional paid-in capital, reserves, profits or any other amounts and allocating free shares during the period of validity of this delegation, the above ceilings will be adjusted based on the ratio between the number of shares issued and outstanding before and after the transaction;

3. resolves to set the following limits on authorized debt instruments on the issue of securities representing debt instruments granting access, immediately or in the future, to the share capital of the Company or other companies:
   - the maximum nominal value of debt instruments that may be issued immediately or in the future under this authorization is set at €3.1 billion or the equivalent in any other currency or currency unit established by reference to more than one currency at the issue date, it being stipulated that this amount will count towards the ceiling set in paragraph 4 of the 18th resolution and the overall ceiling set in paragraph 3 of the 17th resolution of this Shareholders' Meeting or, as the case may be, towards any ceilings stipulated by resolutions of the same kind that may supersede said resolutions during the period of validity of this authorization,
   - these limits will be increased, where applicable, for any redemption premium above par,
   - these limits are independent of the amount of any debt instrument issues decided or authorized by the Board of Directors in accordance with Articles L.228-36-A, L.228-40, L.228-92 paragraph 3, L.228-93 paragraph 6 and L.228-94 paragraph 3 of the French Commercial Code;
4. resolves that the Board of Directors shall have full powers, with the power of sub-delegation to the extent authorized by law, to implement this delegation of authority, and in particular:
   - decide the issue of shares and/or securities granting access to the Company's share capital immediately or in the future in consideration of assets transferred,
   - draw up a list of the equity instruments and securities granting access to the share capital transferred to the Company, approve the valuation of the contributions in kind, set the terms of issues of shares and/or securities presented in consideration for said contributions and the amount of any cash portion to be paid, approve the grant of any specific benefits and reduce, if the contributors agree, the valuation of contributions or the remuneration of specific benefits,
   - determine the terms and conditions of shares and/or securities presented in consideration for contributions in kind and amend, during the life of these securities, the above terms and conditions, in compliance with applicable formalities,
   - at its sole discretion, offset the share issue costs against the related premiums and deduct from such premiums the sums necessary to increase the legal reserve,
   - set the terms on which the Company, where applicable, will have the option of purchasing or exchanging securities on the stock market, at any time or during specified periods, whether or not such purchase or exchange is performed with a view to cancellation, in accordance with legal provisions,
   - determine and make all adjustments to take account of the impact of transactions in the share capital or equity of the Company, in particular in the event of a change in the par value of the share, a share capital increase by capitalizing reserves, profits or additional paid-in capital (or any other amounts), a free share allocation, a stock split or reverse stock split, a distribution of dividends, reserves, additional paid-in capital or any other assets, a share capital redemption, or any other transaction impacting equity or share capital (including in the case of a public offer for the Company's shares and/or a change in control) and set all other terms enabling the preservation, where applicable, of the rights of holders of securities or other rights granting access to the share capital (including by means of cash adjustments),
   - duly record completion of each share capital increase and make the corresponding amendments to the bylaws,
   - generally, enter into any agreement, take all measures and accomplish all formalities, in particular to achieve the successful completion of the issue, listing and financial administration of securities issued by virtue of this authorization and for the exercise of the rights attached thereto;
5. resolves that the Board of Directors may not, without prior authorization of a Shareholders' Meeting, use this authorization following a third party public offer for the Company's shares, until the end of the offer period;
6. grants this authorization for a period of twenty-six months as from the date of this Shareholders' Meeting;
7. takes due note that this authorization supersedes from this date, in the amount of any unused portion, the authorization granted by the 18th resolution adopted by the Shareholders' Meeting of May 18, 2016.

PRESENTATION OF 23RD RESOLUTION

ALLOCATION OF SHARES TO EMPLOYEES

OVERVIEW

Desirous to continue its motivation policy and involving employees and managers in the development of the Group, the Board of Directors is seeking a new authorization to grant additional performance shares, existing or to be issued, subject to internal and external performance conditions, during the next 18 months, (with, in the case of shares to be issued, the waiver by shareholders of their pre-emptive subscription rights in favor of the beneficiaries of the grants) up to a maximum of 1% of the share capital.

The detailed performance conditions are presented in the draft 23rd resolution presented to you for vote.

At the recommendation of the Compensation Committee, the Board of Directors' meeting of March 13, 2018 wished to strengthen the alignment of performance conditions with the Group's strategic priorities, by proposing the addition of a performance condition linked to diversity and sustainable development objectives reflecting the Group's Corporate, Social and Environmental Responsibility strategy.

Performance conditions applicable to performance share grants

(i) A **market performance condition** assessed based on the comparative performance of the Capgemini SE share against the average performance of a basket of eight comparable companies in the same business sector and from at least five countries (Accenture/Atos/Tieto/Sopra Steria/CGI Group/Indra/Infosys and Cognizant) and the CAC 40 and Euro Stoxx Technology 600 indices (the latter index is new from 2018).

This external performance condition would determine 35% of grants to executive corporate officers (Chairman and Chief Executive Officer and Chief Operating Officers), members of the General Management Team and key executive managers of the Group and 15% of grants to other beneficiaries.

No shares would vest in respect of the external performance condition if the relative performance of the Capgemini SE share is less than 100% of the average performance of the basket over a three-year period, while the maximum number of shares would vest if this performance is 110% or more of that of the basket.

(ii) A **financial performance condition** measured by the amount of audited and published organic free cash flow for the three-year cumulative period from January 1, 2018 to December 31, 2020, excluding Group payments to make up the shortfall on its defined benefit pension funds.

No share would vest in respect of this financial performance condition if the cumulative organic free cash flow for the three fiscal years is less than €3,000 million, while the maximum number of shares would vest if this amount is at least €3,250 million.

This proposal takes into account the significant and continuous depreciation of the dollar against the euro, the Group's reporting currency, since beginning 2017 whereas North America contributed 31% of the Group's revenues as at December 31, 2017.

This financial performance condition would determine 50% of grants to executive corporate officers (Chairman and Chief Executive Officer and Chief Operating Officers), members of the General Management Team and key executive managers of the Group and 70% of grants to other beneficiaries.

(iii) A **new performance condition** tied to the Group's 2020 **diversity** and **sustainable development** objectives. The diversity objective is based on the uncrease of the percentage of women in the Group's Vice-Presidents inflow, whether by external recruitment or internal promotion, by 25% over the period 2018-2020 and the sustainable development objective concerns a reduction in greenhouse gas emissions/person by at least 20% over the period 2015-2020, with each objective equally weighted.

More information on the methodology used to measure the greenhouse gas emissions reduction objective can be found in the 2017 Registration Document, Section 3.4.2.

This new internal performance condition would determine 15% of grants to all beneficiaries.

Summary of performance conditions applicable to beneficiaries

Performance condition	Weighting applied for managers *	Weighting applied for other beneficiaries	Percentage of the grant determined by each performance condition
Market condition: Performance of the Capgemini share over a three-year period	35%	15%	▪ 0% if <100% of the average performance of the basket ▪ 50% to 100% between 100% and 110% of the average performance of the basket over the reference period
Financial condition: organic free cash flow for the three-year cumulative period from January 1, 2018 to December 31, 2020	50%	70%	▪ 0% if <€3,000 million ▪ 30% to 100% between €3,000 million and €3,250 million over the reference period
CSR condition comprising two objectives: Diversity: increase in the number of female in flow Vice-Presidents over a three-year period (2018-2020)	7.5%	7.5%	▪ 0% if the % of women becoming Vice-President through external recruitment or internal promotion is <20% ▪ 30% to 100% for an increase of this percentage between 20% and 25% over the reference period
Reduction in the carbon footprint in 2020 compared with 2015	7.5%	7.5%	▪ 0% if <20% reduction in greenhouse gas emissions/person ▪ 30% to 100% if the reduction in greenhouse gas emissions/person in 2020 is between 20% and 22% compared with reference emissions in 2015

(*) Corporate executive officers (Chairman and Chief Executive Officer and Chief Operating Officers), members of the General Management Team and key executive managers of the Group.

Other terms and conditions

As in the past two years, the minimum vesting period for shares would remain set at three years, thereby responding favorably to the request by investors. In addition, if a retention period for shares definitively allocated was fixed by your Board, it should not be less than one year. The vesting of shares is also subject to the effective presence of beneficiaries in the Company at the grant date, except in the event of death, disability or retirement.

The resolution limits to 10% the maximum number of shares that may be granted to the Chairman and Chief Executive Officer and the Chief Operating Officers, it being specified that in this case, the Board of Directors will, in accordance with applicable laws, decide the portion of shares that must be held by each individual until the end of his/her term of office.

The resolution also authorizes the Board of Directors to grant up to 15% of the maximum number of shares to Group employees, other than members of the General Management Team (the Executive Committee), without performance conditions.

In accordance with the recommendations of the AFEP-MEDEF Code, performance share grants are undertaken at the same calendar periods and are decided by either the Board of Directors' meeting held at the end of July or the following meeting.

Recap of the use of authorizations previously granted by Shareholders' Meetings:

The use by the Board of Directors of previous resolutions for the grant of performance shares is presented in the Group Management Report ("Performance share grants", Section 5.1.4 of the 2017 Registration Document).

TWENTY-THIRD RESOLUTION

Authorization to the Board of Directors, for a period of eighteen months, to grant performance shares, existing or to be issued, to employees and corporate officers of the Company and its French and non-French subsidiaries, up to a maximum of 1% of the Company's share capital (with, in the case of shares to be issued, the waiver by shareholders of their pre-emptive subscription rights in favor of the beneficiaries of the grants).

In accordance with Articles L.225-197-1 *et seq.* of the French Commercial Code, the Shareholders' Meeting, voting in accordance with quorum and majority rules for Extraordinary Shareholders' Meetings, having read the Board of Directors' report and the Statutory Auditors' special report:

1. authorizes the Board of Directors, with the power of sub-delegation to the extent authorized by law – subject to the achievement of the performance conditions defined in paragraphs 4 and 5 of this resolution and for a total number of shares not exceeding 1% of the share capital at the date of the decision (this maximum number of shares being referred to hereafter by the letter "N") – to allocate shares of the Company (existing or to be issued), to employees of the Company and employees and corporate officers of its French and non-French subsidiaries;
2. resolves that up to a maximum of 10% of "N", these performance shares may also be allocated, in accordance with applicable laws, to the Chairman and Chief Executive Officer and the Chief Operating Officers of the Company, it being specified that in this case, the Board of Directors will, in accordance with applicable laws, decide the portion of shares that must be held by each individual until the end of his/her term of office;
3. resolves that these performance shares will only vest at the end of a vesting period (the "Vesting Period") of at least three years, it being stipulated that the Board of Directors may introduce, where applicable, a lock-in period following the vesting of the shares the duration of which may vary depending on the country of tax residence of the beneficiary; in those countries where a lock-in period is applied it will be of a minimum period of one year.

   However, the shares will vest before the expiry of the above periods and may be freely sold in the event of the death or incapacity of the beneficiary, corresponding to a Category 2 or 3 disability in France, as defined in Article L.341-4 of the French Social Security Code (*Code de la sécurité sociale*);
4. resolves, subject to the powers conferred on the Board of Directors by law and this resolution, that the exact number of shares vesting to executive corporate officers (Chairman and Chief Executive Officer and Chief Operating Officers), members of the General Management Team (Executive Committee) and key executive managers of the Group at the end of the Vesting Period, compared with the total number of shares ("Initial Allocation") indicated in the allocation notice sent to beneficiaries will be equal to:

   i. for 35%, the number of shares of the Initial Allocation, multiplied by the percentage achievement of the chosen external performance target, it being specified that:

      - the performance target to be met in order for the shares to vest will be the performance of the Capgemini share measured over a minimum three-year period compared to the average performance, measured over the same period, of a basket containing at least five shares of listed companies operating in the same sector as the Group in a minimum of five countries in which the Group is firmly established (France, the United States, etc.),
      - this relative performance will be measured by comparing the stock market performance of the Capgemini share with the average share price performance of the basket over the same period, such that:
        - the number of shares that will ultimately vest:
          - will be equal to 35% of the Initial Allocation of shares if the relative performance of the Capgemini share is at least equal to 110% of the basket,
          - will vary between 17.5% and 35% of the Initial Allocation if the relative performance of the Capgemini share is between 100% and 110% of the average performance of the basket, with an additional 1.75% of shares vesting for each percentage point between these limits,
          - will be equal to 17.5% of the Initial Allocation of shares if the relative performance of the Capgemini share is equal to 100% of the basket;
      - no shares will vest in respect of shares subject to this external performance condition, if, over the calculation reference period, the performance of the Capgemini share is less than 100% of the average performance of the basket of securities measured over the same period;

   ii. for 50%, the number of shares of the Initial Allocation, multiplied by the percentage achievement of the chosen internal financial performance target based on organic free cash flow, it being specified that:

      - the performance target to be met in order for the shares to vest will be the amount of audited and published organic free cash flow for the three-year cumulative period from January 1, 2018 to December 31, 2020, excluding Group payments to make up the shortfall on its defined benefit pension funds,
      - no shares will vest in respect of this half of the Initial Allocation subject to this internal performance condition, if the cumulative organic free cash flow for the three fiscal years is less than €3,000 million,
      - the number of shares that will ultimately vest will be equal to the full amount of this half of the Initial Allocation if the cumulative organic free cash flow for the three fiscal years is at least €3,250 million and will vary on a straight-line basis between 15% and 50% of the Initial Allocation for a cumulative organic free cash flow between these two limits; it being understood that organic free cash flow is defined as cash flow from operations less acquisitions (net of disposals) of intangible assets and property, plant and equipment, adjusted for flows relating to the net interest cost (as presented in the consolidated statement of cash flows);

iii. for 15%, the number of shares of the Initial Allocation, multiplied by the percentage achievement of the chosen Corporate Social and Environmental performance target based on Group objectives, it being specified that:

- the performance target to be met in order for the shares to vest will be measured (a) 7.5% based on the evolution over a period of three years of the percentage of women in the Group's Vice-Presidents inflow population whether by external recruitment or internal promotion, published and audited at December 31, 2020 and (b) 7.5% based on the percentage reduction in greenhouse gas emissions/person published and audited over the cumulative period from January 1, 2015 to December 31, 2020,
- no shares will vest in respect of the Initial Allocation subject to this CSR performance condition, if the cumulated percentage of women in flow becoming Vice-President within the Group through external recruitment or internal promotion over the period January 1, 2018 to December 31, 2020 is less than 20% and if the reduction in greenhouse gas emissions/person over the period January 1, 2015 to December 31, 2020 is less than 20%,
- the number of shares that will ultimately vest will be equal to the full amount of this 15% of the Initial Allocation, if the cumulated percentage of women in flow becoming Vice-President within the Group through external recruitment or internal promotion over the period January 1, 2018 to December 31, 2020 is at least equal to 25% and if the reduction in greenhouse gas emissions/person over the period January 1, 2015 to December 31, 2020 is at least equal to 22%,
- the number of shares that will ultimately vest will vary on a straight-line basis between 2.25% and 15% of the Initial Allocation for achievement levels for either and/or both of these performance conditions between the two limits indicated above;

5. resolves, subject to the powers conferred on the Board of Directors by law and this resolution, that the exact number of shares vesting to beneficiaries, other than referred to in paragraph 4 above, at the end of the Vesting Period, compared with the total number of shares ("Initial Allocation") indicated in the allocation notice sent to beneficiaries will be equal to:

i. for 15%, the number of shares of the Initial Allocation, multiplied by the percentage achievement of the chosen external performance target, it being specified that:

- the performance target to be met in order for the shares to vest will be the performance of the Capgemini share measured over a minimum three-year period compared to the average performance, measured over the same period, of a basket containing at least five shares of listed companies operating in the same sector as the Group in a minimum of five countries in which the Group is firmly established (France, the United States, etc.),
- this relative performance will be measured by comparing the stock market performance of the Capgemini share with the average share price performance of the basket over the same period, such that:
  - the number of shares that will ultimately vest:
    - will be equal to 15% of the Initial Allocation of shares if the relative performance of the Capgemini share is at least equal to 110% of the basket,
    - will vary between 7.5% and 15% of the Initial Allocation if the relative performance of the Capgemini share is between 100% and 110% of the average performance of the basket, with an additional 0.75% of shares vesting for each percentage point between these limits,
    - will be equal to 7.5% of the Initial Allocation of shares if the relative performance of the Capgemini share is equal to 100% of the basket;
- no shares will vest in respect of shares subject to this external performance condition, if, over the calculation reference period, the performance of the Capgemini share is less than 100% of the average performance of the basket of securities measured over the same period;

ii. for 70%, the number of shares of the Initial Allocation, multiplied by the percentage achievement of the chosen internal financial performance target, it being specified that:

- the performance target to be met in order for the shares to vest will be the amount of audited and published organic free cash flow for the three-year cumulative period from January 1, 2018 to December 31, 2020, excluding Group payments to make up the shortfall on its defined benefit pension funds,
- no shares will vest in respect of this 70% of the Initial Allocation subject to this internal performance condition, if the cumulative organic free cash flow for the three fiscal years is less than €3,000 million,
- the number of shares that will ultimately vest will be equal to the full amount of this 70% of the Initial Allocation if the cumulative organic free cash flow for the three fiscal years is at least €3,250 million and will vary on a straight-line basis between 21% and 70% of the Initial Allocation for a cumulative organic free cash flow between these two limits; it being understood that organic free cash flow is defined as cash flow from operations less acquisitions (net of disposals) of intangible assets and property, plant and equipment, adjusted for flows relating to the net interest cost (as presented in the consolidated statement of cash flows);

iii. for 15%, the number of shares of the Initial Allocation, multiplied by the percentage achievement of the chosen Corporate Social and Environmental performance target based on Group objectives, it being specified that:

- the performance target to be met in order for the shares to vest will be measured (a) 7.5% based on the evolution over a period of three years of the percentage of women in the Group's Vice-Presidents inflow population, whether by external recruitment or internal promotion, published and audited at December 31, 2020 and (b) 7.5% based on the percentage reduction in greenhouse gas emissions/person published and audited over the cumulative period from January 1, 2015 to December 31, 2020,

- no shares will vest in respect of the Initial Allocation subject to this CSR performance condition, if the percentage of women in flow becoming Vice-President within the Group through external recruitment or internal promotion over the period January 1, 2018 to December 31, 2020 is less than 20% and if the reduction in greenhouse gas emissions/person over the period January 1, 2015 to December 31, 2020 is less than 20%,
- the number of shares that will ultimately vest will be equal to the full amount of this 15% of the Initial Allocation, if the cumulated percentage of women in flow becoming Vice-President within the Group through external recruitment or internal promotion over the period January 1, 2018 to December 31, 2020 is at least equal to 25% and if the reduction in greenhouse gas emissions/person over the period January 1, 2015 to December 31, 2020 is at least equal to 22%,
- the number of shares that will ultimately vest will vary on a straight-line basis between 2.25% and 15% of the Initial Allocation for achievement levels for either and/or both of these performance conditions between the two limits indicated above;

6. resolves that by exception, and for an amount not exceeding 15% of "N", shares may be allocated to employees of the Company and its French (within the meaning, particularly, of Article L.225-197-6, paragraph 1, of the French Commercial Code) and non-French subsidiaries, excluding members of the General Management Team (the Executive Committee) without performance conditions;
7. takes due note that this authorization involves the waiver by shareholders of their pre-emptive subscription rights in favor of beneficiaries of performance shares if the allocation concerns shares to be issued;
8. takes due note that the Board of Directors has, pursuant to the law, the power to amend the performance conditions set out in paragraphs 4 and 5 above by way of a duly reasoned decision made after this decision and before the share allocations;
9. gives powers to the Board of Directors to implement this authorization (with the power of sub-delegation to the extent authorized by law), and in particular to:
   - set the share allocation date,
   - draw up one or more list(s) of beneficiaries and the number of shares allocated to each beneficiary,
   - set the share allocation terms and conditions, including with respect to performance conditions,
   - determine whether the shares allocated for nil consideration are existing shares or shares to be issued and, where applicable, amend this choice before the vesting of shares,
   - decide, in the event that transactions are carried out before the shares vest that affect the Company's equity, whether to adjust the number of the shares allocated in order to protect the rights of the beneficiaries and, if so, define the terms and conditions of such adjustment,
   - perform, where the allocations concern shares to be issued, the necessary share capital increases by capitalization of reserves and/or additional paid-in capital of the Company when the shares ultimately vest, set the dates from which shares bear dividend rights, deduct from reserves and/or additional paid-in capital of the Company the amounts necessary to increase the legal reserve to 10% of the new share capital amount following these share capital increases and amend the bylaws accordingly,
   - carry out all formalities and, more generally, to do whatever is necessary;
10. resolves that this authorization is granted for a period of eighteen months as from the date of this Shareholders' Meeting and supersedes from this date, in the amount of any unused portion, the delegation granted by the 16th resolution adopted by the Shareholders' Meeting of May 10, 2017.

PRESENTATION OF 24TH AND 25TH RESOLUTION

EMPLOYEE SAVINGS PLANS

OVERVIEW

As part of the employee incentive policy and in order to align employee interests with those of shareholders and also stabilize the Company's share capital, the Board of Directors wishes to continue making the Company's share capital accessible to a large number of employees, in particular through employee share ownership plans ("ESOP"). It is envisaged that such employee share ownership operations may now be offered to Group employees on an annual basis, while ultimately aiming to maintain employee share ownership at around 5% to 7% of the Company's share capital.

Use of the authorizations granted in 2017

During fiscal year 2017, the Board of Directors used the 17th and 18th resolutions adopted by the Shareholders' Meeting of May 10, 2017, by launching a new employee share ownership plan aimed at associating employees with the development and performance of the Group. This plan was a great success, with a subscription of 124%. 28,800 employees in the 21 participating countries subscribed to the plan, representing 15.4% of eligible employees. This new Employee Share Ownership Plan (ESOP) will help maintain employee share ownership at close to 5% of the share capital.

3,600,000 new shares, *i.e.* the maximum number of shares offered, were subscribed at a unit price of €89.39. The corresponding share capital increase of €321.8 million was completed on December 18, 2017.

In order to neutralize the dilutive effect of the share capital increase, it is recalled that the Company bought back, within the framework of a specific buyback authorization as announced on September 21, 2017, 3,522,495 shares at a unit price of €102.20 for a total amount of €360 million. These shares were cancelled on December 18, 2017, at the same time as the share capital increase linked to the employee share ownership plan ("ESOP 2017").

New authorization requested in 2018

Shareholders are asked to renew the two authorizations by which the Shareholders' Meeting would delegate to the Board its power to increase the share capital or issue complex securities granting access to equity securities in favor of the Company's employees. This would allow the set-up of a new employee share ownership plan.

An overall ceiling of €24 million (corresponding to 3 million shares and representing approximately 1.8% of the share capital at December 31, 2017) is proposed for these two delegations.

The **24th resolution** is intended to allow the Board to carry out share capital increases up to a maximum par value amount of €24 million reserved for members of employee savings plans of the Company or the Group. This resolution requires the cancellation of pre-emptive subscription rights. The delegation would be granted for a period of eighteen months. The maximum discount authorized compared to the Reference Price (as defined in the resolution) would be 20% (or 30% in the case of a lock-up period of 10 years or more).

The **25th resolution** aims to develop employee share ownership outside France, given the legal or fiscal difficulties or uncertainties that could make it difficult to implement such a plan directly or indirectly through a mutual fund in certain countries. It shall be used only in the event of use of the delegation provided in the 24th resolution, with a sub-ceiling of €12 million included in the overall ceiling of €24 million provided in the 24th resolution. As for the 24th resolution, this resolution provides for the cancellation of pre-emptive subscription rights and would be granted for a period of eighteen months. The maximum discount authorized is 20%.

At December 31, 2017, employee share ownership represented 4.61% of the Company's share capital.

At December 31, 2017, employee shareholding represents 4,61% of the Company's share capital.

TWENTY-FOURTH RESOLUTION

Delegation of powers to the Board of Directors, for a period of eighteen months, to issue, with cancellation of pre-emptive subscription rights, ordinary shares and/or securities granting access to the Company's share capital to members of Capgemini Group employee savings plans up to a maximum par value amount of €24 million and at a price set in accordance with the provisions of the French Labor Code.

The Shareholders' Meeting, voting in accordance with quorum and majority rules for Extraordinary Shareholders' Meetings, having read the Board of Directors' report and the Statutory Auditors' special report and in accordance with Articles L.225-129-1, L.225-129-6, L.225-138-1 and L.228-91 *et seq.* of the French Commercial Code and Articles L.3332-18 to L.3332-24 of the French Labor Code:

1. delegates to the Board of Directors, with the power of sub-delegation to the extent authorized by law, the powers necessary to increase the share capital with cancellation of pre-emptive subscription rights, on one or more occasions, in France or abroad, in the proportions and at the times it sees fit, in euros or in any other currency or currency unit established by reference to more than one currency, with or without a share premium, whether for valuable consideration or without consideration, by issuing (i) shares of the Company (excluding preference shares), and/or (ii) securities governed by Articles L.228-92 paragraph 1, L.228-93 paragraphs 1 and 3 or L.228-94 paragraph 2 of the French Commercial Code granting access, immediately or in the future, at any time or at fixed dates, by subscription, conversion, exchange, redemption, presentation of a warrant or any other means, to the share capital of the Company, reserved for members of one or more employee savings plans (or any other plan for whose members a share capital increase may be reserved on equivalent terms under Articles L.3332-1 *et seq.* of the French Labor Code or any analogous law or regulation) implemented within a company or a group of French or non-French companies within the scope of the consolidated or combined financial statements of the Company pursuant to Article L.3344-1 of the French Labor Code, it being further stipulated that this resolution may be used to implement leveraged schemes;

2. resolves to set the following limits on authorized share capital increases in the event of use by the Board of Directors of this delegation:
   - the maximum par value amount of share capital increases that may be carried out under this delegation is set at €24 million or the equivalent in any other currency or currency unit established by reference to more than one currency,
   - added to this ceiling will be the par value amount of any shares to be issued to preserve, in accordance with legal and regulatory provisions and, where applicable, any contractual terms stipulating other cases where adjustment is necessary, the rights of holders of securities or other rights granting access to the share capital,
   - in the case of a share capital increase by capitalizing additional paid-in capital, reserves, profits or any other amounts and allocating free shares during the period of validity of this delegation, the above ceiling will be adjusted based on the ratio between the number of shares issued and outstanding before and after the transaction;
3. resolves that the issue price of the new shares or securities granting access to the share capital will be determined in accordance with the terms set out in Articles L.3332-18 *et seq.* of the French Labor Code and will be at least equal to 80% of the Reference Price (as defined below) or 70% of the Reference Price where the lock-up period stipulated by the plan in application of Articles L.3332-25 and L.3332-26 of the French Labor Code is ten years or more; for the purposes of this paragraph the Reference Price refers to an average listed price of the Company's share on the Euronext Paris regulated market over the 20 trading days preceding the decision setting the subscription opening date for members of a Company or Group employee savings plan (or similar plan);
4. authorizes the Board of Directors to allocate, without consideration, to the beneficiaries indicated above, in addition to shares or securities granting access to the share capital, shares or securities granting access to the share capital to be issued or already issued in full or partial substitution of the discount in the Reference Price and/or as an employer's contribution, it being stipulated that the benefit resulting from this allocation may not exceed the applicable legal or regulatory limits;
5. resolves to waive in favor of the aforementioned beneficiaries the pre-emptive subscription rights of shareholders to the shares and securities issued pursuant to this delegation, said shareholders also waiving, in the event of the free allocation to such beneficiaries of shares or securities granting access to the share capital, any rights to such shares or securities granting access to the share capital, including the portion of reserves, profits, or additional paid-in capital capitalized as a result of the free allocation of securities on the basis of this resolution;
6. authorizes the Board of Directors, under the terms specified in this delegation, to sell shares as permitted under Article L.3332-24 of the French Labor Code to members of a Company or Group employee savings plan (or similar plan), it being stipulated that the aggregate par value amount of shares sold at a discount to members of one or more of the employee savings plans covered by this resolution will count towards the ceilings mentioned in paragraph 2 of this resolution;
7. resolves that the Board of Directors, with the power of sub-delegation to the extent authorized by law, shall have full powers to implement this delegation, and in particular:
   - decide the issue of shares and/or securities granting access, immediately or in the future, to the share capital of the Company or other companies,
   - draw up in accordance with the law a list of companies from which the beneficiaries indicated above may subscribe for shares or securities granting access to the share capital thus issued and who, where applicable, may receive free allocations of shares or securities granting access to the share capital,
   - decide that subscriptions may be made directly by beneficiaries belonging to a Company or Group savings plan (or similar plan), or *via* dedicated employee savings mutual funds (FCPE) or other vehicles or entities permitted under applicable laws and regulations,
   - for issues of debt instruments, set all the terms and conditions of these securities (particularly their term, which may or may not be fixed, whether they are subordinated and their remuneration) and amend, during the life of these securities, the above terms and conditions, in compliance with applicable formalities,
   - set the terms, where applicable, for the exercise of rights (rights to conversion, exchange or redemption, including the delivery of Company's assets such as treasury shares or securities already issued by the Company, as the case may be) attached to shares or securities granting access to share capital, and in particular set the date, which may be retroactive, from which the new shares will rank for dividend, and all other terms and conditions for the completion of the share capital increase,
   - provide for the possibility of suspending the exercise of the rights attached to shares or securities giving access to the capital in accordance with the legal and regulatory provisions,
   - set the amounts of issues to be made under this authorization and in particular determine the issue prices, dates, time limits, terms and conditions of subscription, payment, delivery and date of ranking for dividend of the securities (which may be retroactive), rules for pro-rating in the event of over-subscription and any other terms and conditions of the issues, subject to prevailing legal and regulatory limits,
   - determine and make all adjustments to take account of the impact of transactions in the share capital or equity of the Company, in particular in the event of a change in the par value of the share, a share capital increase by capitalizing reserves, profits or additional paid-in capital, a free share allocation, a stock split or reverse stock split, a distribution of dividends, reserves, additional paid-in capital or any other assets, a share capital redemption, or any other transaction impacting share capital or equity (including in the case of a public offer for the Company's shares and/or a change in control) and set all other terms enabling the preservation, where applicable, of the rights of holders of securities or other rights granting access to the share capital (including by means of cash adjustments),

- in the event of the free allocation of shares or securities granting access to the share capital, determine the nature and number of shares or securities granting access to the share capital, as well as their terms and conditions and the number to be granted to each beneficiary, and determine the dates, time limits, and terms and conditions of allocation of such shares or securities granting access to the share capital subject to prevailing legal and regulatory limits, and in particular choose to either wholly or partially substitute the allocation of such shares or securities granting access to the share capital for the discount in the Reference Price specified above or offset the equivalent value of such shares or securities against the total amount of the employer's contribution or a combination of both options,
- duly record the completion of share capital increases and make the corresponding amendments to the bylaws,
- at its sole discretion, offset share issue costs against the related premiums and deduct from such premiums the sums necessary to increase the legal reserve,
- generally, enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and decisions and accomplish all formalities for the issue, listing and financial administration of securities issued by virtue of this delegation and for the exercise of the rights attached thereto or required as a result of the share capital increases,
- decide to postpone performance of the share capital increase;

8. grants this delegation for a period of eighteen months as from the date of this Shareholders' Meeting;
9. resolves that this delegation supersedes from this date, in the amount of any unused portion, the delegation granted by the 17th resolution adopted by the Shareholders' Meeting of May 10, 2017.

TWENTY-FIFTH RESOLUTION

Delegation of powers to the Board of Directors, for a period of eighteen months, to issue with cancellation of pre-emptive subscription rights, ordinary shares and/or securities granting access to the share capital in favor of employees of certain non-French subsidiaries at terms and conditions comparable to those offered pursuant to the preceding resolution.

The Shareholders' Meeting, voting in accordance with quorum and majority rules for Extraordinary Shareholders' Meetings, having read the Board of Directors' report and the Statutory Auditors' special report and in accordance with Articles L.225-129-1, L.225-138 and L.228-91 *et seq.* of the French Commercial Code:

1. takes due note that in certain countries the legal and/or tax context can make it inadvisable or difficult to implement employee share ownership schemes directly or through a mutual fund (the employees and corporate officers referred to in Articles L.3332-1 and L.3332-2 of the French Labor Code of Capgemini Group companies whose registered offices are located in one of these countries are referred to below as "non-French Employees"; the "Capgemini Group" comprises the Company and the French and non-French companies related to the Company within the meaning of Article L.225-180 of the French Commercial Code and Article L.3344-1 *et seq.* of the French Labor Code) and that the implementation in favor of certain non-French Employees of alternative schemes to those performed pursuant to the 24th resolution submitted to this Shareholders' Meeting may be desirable;
2. delegates to the Board of Directors, with the power of sub-delegation to the extent authorized by law, its powers to increase the share capital with cancellation of pre-emptive subscription rights, on one or more occasions, in France or abroad, in the proportions and at the times it sees fit, in euros or in any other currency or currency unit established by reference to more than one currency, with or without a share premium, whether for valuable consideration or without consideration, by issuing (i) shares of the Company (excluding preference shares), and/or (ii) securities governed by Articles L.228-92 paragraph 1, L.228-93 paragraphs 1 and 3 or L.228-94 paragraph 2 of the French Commercial Code granting access, immediately or in the future, at any time or at fixed dates, by subscription, conversion, exchange, redemption, presentation of a warrant or any other means, to the share capital of the Company, reserved for one of the following categories of beneficiary: (i) non-French Employees, (ii) employee share ownership UCITS or other vehicles, with or without a legal personality, invested in shares of the Company, where the holders of units or shares are non-French Employees, and/or (iii) any bank or entity controlled by a bank within the meaning of Article L.233-3 of the French Commercial Code that has set-up at the Company's request a structured offer for non-French employees presenting an economic profile comparable to that of an employee share ownership scheme set-up pursuant to a share capital increase performed under the preceding resolution presented to this Shareholders' Meeting;
3. resolves to set the following limits on authorized share capital increases in the event of use by the Board of Directors of this delegation:
   - the maximum par value amount of share capital increases that may be carried out under this delegation is set at €12 million or the equivalent in any other currency or currency unit established by reference to more than one currency, it being stipulated that this amount will count towards the ceiling set in paragraph 2 of the 24th resolution of this Shareholders' Meeting (subject to its approval) or, as the case may be, towards any ceiling stipulated by a similar resolution that may supersede said resolution during the period of validity of this authorization,
   - added to those ceilings will be the par value amount of any shares to be issued to preserve, in accordance with legal and regulatory provisions and, where applicable, any contractual terms stipulating other cases where adjustment is necessary, the rights of holders of securities or other rights granting access to the share capital,

- in the case of a share capital increase by capitalizing additional paid-in capital, reserves, profits or any other amounts and allocating free shares during the period of validity of this delegation, the above ceilings will be adjusted based on the ratio between the number of shares issued and outstanding before and after the transaction;

4. resolves to cancel pre-emptive subscription rights to the shares and equities that may be issued pursuant to this delegation, in favor of the aforementioned beneficiary categories;
5. resolves that this delegation of powers may only be used in the event of the use of the delegation granted pursuant to the 24th resolution and solely in order to achieve the objective set out in this resolution;
6. resolves that the issue price of new shares or securities granting access to the share capital to be issued pursuant to this delegation will be set by the Board of Directors based on the listed price of the Company's share on the Euronext Paris regulated market; this price will be at least equal to the average listed price of the Company's share over the 20 trading days preceding the decision setting the subscription opening date for a share capital increase performed pursuant to the 24th resolution, less a 20% discount;
7. resolves that the Board of Directors shall have the same powers, with the power of sub-delegation to the extent authorized by law, as those conferred on the Board of Directors by paragraph 7 of the 24th resolution (including the power to postpone performance of the share capital increase) and the power to draw up the list of beneficiaries of the cancellation of pre-emptive subscription rights within the above defined category, and the number of shares and securities granting access to the share capital to be subscribed by each beneficiary;
8. grants this delegation for a period of eighteen months as from the date of this Shareholders' Meeting.
9. resolves that this delegation supersedes from this date, in the amount of any unused portion, the delegation granted by the 18th resolution adopted by the Shareholders' Meeting of May 10, 2017.

PRESENTATION OF THE 26TH RESOLUTION

POWERS TO CARRY OUT FORMALITIES

OVERVIEW

We also recommend that you confer powers to carry out the formalities required under law.

TWENTY-SIXTH RESOLUTION

Powers to carry out formalities.

The Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings, authorizes the bearer of a copy or extract of the minutes of this meeting to execute all filing, publication and other formalities required under French law.

6.3 Summary of the financial resolutions

The following table summarizes the scope, term and limits of use of the financial resolutions presented to you above that are submitted to the approval of your General Shareholders' Meeting.

For a summary of the use made of the financial authorizations in force on the date of the General Shareholders' Meeting, please refer to the section 5.1.2 of chapter 5 of this Registration Document.

Source (resolution number)	Purpose of the resolution	Authorization duration and expiration	Maximum amount(1) (2) *(in euros)*
2018 GSM 14th	**a)** Purchase by the Company of its own shares under a share buyback program	18 months (November 23, 2019)	10% of share capital
2018 GSM 15th	**b)** Cancellation of treasury shares	26 months (July 23, 2020)	10% of share capital per 24-month period
2018 GSM 16th	**c)** Share capital increase by capitalizing additional paid-in capital, reserves, profits or any other amounts	26 months (July 23, 2020)	€1.5 billion (par value)
2018 GSM 17th	**d)** Share capital increase by issuing shares and/or securities granting access to the share capital or granting a right to allocation of debt instruments, **with retention of PSR**	26 months (July 23, 2020)	€540 million (par value) €9.3 billion (issue amount)
2018 GSM 18th	**e)** Share capital increase by issuing ordinary shares and/or securities granting access to the share capital or granting a right to allocation of debt instruments, **by way of public offer with cancellation of PSR**	26 months (July 23, 2020)	€134 million (par value) €3.1 billion (issue amount)
2018 GSM 19th	**f)** Share capital increase by issuing ordinary shares and/or securities granting access to the share capital or granting a right to allocation of debt instruments, **by private placement, with cancellation of PSR**	26 months (July 23, 2020)	€134 million (par value) €3.1 billion (issue amount)
2018 GSM 20th	**g)** Setting the issue price of shares in the context of a share capital increase with cancellation of PSR	26 months (July 23, 2020)	€134 million (par value) €3.1 billion (issue amount) 10% of share capital
2018 GSM 21st	**h)** Increase of the number of shares to be issued in the event of a share capital increase with and without PSR in the context of resolutions (d) to (f) (*Greenshoe*)	26 months (July 23, 2020)	Within the limit set out in the applicable regulations (currently 15% of the initial issue)
2018 GSM 22th	**i)** Share capital increase by issuing ordinary shares and/or securities granting access to the share capital in consideration for contributions in kind	26 months (July 23, 2020)	€134 million (par value) €3.1 billion (issue amount) 10% of share capital
2018 GSM 23th	**j)** Grant of performance shares	18 months (November 23, 2019)	1% of share capital
2018 GSM 24th	**k)** Share capital increase by issuing shares and/or securities granting access to the share capital **with cancellation of PSR**, to members of Group employee savings plans	18 months (November 23, 2019)	€24 million (par value)(2)
2018 GSM 25th	**l)** Share capital increase by issuing shares and/or securities granting access to the share capital **with cancellation of PSR**, in favor of certain non-French subsidiaries	18 months (November 23, 2019)	€12 million (par value)(2)

Abbreviations: PSR = pre-emptive subscription rights; 2018 GSM = 2018 General Shareholders' Meeting;

(1) Recap of overall limits:

a maximum par value amount of €540 millions and a maximum issue amount of €9,3 billion for all issues with and without PSR;

a maximum par value amount €134 millions and maximum issue amount €3,1 billion for all issues without PSR;

issues performed pursuant to j), k) and l) above are not included in these general limits.

(2) Total share capital increases decided pursuant to k) and l) are aggregated at a maximum par value amount of €24 million.

6.4 Supplementary report of the Board of Directors on the issuance of shares under the Capgemini Group "ESOP 2017" 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 (C*ode de commerce)*.

In its seventeenth and eighteenth resolutions, the Combined Shareholders' Meeting of the Company of May 10, 2017, 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 e*t seq.* of the French Labor Code (C*ode 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 seventeenth resolution, it being specified that the total number of shares issued on the basis of the seventeenth and eighteenth resolutions shall not exceed 6,000,000 (six million) shares.

At its meeting of July 26, 2017, 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 seventeenth and eighteenth 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 the basis of this delegation of powers, the Board of Directors, during its meeting held on September 19, 2017, has been informed by the Chairman & Chief Executive Officer that the plan shall be limited to a maximum of 3,600,000 (three million six thousand) shares.

On November 15, 2017, 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, 2017, decided:

1) in accordance with the seventeenth resolution adopted by the General Shareholders' Meeting dated May 10, 2017, 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 4,000,000 (four million) shares;

- that the shares issued pursuant to this decision will bear benefit entitlement as of January 1, 2017;
- 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 seventeenth resolution adopted by the General Shareholders' Meeting dated May 10, 2017, 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 4,000,000 (four million) 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 eighteenth resolution adopted by the General Shareholders' Meeting dated May 10, 2017, 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 1,300,000 (one million three hundred thousand) shares;

- decided that the shares issued pursuant to this decision will bear benefit entitlement as of January 1, 2017;
- decided that the total number of shares issued pursuant to paragraphs 1. and 2. above cannot exceed 4,000,000 (four million) shares;

Within these limits and those set forth by the eighteenth resolution adopted by the General Shareholders' Meeting dated May 10, 2017, 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.

In accordance with the delegation of powers granted by the Board of Directors at its meeting held on July 26, 2017, the Board of Directors, during its meeting held on September 19, 2017, has been informed by the Chairman & Chief Executive Officer that the plan shall be limited to a maximum of 3,600,000 (three million six thousand) shares to be issued on the basis of the seventeenth and eighteenth resolutions, adopted by the General Shareholders' Meeting of the Company of May 10, 2017.

Decision of the Chairman & Chief Executive Officer of the Company

On November 15, 2017, 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 seventeenth and eighteenth resolutions adopted by the General Shareholders' Meeting of the Company of May 10, 2017 as follow :

- the subscription period of Capgemini shares for Group employees enrolled in a company savings plan would be open from November 16 to 19, 2017, 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 VALMINCO, a simplified joint stock company (*société par actions simplifiée*) with a share capital of €37,011.75, headquartered at 17 Cours, Valmy, 92800 Puteaux, and registered with the Trade and Companies Register of Nanterre under number 950 345 181, would be carried out on December 18, 2017, it being understood that issuance of shares to VALMINCO will be carried out on the basis of the eighteenth resolution of the General Shareholders' Meeting dated May 10, 2017, 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 seventeenth resolution;

(ii) set the subscription price for the shares to be issued, in accordance with, respectively, the seventeenth and eighteenth resolutions adopted by the General Shareholders' Meeting of the Company of May 10, 2017 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 15, 2017, i.e. from October 18, 2017 to November 14, 2017 (inclusive), amounts to €102.16 (the "Reference Price");
- the subscription price of shares reserved for Group employees enrolled in a company savings plan is set at €89.39 corresponding, in accordance with the seventeenth resolution adopted by the General Shareholders' Meeting dated May 10, 2017, and the decision of the Board of Directors dated July 26, 2017, to the Reference Price minus a 12.5% discount and rounded down to the nearest hundredth of a euro ;
- the subscription price of shares reserved for VALMINCO is set at €89.39, corresponding, in accordance with the eighteenth resolution adopted by the General Shareholders' Meeting dated May 10, 2017, and the decision of the Board of Directors dated July 26, 2017, to the Reference Price minus a 12.5% discount and rounded down to the nearest hundredth of a euro;

2. Further details regarding the transaction

Framework of the transaction

In a press release dated September 20, 2017, the Company specified that this fourth international share ownership plan, proposed to approximately 97% 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 25 to October 15, 2017.

A subscription period, during which subscription requests made during the reservation period could be withdrawn, was opened from November 16 to 19, 2017 (inclusive), after communication to the beneficiaries of the subscription price established by the decision of the Chairman & Chief Executive Officer dated November 15, 2017.

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 3,600,000 (three million six thousand) shares will be subscribed to. The number of subscribers equaled to 28,782 employees, or 15.4% of the eligible population, and similarly to the previous ESOP plans, the transaction was oversubscribed to in the amount of 124%.

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, 2017.

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, 2017.

3. Impact of the issuance of 3,600,000 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, 2017, or 169,149,580 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:

	Shareholder stake (in %)	
	Non-diluted basis	Diluted basis (1)
Before issuance of the new shares resulting from the capital increase	1 %	0.98 %
After issuance of the new shares resulting from the capital increase	0.98 %	0.96 %

(1) Calculations are made assuming the delivery of the 3,544,400 performance shares granted on June 30, 2017 (assuming that all the performance conditions will be satisfied).

6

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, 2017, and the number of shares comprising the share capital at June 30, 2017 after deduction of treasury shares) would be as follows:

	Consolidated shareholders' equity per share *(in euros)*	
	Non-diluted basis	**Diluted basis (1)**
Before issuance of the new shares resulting from the capital increase	40.55 euros	39.71 euros
After issuance of the new shares resulting from the capital increase	41.57 euros	40.73 euros

(1) Calculations are made assuming the delivery of the 3,544,400 performance shares granted on June 30, 2017 (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, 2017, and the number of shares comprising the share capital at June 30, 2017 after deduction of treasury shares) would be as follows:

	Statutory shareholders' equity per share *(in euros)*	
	Non-diluted basis	**Diluted basis (1)**
Before issuance of the new shares resulting from the capital increase	68.39 euros	66.98 euros
After issuance of the new shares resulting from the capital increase	68.82 euros	67.44 euros

(1) Calculations are made assuming the delivery of the 3,544,400 performance shares granted on June 30, 2017 (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 3,600,000 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 18 and November 14, 2017, inclusive). This price amounts to 102.12 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 89.39 euros.

Accounting for these assumptions, the theoretical post-transaction stock market value of the Capgemini share amounts to 101.85 euros.

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

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 6, 2017.

The Chairman and Chief Executive Officer

Paul Hermelin

6.5 Statutory auditor's reports

STATUTORY AUDITORS' REPORT ON THE CAPITAL DECREASE

Combined Shareholders' Meeting of May 23, 2018 – Fifteenth resolution

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Capgemini SE and in accordance with Article L. 225-209 of the French Commercial Code (Code de commerce) relating to a capital decrease by cancelation of shares bought back by the Company, we hereby report to you on our assessment of the reasons for and terms and conditions of the proposed capital decrease.

The Board of Directors proposes that you grant it, for a 26-month period commencing on the date of this Shareholders' Meeting, full powers to cancel the shares acquired under the Company's share buyback program pursuant to the provisions of the aforementioned article, provided that the aggregate number of shares canceled in any given 24-month period does not exceed 10% of the Company's share capital.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. Those standards require that we ensure that the reasons for and terms and conditions of the proposed capital decrease, which is not considered to affect shareholder equality, comply with the applicable legal provisions.

We have no matters to report on the reasons for and terms and conditions of the proposed capital decrease.

The Statutory Auditors

Neuilly-sur-Seine, March 23, 2018

PricewaterhouseCoopers Audit

Françoise Garnier
Partner

Richard Béjot
Partner

Paris-La-Défense, March 23, 2018

KPMG Audit
Division of KPMG S.A.

Frédéric Quélin
Partner

STATUTORY AUDITORS' REPORT ON THE ISSUE OF SHARES AND/OR SECURITIES WITH OR WITHOUT PRE-EMPTIVE SUBSCRIPTION RIGHTS

Combined Shareholders' Meeting of May 23, 2018 – Seventeenth to Twenty-second resolutions

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

- In our capacity as Statutory Auditors of Capgemini SE and in accordance with Articles L. 228-92 and L. 225-135 et seq. of the French Commercial Code (Code de commerce), we hereby report to you on the proposed delegations of authority to the Board of Directors to issue shares and/or securities, which are submitted to you for your approval.

On the basis of its report, the Board of Directors proposes that you:

- delegate to the Board, for a 26-month period, the authority to carry out the following transactions and set the final terms and conditions of the related issues and, if necessary, to waive your pre-emptive subscription rights for:
- the issue of ordinary shares and/or securities giving access to the Company's share capital or securities granting rights to the allocation of debt instruments and/or securities granting rights to shares to be issued, with pre-emptive subscription rights for existing shareholders (seventeenth resolution);
- the issue of ordinary shares and/or securities giving access to the Company's share capital or securities granting rights to the allocation of debt instruments and/or securities granting rights to shares to be issued, by way of a public offer, without pre-emptive subscription rights for existing shareholders (eighteenth resolution), it being specified that these securities may be issued as payment for shares tendered in a public exchange offer in accordance with the conditions set forth by Article L. 225-148 of the French Commercial Code;
- the issue of ordinary shares and/or securities giving access to the Company's share capital or securities granting rights to the allocation of debt instruments and/or securities granting rights to shares to be issued, without pre-emptive subscription rights for existing shareholders, by way of a public offer pursuant to paragraph II of Article L. 411-2 of the French Monetary and Financial Code (Code monétaire et financier) and within the limit of 20% of the share capital per year (nineteenth resolution);

it being specified, for all securities to be issued pursuant to the seventeenth, eighteenth and nineteenth resolutions, that:

  - in accordance with paragraph 1 of Article L. 228-93 of the French Commercial Code, the securities to be issued can give access to shares to be issued by any company in which the Company holds directly or indirectly more than half of the share capital;
  - in accordance with paragraph 3 of Article L. 2 28-93 of the French Commercial Code, the Company's securities can give access to the existing shares or grant rights to the allocation of the debt instruments of any company in which the Company holds directly or indirectly more than half of the share capital;
  - in accordance with Article L. 228-94 of the French Commercial Code, the Company's securities can give access to the existing shares or grant rights to the allocation of the debt instruments of any company in which the Company does not directly or indirectly hold more than half of the share capital;

- authorize the Board, pursuant to the twentieth resolution and within the framework of the delegation of authority covered in the eighteenth and nineteenth resolutions, to set the issue price, within the annual legal limit of 10% of the share capital;
- delegate to the Board, for a 26-month period, all powers necessary to issue ordinary shares and/or securities giving access to the Company's share capital or securities granting rights to the allocation of debt instruments and/or securities granting rights to shares to be issued, to remunerate contributions in kind to the Company consisting of shares or securities giving access to share capital, within the limit of 10% of the share capital (twenty-second resolution).

According to the seventeenth resolution, the aggregate nominal amount of the share capital increases that may be carried out, either immediately or in the future, pursuant to the seventeenth to twenty-second resolutions may not exceed €540 million, it being specified that the aggregate nominal amount of the share capital increases that may be carried out in respect of the eighteenth, nineteenth and twenty-second resolutions may not exceed €134 million.

According to the seventeenth resolution, the aggregate nominal amount of debt instruments that may be issued in respect of the seventeenth to twenty-second resolutions may not exceed €9.3 billion, it being specified that the aggregate nominal amount of debt instruments increases that may be carried out in respect of the eighteenth, nineteenth and twenty-second resolutions may not exceed €3.1 billion.

These limits take into account the additional securities to be issued in accordance with Article L. 225-135-1 of the French Commercial Code, in the event the shareholders adopt the twenty-first resolution.

It is the Board of Directors' responsibility to prepare a report in accordance with Articles R. 225-113 et seq. of the French Commercial Code. It is our responsibility to express an opinion on the fairness of the information taken from the financial statements, on the proposed cancelation of pre-emptive subscription rights and on certain other information relating to these transactions, presented in this report.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying the information disclosed in the Board of Directors' report pertaining to the transaction and the methods used to set the issue price of the securities to be issued.

Subject to a subsequent examination of the terms and conditions of any proposed issues, we have no matters to report as regards the methods used to set the issue price of the securities to be issued given in the Board of Directors' report in respect of the eighteenth, nineteenth and twentieth resolutions.

In addition, as this report does not stipulate the methods used to set the issue price in the event that securities are issued pursuant to the implementation of the seventeenth and twenty-second resolutions, we do not express an opinion on the components used to calculate the issue price.

Since the final terms and conditions of the share capital increase have not been set, we do not express an opinion in this respect or, consequently, on the proposed cancelation of shareholders' pre-emptive subscription rights presented in the eighteenth and nineteenth resolutions.

In accordance with Article R. 225-116 of the French Commercial Code, we will prepare an additional report if and when the Board of Directors uses its delegations of authority to issue securities giving access to the share capital or the allocation of debt instruments, to issue securities giving access to shares to be issued or to issue shares without pre-emptive subscription rights.

The Statutory Auditors

Neuilly-sur-Seine, March 23, 2018

PricewaterhouseCoopers Audit

Françoise Garnier
Partner

Richard Béjot
Partner

Paris-La-Défense, March 23, 2018

KPMG Audit

Division of KPMG S.A.

Frédéric Quélin
Partner

6

STATUTORY AUDITORS' REPORT ON THE AUTHORIZATION TO GRANT FREE SHARES (EXISTING OR TO BE ISSUED) TO EMPLOYEES AND CORPORATE OFFICERS

Combined Shareholders' Meeting of May 23, 2018 – Twenty-third resolution

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Capgemini SE and in accordance with Article L. 225-197-1 of the French Commercial Code (Code de commerce), we hereby present our report on the authorization to grant free shares (existing or to be issued) to employees and corporate officers of the Company and its French and non-French subsidiaries, which is submitted to you for your approval.

The Board of Directors' report states that the grant of existing shares or shares to be issued to employees and corporate officers of Capgemini SE and its French and foreign subsidiaries, will be subject to the achievement of performance targets and limited to a maximum number of shares not exceeding 1% of the share capital. It also states that the grant of shares to corporate officers of Cap Gemini S.E. will be limited to 10% of the aforementioned amount.

On the basis of its report, the Board of Directors proposes that you grant it the authority, for an 18-month period, to grant free existing shares or shares to be issued.

It is the Board of Directors' responsibility to prepare a report on the proposed transaction. It is our responsibility to provide you with our observations, if any, in respect of the information provided to you on the proposed transaction.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying in particular that the proposed terms and conditions described in the Board of Directors' report comply with the applicable legal provisions.

We have no matters to report on the information provided in the Board of Directors' report, with respect to the proposed authorization to grant free shares.

The Statutory Auditors

Neuilly-sur-Seine, March 23, 2018

PricewaterhouseCoopers Audit

Françoise Garnier
Partner

Richard Béjot
Partner

Paris-La-Défense, March 23, 2018

KPMG Audit
Division of KPMG S.A.
Frédéric Quélin
Partner

STATUTORY AUDITORS' REPORT ON THE ISSUE OF ORDINARY SHARES OR SECURITIES GIVING ACCESS TO THE SHARE CAPITAL RESERVED FOR MEMBERS OF AN EMPLOYEE SAVINGS PLAN

Combined Shareholders' Meeting of May 23, 2018 – Twenty-fourth resolution

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Capgemini SE and in accordance with Articles L. 228-92 and L. 225-135 et seq. of the French Commercial Code (Code de commerce), we hereby report to you on the proposal to increase share capital by issuing ordinary shares and/or securities giving access to the share capital, with cancelation of pre-emptive subscription rights, reserved for members of a Capgemini Group employee savings plan, subject to a maximum nominal amount of €24 million, which is submitted to you for your approval.

This share capital increase is submitted to you for your approval pursuant to the provisions of Article L. 225-129-6 of the French Commercial Code and Articles L. 3332-18 et seq. of the French Labor Code (Code du travail).

On the basis of its report, the Board of Directors proposes that you grant it the authority, for a 18-month period, to set the terms and conditions of this transaction and that you waive your pre-emptive subscription rights to the ordinary shares and securities to be issued.

It is the Board of Directors' responsibility to prepare a report in accordance with Articles R. 225-113 et seq. of the French Commercial Code. It is our responsibility to express an opinion on the fairness of the information taken from the financial statements, on the proposed cancelation of pre-emptive subscription rights and on certain other information relating to this issue, presented in this report.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying the information disclosed in the Board of Directors' report pertaining to the transaction and the methods used to set the issue price of the securities to be issued.

Subject to a subsequent examination of the terms and conditions of the proposed share capital increase, we have no matters to report as regards the methods used to set the issue price of the securities to be issued given in the Board of Directors' report.

Since the final terms and conditions of the share capital increase have not been set, we do not express an opinion in this respect or, consequently, on the proposed cancelation of shareholders' pre-emptive subscription rights.

In accordance with Article R. 225-116 of the French Commercial Code, we will prepare an additional report when the Board of Directors uses this delegation.

The Statutory Auditors

Neuilly-sur-Seine, March 23, 2018

PricewaterhouseCoopers Audit

Françoise Garnier
Partner

Richard Béjot
Partner

Paris-La-Défense, March 23, 2018

KPMG Audit
Division of KPMG S.A.
Frédéric Quélin
Partner

STATUTORY AUDITORS' REPORT ON THE ISSUE OF ORDINARY SHARES AND/OR SECURITIES GIVING ACCESS TO THE SHARE CAPITAL RESERVED FOR EMPLOYEES OF NON-FRENCH SUBSIDIARIES

Combined Shareholders' Meeting of May 23, 2017 – Twenty-fifth resolution

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France

To the Shareholders,

In our capacity as Statutory Auditors of Capgemini SE and in accordance with Articles L. 228-92 and L. 225-135 et seq of the French Commercial Code (Code de commerce), we hereby report to you on the proposal to increase share capital by issuing ordinary shares and/or securities giving access to the share capital, with cancelation of pre-emptive subscription rights, reserved for employees of certain non-French subsidiaries of the Capgemini Group, subject to a maximum nominal amount of €24 million that will be deducted from the overall limit as defined in the nineteenth resolution, which is submitted to you for your approval.

On the basis of its report, the Board of Directors proposes that you grant it the authority, for an 18-month period, to set the terms and conditions of this transaction and that you waive your pre-emptive subscription rights to the ordinary shares and securities to be issued.

It is the Board of Directors' responsibility to prepare a report in accordance with Articles R. 225-113 et seq. of the French Commercial Code. It is our responsibility to express an opinion on the fairness of the information taken from the financial statements, on the proposed cancelation of pre-emptive subscription rights and on certain other information relating to this issue, presented in this report.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying the information disclosed in the Board of Directors' report pertaining to the transaction and the methods used to set the issue price of the securities to be issued.

Subject to a subsequent examination of the terms and conditions of the proposed share capital increase, we have no matters to report as regards the methods used to set the issue price of the securities to be issued given in the Board of Directors' report.

Since the final terms and conditions of the share capital increase have not been set, we do not express an opinion in this respect or, consequently, on the proposed cancelation of shareholders' pre-emptive subscription rights.

In accordance with Article R. 225-116 of the French Commercial Code, we will prepare an additional report when the Board of Directors uses this delegation.

The Statutory Auditors

Neuilly-sur-Seine, March 23, 2018		Paris-La-Défense, March 23, 2018
PricewaterhouseCoopers Audit		**KPMG Audit**
Françoise Garnier	Richard Béjot	***Division of KPMG S.A.***
Partner	*Partner*	Frédéric Quélin
		Partner

7

Additional information

7.1 Legal information

7.1.1 Corporate name and head office

Corporate name: Capgemini

To align its corporate name with that of the Group, the Company's name was changed from "Cap Gemini" to "Capgemini" on its conversion to a European company (*Societas Europaea*), by decision of the Extraordinary Shareholders' Meeting of May 10, 2017.

Head office: 11, rue de Tilsitt, 75017 Paris, France.

Tel.: +33(0) 1 47 54 50 00

7.1.2 Legal form and governing law

The Company was initially incorporated as a *société anonyme* (joint stock company) and converted to a European company (*Societas Europaea,* SE) by decision of the Extraordinary Shareholders' Meeting of May 10, 2017, to enable the legal form to better reflect the Group's international and European outlook.

The Company is governed by prevailing French and European legislative and regulatory provisions and the provisions of its bylaws.

7.1.3 Date of incorporation and term

To prepare and facilitate the IPO on the Paris stock exchange of Cap Gemini Sogeti (incorporated in 1967) a new company, Cap Gemini, grouping together all investments representing the operating activities of the Group was incorporated on September 17, 1984. This company was registered with the Companies & Trade Registry on October 4, 1984.

The Company was set up for a period of ninety-nine years from the date of its registration with the Paris Companies & Trade Registry. It may be wound up in advance or have its term extended by decision of the Extraordinary Shareholders' Meeting.

7.1.4 Corporate purpose (Article 3 of the bylaws)

The Company's purpose is to assist companies in France and abroad in managing and developing their businesses by providing them with the benefit of its knowledge of their industry, its knowhow in the area of business process engineering and re-engineering, and its expertise in the area of information technologies.

To fulfill this purpose, the Company carries out on behalf of clients, either directly, or through its subsidiaries or affiliates [1], one or more of the following activities on a stand-alone or integrated basis:

Management consulting

Working closely with clients, the Company provides change management assistance to companies by helping them to redefine or redirect their strategy, change their product and service lines, re-engineer their structures and business processes, restore staff motivation and achieve other changes. To this end, the Company uses all the possibilities offered by the latest information technologies whenever appropriate.

Information systems development

The Company designs and installs information systems. Its services include the development of customized software, the installation of software applications available on the market or developed internally, the integration of systems incorporating hardware, communication systems, customized software, software packages and other components. The Company also supports clients' IT projects by providing consulting, project management, training and assistance services.

Outsourcing

The Company manages all or part of its clients' IT resources on their behalf. Where requested by clients, the Company may perform all or part of this service using its own hardware, telecommunications systems and other equipment.

The Company may also manage the IT-based services offered to its clients' own clientele. In addition, it may work in partnership with clients within a structure conducting all or some of these activities.

In order to fulfill its corporate purpose, the Company may decide to:

- create specialist subsidiaries or acquire interests in the capital of other companies and manage their business in exchange for a fee. Management services include the provision of technical, marketing, legal and financial assistance, promotion of a consistent image, organization of financial structures, assistance in negotiations to help these companies win new contracts, training, research and development support, etc.;

(1) Including Local Professional Services under the Sogeti tradename, representing the Group's fourth business.

- invest and manage the Company's available funds, make cash advances, and provide any and all guarantees or collateral on behalf of subsidiaries and affiliates;
- obtain or acquire and use any and all patents and manufacturing processes and sell, contribute or license any such patents and processes.

In broader terms, the Company's purpose includes carrying out any and all commercial, industrial, securities, real estate or financial transactions related directly or indirectly to any of the above purposes or any similar or related purpose or which is likely to facilitate the fulfillment or furtherance of these purposes.

7.1.5 Incorporation details

The Company is registered with the Paris Companies & Trade Registry (*Registre du Commerce et des Sociétés*) under number 330 703 844. Its APE business identifier is 7010Z.

7.1.6 Consultation of legal documents

Documents relating to the Company, including the bylaws, the financial statements, the reports of the Board of Directors (or the Management Board, the *Directoire*, from May 24, 1996 through May 23, 2000) to the Shareholders' Meetings, and the Statutory Auditors' reports are available for consultation at the Company's head office at 11, rue de Tilsitt 75017 Paris.

7.1.7 Fiscal year

The Company's fiscal year commences on January 1 and ends on December 31.

7.1.8 Appropriation and distribution of profits

The Shareholders' Meeting has sole discretionary powers to decide on the appropriation of distributable income, as defined by French company law. Consequently, the Shareholders' Meeting may decide to appropriate all or part of distributable income to revenue reserves, special reserves or retained earnings, or to distribute all or part of the amount to shareholders.

The Shareholders' Meeting also decides the terms and conditions of payment of dividends. In particular, shareholders may be offered a stock dividend alternative, in which case the related dividends will be paid in the form of new shares credited as fully paid, in compliance with applicable laws and regulations. The above provisions also apply to the distribution of interim dividends, subject to compliance with French company law.

In addition, the Shareholders' Meeting may decide to distribute a dividend out of distributable reserves, subject to compliance with French company law.

7.1.9 Shareholders' Meetings

The right to participate at Shareholders' Meetings is evidenced by the registration of shares in the name of the shareholder (or of the intermediary acting on his/her behalf if domiciled outside France) in the Company's share register or in the register of bearer shares held by the applicable authorized intermediary. Such registration must be recorded at 12:00 A.M. (Paris time) on the second working day preceding the Shareholders' Meeting and any related notices must be filed at one of the addresses indicated in the notice of meeting. In the case of bearer shares, the authorized intermediary must provide a participation certificate.

Shareholders may participate in Shareholders' Meetings in person, by proxy or by casting a remote vote in accordance with the terms and conditions set by applicable regulations.

Shareholders who have informed the Company that they wish to participate in a meeting in person, remotely or by proxy may not alter their method of participation. However, attendance at a meeting by a shareholder in person shall cancel any votes cast by proxy or remotely.

To be taken into account, remote votes or proxy forms must be received by the Company at least three days prior to the date of the meeting. If the Board of Directors so decides when convening the meeting, shareholders voting by proxy or remotely may participate in voting using any telecommunication or teletransmission means enabling their identification, including the internet, in accordance with the conditions set out in applicable regulations at the time of use. Where an electronic form is submitted, the shareholder's signature may take the form of a secure signature or a reliable identification procedure guaranteeing the link with the related action and potentially consisting of a user identification and password. Where applicable, this decision of the Board of Directors shall be communicated in the notice of meeting published in BALO (French Journal of Mandatory Legal Announcements).

Where a shareholder has given proxy to a third party and has also voted remotely, if there is any difference in the two votes, the remote vote will be taken into account and the proxy ignored.

Shareholders' Meetings deliberate under the conditions provided by law. Pursuant to provisions governing European companies, majority is calculated based on the number of "votes cast", which does not include votes attaching to shares where the shareholder has not taken part in the vote, has abstained, or has returned a blank or spoiled ballot paper.

7.1.10 Disclosure thresholds

The fifteenth resolution adopted by the Extraordinary Shareholders' Meeting of May 10, 2017 amended the provisions applicable to disclosure thresholds per the bylaws and Article 10 of the bylaws accordingly.

Going forward, only shareholders holding more than 5% of the Company's capital or voting rights are required to report to the Company, within a period of four stock market days, the crossing, through an increase or a decrease, of each threshold of 1% of capital or voting rights, from this lower threshold of 5% to the threshold triggering a mandatory public offer in accordance with prevailing regulations.

In the event of failure to comply with these disclosure rules, at the request of one or several shareholders with combined holdings representing at least 5% of the Company's share capital or voting rights, the undisclosed shares will be stripped of voting rights. This sanction will apply for all Shareholders' Meetings for a period of two years from the date on which the failure to disclose is rectified. This request and the decision of the Shareholders' Meeting must be recorded in the minutes of the Shareholders' Meeting.

When calculating these "thresholds per the bylaws" the same instances where shares and voting rights held by third parties are deemed equivalent to shares and voting rights held by the shareholder subject to legal disclosure requirements are applicable.

7.1.11 Shareholder identification

The Company is authorized to obtain details of identifiable holders of bearer shares.

The Extraordinary Shareholders' Meeting of April 25, 2002 added a new Article to the Company's bylaws according to which the Company may request from the share transaction clearing organization, the name, address, nationality and year of birth for an individual or the name, address and date of registration for a company, of any holders of shares and securities granting access, immediately or in the future, to shares carrying voting rights at Shareholders' Meetings. The Company may also obtain details of how many shares are held by each shareholder and any applicable restrictions on these shares.

7.1.12 Voting rights

Following the decision of the Combined Shareholders' Meeting of May 6, 2015 in its tenth resolution not to apply the provisions of Article L.225-123 of the French Commercial Code regarding double voting rights, each share carries entitlement to one vote. This includes fully-paid shares held in registered form for at least two years by the same shareholder and bonus registered shares granted in respect of registered shares held for at least two years in the event of a share capital increase by capitalization of reserves, profits of additional paid-in capital.

7.1.13 Changes in shareholder rights

Changes in the share capital or the rights attached to shares are subject to compliance with French company law alone, as the bylaws do not contain any specific provisions in this respect.

7.1.14 Rights, privileges and restrictions relating to shares

In addition to the voting right conferred by law, each share confers entitlement to a portion of the profits and any liquidation surplus, in direct proportion to the number and par value of outstanding shares.

No preferential rights are attached to any specific class of shares or category of shareholder.

7.1.15 Provisions of the bylaws or other provisions that could delay, defer or prevent a change in control

Not applicable.

7.1.16 Factors affecting a potential takeover bid

No factors are subject to the provisions of Article L.225-100-3 of the French Commercial Code.

7.1.17 Provisions of the bylaws governing administrative and management bodies

Appointment of directors and duration of terms of office

The Company has a Board of Directors comprised of a minimum of three and a maximum of eighteen members, who must be individuals. Directors are appointed by Shareholders' Meeting for a period of four years. Directors, other than directors representing employees or employee shareholders are appointed or reappointed on a rolling basis to ensure the staggered renewal of terms of office in as equal fractions as possible. Exceptionally, and solely for the purposes of this rolling renewal, the General Shareholders' Meeting may appoint one or more directors for a term of one, two or three years.

In addition, a director representing employee shareholders is also appointed by Shareholders' Meeting for a period of four years when, at the end of a fiscal year, the percentage of share capital held by employees of the Company and companies related to it within the meaning of Article L.225-180 of the French Commercial Code, represents over 3% of the Company's share capital. The director representing employee shareholders is elected by Ordinary Shareholders' Meeting from a choice of two candidates nominated in accordance with the provisions of the law and the bylaws.

Pursuant to employee representation requirements on the Board of Directors in accordance with the provisions of the Rebsamen Law of August 17, 2015, the Board of Directors also includes two directors representing employees, appointed for a period of four years as follows:

- a director representing employees appointed by the union body which obtained the most votes at the first round of the elections referred to in Articles L.2122-1 and L.2122-4 of the French Labor Code, organized by the Company and direct or indirect subsidiaries whose registered office is located in France;
- a second director appointed by the European Group Council (known as the International Works Council in Capgemini Group).

The director representing employee shareholders and the directors representing employees are not taken into account in determining the maximum number of directors pursuant to Article L.225-17 of the French Commercial Code.

Age limit for directors

Pursuant to Article 11.4 of the bylaws, the number of directors over seventy-five (75) years of age at the end of each Shareholders' Meeting called to approve the Company financial statements, may not exceed one-third (rounded up to the nearest whole number where appropriate) of the total number of directors in office.

Age limit for the Chairman of the Board of Directors

The age limit for the exercise of the duties of Chairman of the Board of Directors is as follow:

- seventy (70) years of age when he/she also holds the position of Chief Executive Officer; and
- seventy-nine (79) years of age when he/she does not hold the position of Chief Executive Officer.

In both cases, the term of office expires at the end of the first Ordinary Shareholders' Meeting following the Chairman's birthday.

Where the functions of Chairman and those of Chief Executive Officer are separated, the functions of Chief Executive Officer expire the day of the first Ordinary Shareholders' Meeting following his/her seventieth birthday.

Minimum investment by directors in the share capital of the Company

Pursuant to Article 11.2 of the bylaws, each director must hold at least one thousand (1,000) Company shares throughout their term of office.

This obligation to hold shares is not applicable to directors representing employee shareholders and directors representing employees.

Majority rules within the Board of Directors

Decision are taken in accordance with quorum and majority rules provided by law, except for the decision regarding the two possible methods for the Company's General Management. Where voting is tied, the Chairman of the Company has the casting vote.

General management

The General Management of the Company is assumed by either the Chairman of the Board of Directors (who therefore holds the title of Chairman and Chief Executive Officer), or by another individual appointed by the Board of Directors, who holds the title of Chief Executive Officer. The Board of Directors chooses between these two possible methods for the Company's General Management, voting with a two-thirds majority of all directors.

On April 4, 2012, at the recommendation of the Chairman at the time, Mr. Serge Kampf, the Board of Directors decided to regroup the functions of Chairman and Chief Executive Officer and appointed the Chief Executive Officer, Mr. Paul Hermelin, to the position of Chairman and Chief Executive Officer.

Messrs. Thierry Delaporte and Aiman Ezzat were appointed Chief Operating Officers with effect from January 1, 2018.

For more information, please refer to Chapter 2 of this Registration Document.

Charter and Board Special Committees

Please refer to Chapter 2 of this Registration Document.

7.2 Group Management structure

The Group management structure comprises:

- **an Office of the CEO (OCEO) with 3 members:**

Paul Hermelin	Chairman and Chief Executive Officer
Thierry Delaporte	Chief Operating Officer
Aiman Ezzat	Chief Operating Officer, Chief Financial Officer

- **a Group Executive Board (GEB) comprising the OCEO and 4 additional members:**

Anirban Bose	Financial Services
Hubert Giraud	People Management and Transformation
Patrick Nicolet	Chief Technology Officer
Olivier Sevillia	Application Services Two[1], Business Services and Global Accounts Management

(1) Application Services Two: United Kingdom, France, Benelux, Nordic Countries, Germany, Central Europe, South Europe.

- **a Group Executive Committee comprising the GEB and 15 additional members:**

Jean-Philippe Bol	Cloud Infrastructure Services Director
Jean Coumaros	Head of Transformation
André Cichowlas	Production / methods and support Director
Lanny Cohen	Chief Innovation Officer
Pierre-Yves Cros	Strategy and Development Director
Cyril Garcia	Consulting and Digital Services Director
Christine Hodgson	Corporate Social and Environmental Responsibility Director and UK coordination large accounts.
Aruna Jayanthi	Business Services Director
Srinivas Kandula	India Operations Director
Jean-Baptiste Massignon	General Secretary
John Mullen	Application Services for North America Director
Virginie Régis	Marketing and Communications Director
Luc-François Salvador	Application Services - Asia-Pacific Director
Rosemary Stark	Global Sales Director
Hans Van Waayenburg	Sogeti Director

7.3 Historical Financial Information for 2015 and 2016

In accordance with Article 28 of European Regulation no. 809/2004 of April 29, 2004, the following information is incorporated by reference in this Registration Document:

1. Relating to the year ended December 31, 2016:
   - the Management Report, consolidated financial statements and the Statutory Auditors' report on the consolidated financial statements, set out in the Registration Document filed on March 17, 2017 under no. D.17-0184 (pages 327 to 328 and 162 to 231, respectively);
   - the parent company financial statements of Capgemini SE (formerly Cap Gemini S.A.) and the Statutory Auditors' report on the parent company financial statements set out in the Registration Document filed on March 17, 2017 under no. D.17-0184 (pages 232 to 253);
   - the Statutory Auditors' special report on regulated agreements and commitments, set out in the Registration Document filed on March 17, 2017 under no. D.17-0184 (page 254).
2. Relating to the year ended December 31, 2015:
   - the Management Report, consolidated financial statements and the Statutory Auditors' report on the consolidated financial statements, set out in the Registration Document filed on April 6, 2016 under no. D.16-0291 (pages 302 to 303 and 130 to 195, respectively);
   - the parent company financial statements of Capgemini SE (formerly Cap Gemini S.A.) and the Statutory Auditors' report on the parent company financial statements set out in the Registration Document filed on April 6, 2016 under no. D.16-0291 (pages 196 to 219);
   - the Statutory Auditors' special report on regulated agreements and commitments, set out in the Registration Document filed on April 6, 2016 under no. D.16-0291 (pages 220 to 222).

Copies of the Registration Document are available from Capgemini SE, 11 rue de Tilsitt, 75017 Paris, on its corporate website at http:// investors.capgemini.com, and on the website of the AMF at www.amf-france.org.

7.4 Persons responsible for the information

7.4.1 Person responsible for financial information

AIMAN EZZAT
Chief Operating Officer, Chief Financial Officer
11, rue de Tilsitt, 75017 PARIS
Tel.: (+33)0 1 47 54 50 00

7.4.2 Persons responsible for the audit of the financial statements

Principal Statutory Auditors

PricewaterhouseCoopers Audit

Member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles*.

63, rue de Villiers, 92208 Neuilly-sur-Seine, Cedex,

represented by Ms. Françoise Garnier and Mr. Richard Béjot

First appointed at the Ordinary Shareholders' Meeting of May 24, 1996.

Current term expires at the close of the Ordinary Shareholders' Meeting held to approve the 2019 financial statements.

KPMG S.A.

Member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles*.

Tour Eqho, 2 avenue Gambetta, CS 6055,
92066 Paris La Défense Cedex,

represented by Mr. Frédéric Quélin

First appointed at the Ordinary Shareholders' Meeting of April 25, 2002.

Current term expires at the close of the Ordinary Shareholders' Meeting held to approve the 2019 financial statements.

Substitute Statutory Auditors

Mr. Jean-Christophe GEORGHIOU

63, rue de Villiers, 92208 Neuilly-sur-Seine, Cedex,

Substitute for PricewaterhouseCoopers Audit,

appointed at the Ordinary Shareholders' Meeting of May 7, 2014.

Term of office expires at the close of the Ordinary Shareholders' Meeting held to approve the 2019 financial statements.

KPMG Audit I.S. SAS

Tour Eqho, 2 avenue Gambetta, CS 6055,
92066 Paris La Défense Cedex,

Substitute for KPMG S.A.,

appointed at the Ordinary Shareholders' Meeting of May 7, 2014.

Term of office expires at the close of the Ordinary Shareholders' Meeting held to approve the 2019 financial statements.

7.4.3 Declaration by the person responsible for the Registration Document

“I hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in the Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I hereby declare that, to the best of my knowledge, the financial statements for 2017 have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and all the other companies included in the scope of consolidation, and that the information provided in the Management Report listed in chapter 8, section 8.3 gives a fair description of the material events, results and financial position of the Company and all the other companies included in the scope of consolidation, as well as a description of the main risks and contingencies with which the Company may be confronted.

I obtained a statement from the Statutory Auditors at the end of their engagement affirming that they have read the whole of the Registration Document and examined the information in respect of the financial position and the historical accounts contained therein.

The statement from the Statutory Auditors is not qualified and does not contain any observations.”

Paris, March 23, 2018

Paul Hermelin

Chairman and Chief Executive Officer

8

Cross-reference table

8.1 Information required under Commission Regulation (EC) no.809/2004

N/A not applicable

N/A : not applicable

8.2 Cross-reference table for the Annual Financial Report

In order to assist readers of this Registration document, the cross-reference table, hereafter, enables to identify the information which constitutes the Annual Financial Report that must be published by the listed companies in accordance with the article L.451-1-2 of the French Monetary and Financial Code and article 222-3 on the French financial markets authority's general regulations.

	Document required	Pages
1	Company annual financial statements	250 to 269
2	Consolidated financial statements	179 to 241
3	Management Report (within the meaning of the French Commercial Code)	Refer to the cross-reference table for the Management Report on pages 353 to 354
4	Declaration by the person responsible for the annual financial report	346
5	Statutory auditors' report on the Company financial statements	270
6	Statutory auditors' report on the consolidated financial statements	242

8.3 Cross-reference table for the Management Report

Information required	Pages
Situation and activity of the Group	
Analysis of changes in the business, results and the financial position of the Company and the Group	172 to 178 and 247 to 249
Key performance indicators	3, 6 and 7
Major events between the year end and the date of preparation of the Management Report	238 and 268
Developments and outlook for the future	178
Research and development	N/A
Expenses and charges stipulated in Article 223 quater of the French General Tax Code	N/A
Supplier settlement periods	247
Acquisitions of investments or controlling interests during the fiscal year in companies whose registered office is located in France	188
Subsidiaries and investments	239-269
Description of the main risks	107 to 116
Financial risks due to climate change	159
Internal control and risk management procedures implemented by the Company	103 to 117
Report of the Board of Directors on corporate governance	
Organization of group management activities	34 to 35
List of all term of offices and duties held in any company by each corporate officer during the last fiscal year	45 to 60
Composition, preparation and organization of the work of the Board of Directors	36 to 44, 62 to 77
Limits brought by the Board of Directors on Chief Executive Officer's powers	64
Reference to a Code of corporate governance and application of the principle comply or explain	32 and 63
2017 compensation of the Corporate Officers	93 to 99
Executive Corporate Officers compensation policy	85 to 92
Commitments of any kind made by the Company for the benefit of its Executive Corporate Officers	43 to 44
Agreements between a corporate officer or a major shareholder and a subsidiary	43 to 44
Specific conditions governing shareholders' attendance at the Annual General meeting	341
Summary table of delegations of authority currently in force granted by the Shareholders' Meeting relating to an increase in capital	279 and 280
Factors affecting a potential takeover bid	342
Information on the share capital	
Structure, change in Company share capital and threshold notifications	249, 278, 283, 286 to 287
Employee shareholding	281 to 282
Summary of transactions carried out by members of the Board of Directors and other senior managers and related persons in the Company's shares	61
Buyback by the Company of its own shares	288 to 289
Information on share subscription options granted to Executive Corporate Officers and employees	86, 87, 89, 93 to 96, 100 to 102, 200, 256, 281 to 282
Information on free share grants to Executive Corporate Officers and employees	86, 87, 89, 93 to 96, 100 to 102, 200 to 208, 256 to 261, 281 to 282
Dividends and other revenue distributed during the last three fiscal years	248, 285

N/A: not applicable

Information required	Pages
Corporate Social Responsibility	
HR, social, and environmental information	120 to 162
Key environmental and social indicators	163 to 166
Vigilance plan	124 to 125
Additional information	
Table of the Company results over the past five fiscal years	275
Supplementary report of the Board of Directors on issuance of shares under the Group Employee shareholding plan	329 to 332

— Connect with us

Discover the digital version of our 2017 reports:
reports.capgemini.com/2017/en

The **Annual Report** highlights our ambition and strategy, features the main activities of the year, and provides interviews and key updates across areas of business.

The **Integrated Report** describes how the Group's strategy, governance, and organization create lasting value for Capgemini and its stakeholders.

The **Registration Document** supplies financial analysts, institutional investors and individual shareholders with complete legal, business, financial, and accounting information.

More resources
Business: capgemini.com
Financial: investors.capgemini.com
Careers: capgemini.com/careers
Insights & News: capgemini.com/insights-and-news
CSR: capgemini.com/corporate-responsibility

On the cover
Mathieu Merlet Briand
Our cloud, are in the #air, 5/6, 2017
Collages of micro-perforated prints on mirror
115 × 5 × 109 cm

Designed & published by LABRADOR +33 (0)1 53 06 30 80