PROXY PAPER
PUBLICIS GROUPE SA

GLASS LEWIS

Euronext Paris: **PUB**

ISIN: **FR0000130577**

MEETING DATE: 31 MAY 2017
RECORD DATE: 29 MAY 2017
PUBLISH DATE: 15 MAY 2017

COMPANY DESCRIPTION

Publicis Groupe Société Anonyme provides marketing, communication, and digital transformation services worldwide.

INDEX MEMBERSHIP: CAC 40; EURONEXT 100; S&P EUROPE 350; CAC ALLSHARES; SBF 120
SECTOR: CONSUMER DISCRETIONARY
INDUSTRY: MEDIA
COUNTRY OF TRADE: FRANCE
COUNTRY OF INCORPORATION: FRANCE
VOTING IMPEDIMENT: NONE
DISCLOSURES: REFER TO APPENDIX REGARDING CONFLICT OF INTERESTS AND ENGAGEMENT

OWNERSHIP | ESG PROFILE | REMUNERATION | PREVIOUS BOARD | VOTE RESULTS | APPENDIX

2017 ANNUAL MEETING

PROPOSAL	ISSUE	BOARD	GLASS LEWIS	CONCERNS
1.00	Accounts and Reports	FOR	**FOR**	
2.00	Consolidated Accounts and Reports	FOR	**FOR**	
3.00	Allocation of Profits/Dividends	FOR	**FOR**	
4.00	Scrip Dividend	FOR	**FOR**	
5.00	Related Party Transactions	FOR	**FOR**	
6.00	Elect Simon Badinter	FOR	**AGAINST**	• **Board independence**
7.00	Elect Jean Charest	FOR	**FOR**	
8.00	Elect Maurice Lévy; Remuneration Policy (Chair)	FOR	**AGAINST**	• **Insufficient justification** • **Bundled proposal** • **Other unique issue**
9.00	Appointment of Auditor, Mazars	FOR	**FOR**	
10.00	Remuneration of Elizabeth Badinter, Chair	FOR	**FOR**	
11.00	Remuneration and Remuneration Policy of Maurice Lévy, Chair of Management Board	FOR	**AGAINST**	• **Pay and performance disconnect**
12.00	Remuneration of Kevin Roberts, Member of Management Board	FOR	**AGAINST**	• **Poor disclosure of extraordinary pension payments**
13.00	Remuneration of Jean-Michel Etienne, Member of Management Board	FOR	**FOR**	
14.00	Remuneration of Gabrielle Heilbronner, Member of Executive Board	FOR	**FOR**	
15.00	Remuneration Policy of Supervisory Board	FOR	**FOR**	
16.00	Remuneration Policy of Elizabeth Badinter, chair	FOR	**FOR**	
17.00	Remuneration Policy of Arthur Sadoun, Chairman of Management Board	FOR	**FOR**	
18.00	Remuneration Policy of Jean-Michel Etienne, Member of Management Board	FOR	**FOR**	

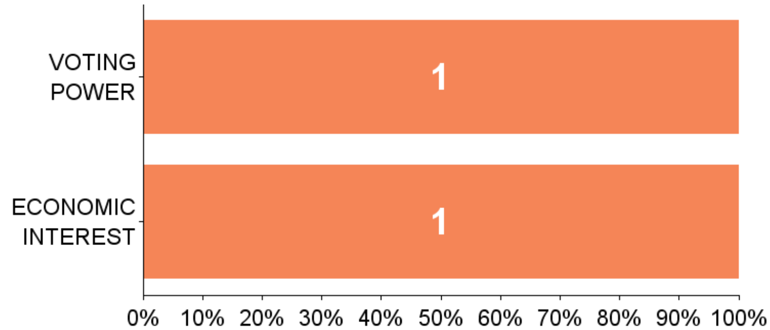
19.00	Remuneration Policy of Anne-Gabrielle Heilbronner, Member of Management Board	FOR	**FOR**
20.00	Remuneration Policy of Steve King, Member of Management Board	FOR	**FOR**
21.00	Related Party Transactions (Arthur Sadoun, CEO)	FOR	**FOR**
22.00	Related Party Transactions (Steve King, Management Board)	FOR	**FOR**
23.00	Authority to Repurchase and Reissue Shares	FOR	**FOR**
24.00	Authority to Cancel Shares and Reduce Capital	FOR	**FOR**
25.00	Authority to Set Offering Price of Shares	FOR	**FOR**
26.00	Authority to Increase Capital in Consideration for Contributions in Kind	FOR	**FOR**
27.00	Employee Stock Purchase Plan	FOR	**FOR**
28.00	Employee Stock Purchase Plan for Overseas Employees	FOR	**FOR**
29.00	Amendments to Articles Regarding Employee Representation	FOR	**FOR**
30.00	Authorisation of Legal Formalities	FOR	**FOR**

SHARE OWNERSHIP PROFILE

SHARE BREAKDOWN

	1
SHARE CLASS	Ordinary Shares
SHARES OUTSTANDING	222.2 M
VOTES PER SHARE	1
INSIDE OWNERSHIP	10.40%
STRATEGIC OWNERS**	10.40%
FREE FLOAT	89.60%

SOURCE CAPITAL IQ AND GLASS LEWIS. AS OF 12-MAY-2017



TOP 20 SHAREHOLDERS

	HOLDER	OWNED*	COUNTRY	INVESTOR TYPE
1.	Badinter, Élisabeth	7.50%	N/A	Individuals/Insiders
2.	Capital Research and Management Company	5.02%	United States	Traditional Investment Manager
3.	Invesco Ltd.	3.57%	United States	Traditional Investment Manager
4.	BlackRock, Inc.	2.54%	United States	Traditional Investment Manager
5.	The Vanguard Group, Inc.	2.04%	United States	Traditional Investment Manager
6.	Levy, Maurice	2.02%	N/A	Individuals/Insiders
7.	FIL Limited	1.99%	Bermuda	Traditional Investment Manager
8.	Norges Bank Investment Management	1.49%	Norway	Government Pension Plan Sponsor
9.	Mackenzie Financial Corporation	1.33%	Canada	Traditional Investment Manager
10.	Henderson Global Investors Limited	1.19%	United Kingdom	Traditional Investment Manager
11.	Aviva Investors Global Services Limited	1.18%	United Kingdom	Traditional Investment Manager
12.	DNCA Finance	1.02%	France	Traditional Investment Manager
13.	Nordea Investment Management AB	1.01%	Sweden	Traditional Investment Manager
14.	Dulac, Sophie	0.79%	N/A	Individuals/Insiders
15.	ValueInvest Asset Management S.A.	0.74%	Luxembourg	Traditional Investment Manager
16.	Amundi Asset Management	0.65%	France	Traditional Investment Manager
17.	T. Rowe Price Group, Inc.	0.62%	United States	Traditional Investment Manager
18.	M&G Investment Management Limited	0.59%	United Kingdom	Traditional Investment Manager
19.	Natixis Asset Management	0.56%	France	Traditional Investment Manager
20.	Morgan Stanley Investment Management Inc.	0.53%	United States	Traditional Investment Manager

**COMMON STOCK EQUIVALENTS (AGGREGATE ECONOMIC INTEREST) SOURCE: CAPITAL IQ. AS OF 12-MAY-2017*
***CAPITAL IQ DEFINES STRATEGIC SHAREHOLDER AS A PUBLIC OR PRIVATE CORPORATION, INDIVIDUAL/INSIDER, COMPANY CONTROLLED FOUNDATION, ESOP OR STATE OWNED SHARES OR ANY HEDGE FUND MANAGERS, VC/PE FIRMS OR SOVEREIGN WEALTH FUNDS WITH A STAKE GREATER THAN 5%.*

SHAREHOLDER RIGHTS

	MARKET THRESHOLD	COMPANY THRESHOLD[1]
VOTING POWER REQUIRED TO CALL A SPECIAL MEETING	5.0%	5.0%
VOTING POWER REQUIRED TO ADD AGENDA ITEM	0.7%	0.7%

[1]N/A INDICATES THAT THE COMPANY DOES NOT PROVIDE THE CORRESPONDING SHAREHOLDER RIGHT.

ENVIRONMENTAL, SOCIAL & GOVERNANCE PROFILE

OVERALL ESG SCORE

Average Performer

Comparative Industry: **Media**

Board oversight for ESG Issues: **No**

All data and ratings provided by:

SUSTAINALYTICS

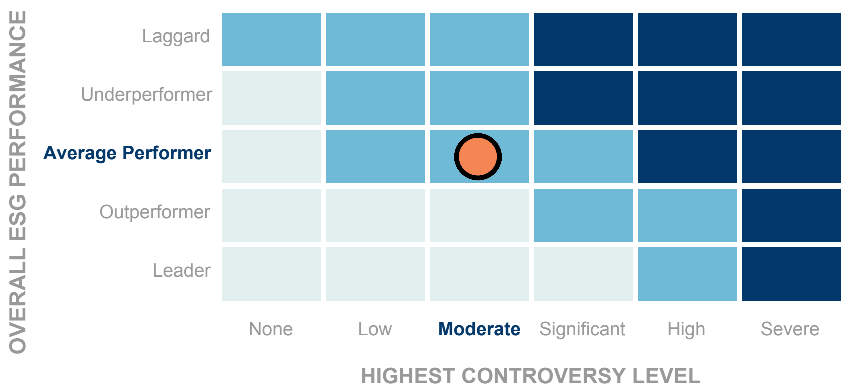
Last Update: **May 01, 2017**

ANALYST COMMENTARY

Publicis Groupe is the third-largest communications firm in the world by revenue, headquartered in Paris and operating in over 100 countries. Its largest customer markets are the US, the UK, France, China, Germany and Canada, with over 54% of 2015 revenues generated in North America. The company operates primarily through the Publicis Solutions (Creative Solutions), Publicis Media (Media Solutions), Publicis Sapient (Digital Solutions) and Publicis Health (Healthcare Solutions) divisions. Publicis' strategy focuses on combining creative, media and technology expertise amid continued acquisitions and growth. As one of the largest global ad agencies, Publicis is exposed to anti-competitive behaviour, as it competes with other multinational and independent advertising and production agencies. Given the importance of creative and specialized talent for digital advertising, and Publicis' efforts in multimedia integration, it is exposed to Human Capital risks, such as identifying and retaining the right talent. Integrity in advertising is a key factor that retains clients, particularly given that some of Publicis' high-profile clients include Apple, Comcast, Procter & Gamble, Samsung and Goldman Sachs. Thus, we also consider the company to be exposed to Product Governance issues. Given these exposures, Business Ethics, Human Capital and Product Governance are key ESG issues for Publicis. Publicis' CSR Department is responsible for corporate responsibility, and operates under the authority of the CEO and in cooperation with the CFO and General Secretary, who are all on the company's management board. The CSR department uses quantitative and qualitative data collection tools, with data collection responsibilities held by the company's financial and human resource directors. It is unclear who is assigned managerial responsibility for key ESG issues within the organization, relevant in managing performance across global entities. Publicis does not disclose its complete Code of Ethics, and does not report a data privacy or advertising ethics policy to oversee data security and advertisement standards for global operations. In assessing Publicis' risks and adequate management, we have a neutral view of the company.

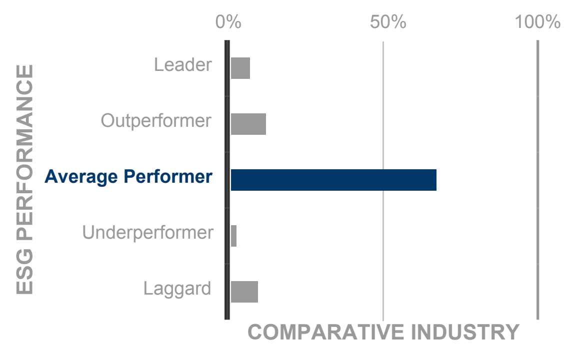
ESG RISK PROFILE

The graph below compares the Company's ESG performance to its involvement in controversies in order to provide an assessment of the Company's ESG risk profile.



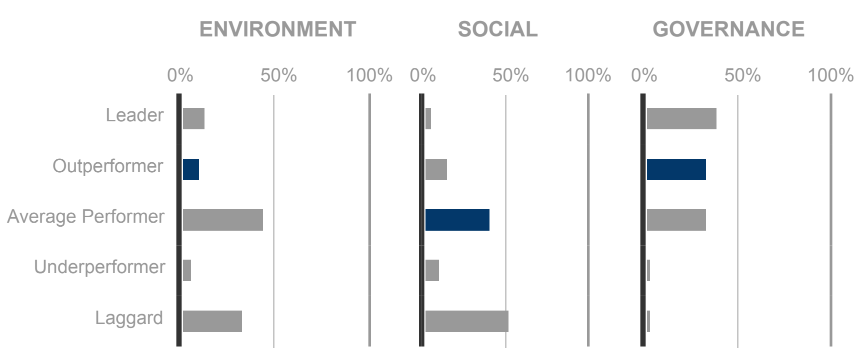
OVERALL ESG PERFORMANCE

The graph below indicates the percentage of companies in the comparative industry that fall within each ESG performance category.



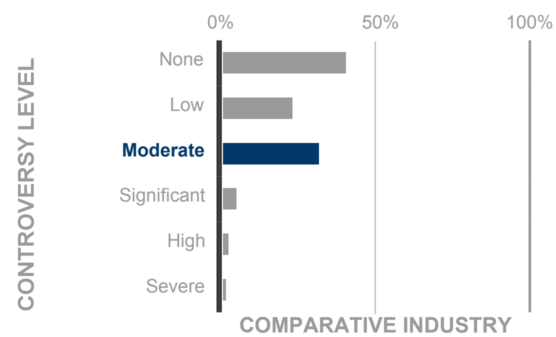
ESG PILLAR PERFORMANCE

For each pillar, the graph below indicates the percentage of companies in the comparative industry that fall within each ESG performance category. The governance pillar shown below is measured by Sustainalytics based on the Company's governance of sustainability issues.



HIGHEST CONTROVERSY LEVEL

The graph below indicates the percentage of companies in the comparative industry that fall within each controversy level.



Rows and categories shown in dark blue or bold represent the Company's category for the relevant assessment.

NOTEWORTHY CONTROVERSIES

SEVERE

Severe controversies are the most serious controversy level. They have the greatest negative impact on stakeholders and generate the greatest risk to a company's financial performance. Such controversies are highly exceptional. They indicate egregious practices and generally reflect a pattern of gross negligence, with the Company refusing to address the issue and/or concealing its involvement.

No severe controversies

HIGH

High-impact controversies are those that have major negative sustainability impacts and typically generate significant business risk to the Company. Such controversies are generally exceptions within an industry. They typically involve a pattern of negative events or impacts and indicate a lack of company preparedness to properly manage key sustainability issues.

No high controversies

SIGNIFICANT

Significant controversies have notable negative sustainability impacts and may generate business risk to the Company. Such controversies may be isolated or they may suggest a pattern, but they are generally not exceptional within an industry. However, they raise questions about whether a company's management systems are being implemented effectively and are able to address the issue in a satisfactory manner.

No significant controversies

NO PRODUCT INVOLVEMENT

DISCLAIMER

The intellectual property rights to the environmental, social and governance ("ESG") profile and the information contained in the ESG profile are vested exclusively in Sustainalytics and/or its suppliers. Sustainalytics' role is limited to providing research and analysis in order to facilitate well-informed decision-making. Sustainalytics makes no representation or warranty, express or implied, regarding the advisability to invest in or include companies in investable universes and/or portfolios. The information on which the ESG profile is based has - fully or partially - been derived from third parties and is therefore subject to continuous modification.

Sustainalytics observes the greatest possible care in using information but cannot guarantee that information contained herein is accurate and/or complete and no rights can be derived from it. The information is provided "as is" and, therefore Sustainalytics assumes no responsibility for errors or omissions. Sustainalytics and/or its suppliers accept no liability for damage arising from the use of the ESG profile or this Proxy Advisory Paper or information contained herein in any manner whatsoever.

Please refer to the FAQ for further details about this page.

All data and ratings provided by:

SUSTAINALYTICS

REMUNERATION DETAILS

Publicis Groupe SA

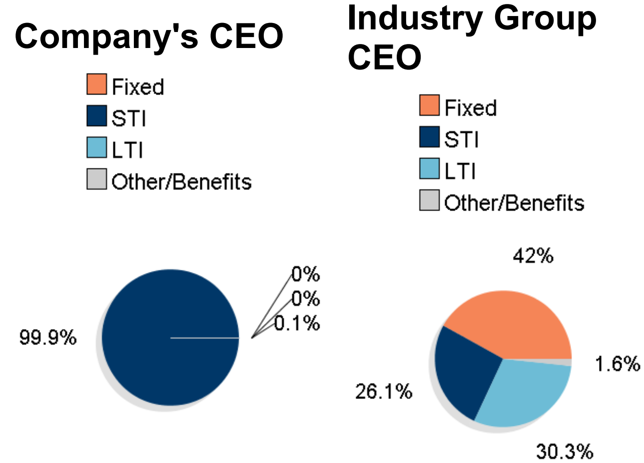
The Company paid: less remuneration to its CEO than the median CEO remuneration for a group of similarly sized French companies with an average market capitalization of €15.28 billion; less than a group of French based companies in the Consumer Discretionary sector; and more than a group of European Media companies. Overall, the Company performed worse than the peers.

CEO Remuneration

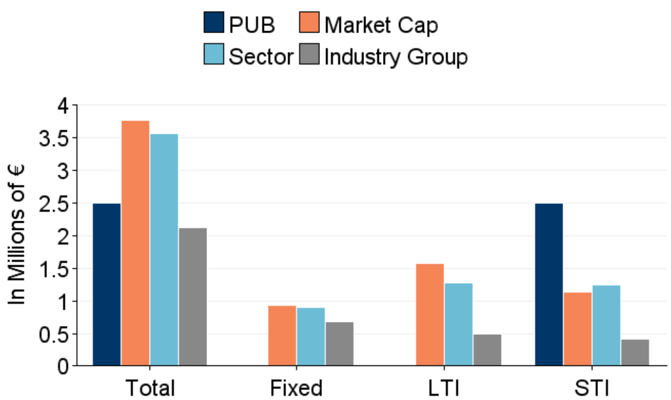
All figures in €	2016
Fixed	0
STI	2,500,000
LTI	0
Pensions	0
Other / Benefits	3,477
Total remuneration	2,503,477

Notes:

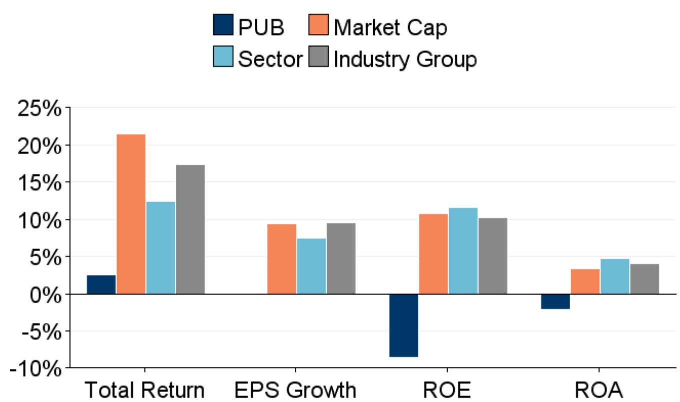
Composition of Remuneration



CEO Compared To Median



Shareholder Wealth and Business Performance



Note: Remuneration analysis for period ending December 31, 2016. Total return and EPS growth based on weighted average of annualized 1, 2 and 3 year data. Total remuneration does not include pensions.

1.00: ACCOUNTS AND REPORTS

FOR

PROPOSAL REQUEST:	Approval of the Company's standalone financial statements for the past fiscal year	**RECOMMENDATIONS & CONCERNS:**	
PRIOR YEAR VOTE RESULT (FOR):	97.9%	**FOR-** No material concerns	
BINDING/ADVISORY:	Binding		
REQUIRED TO APPROVE:	Majority	**AUDITOR NAME:**	Mazars and Ernst & Young
EMPHASIS OF MATTER:	No	**AUDITOR OPINION:**	Unqualified

PROPOSAL SUMMARY

As a routine matter, French company law requires that shareholders approve the Company's financial statements, within six months following the end of the fiscal year, in order for them to be valid.

GLASS LEWIS ANALYSIS

We believe that all of the necessary financial statements and reports are present in the Company's annual report. We note that in the opinion of Mazars and Ernst & Young, the Company's independent auditors, the financial statements have been properly prepared in accordance with the generally accepted accounting principles in France.

We recommend that shareholders vote **FOR** this proposal.

2.00: CONSOLIDATED ACCOUNTS AND REPORTS

FOR

PROPOSAL REQUEST:	Approval of the Company's consolidated financial statements for the past fiscal year	**RECOMMENDATIONS & CONCERNS:**	
PRIOR YEAR VOTE RESULT (FOR):	97.9%	**FOR-** No material concerns	
BINDING/ADVISORY:	Binding		
REQUIRED TO APPROVE:	Majority	**AUDITOR NAME:**	Mazars and Ernst & Young
EMPHASIS OF MATTER:	No	**AUDITOR OPINION:**	Unqualified

PROPOSAL SUMMARY

As a routine matter, French company law requires that shareholders approve the Company's financial statements, within six months following the end of the fiscal year, in order for them to be valid.

GLASS LEWIS ANALYSIS

We believe that all of the necessary financial statements and reports are present in the Company's annual report. We note that in the opinion of Mazars and Ernst & Young, the Company's independent auditors, the financial statements have been properly prepared in accordance with International Financial Reporting Standards.

We recommend that shareholders vote **FOR** this proposal.

3.00: ALLOCATION OF PROFITS/DIVIDENDS

FOR

PROPOSAL REQUEST:	Approve the allocation of net results for the past fiscal year	**RECOMMENDATIONS & CONCERNS:**	
PRIOR YEAR VOTE RESULT (FOR):	99.9%	**FOR-**	No material concerns
BINDING/ADVISORY:	Binding		
REQUIRED TO APPROVE:	Majority		

PROPOSAL SUMMARY

In accordance with French company law, shareholders must approve the appropriation of net income for the past fiscal year. The proposed allocation of net income is presented below:

ALLOCATIONS

Funds and Allocations	€ (in millions)
Net Profit (+)	**220.4**
Prior Retained Earnings (+)	**392.6**
Legal Reserves (-)	**0.4**
Total Dividends (-)	**418.0**
Future Retained Earnings	**194.6**

DIVIDENDS

in €	FY 2016	FY 2015
Proposed Dividend per Share	1.85	1.60
Interim Dividend	0.00	0.00
TOTAL DIVIDENDS PER SHARE	**1.85**	**1.60**
Earnings per Share	-2.36	4.05
DIVIDEND PAYOUT RATIO	**N/A**	**40%**
Loyalty Dividend[1]	**N/A**	**N/A**

1N/A

GLASS LEWIS ANALYSIS

With limited exceptions, Glass Lewis will generally support the profit distribution policy proposed by a company. In this case, although the parent company reports a net profit of €220.4 million, the Group's consolidated year-end losses totalled €527 million. The aforementioned notwithstanding, we do not see any cause for concern in terms of the board's decision to pay a dividend at this time.

We recommend that shareholders vote **FOR** this proposal.

4.00: SCRIP DIVIDEND

FOR

PROPOSAL REQUEST:	Approval to authorise the board to distribute dividends in shares, at the option of each shareholder	**RECOMMENDATIONS & CONCERNS:**	
PRIOR YEAR VOTE RESULT (FOR):	97.3%	**FOR-** No material concerns	
BINDING/ADVISORY:	Binding		
REQUIRED TO APPROVE:	Majority		

PROPOSAL SUMMARY

If approved, the Company will distribute a scrip dividend through a bonus share issuance by means of an increase in the Company's issued share capital.

The proposal is summarised below:

Issue Price Discount[1]	5%
Subscription Period	Between June 6, 2017 and June 26, 2017
Notes	-

[1] Based on an average of the Company's closing share price, over 20 days preceding the exercise date.

GLASS LEWIS ANALYSIS

With limited exceptions, Glass Lewis will generally support the dividend policy proposed by a company. Here, we find that the authority to issue shares, in lieu of cash, as payment of dividends is reasonable and we do not see any cause for concern in terms of the board's process in making this determination.

We recommend that shareholders vote **FOR** this proposal.

5.00: RELATED PARTY TRANSACTIONS

FOR

PROPOSAL REQUEST:	Approval of related party transactions	**RECOMMENDATIONS & CONCERNS:**	
PRIOR YEAR VOTE RESULT (FOR):	N/A	**FOR-**	No material concerns
BINDING/ADVISORY:	Advisory		
REQUIRED TO APPROVE:	Majority		

PROPOSAL SUMMARY

This proposal seeks shareholder approval of any and all related party transactions previously authorised by the board and included in the special report of the Company's auditors for the past fiscal year.

The audit report states that there are no new agreements of this type to be submitted for shareholder approval.

GLASS LEWIS ANALYSIS

Notwithstanding the fact that there were no new related party transactions entered into by the Company during the past fiscal year, shareholders are requested to approve the special report of the Company's auditors in order to acknowledge that no new transactions require shareholder approval.

We recommend that shareholders vote **FOR** this proposal.

6.00: ELECT SIMON BADINTER

AGAINST

PROPOSAL REQUEST: Election of three supervisory board members

ELECTION METHOD: Majority

RECOMMENDATIONS & CONCERNS:

AGAINST-	**Simon Badinter**	Board is not sufficiently independent
	Maurice Lévy	Other unique issue
FOR-	**Jean Charest**	
NOT UP-	**Elisabeth Badinter** **Claudine Bienaimé** **Michel Cicurel** **Sophie Dulac** **Thomas H. Glocer** **Jerry A. Greenberg** **Marie-Josée Kravis** **André Kudelski** **Marie-Claude Mayer** **Véronique Morali**	

PROPOSAL SUMMARY

Three candidates are up for election as directors to serve a four-year term each. If elected, their terms would expire at the Company's 2021 annual meeting of shareholders.

SUPERVISORY BOARD

	UP	NAME	AGE	GENDER	GLASS LEWIS CLASSIFICATION	COMPANY CLASSIFICATION	OWNERSHIP**	COMMITTEES AUDIT	COMMITTEES COMP	COMMITTEES NOM	TERM START	TERM END	YEARS ON BOARD
−	✔	Maurice Lévy* ·*Chair*	75	M	Insider [1]	Not Independent	Yes				-	-	-
		Marie-Claude Mayer	70	F	Insider [2]	Not Independent	Yes				2010	2019	7
−	✔	Simon Badinter	49	M	Affiliated [3]	Not Independent	7%				1999	2017	18
		Elisabeth Badinter ·*Vice Chair*	73	F	Affiliated [4]	Not Independent	7%			C	1987	2018	30
		Michel Cicurel	70	M	Affiliated [5]	Independent	Yes		C	✔	1999	2018	18
		Sophie Dulac ·*Vice Chair*	59	F	Affiliated [6]	Not Independent	7%				1998	2020	19
		Véronique Morali	58	F	Affiliated [7]	Not Independent	Yes	✔	✔		2010	2019	7
		Claudine Bienaimé	78	F	Independent [8]	Independent	Yes	✔	✔		2008	2018	9
	✔	Jean Charest	59	M	Independent	Independent	Yes	C		✔	2013	2017	4
		Thomas H. Glocer	57	M	Independent	Independent	Yes		✔		2016	2020	1
		Jerry A. Greenberg	52	M	Independent [9]	Independent	Yes		✔		2015	2019	2
		Marie-Josée Kravis	68	F	Independent	Independent	Yes			✔	2010	2020	7
		André Kudelski*	57	M	Independent	Independent	Yes	✔			2016	2020	1

C = Chair, * = Public Company Executive, − = Withhold or Against Recommendation

1. Chair-elect. Former CEO (until 31 May, 2017). Will receive annual fees of €2.8 million as chair.
2. Senior Vice President of Publicis Conseil SA, a subsidiary of the Company.
3. Son of Elisabeth Badinter and grandson of Marcel Bleustein-Blanchet, founder of the Company. Has served on the board for more than 12 years.
4. Former chair (until 31 May 2017) and beneficial owner of 7.39% and 13.34% of the Company's share capital and voting rights, respectively. Daughter of Marcel Bleustein-Blanchet, founder of the Company, mother of Simon Badinter and aunt of Sophie Dulac.
5. Has served on the board for more than 12 years.
6. Vice chair. Niece of Elisabeth Badinter. Has served on the board for more than 12 years.
7. Former chairwoman of the Women's Forum for the Economy and Society (until 2014), which is owned by the Company.
8. Former executive (until 2008) of the Group.

9. Former co-chairman of Sapient Corporation, a subsidiary of the Company until March 2015. Served as co-chair and CEO of Sapient from 1990 to 2006. He rendered consulting services to Sapient during 2010, returning to the board in 2011.

***Direct, indirect or representational ownership of voting rights. Below 5% displays as Yes.*

NAME	ATTENDED AT LEAST 75% OF MEETINGS	PUBLIC COMPANY EXECUTIVE	ADDITIONAL PUBLIC COMPANY DIRECTORSHIPS
Maurice Lévy	Yes	Yes	None
Marie-Claude Mayer	Yes	No	None
Simon Badinter	Yes	No	None
Elisabeth Badinter	Yes	No	None
Michel Cicurel	Yes	No	(1) Bouygues SA
Sophie Dulac	Yes	No	None
Véronique Morali	Yes	No	(1) Coca-Cola Enterprises Inc.
Claudine Bienaimé	Yes	No	(1) Gevelot
Jean Charest	Yes	No	None
Thomas H. Glocer	Yes	No	(2) Merck & Co., Inc.; Morgan Stanley
Jerry A. Greenberg	Yes	No	None
Marie-Josée Kravis	Yes	No	(1) LVMH Moët Hennessy Louis Vuitton SE
André Kudelski	Yes	Yes	(1) Kudelski SA

MARKET PRACTICE

INDEPENDENCE AND COMPOSITION	PUB*	REQUIREMENT	BEST PRACTICE
Independent Chair	No	N/A	Chairman and CEO functions should be separated[3]
Board Independence	46%	N/A	50%; 33% for controlled companies[4]
Audit Committee Independence	75% ; Independent Chair	At least one independent member[1]	Solely non-executive directors, 2/3 of whom are independent[5]
Compensation Committee Independence	60%	N/A	Majority[6]
Nominating Committee Independence	50%	N/A	Majority[7]
Percentage of women on board	46%	40%[2]	N/A
Directors' biographies	Bios for current supervisory board members may be found on page 50-57 of the Annual Report		

** Based on Glass Lewis Classification*

1. *Article L.823-19 of the French Commercial Code*
2. *Article L. 225-18-1 of the French Commercial Code*
3. *Section II, letter A, article 3 of the recommendations on corporate governance, published by the AFG in January 2011.*
4. *AFEP-MEDEF: The Corporate Governance Code of Listed Corporations, Article 8.3*
5. *AFEP-MEDEF: The Corporate Governance Code of Listed Corporations, Article 15.1*
6. *AFEP-MEDEF: The Corporate Governance Code of Listed Corporations, Article 17.1*
7. *AFEP-MEDEF: The Corporate Governance Code of Listed Corporations, Article 16.1*

French public companies may elect to be governed by either: (i) a single-tier board comprised primarily of non-executive directors with some executive representation; or (ii) a two-tier structure divided between a management board consisting of executives responsible for the day-to-day running of the company, and a supervisory board overseeing the management board. They may also be incorporated as *Sociétés en Commandite par Actions* ("SCA"), which are corporate partnerships limited by shares. An SCA is run by one or more managers, who may be general partners or third parties, and is overseen by a supervisory board elected by the shareholders. Under the single-tier structure, companies can either combine the positions of chairman and CEO or have two separate individuals filling those roles.

French company law stipulates that boards must be composed of between three and eighteen members. Boards may include employee representatives, who are nominated by employees, and censors, who are non-voting board members serving in a consultative role. We do not take shareholder representatives or censors into account when assessing the independence of French boards.

The reference corporate governance code in France is the one prepared by the partnership of the French Association of Private Enterprises (*Association Française des Entreprises Privées*, or "AFEP"), and the French Enterprise Movement (*Mouvement des Entreprises de France*, or "MEDEF"). However, in December 2009, MiddleNext, an independent professional association, published a less rigid governance code for small- and mid-cap companies.

The AFEP-MEDEF code (the "Code") recommends that at least half of the members of the board be independent in non-controlled companies, and that at least one-third be independent in controlled companies. The Code also recommends that director terms not exceed four years, although the legal limit is set at six years. Moreover, because directors are almost never elected annually, French best practice standards recommend the implementation of staggered elections, which have become the market norm.

French law requires companies either to create an audit committee, or to opt for the board as a whole to serve in that capacity. The Code recommends that audit committees be at least two-thirds independent and that all other committees be majority independent. It also specifies that only non-executive board members should serve on key committees.

GLASS LEWIS ANALYSIS

In accordance with article L225-37 of the French Commercial Code, a company that chooses to refer to a corporate governance code must disclose what recommendations of the code it does not follow and for what reason. In this case, the Company refers to the AFEP-MEDEF code of governance.

We believe shareholders should be mindful of the following issues:

CHANGE IN CEO

As noted in our Proxy Paper on the 2016 annual meeting, the Company has faced questions about its strategy and succession planning for the CEO following the failed merger with Omnicom. In late 2015, the Company announced a reorganisation plan that saw its business segmented into four key units, each headed by an executive viewed as a potential successor for Mr. Lévy (Adam Thompson and Robert Cookson. "Publicis turns structure 'upside down' for long-term survival." Financial Times. 15 December, 2015).

In a press release dated 26 January 2017, the Company disclosed that Mr Sadoun, who currently serves as CEO of Publicis Communications, will take over the CEO position from Maurice Lévy as of 1 June, 2017. He will also oversee the management board, which consists of CFO Jean- Michel Etienne; Secretary General Anne-Gabrielle Heilbronner; and new member Steve King, who serves as CEO of Publicis Media. Additionally, the supervisory board has proposed that Mr Lévy, upon completion of his mandate as CEO, join it as chair (Proposal 8.00). As a consequence of Mr Lévy's appointment to this position, the current chair, Elisabeth Badinter, will join Sophie Dulac as vice chair.

We note that due to the proposed significant fees for Mr Lévy and the description of his transitional role, we continue to consider him an insider. We believe shareholders should be concerned by the board's failure to designate a lead independent director or independent vice chair as a counterbalance to ensure that the board sets a decidedly pro-shareholder agenda.

ELECTION OF MAURICE LÉVY

The Company has bundled the election of Maurice Lévy to the supervisory board with the approval of his fees in Proposal 8.00. Glass Lewis believes that shareholders should oppose this proposal on the basis of the method used to derive Mr Lévy's fees, and because bundling these two issues into a single proposal does shareholders a serious disservice. For further analysis please see Proposal 8.00.

BOARD AND COMMITTEE INDEPENDENCE

Seven of the thirteen directors are either affiliated with the Company or are insiders. We believe that this raises concern about the objectivity and independence of the board and its ability to perform its proper oversight role. We prefer boards with a lower percentage of affiliates and insiders. While we recognise that the board would meet best practice recommendations if director Cicurel were considered independent, we also believe the Badinter family is overrepresented on the board in proportion to their equity stake in the company.

We note that the Company's nominating committee is not sufficiently independent. In our view, this committee should be majority independent.

RECOMMENDATIONS

We recommend voting against the following nominee up for election this year based on the following issue:

Nominee **BADINTER** is an affiliated member of the supervisory board, which we do not consider sufficiently independent. As stated above, we believe the Badinter family is overrepresented on the board considering their equity stake in the Company.

Nominee **LÉVY** is being proposed as a candidate in Proposal 8.00, this proposal also seeks to approve his board fees. As discussed in our analysis of Proposal 8.00, we are concerned by the methodology used to set Mr Lévy's fees and the bundling of two separate proposals

As to all remaining nominees, we find no cause for shareholder concern.

We recommend that shareholders vote:

AGAINST: Badinter; Lévy

FOR: Charest

8.00: ELECT MAURICE LÉVY; REMUNERATION POLICY (CHAIR) AGAINST

PROPOSAL REQUEST:	Approval of the nomination of Maurice Lévy as chair of the Supervisory Board and his remuneration policy	**RECOMMENDATIONS & CONCERNS:**	
PRIOR YEAR VOTE RESULT (FOR):	N/A	**AGAINST-**	Insufficient justification Bundled proposal
BINDING/ADVISORY:	Binding		
REQUIRED TO APPROVE:	Majority		

PROPOSAL DETAILS

This Proposal seeks binding shareholder approval for the principles and criteria of determination, distribution and allocation of fixed, variable and exceptional components of total compensation and benefits of any kind attributable to Maurice Lévy for his new mandate as chair of the Supervisory Board, as well as his nomination to this position. For information regarding the election of Mr Lévy to the board and his appointment as chair, please see our analysis in Proposal 6.00.

For the year 2017, Mr Lévy will be subject to two distinct remuneration policies: one for his role as CEO, detailed in Proposal 11.00, and another for his role as non-executive chairman, bundled with his election in this Proposal. With regard to his role as chair, Mr Lévy will receive annual compensation of €2,800,000 from June 1, 2017. This amount is intended to compensate him for the forgoing of his non-compete indemnity, worth €1,800,000 per year for three years, and for his role as chair during the the upcoming transitional period in the Company's leadership.

We note that Mr Lévy's proposed compensation as chair far exceeds what is paid to other non-executive directors of the Company. In justification, the Company states that he will have enhanced responsibilities when compared with the previous chair, due to the leadership transition mentioned in Proposal 6.00. The Company discloses that in his new role as chair of the supervisory board Mr Lévy would actively but non-operationally accompany the new executive board in this phase of gradual transition, and in particular endeavour to maintain strong relationships with the Group's major clients. Moreover, Mr Lévy would be consulted by members of the management board on all significant events and coordinate efforts with public authorities in the countries where the Company operates.

GLASS LEWIS ANALYSIS

In general, Glass Lewis believes that non-executive board chair should receive fixed fees which are substantial enough to attract top talent without being so excessive as to potentially compromise their independence. Further, we believe that non-executive board members should not receive any variable or performance-based fees, in order to ensure that their perspectives are not confused with those of management.

We note that the proposed fees are quite high for a non-executive chairman in France; however we recognise Mr Lévy's enhanced role during the transition period, and that remuneration somewhat higher than the market average may be justifiable. However, we find it questionable that the waiving of the non-compete agreement should figure in the board's thinking when deciding the remuneration amounts. Mr Lévy will continue to serve the Company in a capacity that, by the Company's own admission, goes beyond that of a regular non-executive chair. Noting this, and given the fact that at 75 years old he is reaching what can reasonably be considered the end of his career, we are concerned by the Company's decision to compensate him, fully or in part, for his non-compete agreement. Moreover, shareholders will note that at €2,800,000, Mr Levy's proposed fee would be close to three times what the incoming CEO will receive in fixed compensation, and above the outgoing CEO's own remuneration in 2016.

While we have substantial concerns with regard to the proposed fees, we believe Mr Lévy's experience and understanding of the Company could be of value during the upcoming transitional period. We recognise that following the failed merger with Omnicom and the Company's recent performance below peers, shareholders may have differring views on the validity of the strategic rationale for putting Mr. Lévy in the position of chair, especially absent any defined counterbalance in the form of a lead independent director or independent vice chair. Ordinarily, shareholders would have the option of supporting Mr. Lévy's appointment and not his remuneration or vice versa; however, the Company has denied shareholders that choice by bundling both issues under a single resolution. Glass Lewis is strongly opposed bundled proposals such as this one, and we believe the Company has done shareholders a significant disservice by not presenting two separate resolutions.

Despite our concerns, we would be inclined to Mr Lévy's appointment to the board were it presented independently of his fees and if the board took steps to ensure adequate independent oversight, such as through the appointment of a lead independent director. However, we find the questionable methodology by which the chair's fees were determined, and the absence of a compelling rationale for the tying together of these two issues, indicative of a governance structure that fails to ensure adequate consideration of shareholder interests.

We recommend that shareholders vote **AGAINST** this proposal.

9.00: APPOINTMENT OF AUDITOR, MAZARS

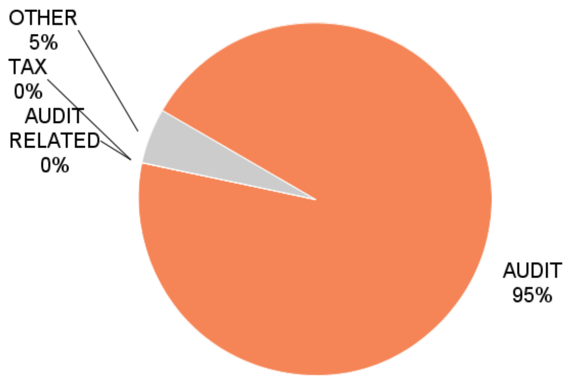
FOR

PROPOSAL REQUEST:	Approval to reappoint Mazars as one of the Company's independent auditors for the next six fiscal years	**RECOMMENDATIONS & CONCERNS:**	
PRIOR YEAR VOTE RESULT (FOR):	N/A	**FOR-** No material concerns	
BINDING/ADVISORY:	Binding		
REQUIRED TO APPROVE:	Majority	**AUDITOR NAME:**	Mazars
EMPHASIS OF MATTER:	No	**AUDITOR OPINION:**	Unqualified

PROPOSAL SUMMARY

This proposal seeks shareholder approval to reappoint Mazars as one of the Company's independent auditors for the next six fiscal years.

The following is a summary of the fees paid by the Company to its statutory auditors for the past fiscal year.



AUDITOR FEES

	2016	2016	2016
Audit Fees:	€6,500,000	€11,200,000	€4,700,000
Audit-Related Fees:	€ 0	€ 0	€ 0
Tax Fees:	€ 0	€ 0	€ 0
All Other Fees:	€500,000	€600,000	€100,000
Total Fees:	€7,000,000	€11,800,000	€4,800,000
Auditor:	Ernst & Young	Ernst & Young and Mazars	Mazars

Auditor:	Ernst & Young	Ernst & Young and Mazars	Mazars
Years Serving Company:	10	N/A	36
Restatement in Past 12 Months:	No	No	No

GLASS LEWIS ANALYSIS

Glass Lewis believes that fees paid to a company's auditor are critical, given that excessive non-audit-related fees may signal poor accounting oversight by the auditor, as well as by the audit committee. Such excessive fees may threaten the objectivity of the accountants in conducting the audit, as well as their independence from the Company's management.

In this case, we believe that the fees paid for non-audit-related services are reasonable, and that the Company has a track record of disclosing the appropriate information about these services in its filings.

We recommend that shareholders vote **FOR** this proposal.

10.00: REMUNERATION OF ELIZABETH BADINTER, CHAIR

FOR

PROPOSAL REQUEST:	Approval of the remuneration of chair Badinter for the past fiscal year	**RECOMMENDATIONS & CONCERNS:**
PRIOR YEAR VOTE RESULT (FOR):	N/A	**FOR-** No material concerns
BINDING/ADVISORY:	Advisory	
REQUIRED TO APPROVE:	N/A	

PROPOSAL SUMMARY

This proposal seeks shareholder approval of the fees paid to the chair of the board for the past fiscal year, which were as follows:

Fixed Fees	€240,000
Attendance Fees	€55,000
Variable Remuneration	€0
Benefits	€0
Notes	None

MARKET PRACTICE

In accordance with article 24(3) of the AFEP-MEDEF Code of Corporate Governance, French companies are requested to offer shareholders an advisory vote on the remuneration paid to corporate officers, which may include the non-executive chair of the board, during the past fiscal year.

GLASS LEWIS ANALYSIS

In general, Glass Lewis believes that fixed fees paid to board chairs should be substantial enough to attract top talent without being so excessive as to potentially compromise their independence. Further, we believe that non-executive board members should not receive any variable or performance-based fees, in order to ensure that their perspectives are not confused with those of management.

In this case, having reviewed the fees received by the chair for the past fiscal year, we find no cause for shareholder concern.

We recommend that shareholders vote **FOR** this proposal.

11.00: REMUNERATION AND REMUNERATION POLICY OF MAURICE LÉVY, CHAIR OF MANAGEMENT BOARD

AGAINST

PROPOSAL REQUEST:	Approval of Mr Levy's remuneration and remuneration policy as the chair of the Management Board	**RECOMMENDATION:**	AGAINST
PRIOR YEAR VOTE RESULT (FOR):	92.6%	**STRUCTURE:**	Poor
BINDING/ADVISORY:	Binding	**DISCLOSURE:**	Poor
REQUIRED TO APPROVE:	N/A		

PROPOSAL DETAILS

Proposals 11.00, 12.00, 13.00 and 14.00 seek advisory shareholder approval for compensation due or awarded in 2016 to the Company's CEO and the three other members of the management board.

Proposals 11.00, 17.00, 18.00, 19.00 and 20.00 seek binding shareholder approval for the principles and criteria of determination, distribution and allocation of fixed, variable and exceptional components of total compensation and benefits of any kind attributable to Mr Lévy for his period as CEO, the new CEO, and the members of the management board. The analysis of Mr Lévy's remuneration policy is included in this proposal, for the other corporate officers please see Proposal 17.00.

EXECUTIVE SUMMARY

KEY AREAS OF FOCUS	GLASS LEWIS RECOMMENDATION: AGAINST - 11.00, 12.00; FOR - 13.00, 14.00
• Salary: 16.7% and 25% increase for Mr Etienne and Ms Heilbronner, respectively • CEO variable: Payout outcome • CEO variable: Disclosure of non-financial achievement • CEO variable: Pro-rating without performance for 2017 • LTI: Multiple and variable performance metrics • LTI: CEO does not participate • Pension: Disclosure of payments to Mr Roberts	We have significant concerns regarding the compensation of the CEO, and the executive committee member Kevin Roberts in 2016. With regard to Mr Roberts, we are concerned about the level of disclosure afforded to shareholders with regard to the exceptional payments he received in lieu of pension. For the CEO, we question the outcome of his performance assessment - which resulted in him receiving 50% of maximum payout despite poor financial performance in 2016. Moreover, with regard to the CEO, we believe that given the preponderance of the non-financial element in the actual variable payout, the Company could have provided shareholders with more detailed disclosure of achievements in 2016.

MATERIAL CHANGES

No material changes

REMUNERATION POLICY OF MAURICE LÉVY AS CEO

Since January 1, 2012, Maurice Levy's remuneration in his capacity as Company CEO can consisted solely of variable remuneration linked to the achievement of Group financial performance criteria and individual criteria non-financial targets.

However, since his term of office expires on May 31, 2017, the Company believed that it was not possible for the supervisory board to quantify Group's performance for the first five months of 2017. It was therefore decided that the amount of the remuneration earned in 2016 would be taken as a basis for his 2017 remuneration, and pro rated for time served. For a further details on Mr Levy's remuneration policy as supervisory board chair starting on June 1, 2017, please see our analysis in Proposal 8.00.

IMPLEMENTATION OF POLICY

REMUNERATION SUMMARY TABLE

NAME AND TITLE	BASE SALARY/FEES	SHORT-TERM	LONG-TERM3	OTHER/BENEFITS4	TOTAL

Maurice Lévy *CEO*[2]	-	€2,500,000	-	€3,477	€2,503,477
Kevin Roberts *Head Coach (until August 31, 2016)*[1]	€597,840	€1,407,315	-	€28,632	€2,033,787
Jean-Michel Etienne Co-CEO	€840,000	€630,000	€1,911,444	€4,644	€3,386,088
Anne-Gabrielle Heilbronner *Secretary General*	€600,000	€480,000	€822,226	€4,644	€1,906,870

[1] Compensation for Kevin Roberts is calculated and paid in USD, the figures above are based on the Company's conversion at a rate of 1 = €0.89676. His fixed salary and his annual bonus are prorated from January 1, 2016 to August 31, 2016. [2] Mr Lévy decided in 2012 to waive his fixed compensation. He is solely remunerated through an annual bonus. [3] Amounts under the long-term incentives represent the value disclosed by the Company of grants made in 2016. [4] All French executives benefit from a collective healthcare scheme. Mr Roberts benefits from a healthcare contract.

REMUNERATION FRAMEWORK

PEER GROUP

The Company discloses that it did consider a peer group when formulating its pay program during the past year, but has not disclosed the companies that comprise this group.

FIXED

Jean-Michel Etienne's base salary increased by 16.7% during the past fiscal year. Anne-Gabrielle Heilbronner's increased by 25%.

For Mr Etienne, the increase was due to:

- *his increased as experience CFO*
- *his increased scope of responsibility following the acquisition of Sapient*
- *the remuneration practices for his role observed in France and in the Company's business sector internationally*

For Ms Heilbronner, the increase was due to:

- *her increased scope of responsibilities as general secretary, which includes, in particular, the legal and governance function, human resources, internal audit, internal control, internal risk management and procurement. The complexity in these areas has increased as a result of the acquisition of Sapient*
- *her salary not being reviewed since before her appointment as a member of the executive board in September 2014*
- *the remuneration practices for his role observed in France and in the Company's business sector internationally*

SHORT-TERM INCENTIVES

ANNUAL BONUS SCHEME FY2016

AWARD TYPE	*Cash*
PROPOSED CHANGES	*No material changes*
MAXIMUM PAYOUTS	• *€5,000,000 for Mr Lévy;* • *100% of base salary for Mr. Etienne;* • *100% of base salary for Ms. Heilbronner;* • *240% of base salary for Mr. Roberts*
ACTUAL PAYOUTS	• *€2,500,000 for Mr Lévy (41.7% of the theoretical maximum value and 50% of the actual maximum payout);* • *75% of base salary for Mr. Etienne;* • *80% of base salary for Ms. Heilbronner;* • *120% of base salary for Mr. Roberts (pro rated for time served)*
DEFERRAL PROVISIONS	*No disclosed deferral provisons*
RECOVERY PROVISIONS	*None*
	Theoretical maximum for the CEO *Although maximum payout for the CEO is €5 million, the payout calculation is based on a theoretical maximum of €6 million if all targets are fully met. As such, performance at 50% of maximum would yield a payment of €3 million; however, the maximum award is capped at €5 million.* ***Peer group for the CEO's financial targets*** *It is composed of the three major international companies in the communication sector:*

NOTES	*Omnicom, WPP and IPG.* ***<u>Non-financial targets for the CEO</u>*** • *development of a new Group organization after its operating transformation;* • *finalisation plan* *Both these targets have equal weighting in the global individual metric.* ***<u>Non-financial targets for Ms. Heilbronner</u>*** • *Human resources targets;* • *Internal control and auditing;* • *Juridical program;* • *Supply program* ***<u>Mr. Roberts' bonus</u>*** *Mr. Roberts left the Company on August 31, 2016 and therefore received a prorated bonus for the time served during the past fiscal year.*

METRICS FOR MR LÉVY

	ORGANIC GROWTH IN GROUP REVENUE	NET INCOME RATE VS GROUP REVENUE	DILUTED EPS GROWTH VS GROUP	TSR	INDIVIDUAL TARGETS
	Relative	*Relative*	*Relative*	*Absolute*	*Absolute*
Weighting	25%	25%	8.33%	8.33%	33.3%
Threshold Performance	80% of median	80% of highest peer value	80% of median	0% or negative	N/D
Target Performance	N/D	N/D	N/D	N/D	N/D
Maximum Performance	120% of median	Outperform peer group	Outperform peer group	Positive value	N/D
Actual Performance	0.7%, i.e. 18.1% of peer group (below threshold)	-5.4%, i.e. below threshold	Negative growth i.e. below thrshold	€11.50 in 2016	100% achievment (see above)

METRICS FOR MR ETIENNE

	ORGANIC GROWTH	OPERATING MARGIN	TREASURY MANAGEMENT	HR EXPENSES	ENTERPRISE RESOURCE PLANNING
Weighting	20%	20%	20%	20%	20%
Target Performance	N/D	N/D	N/D	N/D	N/D
Actual Performance	Not achieved	100% of target	75% of target	100% of target	100% of target

METRICS FOR MS HEILBRONNER AND MR ROBERTS

	GROUP ORGANIC GROWTH	GROUP OPERATING MARGIN	NON-FINANCIAL TARGETS
Weighting	20%	20%	60%
Target Performance	N/D	N/D	N/D
Actual Performance	Not achieveved	100% of target	100% of target

LONG-TERM INCENTIVES

LONG-TERM INCENTIVE PLAN

AWARD TYPE	*Performance shares*
PROPOSED CHANGES	*No material changes have been announced regarding the plan structure*
PEER GROUP	*Omnicom, WPP, IPG*

2016 GRANT	• No grant for Mr. Lévy; • No grant for Mr. Roberts; • 67,915 shares for Mr. Etienne, as a global grant for both plans; • 28,166 shares for Ms. Heilbronner, as a global grant for both plans
MAXIMUM PAYOUT	*The Company does not disclose maximum payout or grant amounts; however, at maximum performance no more than 100% of the award may vest.*
VESTING PROVISIONS	*Performance is measured over three years.*
RECOVERY PROVISIONS	*None*
NOTES	*Grants made in 2013 under this plan vested at 53.2% of maximum*

METRICS

	GROUP ORGANIC GROWTH		**GROUP OPERATING MARGIN**	
	Relative		*Relative*	
Weighting	50%		50%	
	Performance	*Vesting*	*Performance*	*Vesting*
Threshold Performance	Below 80% of median	No Vesting	3rd in peer group	15%
Intermediate Performance	Between 80% and 100% of median	Number of shares granted is reduced by 5% every 1% below 100% achievement	2nd in peer group	50%
Maximum Performance	Higher than median	100%	1st in peer group	100%

LONG-TERM INCENTIVES

LIONLEAD

AWARD TYPE	*Performance shares*
PROPOSED CHANGES	*No material changes have been announced regarding the plan structure*
PEER GROUP	*Omnicom, WPP, IPG*
2016 GRANT	• No grant for Mr. Lévy; • No grant for Mr. Roberts; • 67,915 shares for Mr. Etienne, as a global grant for both plans; • 28,166 shares for Ms. Heilbronner, as a global grant for both plans
MAXIMUM PAYOUT	*The Company does not disclose maximum payout or grant amounts; however, at maximum performance no more than 100% of the grant may vest.*
VESTING PROVISIONS	*Performance is measured over three years.*
RECOVERY PROVISIONS	*Grants made in 2013 under this plan vested at 50% of maximum*

METRICS

	GROUP ORGANIC GROWTH	**GROUP OPERATING MARGIN**	**OPERATING MARGIN VS BUDGET**	
	Relative	*Relative*	*Absolute*	
Weighting	25%	25%	50%	
			Performance	*Vesting*
Threshold Performance	Performance targets and vesting levels for these metrcs are identitcal to those of the long-term incentive above		€50 million below budget	No vesting
Target Performance			Equal to budget	100%
Maximum Performance			Higher than budget (capped at €150 above budget)	Outperformance shares will be granted

OTHER FEATURES

SEVERANCE	*The Company's policy limits severance payable to the CEO and any other corporate officer to two years of fixed and variable remuneration. Severance payouts are subjecto to a performance assessment.*
NON-COMPETITION AGREEMENT	*Mr. Roberts is subject to a three year non-competition clause. He is therefore entitled to receive $500,000 per quarter for three years.* *Ms. Heilbronner is subject to a two year non-competetion clause; she would receive 30% of her gross total annual pay.*
CONTRACT	*The employment contract between the CEO and the Company is suspended.* *Other corporate officers have employment contracts with the Company's subsidiaries.*
SHAREHOLDING GUIDELINES	*Yes; 20% performance shares vested under each long-term incentive plan must be retained.*

MARKET COMPARISON

		COMPANY	CAC 40
GENERAL	Last Fiscal Year Support	92.6%	88.4%
	Shareholding Guidelines	Yes	83%
	Annualised CEO Salary	N/A	€1,055,540
SHORT-TERM INCENTIVES	Incentive Limit	€5,000,000	175% of base salary
	Recovery Provisions	No	9%
	Mandatory Deferral*	No	14%
	Percentage Deferred**	N/A	57%
LONG-TERM INCENTIVES	LTIP Present	Yes	94%
	LTIP Targets Disclosed	Yes	55%
	Recovery Provisions	No	3%
	LTIP Performance Period (Years)	3 years	3.1 years
	Additional Holding/Vesting Period***	None	1.7 years

*Only applies to plans that include mandatory bonus deferral, or deferral above a threshold. **Only applies to plans that require a portion of awards to be compulsorily deferred/held for a period after the performance period has finished. ***Excludes plans that have no individual limits; includes the aggregate incentive opportunity at companies where there are multiple plans.

GLASS LEWIS ANALYSIS

Glass Lewis expects firms to fully disclose and explain all aspects of their executives' remuneration in such a way that shareholders can comprehend and analyse the company's policies and procedures. In completing our assessment, we consider, among other factors, the appropriateness of performance targets and metrics, how such goals and metrics are used to improve Company performance, the peer group against which the Company believes it is competing, whether incentive schemes encourage prudent risk management and the board's adherence to market best practices. Furthermore, we also emphasize and evaluate the extent to which the Company links executive pay with performance

In this case, we believe shareholders should be mindful of the following:

GENERAL POLICY

Peer Group Not Clearly Disclosed
The Company fails to disclose the identity of the peer group companies against which it benchmarks executive base salary remuneration. Lacking such disclosure, shareholders are unable to determine if executive remuneration levels are benchmarked against an appropriate set of peers, which may increase the likelihood that remuneration levels do not

accurately reflect the Company's size and scope.

Payment in Lieu of Supplementary Pension Plan - Kevin Roberts
None of the members of the Management Board benefit from a supplementary pension plan. However, in lieu of the complementary pension contracts provided for at the time of the acquisition of Saatchi & Saatchi, a commitment was made to pay Mr. Kevin Roberts successive yearly annuities of USD 1,154,000 until the end of his mandate. This amount is included in the annual variable remuneration and no further details are provided. We are concerned by both the size ofthe payment and the lack of disclosure provided by the Company.

In this case, we are very concerned by the seemingly contradictory disclosure of these payments in the Company's 2016 and 2014 reference documents. In the 2014 reference document, the Company disclosed that in lieu of the complementary pension contracts existing at the time of the acquisition of Saatchi & Saatchi, Mr. Kevin Roberts would receive successive annuities during the 2009-2014 period for a total maximum amount of USD 7,045,000. Of this amount, USD 5,770,000 was conditional on his continued employment in the Group during the 2009-2013 period. Moreover, at the end of each contractual period and under certain conditions, Mr. Roberts would be due deferred compensation calculated on the basis of US$200,000 per year of service completed with effect from the start of the period (The Company does not provide disclosure of the conditions under which such payments would be made).

In the 2014 and 2015 documents the Company states that these arrangements are in place to compensate Mr Roberts for pension benefits lost as a result of the acquisition of Saatchi & Saatchi. In 2015, no explanation is provided for the continuation of the payments past 2014, and in the 2016 document the issue is dealt with entirely by a footnote to Mr Roberts compensation table. We believe the increasingly opaque disclosure of this element of compensation, coupled with the seemingly contradictory information disclosed since 2014 should be of concern to shareholders.

ANNUAL BONUS

Performance Goals Partially Disclosed
The Company has failed to provide a full description of performance goals under all metrics of the annual bonus. We believe clearly defined performance targets are essential for shareholders to fully understand and evaluate the Company's procedures for quantifying performance into payouts for its executives.

No Annual Bonus Deferral
The annual bonus scheme currently lacks a feature compulsorily deferring a portion of annual cash bonus into shares. We generally prefer that a specified percentage of annual bonuses, typically ranging from 25% to 50%, be deferred for a period of two to three years. In our view, such a provision encourages executives and senior management to be mindful of the potential consequences of their operational and strategic decisions and discourages risky or short-sighted strategies.

Annual Bonus Calculation for the CEO
Although maximum payout for the CEO is €5 million, the payout calculation is based on a theoretical maximum of €6 million if all targets are fully met. Because of this, the percentage of maximum payout received by the CEO is out of line with his level of achievement of the performance conditions. As can be seen in the annual bonus table above, the Company has disclosed that the CEO achieved a weighted average target achievement of 41.7% but received a payout equivalent to 50% of maximum payout. Given this skewed vesting schedule, we question whether such a payout calculation helps align pay and performance.

Annual Bonus Payout - CEO
The concern we have expressed above is given greater relevance by the payout outcomes in 2016. In 2016, the Company met only one of its financial targets (TSR), accounting for 8.3% of the theoretical maximum, but the CEO received a payout equal to 50% of his bonus opportunity. The Company justified this by stating that the CEO fully achieved his individual objectives, which account for 40% of the actual maximum payout. Moreover, we note that the Company has provided minimal disclosure of the details of the targets achieved, contenting itself with a general explanation of the metrics and a statement indicating that they were met in full. Given that during the year non-financial targets accounted for 80% of the CEO's payout, we believe that the onus is on the Company to explain how the amounts were calculated by disclosing more specific information about the targets achieved.

Additionally, shareholders may find that given the consolidated net loss made during the year, marked by an impairment of €1.34 billion on goodwill and intangible assets linked to Publicis.Sapient (on the basis of the value in use of the cash-generating units based on of financial projections for 2017-2021), and sluggish group revenue growth (18.1% of the peer group's growth), the actual payouts received by the CEO in 2016 may have diverged from his performance.

Overall, given lacklustre financial performance, and the absence of a thorough disclosure of the achievements that merited the €2,000,000 payout for non-financial performance in 2016, we remain quite concerned by the possible disconnect between pay and performance during the year.

LONG-TERM INCENTIVE PLANS

Performance Goals Partially Disclosed
The Company has failed to provide a full description of performance goals under all metrics of the long-term incentive plans. We believe clearly defined performance targets are essential for shareholders to fully understand and evaluate the Company's procedures for quantifying performance into payouts for its executives.

No Long-term Incentive Plan for the CEO
At his own request, the CEO does not participate in the long-term incentive scheme; he also does not receive a salary, with the annual bonus being the sole element of his remuneration. We generally believe that long-term, equity-based incentives provide a strong mechanism for aligning pay with performance and aligning the interests of executives with those of shareholders. However, in this case, our concerns are mitigated by the fact that the CEO holds, directly and indirectly, 4,507,225 Company shares, equivalent to approximately 2.0% of the Company's share capital. As such, his interests should be adequately aligned with those of other shareholders despite the absence of a long-term, equity-based incentive.

RECOMMENDATION

We have a number of concerns regarding remuneration paid to the CEO in 2016. Shareholders will note his somewhat unusual remuneration structure, comprised entirely of an annual bonus and therefore lacking both a fixed and a long-term element. While we have been somewhat skeptical of the payout calculation (see above) in previous years, we have found that payouts generally matched the Company's performance. This year, however, shareholders may doubt that the two are as tightly linked, given the size of the payout and the Company's lacklustre financial performance. Moreover, we the Company has not provided detailed disclosure of the achievements considered when quantifying the CEO's non-financial performance.

Additionally, shareholders will note that the Company has bundled the approval of the current CEO's remuneration policy for the first five months of 2017 with the approval of the remuneration he received in 2016 in Proposal 11.00. Glass Lewis is strongly opposed to bundled proposals such as this one, as they do not allow shareholders the opportunity to evaluate each proposal on its merits on a case-by-case basis. In this case we are concerned by the Company's decision to include two issues in a single proposal, but also question the decision to suspend performance conditions for the current CEO in 2017. While we acknowledge the difficulty in pro-rating an entirely performance based remuneration structure over five months, shareholders will note that the Company maintained a performance assessment for Mr Roberts, who left in August of 2016.

With regard to the remaining management board members, the remuneration report generally provides satisfactory disclosure of the Company's executive compensation policies and structure, which largely appear to satisfy best practice guidelines. We note that the non-CEO incentive structure provides an appropriate balance between short- and long-term performance assessment. Moreover, share retention requirements provide additional alignment with the interests of shareholders. While shareholders should note the absence of disclosed recovery provisions, such as malus or clawback, overall we consider the incentive structure to be relatively robust. As such, we consider the normal incentive structure for the management board to be appropriate.

However, we are quite concerned about the payments in lieu of the supplementary pension plan for which Mr Kevin Roberts is eligible, and the board's disclosure thereof. Based on available disclosure, it appears that payments during the year totalled USD 1,154,000. Given the size of the 2016 payment and the poor disclosure regarding the terms of this payments, we do not believe it is in shareholders' interest to approve the remuneration of Mr. Roberts.

We recommend that shareholders vote **AGAINST** Proposals 11.00 and 12.00, and **FOR** Proposals 13.00 and 14.00.

12.00: REMUNERATION OF KEVIN ROBERTS, MEMBER OF MANAGEMENT BOARD

AGAINST

Please refer to our analysis in Proposal 11.00.

13.00: REMUNERATION OF JEAN-MICHEL ETIENNE, MEMBER OF MANAGEMENT BOARD

FOR

Please refer to our analysis in Proposal 11.00.

14.00: REMUNERATION OF GABRIELLE HEILBRONNER, MEMBER OF EXECUTIVE BOARD

FOR

Please refer to our analysis in Proposal 11.00.

15.00: REMUNERATION POLICY OF SUPERVISORY BOARD

FOR

PROPOSAL REQUEST:	Approval of the remuneration policy attributable to the supervisory board	**RECOMMENDATIONS & CONCERNS:**
PRIOR YEAR VOTE RESULT (FOR):	N/A	**FOR-** No material concerns
BINDING/ADVISORY:	Binding	
REQUIRED TO APPROVE:	Majority	

PROPOSAL DETAILS

Proposals 15.00 and 16.00 seek binding shareholder approval for the principles and criteria of determination, distribution and allocation of fixed, variable and exceptional components of total compensation and benefits of any kind attributable to the supervisory board members and the former chair (vice chair from 1 June, 2017), respectively.

The annual allocation for attendance fees for members of the supervisory board is €1.2 million, which will be valid for each fiscal year and until a new allocation is approved by shareholders at an AGM. Each member of the supervisory board receives €5,000 for each meeting of the board and each committee meeting attended.

The supervisory board may pay exceptional remuneration for specific tasks or missions entrusted to its members. These fees are determined by the board, taking into account the duration and nature of the tasks, and after obtaining the opinion of the compensation committee.

The chair and the vice chair may, in addition to attendance fees, receive specific remuneration for these functions not included in the annual attendance fees. The amount of these fees is determined by the board taking into account the market criteria, on the proposal of the compensation committee. This remuneration allocated is a fixed amount and can not include variable elements, additional benefits or incentive mechanisms.

GLASS LEWIS ANALYSIS

In general, Glass Lewis believes that non-executive board chair and board members should receive fixed fees which are substantial enough to attract top talent without being so excessive as to potentially compromise their independence. Further, we believe that non-executive board members should not receive any variable or performance-based fees, in order to ensure that their perspectives are not confused with those of management.

In this case, we are concerned by the facility, under the policy, for board members to receive fees for special tasks or missions - which could include professional and consulting services provided to the Company. We consider that these kinds of transactions carry a significant risk of compromising the objectivity of a supervisory board member. Moreover, we note that the policy does not set any limit on the amounts that can be paid for these additional tasks. We believe that the imposition of a maximum limit to additional remuneration would go at least some way toward mitigating our concern, and assuring shareholders that these extra payments won't compromise the independence of the board.

However, we note that this is the first year the Company has submitted a supervisory board remuneration policy for shareholder approval. Given this, and noting that shareholders may voice their opposition to these kinds of transaction though votes against the auditors' report on related party transactions, or against the election of the directors themselves, we will refrain from making a voting recommendation on this basis alone at this time.

We recommend that shareholders vote **FOR** proposals 15.00 and 16.00.

16.00: REMUNERATION POLICY OF ELIZABETH BADINTER, CHAIR

FOR

Please refer to our analysis in Proposal 15.00.

17.00: REMUNERATION POLICY OF ARTHUR SADOUN, CHAIRMAN OF MANAGEMENT BOARD

FOR

PROPOSAL REQUEST:	Approval of the remuneration policy attributable to the chair of the management board	**RECOMMENDATION:**	FOR
PRIOR YEAR VOTE RESULT (FOR):	N/A	**STRUCTURE:**	Fair
BINDING/ADVISORY:	Binding	**DISCLOSURE:**	Fair
REQUIRED TO APPROVE:	Majority		

PROPOSAL DETAILS

Proposals 17.00, 18.00, 19.00 and 20.00 seek binding shareholder approval for the principles and criteria of determination, distribution and allocation of fixed, variable and exceptional components of total compensation and benefits of any kind attributable to the chair of the management board and members of the management board.

REMUNERATION POLICY OVERVIEW

PEER GROUP

The Company discloses that it did consider a peer group when formulating its overall compensation policy, but has not disclosed the companies that comprise this group.

FIXED

SALARY POLICY	*The Company disclosed that it does not intend to increase fixed salary in 2017.* *The Company's new CEO, Mr Arthur Sadoun will join the management board on June 1,2017 and will receive annual fixed compensation of €1,000,000* *A new management board member, Mr Steve King will join on June 1,2017 and will receive annual fixed compensation of €900,000*
PENSION ARRANGEMENTS	*The chair and members of the management board do not benefit from an additional pension plan.*
NOTES	*None*

VARIABLE

	AWARD TYPE	PERF. PERIOD	ADDITIONAL VESTING/HOLDING	NORMAL MAX.*	METRICS
ANNUAL VARIABLE PAY	*Cash*	*One year*	*None*	*200% for the Mr Sadoun* *100% for Mr. Etienne and Ms. Heilbronner*	*For Mr. Sadoun: relative group organic growth (25%), relative group operating margin (25%), EPS and TSR (25%), individual targets (25%);* *For Mr. Etienne and Ms. Heilbronner: Group organic growth (20%), Group operating margin (20%), individual targets (60%);* *For Mr. King: Group*

		160% for Mr. King	*organic growth (10%), Group operating margin (10%), Publicis Media ("PM") organic growth (20%), PM operating margin (20%) and PM cash generation (20%), and individual targets (20%)*
LONG-TERM INCENTIVES	*The Company's long-term incentive plans are granted every three years, therefore, none of the executives will be granted new performance shares until 2019. Please refer to our analysis in proposal 11.00 for further details on the long-term incentive plans granting in 2016.*		

***Reflects CEO maximum as a percentage of base salary.**

BEST PRACTICE/FEATURES

STI DEFERRAL	*No*
RECOVERY PROVISIONS	*No*
SHAREHOLDING REQUIREMENT	*Yes; 20% performance shares vested under each long-term incentive plan must be retained.*
SEVERANCE PAY	*The Company's policy limits severance payable to the CEO and any other corporate officer to two years of total pay.*
RECRUITMENT AWARDS	*When a member of the executive board is recruited from outside the Group, the supervisory board may decide to compensate him for all or part of the benefits he has lost when he left his previous employer.*
NOTES	*No*

GLASS LEWIS ANALYSIS

We believe the remuneration policy should provide clear disclosure of an appropriate framework for managing executive remuneration. While this framework will vary for each company, it should generally provide an explicit link to the Company's strategy, setting appropriate quantum limits along with structural safeguards to prevent excessive or inappropriate payments, whilst providing sufficient flexibility to manage exceptional issues.

In this case, we believe the proposed policy to be broadly positive. Nevertheless, we are somewhat concerned by the triennial granting under the long-term incentive plans, such a practice diverges from common market practice in France, which consists of the annual granting of awards that will vest based on performance over a period of a minimum of three years. Moreover, the granting of awards once every three years means that over a three year period corporate officers will receive significantly higher remuneration for hitting short-term targets than long-term ones.

On the whole, however, we believe that the Company has adequately structured its executive remuneration policy. We note that the annual bonus presents a mix of financial and non-financial metrics, and that long-term incentives will be implemented periodically. Additionally, shareholders will note that, as detailed in Proposal 11.00, the company has conditioned long-term incentive awards on a mix of appropriate metrics, measured both in absolute terms and in relation to competitors. Finally, we note the presence of share ownership guidelines that function to align the interests of shareholders and management on the longer term.

RECOMMENDATION

Overall, we believe that the proposed policy represents a reasonable framework for the management of executive remuneration going forward and believe that shareholders can support its approval.

We recommend that shareholders vote **FOR** proposals 17.00, 18.00, 19.00 and 20.00.

18.00: REMUNERATION POLICY OF JEAN-MICHEL ETIENNE, MEMBER OF MANAGEMENT BOARD

FOR

Please refer to our analysis in Proposal 17.00.

19.00: REMUNERATION POLICY OF ANNE-GABRIELLE HEILBRONNER, MEMBER OF MANAGEMENT BOARD

FOR

Please refer to our analysis in Proposal 17.00.

20.00: REMUNERATION POLICY OF STEVE KING, MEMBER OF MANAGEMENT BOARD

FOR

Please refer to our analysis in Proposal 17.00.

21.00: RELATED PARTY TRANSACTIONS (ARTHUR SADOUN, CEO)

FOR

PROPOSAL REQUEST:	Approval of the severance agreement between the Company and Arthur Sadoun, CEO	**RECOMMENDATIONS & CONCERNS:**	
PRIOR YEAR VOTE RESULT (FOR):	N/A	**FOR-**	No material concerns
BINDING/ADVISORY:	Advisory		
REQUIRED TO APPROVE:	Majority		

PROPOSAL SUMMARY

Approval of the severance and non compete agreements between the Company and Arthur Sadoun, on the one hand, and Steve King, on the other hand. These agreements were previously authorised by the board and included in the special report of the Company's auditors for the past fiscal year.

SEVERANCE AGREEMENT

If this proposal is approved, the severance package applicable to Arthur Sadoun and Steve King would be subject to the following terms:

Cause for Payment	Termination of corporate officer mandate following a forced departure, a change in control or strategy and except in the case of gross misconduct
Maximum Amount	Up to one year of fixed and variable compensation based on the remuneration received during the last two years of employment
Additional Payments Under a Non-Compete Agreement	None, as the non-compete agreement only applies in cases of voluntary departure.
Additional Indemnity Under an Employment Contract	Arthur Sadoun is not party to an employment contract with the Company. Steve King is party to an employment contract but potential severance due under the employment contract is included in the two-year limit described above.
Performance Conditions	Maximum payment under this agreement is subject, for both executives, to the achievement of at least 75% of the target payouts under the annual bonus the year before their departure. If the achievement is equal or below 25%, no payment will occur.
Note	None

NON-COMPETE AGREEMENT

In the event of voluntary departure, both Mr Sadoun and Mr King will be subject to a non-compete agreement lasting for two years. As compensation for the non-compete period, the corporate officers are entitled to receive a sum equal to twice the average fixed and variable remuneration they received in the last two years of service.

GLASS LEWIS ANALYSIS

Pursuant to the 2007 "TEPA" law, companies are required to submit all new or renewed severance agreements for corporate officers to shareholders for approval at the annual general meeting. Moreover, all of the aforementioned agreements must condition any compensation on detailed performance targets.

When evaluating a severance agreement, Glass Lewis generally considers how the plan compares to the best practice standards in France and the recommendations set forth by the AFEP-MEDEF Code of Corporate Governance and the AFG. As a result, we consider that severance indemnities should: (i) only be made in the event of forced departure; (ii) be capped at two years (or the length of the officer's term, if shorter) of fixed and variable compensation, including any payments due under a non-compete agreement or an employment contract; and (iii) be subject to performance conditions that are clearly disclosed and challenging.

In this case, we believe the proposed indemnity agreement is in line with the aforementioned standards.

We recommend that shareholders vote **FOR** Proposals 21.00 and 22.00.

22.00: RELATED PARTY TRANSACTIONS (STEVE KING, MANAGEMENT BOARD)

FOR

Please refer to our analysis in proposal 21.00.

23.00: AUTHORITY TO REPURCHASE AND REISSUE SHARES

FOR

PROPOSAL REQUEST:	Approval to authorise the Company to repurchase and reissue shares	**RECOMMENDATIONS & CONCERNS:**
PRIOR YEAR VOTE RESULT (FOR):	99.9%	**FOR-** No material concerns
BINDING/ADVISORY:	Binding	
REQUIRED TO APPROVE:	Majority	
SPECIFIC PURPOSE OR GENERAL AUTHORITY:	General authority	

PROPOSAL SUMMARY

The authority to repurchase and trade shares will be subject to the following conditions:

Number of Shares	10% of Share Capital
Maximum Price / Minimum Price	€90 / N/D
Total Amount	€2,033,508,483
Authority Length	18 months
Takeover Defense	No
Controlled Company	No
Purpose	General Authority

Moreover, if approved, the Company will be able to purchase, sell, transfer or exchange the shares by any means, including, on the open market or over-the-counter, as the case may be, or by way of derivative securities or warrants or securities giving access to the Company's share capital or by implementation of optional strategies at any time, in compliance with applicable regulations.

It would also be available for use during a public tender offer and/or exchange offer prompted by the Company (limited to 5% of share capital), within the limits permitted by French law.

GLASS LEWIS ANALYSIS

As a general rule, we believe that buyback programs are in shareholders' best interests, so long as the Company is left with a sufficiently strong balance sheet in light of its capital requirements. Typically, a repurchase is used to return surplus capital to shareholders, increase earnings per share, or provide shares for equity compensation plans.

We recommend that shareholders vote **FOR** this proposal.

24.00: AUTHORITY TO CANCEL SHARES AND REDUCE CAPITAL — FOR

PROPOSAL REQUEST:	Approval to authorise the board to cancel shares and reduce capital	**RECOMMENDATIONS & CONCERNS:**
PRIOR YEAR VOTE RESULT (FOR):	N/A	**FOR-** No material concerns
BINDING/ADVISORY:	Binding	
REQUIRED TO APPROVE:	67%	

PROPOSAL SUMMARY

Approval to authorise the board, for a period of 26 months, to cancel any shares acquired through the Company's previous or future buyback programs by means of a reduction in the Company's share capital.

If approved, the capital reduction will not exceed 10% of the Company's total share capital within any period of 24 months and the Company's articles of association will be amended accordingly.

GLASS LEWIS ANALYSIS

As a general rule, we believe that buyback programs and associated share cancellation programs are in shareholders' best interests, so long as the Company is left with a sufficiently strong balance sheet in light of its capital requirements. Here, we find the terms under which the Company intends to reduce its share capital to be reasonable.

We recommend that shareholders vote **FOR** this proposal.

25.00: AUTHORITY TO SET OFFERING PRICE OF SHARES

FOR

PROPOSAL REQUEST:	Approval of Authority to Set Offering Price of Shares	**RECOMMENDATIONS & CONCERNS:**
PRIOR YEAR VOTE RESULT (FOR):	N/A	**FOR-** No material concerns
BINDING/ADVISORY:	Binding	
REQUIRED TO APPROVE:	67%	

PROPOSAL DETAILS

This Proposal seeks to give the management board the authority to set the issue price of shares and/or securities issued in the event of a capital increase decided under the twentieth and twenty-first resolution approved by the extraordinary general shareholders' meeting of May 25, 2016.

The issue price of the shares and/or securities issued shall not be less, at the management board's discretion, than:

- the average price of the share on the Euronext Paris regulated market, weighted by volume, during the last trading session preceding the setting of the issue price;
- or the average price of the share on the Euronext Paris regulated market, weighted by volume, during the trading session when the issue price was set;

reduced, as applicable in either case, by a discount not exceeding 5%.

GLASS LEWIS ANALYSIS

Subject to a limit of 10% of a company's share capital per year, shareholders may authorise the board to set the issue price of any issuance of shares and/or convertible securities without preemptive rights (Article L.225-136 of the French Commercial Code). In this case, we consider the maximum discount to be reasonable and believe this authority benefits shareholders by allowing the company to tap the capital markets in an expeditious fashion. Moreover, we note that this authority is applied to the previously approved Proposals 20.00 and 21.00 of the 2016 AGM, both of which are subjected to dilution limits we find reasonable.

We recommend that shareholders vote **FOR** this proposal.

26.00: AUTHORITY TO INCREASE CAPITAL IN CONSIDERATION FOR CONTRIBUTIONS IN KIND

FOR

PROPOSAL REQUEST:	Authorise the board to increase the Company's share capital through the capitalisation of reserves	**RECOMMENDATIONS & CONCERNS:**	
PRIOR YEAR VOTE RESULT (FOR):	N/A	**FOR-**	No material concerns
BINDING/ADVISORY:	Binding		
REQUIRED TO APPROVE:	67%		

PROPOSAL SUMMARY

Pursuant to this proposal:

Nominal Increase	€9,000,000
Percentage of Share Capital	10% of share capital
Debt Limit	€1,200,000,000
Authority Length	26 months
Purpose	General Corporate Purpose
Notes	Share dilution is subject to the limits of Proposals 19.00 and 20.00 of the 2016 AGM. Debt issued pursuant to this proposal is inclided in the debt limit approved in Proposal 19.00 of the 2016 AGM

GLASS LEWIS ANALYSIS

Companies may increase their share capital through the issuance of shares without preemptive rights in consideration for contributions in kind in the form of shares and/or convertible debt not admitted for trading on the regulated market. We believe these authorities generally create liquidity (or expectations of liquidity) for non-public stock and debt instruments. We note that pursuant to French law, such authorisations cannot exceed 10% of a company's total share capital (Article L.225-147 of the French Commercial Code). Given the inclusion of the dilution possible through this resolution in the overall ceilings approved in Proposals 19.00 and 20.00 of the 2016 annual general meeting, which we consider reasonable, we are not concerned by this authority.

SUMMARY OF PROPOSED DEBT ISSUANCE

Total Debt Outstanding (12/31/16)	EUR 3,311,000,000	**New Debt Requested (EUR)**	**1,200,000,000**
Total Equity (12/31/16)	EUR 6,065,000,000	**New Equity Requested (EUR)**	0
Industry	Media	**New Debt as a % of Debt Due in 1 Year**	424.0%
Glass Lewis Debt Category	Debt-Intensive	**New Debt as a % of Total Equity**	19.8%

ANALYSIS OF PROPOSED DEBT ISSUANCE

	Current	If Fully Employed	Peer Average	Concern Threshold	Concern Level
Long-term Debt Ratio (%)	21.0	27.1	37.7	70.0	Low

Total Debt to Total Equity	0.5	0.7	1.1	2.5	Low
Net Debt to EBITDA	N/A	N/A	2.6	6.0	
Interest Coverage	16.4	N/A	24.7	3.0	Low

OVERALL CONCERN LEVEL: Low

In light of our analysis of the Company's financial position, we see few risks to the proposed debt offering. As noted above, the Company's debt levels are in line with or lower than those of its peers. In addition, the amount of leverage used by the Company is within our general policy guidelines.

Overall, we believe the Company has sufficient capacity at this time to take on additional debt in order to finance its operations and growth. Based on these factors, we believe continued reliance on management's judgment and responsibility for the Company's capital structure is appropriate.

We recommend that shareholders vote **FOR** this proposal.

27.00: EMPLOYEE STOCK PURCHASE PLAN

FOR

PROPOSAL REQUEST:	Approval to issue shares and/or convertible securities as part of the Company's employee shareholding plans	**RECOMMENDATIONS & CONCERNS:**
PRIOR YEAR VOTE RESULT (FOR):	98.1%	**FOR-** No material concerns
BINDING/ADVISORY:	Binding	
REQUIRED TO APPROVE:	67%	
SPECIFIC PURPOSE OR GENERAL AUTHORITY:	Specific purpose	

PROPOSAL SUMMARY

Pursuant to this proposal, the board's authority to issue shares and/or convertible securities will be subject to the following terms and conditions:

Nominal Amount	€2,800,000
Percentage of Share Capital	3.1%
Current Employee Holdings	0.17%
Beneficiaries	Employees
Authority Length	26 months
Maximum Discount	20%
Notes	None

MARKET PRACTICE

It is important to note that French company law places a number of limits on authorities such as these that protect shareholder value, and that also present fiscal advantages for both the employer (the Company) and the employees. First, when shareholders are asked to vote on an employee savings plan, they are not voting on a new plan, but instead are voting on an authorisation to issue shares that would increase capital to be contributed to the company's sole employee savings plan. Furthermore, Articles L.443-1 and L.442-2 of the French Labor Code limit executive participation in such plans to companies employing 1 to 100 people and also limit individual employee participation in any company to no more than one-fourth of his/her annual compensation. Finally, French law further limits the company's options in that any shares or convertible securities that are issued under any employee savings plan authority must be issued at the trailing twenty-day average price of the Company's shares prior to the issuance, discounted by no more than 20% (or 30% if the vesting period is equal or greater than 10 years).

GLASS LEWIS ANALYSIS

In general, we believe that participation by employees in the Company in the form of share ownership is in the best interests of shareholders. In particular, it can help align the interests of employees with those of shareholders by retaining and incentivising employees to engage in conduct that will improve the performance of the Company.

Currently, employees do not hold a significant portion of the Company's share capital. Therefore, if the proposed plan is fully implemented, employee shareholdings would remain reasonable. As such, we believe it is in the best interest of shareholders to authorise the board to increase the Company's capital in furtherance of its employee shareholding plans.

We recommend that shareholders vote **FOR** this proposal.

28.00: EMPLOYEE STOCK PURCHASE PLAN FOR OVERSEAS EMPLOYEES

FOR

PROPOSAL REQUEST:	Approval to issue shares and/or convertible securities as part of the Company's employee shareholding plans	**RECOMMENDATIONS & CONCERNS:**
PRIOR YEAR VOTE RESULT (FOR):	N/A	**FOR-** No material concerns
BINDING/ADVISORY:	Binding	
REQUIRED TO APPROVE:	67%	
SPECIFIC PURPOSE OR GENERAL AUTHORITY:	Specific purpose	

PROPOSAL SUMMARY

Pursuant to this proposal, the board's authority to issue shares and/or convertible securities will be subject to the following terms and conditions:

Nominal Amount	€2.8 million
Percentage of Share Capital	3.1%
Current Employee Holdings	0.17%
Beneficiaries	Overseas Employees
Authority Length	18 months
Maximum Discount	20%
Notes	Subject to the dilution ceiling discussed in Proposal 27.00

MARKET PRACTICE

It is important to note that French company law places a number of limits on authorities such as these that protect shareholder value, and that also present fiscal advantages for both the employer (the Company) and the employees. First, when shareholders are asked to vote on an employee savings plan, they are not voting on a new plan, but instead are voting on an authorisation to issue shares that would increase capital to be contributed to the company's sole employee savings plan. Furthermore, Articles L.443-1 and L.442-2 of the French Labor Code limit executive participation in such plans to companies employing 1 to 100 people and also limit individual employee participation in any company to no more than one-fourth of his/her annual compensation. Finally, French law further limits the company's options in that any shares or convertible securities that are issued under any employee savings plan authority must be issued at the trailing twenty-day average price of the Company's shares prior to the issuance, discounted by no more than 20% (or 30% if the vesting period is equal or greater than 10 years).

GLASS LEWIS ANALYSIS

In general, we believe that participation by employees in the Company in the form of share ownership is in the best interests of shareholders. In particular, it can help align the interests of employees with those of shareholders by retaining and incentivising employees to engage in conduct that will improve the performance of the Company.

Currently, employees do not hold a significant portion of the Company's share capital. Therefore, if the proposed plan is fully implemented, employee shareholdings would remain reasonable. As such, we believe it is in the best interest of shareholders to authorise the board to increase the Company's capital in furtherance of its employee shareholding plans.

We recommend that shareholders vote **FOR** this proposal.

29.00: AMENDMENTS TO ARTICLES REGARDING EMPLOYEE REPRESENTATION

FOR

PROPOSAL REQUEST:	Amendment of article 13	**RECOMMENDATIONS & CONCERNS:**	
BINDING/ADVISORY:	Binding	**FOR-**	No material concerns
REQUIRED TO APPROVE:	67%		

PROPOSAL SUMMARY

PROPOSED	EFFECT ON SHAREHOLDER RIGHTS	ANALYSIS
ARTICLE 13 - EMPLOYEE REPRESENTATIVES: If approved, the article would introduce the obligation for the board to have at least one employee representative, or two if the directors are more than twelve.	Neutral	Amendment in conformance with Article L.225-79-2 of the French Commercial Code.

GLASS LEWIS ANALYSIS

The amendment is of a technical nature, proposed in order to comply with Article L.225-79-2 of the French Commercial Code. Glass Lewis generally supports changes made to the articles of association that are intended to align with regulatory changes. In this case, we see no cause for shareholder concern regarding the proposed amendments.

We recommend that shareholders vote **FOR** this proposal.

30.00: AUTHORISATION OF LEGAL FORMALITIES

FOR

PROPOSAL REQUEST:	Authorise legal formalities	**RECOMMENDATIONS & CONCERNS:**	
PRIOR YEAR VOTE RESULT (FOR):	100%	**FOR-**	No material concerns
BINDING/ADVISORY:	Binding		
REQUIRED TO APPROVE:	Majority		

GLASS LEWIS ANALYSIS

This proposal gives management the power to complete any formalities, such as required filings and registrations, needed to give full force and effect to the proposals approved at the meeting.

We recommend that shareholders vote **FOR** this proposal.

VOTE RESULTS FROM LAST ANNUAL MEETING MAY 25, 2016

Source: http://www.publicisgroupe.com/media/display/id/8045.pdf dated June 22, 2016

RESULTS

NO.	PROPOSAL	FOR	AGAINST	ABSTAIN	OTHER/ WITHHELD	GLC REC
1.0	Accounts and Reports	97.89%	2.10%	0.01%	0.00%	For
2.0	Consolidated Accounts and Reports	97.89%	2.10%	0.01%	0.00%	For
3.0	Allocation of Profits/Dividends	99.89%	0.10%	0.01%	0.00%	For
4.0	Scrip Dividend	97.29%	2.70%	0.01%	0.00%	For
5.0	Related Party Transactions	99.49%	0.50%	0.01%	0.00%	For
6.0	Elect Marie-Josée Kravis	99.59%	0.40%	0.01%	0.00%	For
7.0	Elect Sophie Dulac	92.98%	7.01%	0.01%	0.00%	For
8.0	Elect Véronique Morali	95.19%	4.80%	0.01%	0.00%	For
9.0	Elect Marie-Claude Mayer	97.69%	2.30%	0.01%	0.00%	For
10.0	Elect Michel Cicurel	91.38%	8.61%	0.01%	0.00%	Against
11.0	Elect André Kudelski	99.69%	0.30%	0.01%	0.00%	For
12.0	Elect Thomas H. Glocer	99.49%	0.50%	0.01%	0.00%	For
13.0	Appointment of Alternate Auditor (Gilles Rainaut)	96.79%	3.20%	0.01%	0.00%	For
14.0	Remuneration of Maurice Levy, Executive Chairman of the Management Board	92.59%	7.40%	0.01%	0.00%	For
15.0	Remuneration of Jean-Michel Etienne, Executive	95.09%	4.90%	0.01%	0.00%	For
16.0	Remuneration of Kevin Roberts, Executive	89.69%	10.30%	0.01%	0.00%	Against
17.0	Remuneration of Anne-Gabrielle Heilbronner, Executive	76.97%	23.02%	0.01%	0.00%	For
18.0	Authority to Repurchase Shares	99.89%	0.10%	0.01%	0.00%	For
19.0	Authority to Issue Shares and/or Convertible Securities w/ Preemptive Rights	95.39%	4.60%	0.01%	0.00%	For
20.0	Authority to Issue Shares and/or Convertible Securities w/o Preemptive Rights	89.49%	10.50%	0.01%	0.00%	For
21.0	Authority to Issue Shares Through Private Placement	87.09%	12.90%	0.01%	0.00%	For
22.0	Greenshoe	86.89%	13.10%	0.01%	0.00%	For
23.0	Authority to Increase Capital Through Capitalisations	98.29%	1.70%	0.01%	0.00%	For
24.0	Authority to Increase Capital in Case of Exchange Offer	90.38%	9.61%	0.01%	0.00%	For
25.0	Authority to Issue Performance Shares	75.59%	24.40%	0.01%	0.00%	For
26.0	Authority to Grant Stock Options	75.09%	24.90%	0.01%	0.00%	For
27.0	Employee Stock Purchase Plan	98.09%	1.90%	0.01%	0.00%	For
28.0	Employee Stock Purchase Plan for Overseas Employees	98.89%	1.10%	0.01%	0.00%	For
29.0	Amendment Regarding Staggered Board	99.69%	0.30%	0.01%	0.00%	For
30.0	Authorization of Legal Formalities	99.98%	0.01%	0.01%	0.00%	For

APPENDIX

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