



Contents

1

Presentation of the Company and its activities 5

1.1	Milestones in the Group's history and its values	6
1.2	The Group's activities	8
1.3	Main Group subsidiaries and simplified organization chart	13
1.4	The market and the competitive environment	15
1.5	2015: a year of development and acceleration	17
1.6	Investment policy, financing policy and market risks AFR	25
1.7	Risk analysis AFR	26

2

Corporate governance and Internal control 33

2.1	Organization and activities of the Board of Directors AFR	34
2.2	General organization of the Group AFR	56
2.3	Compensation of executive corporate officers AFR	59
2.4	Internal control and risk management procedures AFR	71
2.5	Statutory Auditors' report prepared in accordance with Article L. 225-235 of the French Commercial Code on the report prepared by the Chairman of the Board of Directors AFR	80

3

Cap Gemini, its Values, Employees and Corporate Responsibility and Sustainability (CR&S) 81

3.1	Our approach to CR&S	82
3.2	Human resources, a key Group asset	88
3.3	Environmental responsibility	108
3.4	Engaging with stakeholders	116
3.5	Independent external analysis	123
3.6	Grenelle correlation table	126

4

Financial information 129

4.1	Analysis on Capgemini 2015 Group consolidated results AFR	130
4.2	Consolidated financial statements AFR	136
4.3	Comments on the Cap Gemini S.A. Financial Statements AFR	196
4.4	2015 financial statements AFR	199
4.5	Other financial and accounting information AFR	223

5

Cap Gemini and its shareholders 225

5.1	Cap Gemini share capital AFR	226
5.2	Cap Gemini and the stock market	231
5.3	Current ownership structure	235
5.4	Share buyback program AFR	237

6

Report of the Board of Directors and draft resolutions to be presented at the Combined Shareholders' Meeting of May 18, 2016 239

6.1	Resolutions presented at the Ordinary Shareholders' Meeting	240
6.2	Resolutions presented at the Extraordinary Shareholders' Meeting	252
6.3	Biographies of the candidates for the Board of Directors	270
6.4	Glossary and summary table of financial authorizations	273
6.5	Statutory auditors' reports	282

7

Additional Information 289

7.1	Legal information	290
7.2	Group Management structure	294
7.3	Persons responsible for the information	295

8

Cross-reference table 299

8.1	Information required under Commission Regulation (EC) no.809/2004	300
8.2	Annual Financial Report cross reference table	301
8.3	Cross-reference table for the Management Report required under Articles L. 225-100 and seq. of the French Commercial Code	302

The information from the Annual Financial Report is clearly identified in the table of contents by the AFR symbol **AFR**

2015 Registration Document

Annual financial report



The French version of this Registration Document (Document de Référence) was filed with the Autorité des Marchés Financiers (AMF) on April 6, 2016, pursuant to Article 212-13 of the AMF's General Regulations. It may be used in connection with a financial transaction if it is accompanied by an Information Memorandum approved by the AMF. This document was prepared by the issuer and engages the responsibility of its signatories.

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, 2014:

- 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 1, 2015 under no. D.15-0276 (pages 270 to 271 and 130 to 194, respectively);
- the parent company financial statements of Cap Gemini S.A. and the Statutory Auditors' report on the parent company financial statements set out in the registration document filed on April 1, 2015 under no. D. 15-0276 (pages 195 to 216 and 217, respectively);
- the Statutory Auditors' special report on regulated agreements and commitments, set out in the registration document filed on April 1, 2015 under no. D. 15-0276 (page 218).

2. Relating to the year ended December 31, 2013:

- 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 3, 2014 under no. D.14-0283 (pages 276 to 277 and 118 to 185, respectively);
- the parent company financial statements of Cap Gemini S.A. and the Statutory Auditors' report on the parent company financial statements set out in the registration document filed on April 3, 2014 under no. D.14-0283 (pages 186 to 209 and 210 to 211, respectively);
- the Statutory Auditors' special report on regulated agreements and commitments, set out in the registration document filed on April 3, 2014 under no. D.14-0283 (page 212).

Copies of the registration document are available from Cap Gemini S.A., 11 rue de Tilsitt, 75017 Paris, on its corporate website at <http://investor.capgemini.com>, and on the website of the AMF at www.amf-france.org.

For the fiscal year 2015

Board of Directors

Serge KAMPF, Honorary Chairman and Vice-Chairman*

Paul HERMELIN, Chairman and Chief Executive Officer

Daniel BERNARD, Lead Independent Director

Anne BOUVEROT

Yann DELABRIÈRE

Laurence DORS

Phil LASKAWY

Xavier MUSCA

Pierre PRINGUET

Bruno ROGER

Lucia SINAPI-THOMAS

Caroline WATTEEUW-CARLISLE

Kevin MASTERS, Representative of the International Works Council – Non-voting guest.

Statutory Auditors

PricewaterhouseCoopers Audit

Represented by Françoise GARNIER

KPMG S.A.

Represented by Frédéric QUELIN

* *Serge KAMPF passed away on March 15, 2016*

Financial highlights

Consolidated Financial Statements

<i>in millions of euros</i>	2011	2012	2013	2014	2015
Revenues	9,693	10,264	10,092	10,573	11,915
Operating expenses	(8,950)	(9,435)	(9,235)	(9,603)	(10,653)
Operating margin *	743	829	857	970	1,262
% of revenues	7.7%	8.1%	8.5%	9.2%	10.6%
Operating profit	600	606	720	853	1,022
% of revenues	6.2%	5.9%	7.1%	8.1%	8.6%
Profit for the year attributable to owners of the Company	394	353	442	580	⁽¹⁾ 1,124
% of revenues	4.1%	3.4%	4.4%	5.5%	9.4%
Earnings Per Share					
Average number of shares during the year	153,595,650	155,795,618	158,147,868	157,855,433	168,452,917
Normalized earnings per share * (in euros)	3.30	3.29	3.41	4.22	4.84
Dividend per share for the year (in euros)	1.00	1.00	1.10	1.20	⁽²⁾ 1.35
GOODWILL AT DECEMBER 31	3,768	3,702	3,601	3,784	7,055
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY AT DECEMBER 31	4,239	4,482	4,458	5,057	6,887
(NET DEBT) / NET CASH AND CASH EQUIVALENTS * AT DECEMBER 31	454	872	678	1,218	(1,767)
ORGANIC FREE CASH FLOW * AT DECEMBER 31	164	496	⁽³⁾ 455	668	815
Average number of employees	114,354	121,829	128,126	137,747	161,268
Number of employees at December 31	119,707	125,110	131,430	143,643	180,639

(1) Including the remeasurement of deferred tax assets on US tax loss carry-forwards in the amount of €476 million;

(2) Subject to approval by the Combined Shareholders' Meeting of May 18, 2016;

(3) 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 and organic free cash flow) are defined in Note 4, Consolidated Income Statement, Note 10, Earnings per share, Note 20, Net debt / Net cash and cash equivalents and Note 21, Cash flows, respectively.

1 Presentation of the Company and its activities

1.1

Milestones in the Group's history and its values **6**

Seven values at the heart of the Group 7

1.2

The Group's activities **8**

IGATE: a strategic acquisition in Capgemini's history 8
Four major businesses offering global solutions for
our clients 8
Solutions for six major business sectors 9
An ecosystem of technological partners 9
180,639 Men and Women Supporting Our Clients 10
Corporate Responsibility & Sustainability:
New Ambitions 10
A Functional Organization Adapted
to the Clients' Needs 11
Revenue for 2015 (by business, sector and region) 12

1.3

Main Group subsidiaries and simplified organization chart **13**

1.4

The market and the competitive environment **15**

Competition 15
Market trends 16

1.5

2015: a year of development and acceleration **17**

Making the most of the IGATE acquisition 17
Rapid Digital growth 17
The Cloud provides a strong platform for growth 18
Capgemini leads the way in Business Services 19
Major contracts signed by Capgemini in 2015 19
Innovation: helping clients to speed up
their integration of emerging technologies 20
Setting up a Competitiveness Department 21
Our talent brings more agility and expertise
to the Group 21
Honors and Awards 22
Capgemini's publications: a 360° view
of our clients' challenges 23

1.6

Investment policy, financing policy and market risks **25**

Investment policy 25
Financing policy and financial rating 25
Market risks 25

1.7

Risk analysis **26**

Identification of risks 26
Risks relating to operations and the strategy 26
Operational risks 27
Legal risks 28
Financial risks 29
Insurance 30

1.1

Milestones in the Group's history and its values

Capgemini was deeply saddened to hear about the passing of its founder, Serge Kampf, on March 15, 2016 at the age of 81.

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. (See the Group's Seven Values, page 7).

Tribute is paid to Serge Kampf at the beginning of the 2015 Group Annual Report.

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	7 th Seventh "SoGETI Rencontres" in Djerba (Tunisia), the last "Rencontres" 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. 9 th Ninth "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 year-end after-tax profit of 7.4%, a record not yet broken.
1990	17 th Seventeenth "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). GENESI [®] is launched at the 18 th "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 euros 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 Bombay (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 6 th Rugby XV World Cup. Celebratory evening at the Louvre Carrousel, Paris, to mark the Group's 40 th 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. 23 rd Twenty-third "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.
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. 24 th Twenty-fourth "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.

Seven values at the heart of the Group

Seven values permeate Capgemini's corporate fabric, from the time of their inception by Mr. Serge Kampf, founder of the Group, Honorary Chairman and Vice-Chairman of the Board of Directors, until he passed away on March 15, 2016. These values inspire and mould 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.

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.

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.

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.

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.

1.2 The Group's activities

Since its foundation in 1967, the Capgemini Group has pursued one ambition: to be the first port of call to help companies and organizations in their development through a combination of innovation and competitiveness. By directly concerning ourselves with our clients' changing needs and sector-specific challenges, Capgemini continuously seek to improve our services and enhance our expertise. This ensures that we stay at the forefront of new benefits offered to companies and organizations as a result of frequent technological advances that mark the evolution of the IT sector. A twofold strategy of acquisitions and organic growth means that Capgemini **is now among our industry's most multicultural and multidisciplinary players** — with a presence in over 40 countries, four major businesses and a wide spectrum of expertise.

The **digital revolution** has had such an impact on companies' activities that Capgemini has now become **a strategic partner for our clients**. Together, with the support of the Group's technological partners, we are working to ensure that the Cloud, big data and the Internet of Things serve as catalysts for agility, efficiency and productivity. Capgemini's clients are increasingly relying on us to radically transform all aspects of their business through digital means, even to the point of reinventing their business model.

IGATE: a strategic acquisition in Capgemini's history

The acquisition of US company IGATE in 2015 marked a pivotal moment in the Capgemini story. At the time of the takeover, IGATE had generated a turnover of \$1.3 billion for 2014 and had 281 clients, mainly based in North America (79% of turnover). The company had 30,000 employees in the United States, India and — to a lesser extent — Europe, Australia and China.

The acquisition was strategically important for Capgemini in a number of ways. It **considerably strengthened the Group's presence in North America**, which accounts for over 40% of the worldwide IT market. The region, which is a hotbed of innovation, has now become Capgemini's largest market. With IGATE, **the Group is improving its positioning in several**

key sectors — such as financial services and engineering — and offering solutions to new, high-profile clients, including General Electric or a large North American bank.

The acquisition of IGATE means that Capgemini can also offer our clients access to **innovative solutions**: one example is the case of ITOPS (Integrated Technology Operations), which combines business services with those linked to applications and infrastructure. Capgemini is also benefitting from IGATE's **highly effective global production model**. The Group now enjoys access to a vast network of production centers with nearly 98,000 employees, including 32 IGATE centers, most of which are located in India.

Four major businesses offering global solutions for our clients

- ▶ **Consulting Services** (Capgemini Consulting), which help to enhance the performance of organizations, based on in-depth knowledge of client industries and processes;
- ▶ **Local Professional Services** (Sogeti), which provide assistance and support to internal IT 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).

Through its four businesses, Capgemini offers a **wide spectrum of expertise**. This enables us to respond to the majority of our clients' business challenges, particularly through our

solutions for: IT infrastructure, end-to-end management of IT applications, outsourcing of IT systems for support functions, digital engineering to underpin R&D, management of customer relationships through IT systems, procurement, strategy and transformation consulting, etc.

Over the past few years, Capgemini has offered a **portfolio of innovative products and services** to help our clients successfully make the jump into the digital age. In 2015, the Group launched two worldwide services: one dedicated to Cybersecurity, the other to Insights & Data. We also updated our spectrum of cloud services (Cloud Choice), which now provides access to the expertise of all our businesses. The Group created a new Business Services range, based on our traditional BPO offerings, which includes cloud platforms covering various services (BPO, Applications, Infrastructure). Lastly, with added impetus from the rapid development of the Internet of Things, the Group is helping clients benefit from the connectivity of their products, production tools and infrastructure.

Ongoing technological and sectoral advances are increasingly imposing fundamental change on companies and organizations. This is why Capgemini is capitalizing on the complementary nature of our businesses (consulting, design, engineering,

application services, infrastructure) to develop **digital transformation solutions** for all or some of our clients' activities by adopting a targeted **sectoral approach**.

For further information, see section 1.5. page 17.

Solutions for six major business sectors

The Group's sectoral expertise ensures that we are always up to speed with the challenges facing our clients and developing solutions tailored to their specific objectives. The Group has a presence in six sectors:

- ▶ **Manufacturing, Automotive and Life Sciences:** these activities may be fertile ground for innovation, but improving competitiveness is a constant challenge. Through our outsourcing and Business Services, among others, Capgemini provides companies in these sectors with a wide array of solutions. These solutions enable companies to make significant savings on IT systems management and support functions;
- ▶ **Consumer Products, Retail, Distribution & Transportation:** companies in these sectors are facing new constraints linked to productivity and the ever-increasing pace at which their customers' expectations are changing. Capgemini provides them with the technology and expertise they need to access e-commerce platforms that combine flexibility and speed;
- ▶ **Energy, Utilities & Chemicals:** using the latest technology, the Group helps companies in these sectors to overcome the twofold challenge of constantly changing regulations and increasingly stringent environmental standards. Capgemini is the world leader in IT systems for electricity meters known as "smart meters";
- ▶ **Financial Services (Insurance and banking):** the Group supports the rationalization and simplification of financial institutions' applications and infrastructure (particularly within insurance and banking). Our main fields of expertise are mobility, intelligent data management, client experience improvement and regulation compliance;
- ▶ **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 and Entertainment:** operators in this sector are faced with declining revenues from their traditional activities, competition from new players and the saturation of their networks due to the explosion of content. Having supported the sector for over thirty years, Capgemini offers access to in-depth knowledge of telecommunications and digital content, as well as our technological expertise with regard to networks.

Capgemini has continued to consolidate a sectoral approach in order to respond to the significant need for acceleration affecting our clients in the digital spheres. In particular, the Group has created **Expert Panels** for each sector, comprising experienced managers representing all aspects of business and every region of the world. Our aim: to closely scrutinize sectoral developments so that we always stay one step ahead of the game. In terms of our offering, Capgemini is also pursuing the development of **comprehensive products and services** covering all business needs and the entire value chain in a given sector. Thanks to the comprehensive products and services designed for the utilities and banking sectors, we offer entire platforms of preassembled technological solutions ready to be configured and adapted to the needs of each client. In this respect, the Group is particularly reliant upon the ITOPS cloud services designed by IGATE, which combine business services with those linked to applications and infrastructure.

Lastly, at a time when clients have a pressing need to refocus their businesses around the end user, Capgemini plans to offer a more general set of tools that allow for the analysis of major ongoing trends in various sectors. For example, the Group has launched "Connected Insight": an invaluable database covering the expectations and behaviors of consumers in the automotive sector.

An ecosystem of technological partners

Capgemini has always forged strategic partnerships with high-profile technological players and by now with start-ups with specialist skills. Within both long-term and recent partnerships, the Group retains independence from all partners so that we are free to select those that offer the best response to the expectations and challenges of Capgemini's clients.

This year, the Group deliberately increased the pace at which we forge partnerships with the most innovative players. This move saw Capgemini, for example, strengthen ties with Salesforce, AWS and Google by appointing senior managers who are assigned solely to these partners. The Group also developed relationships with multiple start-ups. In this context, our global

ecosystem of technological partners working together on the Group's new approach to innovation (Applied Innovation Exchange) is also a significant asset in terms of helping clients quickly turn innovation into valuable solutions for their business.

2015 also saw the Group begin to explore new development models for the first time, with historic partners such as Microsoft, EMC² and HP. For Capgemini and the partner, this means each becoming the client of the other, in addition to doing business with shared clients. NetSuite's decision to select Capgemini as the sole reseller of its products in France is the most emblematic example of this new strategy.

Families of Partners:

- ▶ **Strategic Partners:** EMC², IBM, Microsoft, Oracle, SAP;
- ▶ **Specialized New Champions:**
- Digital Customer Experience: Adobe, Pega, Salesforce,

- Cloud: Amazon Web Services, Google, NetSuite, VMware,
- Insights & Data: Cloudera, Informatica, Intel, Pivotal, SAS, Teradata,
- Cybersecurity: HP, RSA Security,
- Testing: CA Technologies, HP.

180,639 Men and Women Supporting Our Clients

“People Matter, Results Count.”: Capgemini’s approach is perfectly embodied in the brand promise. The commitment and expertise Capgemini offers to our clients would not be possible without our talented team. On December 31, 2015, the Group had 180,639 employees (including IGATE’s workforce of over 30,000 people at the time of the acquisition), compared to 143,643 at the end of 2014. We passed the symbolic mark of 80,000 employees in India, with 87,534 by the end of the year.

The other workforce is spread out across the five continents: 63,628 in Europe, 3,970 in Asia-Pacific, 16,034 in North America, 9,393 in Latin America and 80 in the Middle East. Capgemini represents over 120 nationalities in over 40 countries. The number of offshore employees now accounts for 54% of Capgemini’s total headcount, up 7 percentage points from last year.

For further information, see section 1.5 page 17.

Corporate Responsibility & Sustainability: New Ambitions

Around the world, Capgemini and our employees are facing challenges head on in the regions where we live and work. These fall into four main categories:

- ▶ Environmental Sustainability;
- ▶ Community Engagement;
- ▶ Value and Ethics;
- ▶ People Culture.

2015 was characterized by the announcement of new ambitions, particularly in terms of community engagement: the Group set itself the objective of **improving daily life for a million people by 2020**. Actions implemented from 2016 will cover education and improving individual skills. N.B.: education was also a key tenet of the CSR policy for IGATE, the company Capgemini acquired in 2015.

The creation of the “CR&S Board” is further proof of our new CR&S ambition. Comprising senior managers representing

every section of the Group, the board defines long-term CR&S goals and policies with reference to the wider corporate context.

Regarding the environment, the Group took an active role in at the United Nations climate change conference (COP21), which took place in Paris. Paul Hermelin, Capgemini chairman and chief executive officer, joined roughly 100 other large companies in signing the “Business Proposals for COP 21,” which aims to accelerate investment in “low carbon” solutions and increase research into these subjects. This year saw Capgemini receive ISO 14001 certification — testament to our effective environmental management system — for the entities Capgemini France, Sweden and North America, taking the number of certified countries to 11. The Group also created a **Center of Excellence for the Environment**, based in India, to provide professional support for all Group entities hoping to develop an environmental project, for internal use or for our clients.

NO FUTURE WITHOUT ETHICS

Ethical conduct has always been at the heart of Capgemini’s values. The acceleration of our geographical expansion, multiple challenges arising from new technology and our growing number of employees around the world constantly create new ethical challenges for us.

For this reason, the Group has rolled out an ambitious program to raise awareness about these topics. In 2015 and 2016, 4,400 managers should follow this new, specialized training program — an important tool to help share best practices within teams and build upon Ethics Street, which is a series of e-learning modules that everyone must complete.

Capgemini has thus been recognized for the fourth year running as one of the world’s most ethical companies (“2016 World’s Most Ethical Companies[®]” label, awarded by Ethisphere Institute).

For further information, see section 3.1. page 82 and following.

A Functional Organization Adapted to the Clients' Needs

The Group is constantly seeking to better serve our clients by providing them with in-depth analyses of their market, cutting-edge technological solutions, reliable and high-quality services and an innovative approach to the challenges facing their sector. We deliver all of these services at competitive prices and within the best possible timeframes, so that we can help our clients improve their own competitiveness and agility.

To this end, the Group is organized at the global level into major operational units (Strategic Business Units, SBUs), and relies on worldwide service lines.

OPERATIONAL UNITS

The Capgemini Group is structured into eight large operational units (Strategic Business Units, SBUs), in order to provide the best response to client expectations and market developments.

- ▶ Capgemini Consulting is the brand that covers the Group's activities in the field of strategy and transformation consulting (particularly within digital transformation);
- ▶ 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;
- ▶ Infrastructure Services handles the design, production, outsourcing and maintenance of clients' IT infrastructure;
- ▶ Application Services One and Application Services Two are two SBUs that encompass, as two distinct geographic entities, our systems integration and application maintenance capabilities (outside of Financial Services activities);
- ▶ Financial Services: this entity encompasses systems integration and application maintenance activities for clients in the financial sector;
- ▶ Business Services is the new entity comprising business process outsourcing (BPO) services from Capgemini and IGATE, as well as ITOPS services from IGATE and multichannel transactional flows from Prosodie-Capgemini;
- ▶ LatAm (Latin America) encompasses the Group's operations in Latin America covering Application Services and Infrastructure Services (Argentina, Brazil, Colombia and Mexico).

GLOBAL SERVICE LINES

Capgemini is constantly adapting and strengthening our catalog of products and services across different sectors and businesses. 2015 brought particular changes in the following areas:

- ▶ Cloud and Digital become the main drivers behind our innovation and growth, boosting our entire portfolio.
- ▶ Our catalog was broken up into strategic service offerings to respond to clients' needs:
 - The "Insights & Data" service allows companies and public or private institutions to use our tools to their full advantage, managing and analyzing vast quantities of data to facilitate decision-making processes;

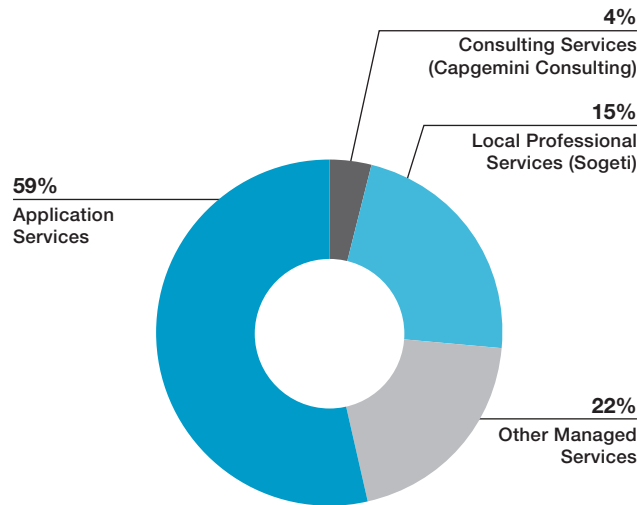
- The "Cybersecurity" service allows us to ensure the security of our clients' digital transformation. We support them as they define and implement their cybersecurity strategy, while protecting their IT and industrial systems and connected devices;
- The "Digital Customer Experience" service allows us to help companies define their digital strategy and select the most appropriate platforms and solutions. The aim is to optimize the client experience. This service is often complemented by mobility solutions, which increase accessibility for end users across all mobile devices (smartphones, tablets, etc.);
- The "Digital Manufacturing" service allows us to support clients in the industry and energy sectors as they transition toward the complete digitization of their production tools and processes. Most notably, it relies on the Internet of Things, which offers the new advantage of being able to combine data from the IT system with data received in real time from the physical world. This service encompasses two major families of solutions: the digitalization of the management and configuration of products, factories and infrastructure, and the digitalization of industrial operations. "Digital Manufacturing" also mobilizes the Group's capabilities in terms of digital strategy consulting, 3D simulations of complex systems and cybersecurity tailored to the industry;
- Cloud Choice is a complete portfolio of services from Capgemini that deliver a cloud-first way of working for the enterprise. With our combination of advisory, applications and infrastructure services, we overcome the constraints which limit cloud adoption, and enable a transformation from legacy to cloud technology. This increases our clients' capacity to absorb innovation, equipping them to adapt and stay relevant in a fast-paced digital world.
- ▶ Meanwhile, the "Testing" services combine the expertise of Capgemini and Sogeti to offer industrialization solutions for software testing and quality control, particularly with regard to mobile and social applications.

RIGHTSHORE®: A GLOBALIZED PRODUCTION MODEL

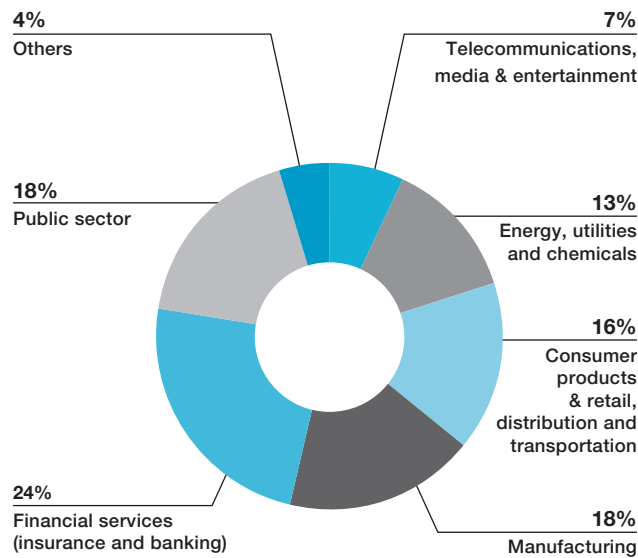
Capgemini's Rightshore® industrial model is a unique asset, enabling us to provide clients with the right resources, in the right place, at the right time. It is also a powerful catalyst for competitiveness, for both the Group and the solutions we sell to clients. The guiding principle is the ability to mobilize, at any moment, the most suitable teams and technical resources to meet the needs of our clients, no matter where they are in the world. This globalized production model is associated with increased standardization of processes, following CMMI rules (the international reference model for software production).

Revenue for 2015 (by business, sector and region)

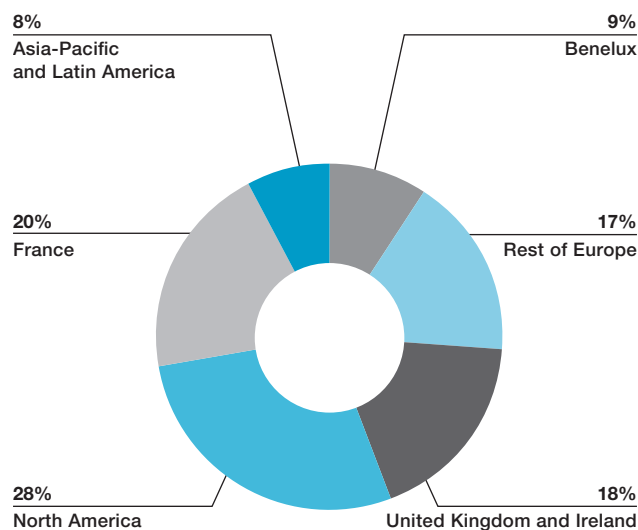
BREAKDOWN OF REVENUE BY BUSINESS



BREAKDOWN OF REVENUE BY SECTOR



BREAKDOWN OF REVENUE BY COUNTRY OR REGION



1.3

Main Group subsidiaries and simplified organization chart

The Group performs its business activities mainly through 123 consolidated subsidiaries as listed in Note 32, "List of the main consolidated companies by country", to the consolidated financial statements for the year ended December 31, 2015 (page 193) and is present in more than forty countries in eight geographic areas:

- ▶ North America;
- ▶ France;
- ▶ the United Kingdom and Ireland;
- ▶ Benelux;
- ▶ Nordic countries;
- ▶ Germany and Central European countries;
- ▶ Southern Europe;
- ▶ and finally the Asia-Pacific and Latin America region.

The parent company, Cap Gemini S.A., defines the strategic objectives of the Group via its Board of Directors, and ensures their implementation. In its role as a shareholder, Cap Gemini S.A. 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.

Cap Gemini S.A. 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 housing the Group's international training center;

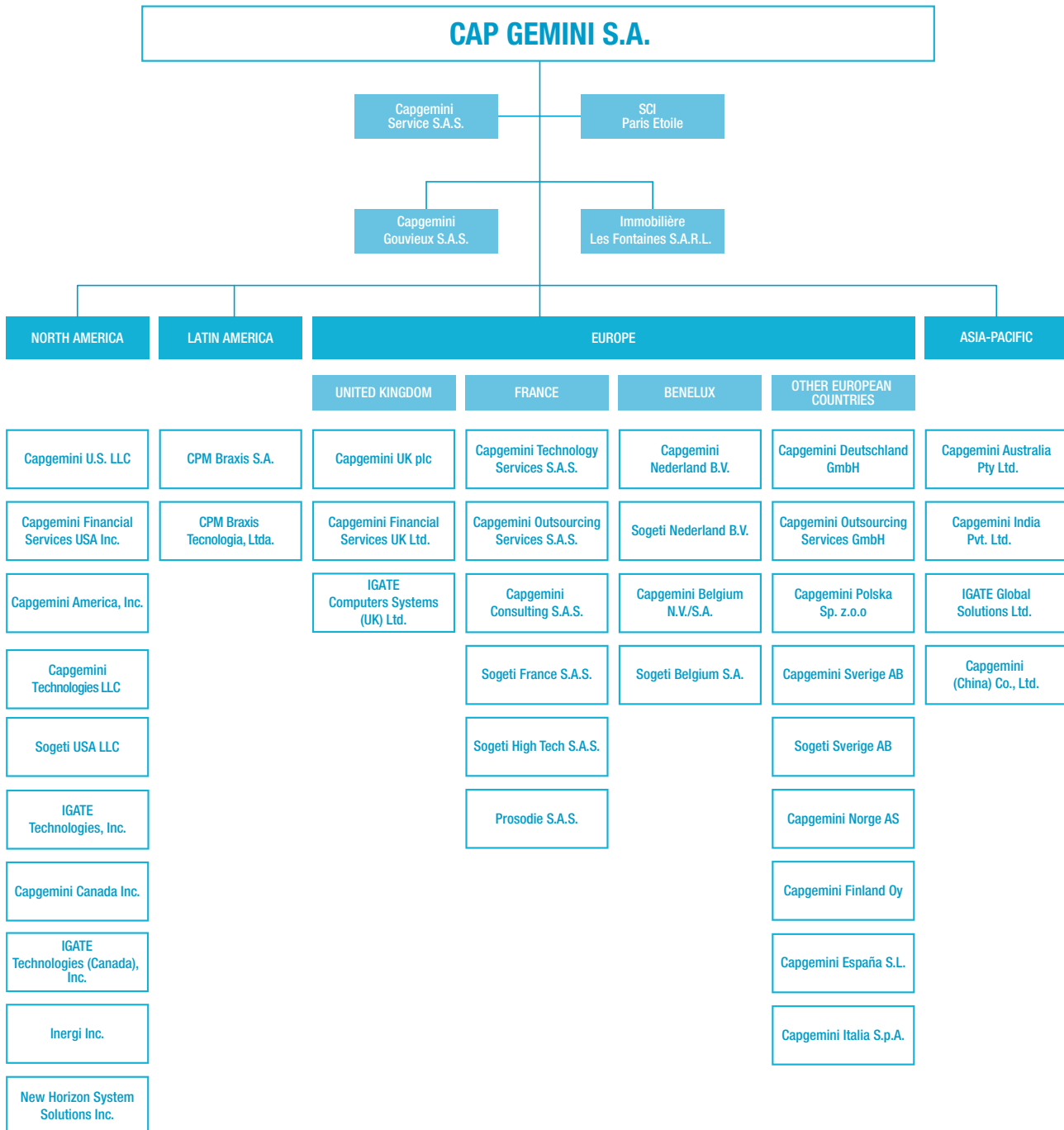
as well as operating subsidiaries held directly or indirectly via regional holding companies. The main operating subsidiaries are presented in the simplified organization chart below.

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 Etoile and housing Cap Gemini S.A.'s headquarters, located at Place de l'Étoile, 75017 Paris;
- ▶ the Group's international training center in Gouvieux, located 40 km (25 miles) north of Paris, owned by a real estate limited liability company, "Immobilière Les Fontaines";
- ▶ and eight campus located in India.

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 Cap Gemini S.A., with the exception of CPM Braxis group (held 75.72%) and IGATE Global Solutions Ltd. (held 99.49%) is presented below.



1.4

The market and the competitive environment

Capgemini group is active in the professional IT services market as defined by Gartner, a US market analyst, which worth a global amount of about €670 billion in 2015. Capgemini is ranked seventh in this global market, excluding Japan where the Group has only a marginal market share since 2012 following a targeted acquisition.

North America is the largest global market representing 46% of worldwide activity. Western Europe is the second largest market representing approximately 30% of worldwide activity. The Group is ranked second in this market and is the leader in the Netherlands and France. Then comes Japan, with 10% of the market, the Asia-Pacific area with 10% and Latin America with 4%. Capgemini now operates in all these regions and had a global market share of approximately 1.7% in 2015.

Gartner had segmented the market into consulting, development and integration, systems management (outsourcing) and business process management. This segmentation more or less reflects the Group's businesses, except that development and integration activities and systems management activities have been grouped together in the Application Services business. As these markets are extremely close there are a number of overlaps. For example, the applications market encompasses

both development and maintenance activities and is at the crossroads of two Group businesses (Application services and Sogeti), as is IT infrastructures.

The worldwide consulting market is worth nearly €110 billion in total. Capgemini is ranked tenth globally and has strong market positions in Europe. Consulting is the most cyclical segment.

The worldwide development and integration market is estimated to be worth around €220 billion. Here, the Group ranks ninth in the world, and number two in Western Europe. The market is quite cyclical, especially for local professional services, which have short cycles (and contracts), while system integration activities have somewhat longer timeframes.

The systems and business process management markets consist for the most part of longer-term maintenance and operations contracts and cycles, which make them more resilient. The systems management market was worth an estimated €220 billion, and the Group is considered to be the ninth largest global player in this field. The business process management market is worth an estimated € 120 billion, however Capgemini does not have a leading position in this market.

Competition

The Capgemini Group's competitors fall into four categories: global players, offshore players, regional players and specialists.

Global players include two IT giants, IBM and HP. Their presence in other similar technology markets, such as hardware and software, provides them with a broader overall market base for their customer relations. They are followed by pure IT services players, such as Accenture, Atos, CSC and CGI. This group of players also includes competitors who are part of groups offering a wider range of services encompassing audit and transaction services, that is Deloitte, KPMG, PriceWaterhouseCoopers and EY. Capgemini can claim membership in this select group of global players, making the others its most direct competitors. Also included here are Japanese groups such as Fujitsu and NTT Data, which are primarily present in Japan but are starting to expand beyond their borders.

Offshore players (primarily Indian) have until now enjoyed the strongest growth and the largest among them, such as TCS, Infosys, Wipro, Cognizant and HCL, can claim to compete with the global players. Having established themselves in English-speaking countries, they are now focusing on continental European markets.

There are numerous regional players, as IT services present few entry barriers. However, these players generally do not have the geographical coverage or product depth of global players. The leading regional players in Europe are T-Systems, Indra and Steria, while North America has Lockheed Martin and SAIC.

Finally, specialist players encompass a range of competitors, from consulting firms to companies specializing in business process outsourcing such as Genpact.

Market trends

In addition to the major structural change in the IT services market triggered by the spectacular development of offshore services (launched in the early 2000s by Indian service companies), we now have the rapid development of cloud computing, the emergence of new markets around Big Data and the accelerated transformation of digital use, which went hand-in-hand with the explosion in mobility and the emergence of social media. The industrial sectors in particular have started using a potentially revolutionary technology, the “internet of things”. Indian service companies have attacked the North American market, supplying a skilled and inexpensive offshore workforce, allowing them to propose very low prices. Accordingly, they have rapidly gained market share, especially in the most accessible segments (reengineering, maintenance and applications development) and in English-speaking countries (USA, UK, Canada and others). Today, they are steadily extending their expertise into more complex segments (software package installation) and non-English-speaking countries (mainly the Nordic countries, and then the Netherlands, Germany and France). To counter this trend, all players and in particular those with global reach, such as Capgemini, have greatly increased their presence in India and are adapting their production models to enable and then increase the participation of their offshore teams in the development of client projects: this has allowed them to restore margins and reduce prices in order to stay competitive. Offshore players have responded by strengthening their local presence. This has brought them closer to their customers and allowed them to make headway in market segments that are difficult to service at a distance, such as consulting. As announced for a number of years, it seems likely that offshoring will continue to grow while undergoing a sea change, from a cost-cutting model to one that enables offshore teams to provide an increased level of added value. Accordingly, the growth in offshore services might slow down in more mature regions, such as North America, while accelerating in continental Europe.

The main players in this sector are also developing more and more high value added offers based on solutions to which they own the intellectual property. This trend allows them to meet their customers’ needs better while limiting pressure on the pricing of the services they offer. The Capgemini Group has made a firm commitment to the development of such solutions.

The Cloud computing phenomenon, which reflects the on-request shared use of services and infrastructures between several public users, was initiated by major players such as Amazon, Google and Microsoft. Thanks to its strong positioning in the infrastructure management field and its business process expertise, the Capgemini Group is particularly well placed to benefit from the transformation of the economic model brought about by this new way of using IT resources.

The generation of data also continues to accelerate around the world, both as a result of consumers using various forms of equipment (computers, smartphones, tablets) and due to the wide range of sensors used by many industries. Players in some sectors – the consumer goods sector, for example – are beginning to catch on to the potential value to be gained from such data, and are plowing substantial resources into ground-breaking projects designed to harness more of the value represented by their consumers. 2015 saw an upsurge in the general awareness of our clients of the challenges Big Data represents for their industries. We expect significant growth in demand for these services, aimed at experimenting and implementing new technology platforms capitalizing on new client interaction models or developing innovative new services.

1.5

2015: a year of development and acceleration

In 2015, the IGATE acquisition and Capgemini's two performance drivers (innovation and competitiveness) helped the Group exceed the objectives set during the year. Revenue increased by 12.7% to €11.9 billion — a solid performance in a difficult market. The operating margin also achieved significant growth, reaching 10.6% (up 140 basis points over 2014).

The acquisition of IGATE (see p. 8 and below), finalized on July 1, 2015 for €4 billion, marks a pivotal moment in Capgemini's history. Thanks to IGATE's geographic positioning and expertise, this merger will allow us to strengthen our presence on several strategic markets. The acquisition means that North America is now the Group's largest market, with business accounting for 28% of the Group's revenue in 2015 (31% in the second half of the year). In this region — which serves as the leading corporate IT services market in terms of size and innovation — Capgemini's business also saw organic growth of 7.8% over the year. Another immediate benefit of this acquisition was the strengthening of our client portfolio in the financial services sector.

The end of the first phase of the IGATE integration process on December 31, 2015 brought confirmation of the synergies envisaged when the acquisition was announced.

In 2015, Capgemini also accelerated the consolidation of two powerful profit growth drivers: innovation and competitiveness. The concerted efforts we have made in recent years to develop an innovative range of services dedicated to our clients' digital transformation are beginning to pay off. In this dynamic market context, we are becoming a partner of choice for companies: for instance, our digital and cloud services business grew by 23% in 2015 and accounts for 22% of Group revenue. Investing in these fields will continue to be a priority for Capgemini in 2016. In terms of competitiveness, IGATE employees have significantly boosted the Group's production capacities in India. Our global network of production centers now has nearly 100,000 employees, ensuring that Capgemini is at the forefront of our industry.

Making the most of the IGATE acquisition

(see also the presentation of IGATE on p. 8)

The first stage of the IGATE acquisition was carried out quickly and smoothly using an Integration Management Office (IMO). The IMO worked across both companies' business lines to develop a methodology, a clear roadmap and a target-operating model. The four priorities were: North America, India, financial services and the ITOPS services line. Our focus was internal communications, knowledge-sharing tools, and training sessions.

Within six months, a new organization had been set up, top IGATE managers had joined the Group's management team, and the transition to a single entity was complete. An exclusively digital marketing campaign was launched to target decision-makers in the US, Canada and India (as well as job seekers in the latter). Entitled "New Ways", the campaign highlights the benefits of the IGATE acquisition for Capgemini clients in concrete terms. After several significant commercial successes, the Group will fully complete the integration of IGATE by the end of 2016.

Rapid Digital growth

In 2015, Capgemini saw a sharp increase (+23%) in our business activities in the cloud and digital fields, which accounted for 22% of our total revenue. We also announced that investing in the development of these services would continue to be a priority in 2016. In this area, clients expect a comprehensive range of services and a quick return on investment. Capgemini has the perfect combination of business lines, particularly in consulting and applications services. We have technology in our DNA, an in-depth knowledge of our clients' business challenges and understand how to apply innovation. All of these factors mean that we are in the perfect position to harness the potential of digital.

In fact, each year companies are increasingly viewing the Group as the partner of choice for their digital transformation. In 2015, independent analyst ALM Intelligence* ranked Capgemini Consulting among the top four digital customer strategy and experience consultants worldwide. Only companies with broad and specialized expertise reach the forefront of the industry.

Since 2014, the Group has launched several global service lines in the digital sector. First, the "Digital Customer Experience" service, which helps companies define their digital customer strategy. Then in 2015, the "Insights & Data" service, which allows clients to make sense of vast amounts of data, simplifying their decision-making processes. Finally, the "Cybersecurity" service — vital for any digital transformation — to protect IT and industrial systems, data, their integrity, and connected devices.

* Classification of digital customer strategy and experience consultants, Competitive landscape analysis: Digital Customer Strategy & Experience Consulting report, ALM Intelligence (ex-Kennedy Consulting Research & Advisory) September 2015

In 2016, Capgemini will accelerate the development of our digital ranges by adding to their service lines and gradually consolidating the worldwide network of associated production centers. In the manufacturing industry, as well as in other heavily asset based industries, such as telecommunications, the convergence of the digitalization of industrial processes with the Internet of Things is creating exciting opportunities for optimization. Some examples include: a shorter product development cycle and remote asset management, as well as preventive and proactive maintenance. That is why the Group is also changing our “Digital Manufacturing” service into a global service line.

While Capgemini is helping our clients to stand out from the crowd in the age of Digital and Cloud, **the Group also aims to differentiate itself within our industry through our methodologies, positioning, and assets:**

Insights & Data

In a world where people and things are becoming more and more connected (via the Internet of Things), data is the heart of the digital revolution we are witnessing. Capgemini’s vision is that the insights we draw from this 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 our clients with relevant actionable insights to their business and, in particular, ensure they are delivered at the right time to the right decision centers. To this end, the Group uses three fields of expertise, making Capgemini an unconventional player in our industry: data collection, in particular data from sensors; conversion of the data into useful information, then into insights in the relevant business activity for the client; and finally, the creation of IT platforms to manage insights and data.

Digital Customer Experience

Customer experience is the catalyst for digital transformation. In a world where new technologies drive new behaviours, it’s no longer enough to rely on your products as the critical differentiator; what counts nowadays is your ability to provide a compelling, engaging customer experience. Of course, creating a high-quality customer experience and turning it into a driver for growth is complicated. It requires an extensive knowledge of a company’s customer ecosystem, and necessitates a radical transformation of the organization and its IT systems. The “Digital Customer Experience” service 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 service also benefits from its ability to draw on the Group’s other

fields of expertise (Digital Transformation, Insights & Data, Digital Manufacturing, Cybersecurity, Cloud) enabling companies to undergo an end-to-end transformation.

In early 2016, Capgemini announced two acquisitions that strengthened our “Digital Customer Experience” service. Based in Munich, Oinio is one of the major European players in consulting and the implementation of cloud-based CRM solutions and digital marketing. This is thanks to Oinio’s partnership with Salesforce (one of Capgemini’s technology partners and a leader in the customer relations market). The recent purchase of Fahrenheit 212 — a strategy and innovation development consultancy — also helped to strengthen Capgemini Consulting in North America.

Digital is changing the game for manufacturers. Smart, connected products, assets and operations offer the potential for productivity gains, cost savings, and improved revenue. Transforming digitally, however, demands new thinking as operations and information technology converge. Capgemini can help. Our Digital Manufacturing solutions focus on improving the digital maturity of core manufacturing functions across Product Lifecycle Management (PLM), asset management, operations management, system simulation, and industrial cybersecurity. We draw on deep expertise in consulting and technology services, combined with a network of global Applied Innovation Exchanges and a strong ecosystem of partners, to ensure our industrial clients gain sustainable competitive advantage from their digital investments.

Digital Manufacturing

Capgemini’s “Digital Manufacturing” service uses all the benefits of digital to meet two types of needs: the optimization of industrial operations management (remote management, preventive and proactive maintenance, etc.) and increasingly intelligent configurations of production processes, factories and infrastructure. The Group benefits from a unique position in these markets. As a provider of both technological and consulting expertise, we are one of the few players that bring together Operations Technology (OT) and the company’s IT systems. Through these different business lines, the Group is able to offer expertise in the mechanical and electronic design of products, as well as in the onboard telematics for data collection. Capgemini’s global presence also makes us a partner of choice to support manufacturers in widespread locations, with the same quality of service. Finally, Capgemini has all the technological expertise (Cybersecurity, Connectivity, Analytics, Cloud) to help the industry to successfully make the jump into the age of the Internet of Things.

The Cloud provides a strong platform for growth

2015 brought growth of around 50% for Capgemini’s service of migrating our clients’ existing software and applications to the Cloud. The Cloud has now established itself as a permanent fixture in the IT services market, and the Group completed over 3,500 projects related to the Cloud over the course of the year.

In 2015, to support the rapid development of this market, the Group significantly extended our global cloud services offering,

now called Cloud Choice. The aim is to turn Cloud Choice into a strong platform for growth by supporting clients throughout the migration of their workload to the Cloud. Choosing a cloud solution means making a long-term assessment of our ability to support the development of the client’s IT environment over time. Moreover, not many clients are able to fully benefit from flexible “as-a-Service” cloud models, in terms of productivity, commercial performance growth and innovation to create new

business models. So with Cloud Choice, Capgemini is providing our clients with all the services they need to speed up their digital transformation with the help of the Cloud: technology solutions, consulting and assistance. Thanks to the combination of expertise in all of our business lines (consulting, proximity services, application services and infrastructure) — and the addition of the Cybersecurity global line — the Group is perfectly placed to become the partner of choice for companies looking to adopt the Cloud.

The new spectrum of Cloud Choice services includes the following: implementing a cloud strategy, testing, migrating

existing applications to the Cloud, cybersecurity services and developing and managing native, private, public or hybrid cloud applications.

Capgemini teams worked on several major cloud projects in 2015. To help develop the e-commerce service offered by PostNord, the postal service in Sweden and Denmark, the Group designed a large-scale applications platform based on IBM's Bluemix Cloud solution. In partnership with Microsoft, the Group also migrated over 550,000 e-mail addresses to the Cloud using Office 365.

Capgemini leads the way in Business Services

In 2015, through a combination of Capgemini's and IGATE's capabilities, we created a new strategic business line dedicated to business services, enabling companies to close the gap between their IT function and business operations. In the past, these activities were managed in an aligned yet partitioned manner, as IT was considered an efficiency driver for operations. The services related to these activities were most often purchased separately under business process outsourcing (BPO) or IT outsourcing (ITO) contracts.

The advent of the digital and cloud era has made it possible to combine these two functions, resulting in substantial efficiency gains. These new cloud-based business services solutions also meet rising demand for "as-a-Service" models that reduce clients' fixed costs in relation to IT infrastructure.

This new Capgemini business line offers conventional BPO solutions coupled with longstanding, proven expertise in the market. We are also developing platforms that comprise various

services, including BPO, applications and infrastructure. These platforms integrate the management of IT and support-function operations in areas such as finance, procurement, human resources and customer relationship management. They can also handle operations that are specific to a company's business sector, such as claims management in the insurance industry or logistics in the consumer goods sector.

Capgemini's business services are underpinned by IGATE's powerful Integrated Technology and Operations platform (ITOPS), presented on p. 8. The Group also offers Odigo, a full-fledged virtual contact center that supports clients' multi-channel strategy. Odigo enables clients to handle customer requests across all channels — voice, web and mobile — and processes several factors: customer information saved in the system, available staff with the skills required to fulfill the request, and preset routing rules. Odigo is used by more than 120,000 customer service professionals at 190 major corporations worldwide.

Major contracts signed by Capgemini in 2015

In 2015, order intake rose to €11,538 million, compared to €10,978 million in 2014. The renewal or strengthening of existing partnerships show that our clients trust Capgemini to support them in their digital transformation, the creation of a new business model, or the consolidation of their operational efficiency and capacity for innovation. These contracts also reflect Capgemini's international reach, because they involve all of the Group's business lines and brands (Capgemini Consulting, Sogeti, Prosodie-Capgemini and IGATE). Here are some examples of contracts signed in 2015 (for a more comprehensive list, see 4.1.1 "General comments on the Group's activity over the past year", page 132 and following).

Office Depot Inc.: Global Provider of Office Products and Solutions

Having been a Group client since 2011, Office Depot chose Capgemini to help with their merger-acquisition with Office Max, effective as of November 2013. The aim is to enable the US company to quickly achieve commercial synergies from the integration of the two IT systems, and to boost global performance. On the one hand, this agreement aims

to consolidate and standardize newly integrated financial and accounting practices; on the other, to outsource business processes for Office Depot Inc. and provide development, maintenance and testing services for its applications. To this end, Capgemini has set up a dedicated test center for this client, adhering to the best practices in IT migration.

IT Services Manager for the State of Georgia (United States)

Capgemini won the tender issued by the Georgia Technology Authority (GTA) for the outsourcing of its IT services providers. GTA currently manages the infrastructure and IT services of over 85 federal entities and 1,300 government agencies located in the state of Georgia. Under this seven-year contract, Capgemini will integrate IT services supplied by multiple service providers, particularly in the fields of invoicing, citizen services, and management of requests, risks and security. The challenge for GTA is to continue improving the quality and profitability of services provided to government entities and citizens, while also benefiting from IT services at the forefront of innovation.

Nokia: Global Telecommunications Player

The Finnish group Nokia has renewed its contract with Capgemini for the worldwide management of customer orders (preparing deliveries, distribution and invoicing) until 2020. This level of trust is a testament to Capgemini's expertise in the telecommunications sector and in the business process outsourcing (BPO) of logistics and supply chain management. Since 2010, this partnership has already resulted in significant optimization in relation to the costs, quality, and standardization of order processes internationally.

Neste: Global Leader in Renewable Fuels

The Finnish oil company Neste has chosen Capgemini to help secure its future growth. The Group has become the primary provider of ICT services for its business needs and end customers. This five-year contract will particularly draw on Capgemini's expertise in data analysis. By using the Group's Intelligent Service Centre™, all IT service requests from Neste's clients can be consolidated, and the data can be used to yield insights that will help to reduce the number of incidents and improve processing times.

Crédit Agricole: Leading European Retail Bank

Crédit Agricole's IT subsidiary, SILCA, has agreed a seven-year partnership with Capgemini to modernize the management of its infrastructure. The aim is to support the French bank in its digital transformation and in securing its business activities. Capgemini has therefore been entrusted with two main tasks: providing support and advice regarding innovation and security, and the delegated management of part of SILCA's IT infrastructure through the creation of a joint venture. This new entity will supply operations and monitoring services for SILCA's IT infrastructure and that of its clients within the Crédit Agricole group.

Munich Re: Global Player in Reinsurance

The German group Munich Re has signed a five-year Business Intelligence agreement with Capgemini. Our task is twofold: firstly, providing maintenance and development for the insurer's international database, and secondly, designing and implementing Munich Re's new international reporting system. We are therefore planning to help the company migrate to an architecture that uses SAP® Data Services™ software and the SAP HANA® platform. By using Capgemini's BI Service Center located in India, Munich Re will be able to optimize costs while also benefiting from dynamic and flexible services on a global scale.

Eneco: Dutch Leader in Sustainable Energy

The Eneco group is already one of Capgemini's clients in infrastructure services. Now this partnership is being extended to include innovation and digital transformation for its activities as an energy operator. To help Eneco transform its IT environment, the new agreement includes joint innovations in research, intellectual property and commercial development. These innovations will require Capgemini's expertise in insights and data and the Internet of Things, among others, and will make use of our Applied Innovation Exchange (AIE) (see page 20). This agreement is part of the Utility to Energy Services program (u2es) created by Capgemini to help our utilities clients address their challenges. Both partners expect to make the energy services developed from this available to other players.

Nationwide: Global Leader in Real Estate Credit

British company Nationwide has chosen Capgemini to update the IT experience offered to its clients and employees, thereby helping Nationwide to assert its position as the top financial services provider in the UK. For five years, Capgemini will deliver infrastructure services encompassing, in particular, the continual improvement of business processes, and a solution enabling employees to access their work environment from any device in complete security. Capgemini's Business Services team will also help Nationwide optimize its ecosystem of IT providers.

TGI Fridays™: Global Restaurant Chain

The US group has entrusted Capgemini with developing its IT infrastructure and services to support the growth and profitability strategy of its portfolio of franchised restaurants. The chosen solution is a new integrated offer called "Finance & Accounting as a stack", which includes management of the financial and accounting function of TGI Fridays™, as well as the management of its applications and infrastructure. Under this agreement, Capgemini will use the cloud solution provided by our partner NetSuite, a global leader in cloud-based ERP (Enterprise Resource Planning) solutions. This large-scale project will allow TGI Fridays™ to analyze its operations in real time, making this the first step towards transforming such data into a decision-making tool.

Innovation: helping clients to speed up their integration of emerging technologies

In 2015, Capgemini created a comprehensive program called the Applied Innovation Exchange (AIE) to help our clients to speed up their integration of technological innovations. This program includes proven methodology and tools for innovation, as well as nine innovation centers spread over four different continents*, where clients can get to know, test out, and adopt solutions developed jointly by Capgemini and our global ecosystem of technology partners. The ongoing digital revolution is rendering most companies' current R&D models inoperable. Technological innovations are advancing at a rapid pace, and the competition among players in the digital economy is forcing traditional

organizations to adopt ever-shorter innovation cycles. This is why the AIE aims to reduce the time between the emergence of the innovation and its implementation as a concrete solution that will support the clients' business.

The Applied Innovation Exchange (AIE) relies on Capgemini's ability to both tackle the challenges of its clients' sectors, and to pick out the emerging technologies that are most suited to each specific need. In the AIE innovation centers, clients are given the opportunity to test out the most innovative technologies relating to the Internet of Things, data analysis, the Cloud, cybersecurity, and even cutting-edge computing that facilitates the digital

transformation of business IT services. The nine AIE innovation centers* are also networked, meaning that people in any region of the world can benefit from industry expertise developed in any center. The Munich innovation center specializes in the automotive industry, whereas the Lille center specializes in retail. The new San Francisco center, which opened in early 2016, offers a unique capacity for joint innovation with well-known high-tech brands and start-ups, in particular companies from Silicon Valley.

In 2015, many of the Group's clients were able to benefit from the innovation services of the Applied Innovation Exchange. These included the Dutch energy provider Eneco, the French railway transport and rail traffic management company SNCF, the US network of extra-curricular activities for young people Boys & Girls Club of America, and the international financial services provider Euroclear.

Setting up a Competitiveness Department

At the end of 2015, Capgemini set up a new central department in charge of managing the Group's competitiveness. The responsibilities of this new department include Delivery, Industrialization, Procurement and India operations.

This new central department shall be effective from January 1, 2016. Its main tasks are reducing production costs — direct and indirect — and the creation of one or more industrial platforms. To this end, we must improve service quality and our ability to differentiate ourselves from competitors.

Capgemini can use three performance drivers with a view to increasing our competitiveness.

The first performance driver is the integrated management of the Group's human and material resources. In particular, this involves ensuring that these resources are available at the right time and the right price.

The second performance driver is the implementation of ways of automating the services and solutions we offer, particularly with regard to managed services and testing.

Lastly, the third performance driver is the integrated management of the Group's global production centers, namely the service, data processing and innovation centers. The idea is to organize these production centers, located in India, Eastern Europe, Latin America, Asia and Morocco, so that our various areas of expertise can be best organized to meet the needs of each client.

Our talent brings more agility and expertise to the Group

The needs of Capgemini's clients continued to change rapidly in 2015. To meet these requirements, the Group is searching for individuals who understand complex technological challenges, grasp the bigger picture, and are able to coordinate international teams.

UNCOVERING FUTURE TALENT

Capgemini uses agile recruitment methods to identify people with these new and highly sought-after profiles. Today, over 170 Group employees have the LinkedIn Recruiter Certification, making us the global leader across all sectors. Furthermore, the #Gradathon project has given graduates the opportunity to share their experiences at the company via Instagram, Facebook and Twitter. Similarly, the #LifeAtCapgemini and #BeTheYou campaigns were based on the same idea, but open to all employees.

The Group has also launched the "Innovators Race" — a new competition in which graduates from six different countries, chosen from among the best schools and universities, present their innovative ideas. To this end, they are set to work on a real business challenge faced by a major brand, and propose ideas via a one-minute video. The winners receive \$25,000 and the opportunity to visit the Capgemini's Applied Innovation Exchange in San Francisco (see p. 9).

CREATING AGILE AND COMMITTED LEADERS

Capgemini is developing a number of initiatives to foster the talents our clients require among our existing staff. "Strategic talent reviews" were created in 2015 to identify the leaders of tomorrow. The aim is to enable top management to review potential talent.

Capgemini has also launched "Game Changers", designed to inspire change within the Group and accelerate the career progression of particularly dynamic candidates. Around forty employees were chosen for their broad vision and their ability to implement game-changing ideas. These "Game Changers" come from varied entities across 13 different countries — and 41% of them are women. Over the course of a year, they will attend trainings and dedicated mentoring sessions. In return they are working on projects that require creative solutions and helping to tackle Capgemini's most important challenges.

The Group has valued geographic and operational mobility for a long time, and from 2016 this will be a necessary step to progress to certain career levels. A set of mobility guidelines will be available to support this new change.

CAPGEMINI UNIVERSITY: MAKING DIGITAL A PRIORITY

Capgemini University is designed to address the Group's strategic objectives. In particular, it ensures that employees have the expertise required to support our clients' digital transformation. In 2015, the university delivered 3.3 million hours of training around the world.

This training included several Business Priority Weeks (BPW) organized to educate employees about particularly crucial client challenges. For example, a BPW organized in June at Capgemini's business campus — Les Fontaines, near Paris — and attended by several clients, was dedicated to DevOps. This set of technologies and working methods uniting the design, development and operations teams help innovations to be brought to market more quickly. This approach was put into practice at a hackathon — an event in which developers work together to create an application prototype in several hours.

* In San Francisco, Mumbai, Melbourne, Munich, Utrecht, Paris, Lille, Toulouse and London (the latter to be launched shortly).

The University also launched TechnoTrends in 2015; this application helps employees learn about the latest technology trends.

The University has invested significantly to ensure that we provide better support for new ways of working. One example of this was the launch of a new MOOC (Massive Open Online Course), open to all the junior software engineers in the Group who want to

build on their digital skills. The University also set up a beneficial and intuitive new training platform using software from SkillSoft, a leader in e-learning solutions. MyLearning, a country-specific training catalog, has benefited from a simpler and more flexible new interface. A new interactive catalog offering access to all the training offered by the Group has also been made available online.

DIVERSITY IS A DRIVER TO BOOST THE GROUP'S AGILITY

As a global company with multicultural teams and interconnected markets, it goes without saying that we promote diversity and welcome people from all backgrounds, origins, cultures and fields of expertise.

Through the Women@Capgemini program, the Group has worked for several years to improve the representation of women among our employees. In 2015, the program launched the "Men Champions" project, in which 40 male employees, leaders or future leaders of Capgemini, became ambassadors for greater gender diversity by taking part in awareness-raising activities. But Capgemini has not stopped there, we have also committed to achieving targets. We aim to integrate one additional woman into each executive committee in the main business units by 2016, and in the strategic units by 2017. We have also committed to increasing the proportion of women in middle management positions from 18% to 25% by 2018.

As part of our efforts to promote social diversity, Capgemini is partnering with the French association Passeport Avenir, which supports young people from underprivileged areas in their academic and professional endeavors. Around 300 Group employees are involved in mentoring programs.

Honors and Awards

2015 saw Capgemini receive considerable recognition from independent bodies and analysts, and also from our technology partners.

Capgemini Consulting: One of the Leading Digital Transformation Consultants

In 2015, independent analyst ALM Intelligence (formerly Kennedy Consulting Research & Advisory) ranked Capgemini Consulting among the top four digital customer strategy and experience consultants worldwide⁽¹⁾. Only companies with broad and specialized expertise reach the forefront of the industry. The analyst Source Consulting ranked the Group's consulting branch among the top three providers worldwide for digital "Thought Leadership"⁽²⁾ for the quality of our studies and reports. Source Consulting commended the model implemented by Capgemini Consulting enabling its Digital Transformation Institute, created in 2012, to work alongside the Group's experts.

Honors Awarded to Capgemini by Analysts

- ▶ Leader in Application Modernization Services for Digital Transformation⁽³⁾ according to IDC MarketScape (organization for research into ICT companies and markets).
- ▶ Leader and Star Performer, along with IGATE, for global managed services for the insurance sector, according to Everest Group⁽⁴⁾ (organization for research into the players and delivery models related to ICT).
- ▶ In the "Winners Circle" for Salesforce services for our excellence in innovation and execution, according to HfS Research⁽⁵⁾ (organization for research into performance, business activities, technology and related services); and one of the leading Salesforce partners according to Forrester Research⁽⁶⁾ (company specializing in market studies on the business impact of technologies).
- ▶ In the "Winners Circle" for business mobility services, according to HfS Research⁽⁷⁾.
- ▶ One of the leading providers of mobile applications to businesses, according to Forrester Research⁽⁸⁾.
- ▶ One of the leading providers of managed services for global infrastructures, according to Forrester Research⁽⁹⁾.

(1) ALM Intelligence: "Digital Strategy Consulting," ©ALM Media, LLC. "Competitive landscape analysis: Digital Customer Strategy & Experience Consulting" report, September 2015.

(2) Source: "Quality Ratings of Thought Leadership" report, period from January-June 2015.

(3) IDC: "IDC MarketScape: Worldwide Application Modernization Services for Digital Transformation 2015 Vendor Assessment," Peter Marston, December 2015.

(4) Everest Group: "IT Outsourcing in Global Insurance – Service Provider Landscape with PEAK Matrix™ Assessment 2015: Driving Differentiation through Digital," Jimit Arora, Ronak Doshi, Aaditya Jain, Archit Mishra, Ankur Seth, November 2015.

(5) HfS Research: "HfS Blueprint Report: Salesforce Services 2015," Khalda De Souza, Charles Sutherland, October 2015.

(6) Forrester Research Inc.: "The Forrester Wave™: Salesforce Implementation Partners, Q2 2015," Liz Herbert with Christopher Andrews, Arelai Ephraim, Ian McPherson, June 26, 2015.

(7) HfS Research: "Enterprise Mobility Services Blueprint," Ned May, April 15, 2015.

(8) Forrester Research Inc.: "The Forrester Wave™: Enterprise Mobile App Services Providers — Large Providers, Q1 2015," March 5, 2015.

(9) Forrester Research Inc.: "The Forrester Wave™: Global Infrastructure Outsourcing, Q1 2015," William Martorelli, Wolfgang Benkel, January 13, 2015.

Honors Awarded by Technology Partners

In 2015, Capgemini received several awards from our technology partners. In particular, **IBM** recognized us as the “Partner of the Year” for our joint contract with the client PostNord. **EMC** awarded its Innovation award to Capgemini for the Group’s Business Data Lake service, which enables businesses to adopt their own approach to data management. US company **Microsoft** also commended several local Group subsidiaries for their expertise in the fields of business intelligence and customer relationship management (CRM).

SAP, the German business applications provider, praised Capgemini University’s role in training 17,000 Group experts in SAP solutions. This effort has boosted our joint activities in innovative sectors such as cloud computing and mobility. SAP recognized this by awarding Capgemini with the title “Services Transformation Partner of the Year.”

Capgemini Named “Most Influential French Brand” on LinkedIn

For the second consecutive year, Capgemini has been named the “most influential French brand” on LinkedIn, the online professional social network that connects 364 million users around the world. This ranking, created by LinkedIn in 2014, assesses brands’ involvement in the network, their traffic and the engagement generated by their content.

Capgemini is Ranked One of the Top 25 “Best Companies to Work For” in India

For the first time, *Business Today*, one of the top economic journals in India, has ranked Capgemini among the country’s top 25 “best companies to work for”. The Group comes in at number 12.

Capgemini Named One of the “World’s Most Ethical Companies”

For the fourth consecutive year, the Group has received the US title of “One of the World’s Most Ethical Companies®,” from the

Ethisphere Institute. This honor is a testament to Capgemini’s continued commitment to ethics and corporate social responsibility (see page 72).

Capgemini’s Training Praised by the EFMD and Brandon Hall

Capgemini University has received renewed accreditation until 2019 from the prestigious **EFMD** (European Foundation for Management Development), which comprises over 800 members from academia, business and public service across 81 countries. Capgemini University is one of 16 corporate universities chosen to receive this accreditation and is the only one in its sector. It has also received two prizes from **Brandon Hall** (a training analysis and research company) for the quality of its training.

Environmental Commitments that are Fit for Purpose

Reducing our environmental impact is one of the four priorities in Capgemini’s CR&S strategy. Aside from Group-level initiatives, many of our employees are involved in the day-to-day development of technological solutions that help with the environmental challenges facing our clients. They are also involved in initiatives designed to benefit local communities. Among the projects we carried out in 2015, Capgemini Brazil helped an industrial group to improve the management of its chemical and waste products. In India, our teams supported an association in the town of Salem in its efforts to inform citizens about the need to conserve and recycle water.

Paul Hermelin Named “French Chairman and CEO of the Year” by French Economic Journal *Challenges*

Paul Hermelin, Capgemini Chairman and CEO, has been named “Chairman and CEO of the year” in the category of companies in the CAC 40 index by *Challenges*, a weekly business magazine in France. Every year for the last 18 years, the journal has evaluated the performance of France’s top business leaders by looking at their company’s revenue, profitability and share price on the stock market.

Capgemini’s publications: a 360° view of our clients’ challenges

Anticipating companies’ challenges, analyzing trends in their markets and understanding the impact that new technologies will have on their business are just some of our missions at Capgemini. This is why the Group compiles several dozen reports and thematic studies every year. Produced by Capgemini’s teams, often in collaboration with respected partners, these are leading publications in their field. Here is a selection of the reports and studies published in 2015.

You can find full versions of all of the Group’s publications at: capgemini.com/thought-leadership.

Big & Fast Data: The Rise of Insight-Driven Business

This study on Big Data was conducted by EMC — one of Capgemini’s major technology partners — on 1,000 decision-makers in 10 countries. 64% of companies said that Big Data is transforming how their markets operate and encouraging the emergence of new players. Despite this, only 43% of them had already restructured their business to tap into their potential.

European Energy Markets Observatory

According to the 17th edition of the *European Energy Markets Observatory*, the gas and electricity markets remained very volatile in 2015. Moreover, energy transition has resulted in numerous changes in the economic model for utilities companies (smart meters, decentralized production, etc.). To adapt to these changes, companies must transform themselves to use digital to their full advantage.

Fixing the Cracks: Reinventing Loyalty Programs for the Digital Age

Loyalty programs with the big companies are not very attractive because these companies have not yet caught up with the digital age. 97% of such programs are based entirely on clients making purchases, rather than showing their commitment to the brand (filling out surveys, making recommendations to friends, etc.). This is the first insight learned from this study of 160 global companies led by Capgemini Consulting.

Rethinking the Value Chain: New Realities in Collaborative Business

If they wish to ensure sustainable growth, retail and consumer goods companies should stop designing products that will be distributed in a linear way from the producer to the consumer. Instead, they should create whole networks around their end clients, with a large variety of channels and interfaces. This was the conclusion of the report produced in conjunction with the "Consumer Goods Forum" (which includes the top managers of 400 companies from these sectors).

The Innovation Game: Why and How Businesses Are Investing in Innovation Centers

Capgemini Consulting and Altimeter have conducted a study of the 200 biggest companies in the world. 38% of them have set up a dedicated innovation center to meet their increasing innovation needs. 29% chose the US for this, 29% chose Europe, and 25% chose Asia.

World Insurance Report

Conducted in conjunction with Efma (an association encompassing over 3,300 retail financial services companies from over 130 countries) on 15,500 clients of insurers in 30 countries, this report shows further decline in the satisfaction rate, dropping from 32% to 28.9%. The path to progress is a standardized customer experience across all communication channels and more regular and personalized interaction via digital channels.

World Quality Report

The budget that companies allocate to testing has seen a significant increase (+9%). The main explanations for this are the speed of digital transformation and the number of applications that they must manage. At the time of the 7th edition of this study, conducted jointly with SOGETI and HP (surveying 1,500 companies in 32 countries), safety was seen as the primary aim of testing for 81% of the companies. Now, customer experience is nearly as important (79%).

World Retail Banking Report

This overview of retail banking is published each year in conjunction with Efma. The study, which examines 16,000 clients in 32 countries, reveals that their satisfaction rate has decreased by 1%. The challenge for the sector is to invest more in the middle and back office to improve processing times and boost customer service.

World Wealth Report

This is the 19th edition of the report on global wealth published by Capgemini and RBC Wealth Management. In 2014, the number of high net worth individuals increased by nearly one million, reaching 14.6 million, or a combined wealth of \$56.4 trillion.

Asia Pacific Wealth Report

This report on the wealth of individuals in Asia-Pacific is an excerpt from the World Wealth Report published by Capgemini and RBC Wealth Management. Asia-Pacific is now the region with the largest number of high net worth individuals (4.7 million); the rate of growth is particularly high in India (+26%) and in China (+17%).

1.6

Investment policy, financing policy and market risks

Investment policy

In 2015, Capgemini acquired IGATE (33,000 employees and revenues of \$1.3 billion) for a total amount of \$4 billions. With this major acquisition, North America becomes the first region of the Group.

At the end of 2015, the Group signed the acquisition of a company specialized on Salesforce (Oinio, 100 employees).

In 2016, the Group wishes to strengthen its presence outside Europe and particularly in North America. The development of the technology portfolio will also remain one of the priorities of the Group's external growth policy.

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

Financing policy and financial rating

The Cap Gemini S.A. 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 (and 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 syndicated credit line and the use of leasing to finance IT equipment) and market financing (euro bond issue performed in November 2011 for €500 million; issue of ORNANE bonds redeemable in cash and/or in new shares and/or in existing shares for €400 million in October 2013; three euro bond issues performed in July 2015 for €1,750 million – see Note 20 to the consolidated financial statements);

▶ a good level of liquidity and durable financial resources, which means:

- maintaining an adequate level of available funds (€2,066 million at December 31, 2015), supplemented by a €750 million multi-currency syndicated line of credit secured on July 30, 2014 and maturing on July 28, 2020,
- borrowings, with only a limited portion falling due within 12 months (contractual cash flows within less than one year; see Note 20 to the consolidated financial statements) representing just 17% of total contractual cash flows at December 31, 2015.

FINANCIAL RATING

The Group's ability to access financial and banking markets and the cost of accessing such markets depends at least in part on the credit rating attributed by the rating agency Standard & Poor's: in April 2015, following the announcement of IGATE acquisition, the latter downgraded Capgemini's long-term credit rating to BBB (stable outlook), from its previous rating of BBB+ (stable outlook).

Market risks

Detailed information concerning currency risk, interest rate risk, equity risk, liquidity risk and credit risk is provided in Notes 11, 18, 20 and 22 to Capgemini's consolidated financial statements in this Registration Document.

1.7 Risk analysis

Identification of risks

This risk analysis section was drafted following a coordinated process involving several Group stakeholders. Of particular note among the departments that play a key role in identifying major risks are the Internal Audit, Ethics & Compliance, Finance, Insurance, Legal, Human Resources and Security & Mobility departments.

More generally, the Group has implemented a risk control system involving various parties operating at different levels of the organization, including:

- ▶ Group Management, which discussed, drafted, approved and 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 restates and explains Capgemini's seven core values, sketches out the overall security framework within which the Group's activities must be conducted, and, finally, describes the methods to be followed in order to exercise the necessary degree of control over the risks identified in each of the Group's main functions;
- ▶ individual business units which supplement and adapt the Blue Book 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;
- ▶ the Internal audit function which independently assesses the effectiveness of these internal control 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.

These rules and procedures are updated periodically to reflect the development of the Group's business activities and changes in its environment.

The overall risk management and internal control system is described in the report of the Chairman of the Board of Directors (page 71 and seq.) of this Registration Document. The risk management and control procedures presented below are described in this context.

When updating the mapping of its major risks that has been initiated at the end of 2015, Capgemini group reviews the risks that could have a significant negative impact on its activity, financial position or results, in order to verify the absence at this time of any other major risks apart from those presented in this report.

It is possible that some risks not currently referred to or identified could potentially impact the results of the Group, its objectives, reputation or the share price.

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, notably through human error, of obligations liable to affect the operations of a client or third party. 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 make sure to adapt to new client product and service expectations.

ECONOMIC RISKS

The Group's growth and financial results may be adversely affected by a general downturn in the IT service 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 constraints, may weigh on our activities. 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 in a certain number of segments.

Finally, and more generally, a major crisis impacting the financial markets or unfavorable trends in macro-economic indicators could, due to the extent of their impacts, restrict the Group's ability to attain its objectives and continue its development.

COMPETITION

The IT consulting and services business is highly competitive. A large number of players, both French and international, operate with substantial resources, giving them significant scope for action, both financial and operational.

The Group's inability to understand, satisfy or anticipate the current and future needs of our clients and prospective clients by launching relevant services on the market, could impact our financial results.

Furthermore, the concentration of players in this market could offer opportunities or be prejudicial to the Group.

EXTERNAL GROWTH

External growth transactions, one of the cornerstones of the Group's development strategy, also contain an element of risk. Integrating any newly-acquired company or activity, particularly in the service sector, may prove to be a longer and more difficult process than predicted. The success of an external growth transaction largely depends on the extent to which the Group is able to retain key managers and employees, maintain the client base intact, coordinate development strategy effectively, especially from an operating and commercial perspective, and dovetail and/or integrate information systems and internal procedures. Unforeseen problems can generate higher integration costs and/or lower savings or synergies than initially forecast. If a material, unidentified liability subsequently comes to light, the value of the assets acquired may turn out to be lower than their acquisition cost (see Note 14 to Capgemini's consolidated financial statements, page 167).

STRATEGIC ALLIANCES

The Group enters into strategic alliances in order to accompany its growth. Governance and management difficulties could arise if strategic objectives were not aligned with our various partners, making the development of the Group's businesses in some critical markets difficult or even leading to a loss in revenues.

REPUTATION

Intense media coverage of any difficulties encountered, especially on large-scale or sensitive projects, could negatively impact the

Group's image and credibility in the eyes of its clients, and by extension, its ability to maintain or develop certain activities.

When dealing with third parties and clients, the behavior of team members may be inconsistent with our principles (values, work methods, etc.) and could even present a danger to the company if contrary to ethics or legislation.

Finally, internet users 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.

CLIENTS

Capgemini serves a large client base, in a wide variety of sectors and countries, limiting the risk of dependency on a given sector and/or market. The Group's biggest clients are multinationals and public bodies (see Note 18 to the consolidated financial statements, page 173). 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:

	2015
Top five clients	11%
Top ten clients	17%

Operational risks**PROJECT PERFORMANCE**

Despite the formal review and approval procedure for all contractual commitments given by the Group to its clients, suppliers and sub-contractors, in some cases, difficulties with respect to project performance and/or project costs may have been 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 eliminated. 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 the Company is held liable and/or may tarnish its reputation.

EMPLOYEES

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. Due to the integration of IGATE and the changes to the Group's structure and organization resulting from this acquisition, the survey initially scheduled for the second-half of 2015 was pushed back to 2016 and the questionnaire will be updated.

The Group could encounter difficulties attracting, developing or retaining the key skills necessary to the exercise of its activities. The loss of talent or a team could also follow an acquisition or a change in Group or entity management.

The Group pays close attention to internal communication, diversity, equal opportunity and good working conditions. Group Management has published a Code of Business Ethics and oversees its application. Nevertheless, 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 (including in offshore countries), career management, the development of expertise, building employee loyalty and the level of employee commitment are presented in the Chapter "Capgemini, its values, employees and Corporate Social Responsibility (CR&S)", Section 3.2 "Our people, a key Group asset" (pages 88 and seq.).

INFORMATION SYSTEMS

New technologies (cloud computing, “Bring your own device”, etc.) and new practices (social networks, mobility, Software-as-a-Service - SaaS, etc.) inevitably expose the Group to new risks. Risks relating to cyber criminality of all kind 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 systems underlying the publication of the Group’s consolidated financial statements also present a specific risk in view of the strict reporting deadlines. The Group is aware of the importance of internal communication network security, and protects its networks via security rules and firewalls. It also has an established IT security policy.

SERVICE CONTINUITY

Capgemini’s evolving production model, Rightshore®, 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, Poland, China and other Asian and Latin America countries. The development of this model has made the Group more reliant on telecommunications networks, which may increase the risk of business interruption at a given production site due to an incident or a natural disaster, in so far as several operational units could be affected simultaneously. The use of a large number of production sites increases the range of contingency options available to the Group.

SUPPLIERS AND SUB-CONTRACTORS

Capgemini is dependent upon certain suppliers, especially in its Technology Services and networks businesses. While alternative solutions exist for most software and networks, the failure of a supplier to deliver specific technology or expertise could have prejudicial consequences for certain projects (see section 3.4 “Engaging with stakeholders”, “Our suppliers and business partners”, page 116 and seq.).

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.

GEOPOLITICS

Capgemini has permanent operations in approximately 40 countries. The bulk of its revenues are generated in Europe and North America, which are economically and politically stable.

An increasing portion of its production is based in emerging countries, and primarily India, which now represents approximately 48% of the Group’s total headcount. Consequently, Capgemini is now more exposed to the risk of natural disasters in South East Asia and Latin America, political and social instability in some regions of India and adjoining countries, and even terrorist attacks. From an economic standpoint, the Group is also exposed to risks stemming from the negative effects of insufficiently controlled growth (industrial disputes and strikes, wage inflation, which is particularly rife in the IT sector, inadequate domestic infrastructure and higher taxes).

Sending employees to countries which are geopolitically unstable may expose the Group to risks regarding the physical safety of these employees. Economic instability and poorly controlled growth can also be a source of risk for the company’s performance and reputation. The risk of natural disasters in certain countries where we are established, political instability and even terrorist attacks and similar risks in countries where we may be called on to work in response to client requirements, could impact the physical safety of our employees. Economic uncertainty in an unstable environment generates many other risks (galloping inflation and its impact on wages, poorly adapted infrastructures, unstable fiscal and social environment, etc.), which could impact our economic performance.

Finally, a dedicated international insurance program has been setup to provide assistance to all employees covering their security, healthcare and potential repatriation (for more information please refer to the Insurance section of this document).

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 is governed by specific regulations that could negatively impact our activities. Other factors such as the size and geographical locations of the Group also expose it to legal and tax risks.

CONTRACTS

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.

COMPLIANCE WITH LEGISLATION

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, 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.

FAILURE TO COMPLY WITH REGULATIONS GOVERNING OUR ACTIVITIES

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 client or third-party data.

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.

LITIGATION

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 24 to Capgemini’s consolidated financial statements page 188).

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

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. It does, however, hold treasury shares acquired under its share buyback program as well as call options on its own shares and enters into derivatives in its own shares (see Note 11 to Capgemini’s consolidated financial statements).

COUNTERPARTY AND CREDIT RISK

Capgemini Group would be exposed to credit and counterparty risk in respect of its asset financial instruments if the relevant debtor was unable to fulfill all or part of its commitments (see Note 18 and Note 20 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 22 to Capgemini’s consolidated financial statements).

LIQUIDITY RISK

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.

The financial liabilities whose early repayment could expose the Group to liquidity risk correspond mainly to the bonds issued respectively in July 2015, November 2011 and 2013 (ORNAME).

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 20 to Capgemini’s consolidated financial statements).

INTEREST RATE RISK

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 22 to Capgemini's consolidated financial statements).

FOREIGN CURRENCY RISK

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 foreign currency 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 growing use of offshore production centers in India, but also in Poland and Latin America, exposes Capgemini to currency risk with respect to some of its production costs. Capgemini 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 22 to Capgemini's consolidated financial statements).

RISKS RELATING TO EMPLOYEE LIABILITIES

Capgemini's consolidated financial statements may be impacted by provisions for pensions covering funded defined benefit plans, which are also subject to volatility. Furthermore, the Group could be faced with calls for funds from trustees to make-up pension fund shortfalls, over a short or long time period, potentially deteriorating its financial position.

The main risk factors are fluctuations in interest rates and more generally the financial markets, as well as inflation rates and life expectancy. The value of pension obligations is calculated based on actuarial assumptions and particularly interest rates, inflation rates and life expectancy. Pension plan assets, which are invested in different categories of assets (including equities), are managed by the trustees of each fund and 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 be delegated. Under these conditions, plan assets may be less than 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 commitments (see Note 23 to Capgemini's consolidated financial statements).

Insurance

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.

The Group risk management and insurance policy encompasses the assessment, prevention and transfer of all or part of the risks relating to individuals, its assets and equipment under Group's responsibility. The Group's insurance policy for transferring risks to the insurance and reinsurance market is to adjust insurance coverage to the maximum replacement value of assets to be insured, or in the case of liability insurance, to an estimate of its own risks and reasonably foreseeable third party risks in its business sector, taking account of legislation and specific risks in each country and the emergence of new risks, as well as changes in major exposure under contracts signed with clients. Deductibles are set so as to encourage operational unit managers to commit to risk prevention and out-of-court settlement of claims, without exposing the Group as a whole to significant financial risk.

COMMERCIAL GENERAL LIABILITY AND PROFESSIONAL INDEMNITY

This insurance program, which is key for clients, is designed, taken out and managed centrally at Group level. Any entity in which Cap Gemini SA has 50% or more ownership (direct or indirect control), is 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, everywhere 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 the evolution of 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, and consequently it owns little property.

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 500 sites with an average surface area of 3,500 square meters. Some of the Group's consultants work off-site at client premises. This geographical 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 10,000 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, 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. The main objectives are to ensure the compliance of current schemes and develop, standardize and improve them in accordance with the different legal systems in the countries concerned and to optimize traditional and 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. All other risks – including motor vehicle, transport of goods, and employer liability for accidents at work – 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. The Group has also decided that, unless coverage is compulsory and readily available, it is not necessary to systematically insure against terrorism-related risks. Some risks are excluded from coverage or restricted under the general conditions imposed by the insurance and reinsurance market.

2

Corporate governance and Internal control

2.1

Organization and activities of the Board of Directors **34**

2.1.1	History and composition of the Board of Directors	34
2.1.2	Other offices and duties exercised by members of the Board of Directors (composition as of December 31, 2015)	40
2.1.3	Role, meetings, operating rules and self-assessment procedure	45
2.1.4	Role and composition of the four Specialized Board Committees	49
2.1.5	Rights and obligations of Directors – Compensation	52
2.1.6	Declarations concerning the group's corporate officers	54
2.1.7	Factors affecting a potential takeover bid	55
2.1.8	Transactions carried out by members of the board of directors and other senior managers involving cap gemini shares	55

2.2

General organization of the Group **56**

2.3

Compensation of executive corporate officers **59**

2.3.1	Chairman and Chief Executive Officer compensation policy	59
2.3.2	2015 Compensation of Paul Hermelin, Chairman and Chief Executive Officer	61
2.3.3	2016 Compensation of the Chairman and Chief Executive Officer	66
2.3.4	Attendance fees and other compensation received by Corporate Officers	66
2.3.5	Stock subscription options, stock purchase options and performance shares	67

2.4

Internal control and risk management procedures **71**

2.5

	Statutory Auditors' report prepared in accordance with Article L. 225-235 of the French Commercial Code on the report prepared by the Chairman of the Board of Directors	80
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2.1 Organization and activities of the Board of Directors

Paul Hermelin prepared the report of the Chairman of the Board of Directors on the composition of the Board and the preparation and organization of its activities and on internal control and risk management procedures implemented by the Company pursuant to:

- ▶ the provisions of Article L.225-37, paragraph 6 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) as revised in June 2013 and November 2015;

- ▶ 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. for more than 45 years!).

2.1.1 History and composition of the Board of Directors

2016 was marked by the death, on March 15, of Serge Kampf, founder, Vice-Chairman of the Board and Honorary Chairman of the Capgemini Group. The Group is therefore at a turning point in its history as these words are being written. Capgemini was shaped by 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 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.

Paul Hermelin, Chairman and Chief Executive Officer and author of this report wrote the following words to Group employees:

“I have lost a mentor and a friend. But let us treasure the memories of his teachings and prepare to take Capgemini, his Group, even further. In this way, let us show that we are worthy successors”.

Serge Kampf was particularly attentive to the drafting of the Chairman’s Report on corporate governance and internal control. The text which follows largely sets out the history of the Group as he wrote it.

The story of this (nearly) half-century is a relatively simple one, and can be split into four major periods:

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

Sogeti – the parent and several times grand-parent company of the current Group – 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, 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, 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 Cap Gemini 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, 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 Serge Kampf as Chairman of the Management Board and 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 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 Serge Kampf in his duties of 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 Geoff Unwin, already considered to be the Group’s number two within the Management Board.

In December 2001, after a difficult year whose disappointing results only confirmed the threat of recession hanging over the global economy, 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 our headcount in May 2000 of 16,643 consultants from Ernst & Young. Taking note of the decision made – and confirmed – by Geoff Unwin to retire in the near future, the Board of Directors decided, at the recommendation of its Chairman, to appoint as his replacement Paul Hermelin, who became Group General Manager alongside 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, 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 (he also informed CGIP of this choice in a planning letter dated December 1999, “just in case”). This two-man team operated efficiently and in harmony for 10 years, although 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. Certain directors even observed that the very general drafting of this law could one day – for example should one or other no longer be part of this two-man team – become a source of ambiguity, confusion and possibly even conflict. 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 (accepted and even encouraged by a Board of Directors, once again very active), 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, i.e. a fall in “per capita” revenues to €81,000 – practically the same as 15 years previously – but a reflection of the international spread of the Group’s activities and employees since 2013, accelerated by the acquisition in October 2006 of KANBAY, with its 5,000 Indian employees.
- On April 4, 2012, as he had already implied two years previously on the renewal of his term of office, 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, Paul Hermelin, who had widely demonstrated, throughout a “probationary period” of a rather exceptional length, his ability to hold this role. The Board, which followed these recommendations, considered that this method of governance regrouping the duties of Chairman of the Board of Directors and Chief Executive Officer seemed the best able to allow Paul Hermelin to succeed Serge Kampf and

manage an increasingly international and decentralized group, while removing the risk of conflict between the holders of these two functions when they are separated. The Board of Directors also considered that a satisfactory balance of power existed within the Board of Directors, ensuring balanced and efficient governance. 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, Compensation, Ethics and Governance and Strategy, 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.

At its meeting of April 4, 2012, the Board solemnly conferred on Serge Kampf the title of “Honorary Chairman” and function of Vice-Chairman. The Board informed the Combined Shareholders’ Meeting of May 24, 2012 of this change, which gave a standing ovation in honor of the immense contribution of Serge Kampf to the development and reputation of the Company.

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

Since 2012, Paul Hermelin carries out the duties of Chairman of the Board of Directors and Chief Executive Officer of the Company 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. Accordingly, in recent years the Charters of the Board of Directors and its Committees have been overhauled, not only to reflect the consequences of the regrouping of these duties but also to take account of the new recommendations of the AFEP-MEDEF Code. In particular, the position of Lead Independent Director was created from 2014 and the Chair of the Ethics & Governance Committee was entrusted to this director. The Lead Independent Director chairs the executive sessions held at least twice a year, which bring together the directors not tied to the Company. He also performs the annual assessment of the activities of the Board of Directors. Therefore, while the duties of Chief Executive Officer and Chairman of the Board of Directors have been regrouped, these duties are now exercised under the close and vigilant supervision of the Lead Independent Director.

This observation that the Company enjoys balanced and efficient governance was reiterated during the latest assessment of the Board’s activities performed in 2015.

Further information on the roles and duties of the Lead Independent Director and the restrictions on the powers of the Chief Executive Officer is presented in Section 2.1.5 (Rights and Obligations of Directors). The roles and composition of the Specialized Board Committees are presented in Section 2.1.4.

The creation of a Group Executive Board (GEB) to assist Paul Hermelin also contributes on an operating level to ensuring the collective management of the Company. The GEB is chaired by 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 in charge of production.

The directors meet regularly with members of the Group Management Board during Committee meetings (Audit, 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.

It is in this Governance context that the number of Group employees increased 50% between 2012 and 2015 to reach 180,639 at the end of 2015 and that various acquisitions were performed, first among which the acquisition of IGATE in 2015.

Serge Kampf passed away on March 15, 2016.

COMPOSITION OF THE BOARD OF DIRECTORS

While giving the impression of great stability, the composition of the Board has changed significantly over time. For example, in 2002, at the end of the Shareholders' Meeting, it comprised 11 directors and 2 non-voting directors, all of whom were men. Only three members of this team remain today: Bruno Roger, Paul Hermelin and Phil Laskawy (in order of length of service). The directors who have left the Board include Christian Blanc, Ernest-Antoine Seillière (who was Vice-Chairman), Chris van Breugel, Guy de Wouters, Pierre Hessler, Geoff Unwin and especially Serge Kampf and Michel Jalabert, his long-term companion and "boss" at Bull in the 1960s and a shareholder in Sogeti from its creation. Michel Jalabert joined the Group in 1976 and was for nearly 30 years a member (with Daniel Setbon and a few others) of the Chairman's inner circle and was elected director by the Combined Shareholders' Meeting in May 2000. Michel Jalabert died in 2013. In the meantime, a number of individuals have joined and left the Board: Marcel Roulet (non-voting director from 2005 to 2009), Thierry de Montbrial (2005-2013), Bernard Liautaud (2009-2013), Ruud van Ommereen (2000-2014) and Terry Ozan (2000-2014).

At the end of the Shareholders' Meeting of May 7, 2014, the Board comprised 12 directors, four of whom women (there are no non-voting directors since the decision by the Combined Shareholders' Meeting in May 2012 not to renew the terms of office of Pierre Hessler and Geoff Unwin as non-voting directors):

- ▶ eight directors were appointed or reappointed by this Shareholders' Meeting for a period of four years; their terms of office should therefore expire the day of the Combined Shareholders' Meeting held to approve the 2017 financial statements:
- Laurence Dors, Serge Kampf, Bruno Roger, Paul Hermelin, Phil Laskawy and Yann Delabrière were reappointed for a period of four years; Serge Kampf's term of office ended on March 15, 2016 on his death,
- Caroline Watteuw-Carlisle and Xavier Musca were appointed directors for the first time;
- ▶ Daniel Bernard and Pierre Pringuet, Board members since 2005 and 2009, respectively, whose terms of office were renewed for four years by the Combined Shareholders' Meeting of May 23, 2013 and which will therefore expire in the Spring of 2017, the day of the Combined Shareholders' Meeting held to approve the 2016 financial statements;
- ▶ Anne Bouverot, coopted by the Board of Directors' meeting of October 8, 2013 to replace Bernard Liautaud (who resigned) for the remaining term of office of the latter, that is until the Combined Shareholders' Meeting held to approve the 2016 financial statements, whose cooption was ratified by this same Shareholders' Meeting;

- ▶ and finally Lucia Sinapi-Thomas, elected as a Board member by the Combined Shareholders' Meeting of May 24, 2012 to represent employee shareholders, and whose four-year term of office will therefore expire in the Spring of 2016, the day of the Combined Shareholders' Meeting of May 18, 2016.

The Board of Directors regularly assesses its composition and the various areas of expertise and experience contributed by each of its members and identifies the direction to be taken to ensure the best possible balance with regards to the international development and human diversity of the Group's employees.

At the proposal of the Ethics & Governance Committee, the Board of Directors agreed, during its meeting of March 23, 2016, the need to increase the financial expertise of the Board and strengthen the Audit Committee. In addition, the Board confirmed the need to continue decreasing the average age of directors, as well as increasing the number of female directors and the diversity of profiles and cultures represented.

The appointment of two new female directors whose profiles and experience satisfy these various objectives will therefore be proposed to the Combined Shareholders' Meeting of May 18, 2016. These appointments will also allow the independence of the Board of Directors to be strengthened, increasing to 69%, following the confirmation by the Board of Directors' meeting of March 23 that these two candidates are considered independent with respect to the criteria of the AFEP-MEDEF Code.

The two candidates proposed for appointment are:

- ▶ Mrs. Sian Herbert-Jones, previously Chief Financial Officer of the Sodexo group from 2001 to March 1, 2016. Mrs. Herbert-Jones brings considerable financial expertise to the Board of Directors acquired with PricewaterhouseCoopers and then Sodexo. She is also Chairwoman of the Audit and Accounts Committee of the L'Air Liquide Board of Directors since 2011. Of British nationality but with an excellent command of the French language, Mrs. Herbert-Jones contributes to the internationalization of the Board of Directors.
- ▶ Mrs. Carole Ferrand, Financing Operations Director of the Artemis Group. After a career in audit with PriceWaterhouseCoopers, Mrs. Ferrand joined the Artemis Group in 2013. She is also a director of FNAC and a member of its Audit Committee.

The Combined Shareholders' Meeting of May 18, 2016 will also be asked to renew the term of office of the director representing employee shareholders and to amend the bylaws of the Company to enable the appointment of employee directors in accordance with the regulations now applicable to Cap Gemini. These directors, who must be appointed before the end of 2016, will contribute new expertise to the Board of Directors. The total number of directors would therefore increase from 11 to 15.

Throughout recent years, the Board of Directors' composition has changed on converging fronts: reduction of the total membership (the number of members including non-voting directors having been reduced from sixteen to twelve, while pursuant to Article L.225-23 of the French Commercial Code, the Board added an employee shareholder representative), rejuvenation (average age lowered to 65) and increased female presence (proportion of women increased to 33%⁽¹⁾). The total number of Board members will increase in 2016 due to the implementation of legislative provisions regarding employee representation, as well as the recruitment of female directors in anticipation of the Copé-Zimmermann Law deadline. The expiry of terms of office

(1) Rates after the 2015 Combined Shareholders' Meeting and until Serge Kampf passed away on March 15, 2016.

Corporate governance and Internal control
2.1 Organization and activities of the Board of Directors

in 2017 and 2018 will offer the opportunity, if it is considered necessary, to reduce the total number of Board members.

The continued representation on the Board of a range of nationalities is confirmed with 33% of directors of foreign nationality or dual nationality or conducting their main activity outside France. The appointment of a further two women, at least one of foreign nationality, would increase the percentage of female directors on the Board to 46% in accordance with the

recommendations of the AFEP-MEDEF Code and the change the percentage of directors of foreign nationality or dual nationality or conducting their main activity outside France to 31%.

Since July 2014, the Secretary of the International Works Council, Kevin Masters, has attended meetings of the Board of Directors as a permanent guest. His participation contributes to the diversity of experiences and viewpoints expressed.

	Composition after the 2014 Shareholders' Meeting	Composition after the 2015 Shareholders' Meeting	Composition after the 2016 Shareholders' Meeting
Percentage of independent directors	58%	58%	69%
Percentage of female directors	33%	33%	46%
Average age of directors	64	65	62
Average term of office	7	8	6
Percentage of directors of foreign nationality, dual nationality or residing outside France	33%	33%	31%

2

EXAMINATION OF THE PERSONAL SITUATION OF DIRECTORS WITH RESPECT TO THE INDEPENDENCE CRITERIA LAID DOWN BY THE AFEP-MEDEF CODE (REVIEWED BY THE BOARD OF DIRECTORS' MEETING OF MARCH 23, 2016)

	Is not and has not been within the last 5 years, an employee or executive corporate officer of the Company or an employee or director of its parent company or a company that it 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: <ul style="list-style-type: none"> ■ material for the company or its group; ■ or for which the company or the group represents a material share of activity
Paul Hermelin			X
Daniel Bernard	X	X	X
Anne Bouverot	X	X	X
Yann Delabrière	X	X	X
Laurence Dors	X	X	X
Phil Laskawy	X	X	X
Xavier Musca	X	X	X
Pierre Pringuet	X	X	X
Bruno Roger	X	X	
Lucia Sinapi-Thomas		X	X
Caroline Watteeuw-Carlisle	X	X	X

(1) Pursuant to the AFEP-MEDEF Code, a director only loses his/her status as independent as a result of this criterion on expiry of the term of office during which he/she exceeds the 12-year threshold.

NI: not independent

I: independent

Corporate governance and Internal control
2.1 Organization and activities of the Board of Directors



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 12 years at the end of the current term of office ⁽¹⁾	Does not represent a shareholder participating in the control of the Company or its parent company	Directors' position
X	X		X	NI
X	X	X	X	I
X	X	X	X	I
X	X	X	X	I
X	X	X	X	I
X	X		X	NI
X	X	X	X	I
X	X	X	X	I
X	X		X	NI
X	X	X	X	NI
X	X	X	X	I

2.1.2 Other offices and duties exercised by members of the Board of Directors (composition as of December 31, 2015)



† SERGE KAMPF ⁽¹⁾

Date of birth:
October 13, 1934

Nationality:
French

First appointment:
2000

Expiry of term of office:
2018

Number of shares held at Dec. 31, 2015:
3,670,000

OFFICES HELD IN 2015

Principal office

Honorary Chairman
 Vice Chairman of the Board of Directors of:
 ■ CAP GEMINI S.A.*

Other offices in Capgemini Group

Chairman of:
 ■ CAPGEMINI SERVICE S.A.S.
 ■ CAPGEMINI SUISSE S.A.

Director of:
 ■ CAPGEMINI NORTH AMERICA, INC. (U.S.A.)

Sole manager of:
 ■ S.C.I. PARIS ÉTOILE

* Listed company.

(1) Passed away on March 15, 2016.



PAUL HERMELIN

Date of birth:
April 30, 1952

Nationality:
French

First appointment:
2000

Expiry of term of office:
2018

Number of shares held at Dec. 31, 2015:
247,048

OFFICES HELD IN 2015 OR CURRENT OFFICES

Principal office

Chairman and Chief Executive Officer of:
 ■ CAP GEMINI S.A.*

Other offices

Director of:
 ■ AXA*

Other offices in Capgemini Group

Chairman and Chief Executive Officer of:
 ■ CAPGEMINI NORTH AMERICA, INC. (U.S.A.)

Chairman of the Board of Directors of:
 ■ CAPGEMINI AMERICA, INC. (U.S.A.)
 ■ CAPGEMINI US LLC (U.S.A.)

Chairman of the Supervisory Board of:
 ■ CAP GEMINI N.V. (THE NETHERLANDS)

Chairman of:
 ■ CAPGEMINI LATIN AMERICA S.A.S.
 ■ SOGETI FRANCE 2005 S.A.S.
 ■ CAPGEMINI 2015 S.A.S.
 ■ CAPGEMINI 2010 (UNTIL 09/24/2015)

Chief Executive Officer of:
 ■ CAPGEMINI SERVICE S.A.S.

Director of:
 ■ CGS HOLDINGS LTD (UK)
 ■ CAPGEMINI FINANCIAL SERVICES INTERNATIONAL, INC. (U.S.A.)
 ■ IGATE CORPORATION (SINCE 10/16/2015)

* Listed company.



DANIEL BERNARD

Date of birth:
February 18, 1946
Nationality:
French
First appointment:
2005
Expiry of term of office:
2017
Number of shares held at Dec. 31, 2015:
1,000

OFFICES HELD IN 2015 OR CURRENT OFFICES	
Principal office Chairman of: ■ PROVESTIS	Other offices Chairman of the Board of Directors of: ■ KINGFISHER PLC* ■ MAF RETAIL GROUP (UNTIL DECEMBER 2015) Honorary Chairman of: ■ LA FONDATION HEC Senior Advisor of: ■ TOWERBROOK CAPITAL PARTNERS, L.P
Other offices held during the last five years outside the Group Director of: ■ ALCATEL LUCENT* (UNTIL 2014) Chairman of: ■ LA FONDATION HEC (UNTIL 2014)	

* Listed company.



ANNE BOUVEROT

Date of birth:
March 21, 1966
Nationality:
French
First appointment:
2013
Expiry of term of office:
2017
Number of shares held at Dec. 31, 2015:
1,000

OFFICES HELD IN 2015 OR CURRENT OFFICES	
Principal office Chairman of: ■ MORPHO S.A.S.	Other offices Director of: ■ EDENRED* Other offices in Morpho Group Chairman and Managing Director of: ■ MORPHO TRAK, LLC (UNITED STATES) President of: ■ MORPHO USA, INC. (UNITED STATES) Chairman of the Board of Directors of: ■ MORPHO DETECTION INTERNATIONAL, LLC (UNITED STATES) Member of the Supervisory Board of: ■ MORPHO CARDS GMBH (GERMANY) Director of: ■ MORPHO DETECTION, LLC (UNITED STATES)
Other offices held during the last five years outside the Group Chief Executive Officer of: ■ GSMA SV (SWITZERLAND) Chairman of: ■ FRANCE TELECOM NORTH AMERICA Member of the Scientific Committee of: ■ FRANCE TELECOM ORANGE S.A.* Director of: ■ GROUPAMA S.A.* (UNTIL 2013) ■ ORANGE S.A.* ■ GSMA LTD (U.S.A.) Member of the Board as Permanent Representative of France Telecom Orange S.A.: ■ GSMA (INTERNATIONAL ASSOCIATION OF MOBILE OPERATORS)	

* Listed company.



YANN DELABRIERE

Date of birth:
December 19, 1950

Nationality:
French

First appointment:
2004

Expiry of term of office:
2018

Number of shares held at Dec. 31, 2015:
2,550

OFFICES HELD IN 2015 OR CURRENT OFFICES

Principal office

Chairman and Chief Executive Officer of:
 ■ FAURECIA*

Other offices

Director of:
 ■ SOCIÉTÉ GÉNÉRALE*

* Listed company.



LAURENCE DORS

Date of birth:
March 16, 1956

Nationality:
French

First appointment:
2010

Expiry of term of office:
2018

Number of shares held at Dec. 31, 2015:
1,000

OFFICES HELD IN 2015 OR CURRENT OFFICES

Principal office

Senior Partner of:
 ■ THEANO ADVISORS

Other offices

Director of:
 ■ CRÉDIT AGRICOLE S.A.*
 ■ EGIS SA
 ■ INHESJ (FRENCH NATIONAL INSTITUTE FOR ADVANCED STUDIES IN SECURITY AND JUSTICE)
 ■ IFA (FRENCH INSTITUTE OF DIRECTORS)
 Member of:
 ■ IHEAL (INSTITUTE OF LATIN AMERICAN STUDIES) STRATEGIC POLICY COMMITTEE

Other offices held during the last five years outside the Group

Corporate Secretary
 Member of the Executive Committee of:
 ■ RENAULT* (UNTIL 2011)

* Listed company.



PHIL LASKAWY

Date of birth:
March 31, 1941

Nationality:
American

First appointment:
2002

Expiry of term of office:
2018

Number of shares held at Dec. 31, 2015:
1,000

OFFICES HELD IN 2015 OR CURRENT OFFICES

Principal office

Director of:
 ■ HENRY SCHEIN, INC.*
 ■ LAZARD LTD*
 ■ LOEWS CORPORATION*

Other offices

N/A

Other offices held during the last five years outside the Group

Chairman (non-executive) of:
 ■ FANNIE MAE* (USA) (UNTIL 2014)
 Director of:
 ■ GENERAL MOTORS CORPORATION* (USA) (UNTIL 2013)

* Listed company.



XAVIER MUSCA

Date of birth:
February 23, 1960
Nationality:
French
First appointment:
2014
Expiry of term of office:
2018
Number of shares held at Dec. 31, 2015:
1,000

OFFICES HELD IN 2015 OR CURRENT OFFICES	
<p>Principal office</p> <p>Deputy Chief Executive Officer of:</p> <ul style="list-style-type: none"> ■ CREDIT AGRICOLE S.A.* 	<p>Other offices in Groupe Crédit Agricole:</p> <p>Member of the Management Committee – Member of the Executive Committee of:</p> <ul style="list-style-type: none"> ■ CREDIT AGRICOLE S.A.* <p>Chairman of:</p> <ul style="list-style-type: none"> ■ CA CONSUMER FINANCE <p>Director – Vice-Chairman of:</p> <ul style="list-style-type: none"> ■ PREDICA <p>Director of:</p> <ul style="list-style-type: none"> ■ AMUNDI S.A.* ■ CA ASSURANCES ■ CACI <p>Director – Member of the Compensation Committee of:</p> <ul style="list-style-type: none"> ■ CARIPARMA (ITALY) <p>Permanent representative of Crédit Agricole S.A. on the Board of:</p> <ul style="list-style-type: none"> ■ PACIFICA
<p>Other offices held during the last five years outside the Group</p> <p>Deputy Secretary General and then Secretary General of the French President's Office</p> <p>Vice-Chairman of the Supervisory Board of:</p> <ul style="list-style-type: none"> ■ CREDIT DU MAROC* (UNTIL 2015) <p>Vice-Chairman of:</p> <ul style="list-style-type: none"> ■ UBAF (UNTIL 2015) <p>Member of the Executive Committee of:</p> <ul style="list-style-type: none"> ■ CARIPARMA (ITALY) (UNTIL 2015) <p>Director – Vice-Chairman of:</p> <ul style="list-style-type: none"> ■ CREDIT AGRICOLE EGYPT S.A.E.* (UNTIL 2015) <p>Director of:</p> <ul style="list-style-type: none"> ■ BESPAN (UNTIL 05/15/2014) ■ BANCO ESPIRITO SANTO (UNTIL 12/31/2014) ■ CACEIS (UNTIL 2015) 	

* Listed company.



PIERRE PRINGUET

Date of birth:
January 31, 1950
Nationality:
French
First appointment:
2009
Expiry of term of office:
2017
Number of shares held at Dec. 31, 2015:
1,700

OFFICES HELD IN 2015 OR CURRENT OFFICES	
<p>Principal office</p> <p>Vice-Chairman of the Board of Directors</p> <p>Until 02/11/2015: Chief Executive Officer of:</p> <ul style="list-style-type: none"> ■ PERNOD RICARD* 	<p>Other offices</p> <p>Director of:</p> <ul style="list-style-type: none"> ■ ILIAD S.A.* ■ AVRIL GESTION S.A.S. (AVRIL GROUP)

* Listed company.



BRUNO ROGER

Date of birth:
August 6, 1933

Nationality:
French

First appointment:
2000

Expiry of term of office:
2018

Number of shares held at Dec. 31, 2015:
1,100

OFFICES HELD IN 2015 OR CURRENT OFFICES

Principal office

Chairman of:

- LAZARD FRÈRES S.A.S.
- LAZARD FRÈRES BANQUE
- COMPAGNIE FINANCIERE LAZARD FRÈRES S.A.S

Other offices in Lazard Group:

Chairman of:

- GLOBAL INVESTMENT BANKING OF LAZARD FRERES GROUP

Managing partner of:

- LAZARD FRÈRES
- MAISON LAZARD ET CIE

Member of the Deputy Chairman Committee of:

- LAZARD FRÈRES GROUP

Honorary Chairman of:

- EURAZEO*

Other offices held during the last five years outside the Group

Chairman and Chief Executive Officer of:

- LAZARD FRÈRES BANQUE

Non-voting member of:

- EURAZEO*

* Listed company.



LUCIA SINAPI-THOMAS

Date of birth:
January 19, 1964

Nationality:
French

First appointment:
2012

Expiry of term of office:
2016

Number of shares held at Dec. 31, 2015:
19,114

OFFICES HELD IN 2015 OR CURRENT OFFICES

Principal office

Executive Director Business Platforms

Until 12/31/2015: Deputy Chief Financial Officer of:

- CAP GEMINI S.A.*

Other offices

Director of:

- BUREAU VERITAS*
- DASSAULT AVIATION*

Other offices in Capgemini Group:

Chairman of:

- CAPGEMINI EMPLOYEES WORLDWIDE S.A.S. (FRANCE)

Director of:

- CAPGEMINI REINSURANCE INTERNATIONAL S.A. (LUXEMBOURG)
- CAPGEMINI SOGETI DANMARK A/S (DENMARK)
- SOGETI SVERIGE AB (SWEDEN)
- SOGETI SVERIGE MITT AB (SWEDEN)
- SOGETI NORGE A/S (NORWAY)
- EURIWARE S.A. (UNTIL 07/23/2015)

* Listed company.



CAROLINE WATTEUW-CARLISLE

Date of birth:
February 24, 1952

Nationality:
American

First appointment:
2014

Expiry of term of office:
2018

Number of shares held at Dec. 31, 2015:
1,000

OFFICES HELD IN 2015 OR CURRENT OFFICES

Principal office

Chief Technology Officer of:

- WARBURG-PINCUS (U.S.A.)

Other offices

Advisory Committee of:

- BLUE YONDER

Director of:

- NEW YORK INSTITUTE OF TECHNOLOGY (NYIT)

Other offices held during the last five years outside the Group

Global Chief Technology Officer and Senior Vice President of:

- BUSINESS INFORMATION SOLUTIONS, PEPSICO

Advisory Committees of:

- HP PRINTING MANAGED SERVICES BOARD OF ADVISORY COUNCIL
- INTEL CAPITAL
- ACORIO
- OCULUS360

PERMANENT GUEST OF THE BOARD OF DIRECTORS: REPRESENTATIVE OF THE INTERNATIONAL WORKS COUNCIL



KEVIN MASTERS

Date of birth:
May 27, 1956

Nationality:
British

OFFICES HELD IN 2015 OR CURRENT OFFICES

Kevin Masters joined the Caggemini Group in 1973.

Experience gained within Caggemini mainly revolves around managing large groups of people in an Operations or Support environment.

Mr. 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 for the International Works Council, then as a member of the IWC Office, and more recently as the Secretary of this body.

In July 2014, Kevin Masters was invited in such capacity to become a non-voting member of the Cap Gemini S.A. Board of Directors. He is also a permanent guest of the Compensation Committee.

2.1.3 Role, meetings, operating rules and self-assessment procedure

THE ROLE OF THE BOARD OF DIRECTORS

The principal role of the Board of Directors is to determine the key strategies of Cap Gemini 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. The Board pays particular attention to the management of the Group's 180,639 employees⁽¹⁾ and thousands of managers across the globe, given Caggemini's business as a service provider. The Board makes decisions collectively and 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 minutes of the work of the Ethics & Governance Committee (see below) describe in detail the corporate actions undertaken in 2015 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.

MEETINGS

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 2015, the Board met ten times (six times during the first six months and four times during the second six months), with an average attendance rate of 91%. In 2015, the Board retained the principle of an "off-premises" meeting at the Fontaines site in Gouvieux, focusing entirely on Group strategy. This meeting was held on June 17 and 18, 2015. The directors also attended the "Rencontres" gathering, a two-yearly event bringing together, over three days, 400 of the Group's key managers and emerging talent.

2015 was therefore an exceptional and particularly intense year for the Board of Directors with the acquisition of the IGATE group and the "Rencontres" gathering in October. The attendance rate for Board of Directors' meetings nonetheless remained at the same level, bearing witness to the involvement and availability of directors throughout the year.

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.

(1) At December 31, 2015.



NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS AND OF THE SPECIALIZED COMMITTEES HELD IN 2015 AND INDIVIDUAL ATTENDANCE RATES

Name	Board of Directors		Ethics & Governance Committee		Strategy & Investment Committee		Audit Committee		Compensation Committee	
		%		%		%		%		%
Number of meetings	10		4		4		6		4	
Serge Kampf	7	70%	0	0%						
Paul Hermelin	10	100%			4	100%				
Daniel Bernard	10	100%	4	100%	4	100%				
Anne Bouverot	9	90%			3	75%				
Yann Delabrière	8	80%					6	100%		
Laurence Dors	10	100%	4	100%			6	100%		
Phil Laskawy	10	100%					3	50%		
Xavier Musca	6	60%					4	67%		
Pierre Pringuet	9	90%	4	100%					4	100%
Bruno Roger	10	100%	4	100%	4	100%				
Lucia Sinapi-Thomas	10	100%							4	100%
Caroline Watteeuw-Carlisle	10	100%			3	75%			4	100%

Kevin Masters, Secretary of the International Works Council, attended all meetings of the Board of Directors and of the Compensation Committee.

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 Vice-Chairman, 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 Cap Gemini 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 Cap Gemini 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 the wishes expressed by directors during the 2014 Board assessment, to make it more mobile, accessible from any location and even more secure.

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.

Accordingly, in addition to approving the 2014 annual financial statements and the financial statements for the first-half of 2015 and convening the Combined Shareholders' Meeting of May 6, 2015, the Board of Directors was also required to make decisions on the following issues during the year:

1. various external growth opportunities; the Board examined and approved the acquisition of the IGATE group, a leading US IT technology and services company of Indian origin, as well as financing transactions relating to this acquisition: negotiation of a bridge loan with a bank syndicate, refinancing of the project through a share capital increase and several bond issues;
2. the active management of the Group's balance sheet and liquid assets: a €75 million share buyback program was authorized by the Board of Directors on October 7, 2015;
3. issues regarding Group governance:
 - the overhaul of the Charters of the Board of Directors, the Compensation Committee (previously the Selection & Compensation Committee) and the Ethics & Governance Committee,
 - the assessment of the Board of Directors by the Lead Independent Director (see page 48 below);

4. issues regarding the compensation of Paul Hermelin, Chairman and Chief Executive Officer:
 - in February 2015, the setting of his compensation for 2014 and the assessment of the attainment of 2014 variable compensation objectives and the setting of his fixed compensation and objectives for 2015,
 - in December 2015, an initial assessment of the attainment of his 2015 objectives with a view to the setting of his 2015 variable compensation by the Board of Directors' meeting of February 17, 2016;
5. the grant, on July 29, 2015, of performance shares to 637 managers of the Group, including Paul Hermelin;
6. the freezing of the executive supplementary defined benefit pension plan and its replacement by a long-term incentive plan;
7. the recapitalization of Capgemini Latin America, particularly to finance the buyout of minority interests in its Brazilian subsidiary;
8. during the two-day strategic seminar in June, the Board of Directors was informed of and debated the following issues:
 - the challenges facing the Group in the digital, cybersecurity and "Cloud" sectors,
 - the change in the geographic presence of the Group, particularly in the Asia-Pacific region,
 - the development of talent to accompany the transformation of the Group,
 - initiatives and changes aimed at aligning the Group with client needs;
9. the Board of Directors was also involved in the preparation of the "Rencontres" gathering in Rome in September 2015, particularly with regard to its organization and appointments.

OPERATING RULES

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

- ▶ prepared, adopted, applied and amended where useful or necessary the Board of Directors' Charter (see 2.1.5);
- ▶ set up four specialized Board Committees – the Audit Committee, the Compensation Committee (formerly the Selection & Compensation Committee), the Ethics & Governance Committee, and finally the Strategy & Investment Committee – and given each a clearly defined role (see Section 2.1.4);
- ▶ adopted a system for allocating attendance fees, whereby the majority of such fees are indexed to attendance at Board and Committee meetings (see Section 2.1.5);

- ▶ 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"). Based on the aforementioned reviews, the Board considered on March 23, 2016 that 7 of its 11 members (Daniel Bernard, Anne Bouverot, Yann Delabrière, Laurence Dors, Xavier Musca, Pierre Pringuet and Caroline Watteeuw-Carlisle) may be considered independent directors.

The Board of Directors also examined the independence of director candidates with regards to the same criteria and decided that Sian Herbert Jones and Carole Ferrand could also be considered independent, increasing the total number of independent directors from 7 out of 11 to 9 out of 13.

Article 7.1 of the Cap Gemini Board of Directors' Charter requires directors to comply with recommendation no. 20 of the AFEP-MEDEF Code:

"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 interests is required to resign from the Board."

In light of the recommendations of the AMF and the Corporate Governance High Committee, the Board of Directors implemented an appraisal procedure to assess the absence of conflict of interest for independent directors.

To this end, a statement of business flows between Capgemini Group and entities that are suppliers and/or clients of Capgemini Group applying a materiality threshold of 1% of consolidated revenue for each group and which have directors in common with Cap Gemini was prepared and communicated to Daniel Bernard, Lead Independent Director and Chairman of the Ethics & Governance Committee. 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.

Taking account of these results, 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.

Under the “Comply or Explain” rule provided for in Article L.225-37 of the French Commercial Code and stipulated in Article 25.1 of the AFEP-MEDEF Corporate Governance Code for listed companies revised in November 2015, the Company considers that its practices comply with the recommendations of the AFEP-MEDEF Code. However, the Company has deviated from certain provisions for the reasons explained in the following table or will ensure compliance therewith in 2016.

Duration of directors’ terms of office

Article 14: “Terms should be staggered so as to avoid replacement of the entire body and to favor a smooth replacement of directors.”	After having deliberated and at the recommendation of the Ethics & Governance Committee the Board of Directors will propose to the Combined Shareholders’ Meeting of May 18, 2016, an amendment to the bylaws that will enable the implementation of a system of staggered terms of office.
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Audit Committee

Article 16.2.1: “The time available for reviewing the accounts should be sufficient (no less than two days before review by the Board).”	Capgemini Group practice is to provide directors with the information required for the preparation of the Board or Committee meetings four to five days prior to such meetings. Audit Committee meetings are convened two days prior to the Board meeting, unless members are clearly unavailable. Where one of its members is unavailable, the Committee meeting is postponed to the eve of the Board meeting.
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Stock options and performance shares

Article 23.2.4: “It is necessary to ensure that grants (shares and stock options) are made at the same calendar periods, e.g. after the publication of the financial statements for the previous financial year, and probably each year, in order to limit any windfall effects.”	Cap Gemini no longer grants stock options. The Board of Directors decided to grant performance shares each year at the same calendar period at the Board meeting held at the end of July or in October, despite the fact that they are a different type of financial instrument whose value is not linked to the grant date. Exceptionally, following the acquisition of the IGATE group in 2015, Cap Gemini decided to grant free shares to certain of these employees in February 2016.
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The performance shares granted to executive corporate officers are conditional upon the acquisition of a defined quantity of shares once the shares granted are available.	Cap Gemini does not consider this measure to be necessary as Paul Hermelin already holds a number of shares representing around three years’ salary (at the end of 2015).
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It is noted that, in accordance with Article 22 of the AFEP-MEDEF Corporate Governance Code, the employment contract of the Chairman and Chief Executive Officer was terminated on February 18, 2015.

THE BOARD OF DIRECTORS ASSESSMENT PROCEDURE

Again within the framework of these best governance practices, the Board has performed on four occasions (in 2005, 2008, 2011 and 2013), an external assessment of its operations and the impact of its decisions.

The performance of the Board of Directors and its Committees in 2015, as in 2014, was reviewed by the Lead Independent Director. A formal assessment of performance in 2016 will be undertaken by an external service provider, in accordance with the three-year plan recommended by the AFEP-MEDEF Code.

Following the assessment performed in 2014, the Board of Directors reviewed the respective roles of the Compensation Committee and the Ethics & Governance Committee. The role of the Compensation Committee is to set the compensation of executive corporate officers; it must be kept 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 Ethics & Governance Committee is responsible for recruiting directors and executive corporate officers and their succession plan.

The Lead Independent Director’s internal assessment of performance in 2015 focused particularly on the composition of the Board of Directors and its activities.

A questionnaire was sent to all directors at the beginning of 2016 covering the activities of the Board of Directors and those Committees on which they sit.

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

These procedures showed that the changes introduced were considered an improvement and appreciated by directors. Directors express their satisfaction on the content of meeting agendas and the organization and operating conditions of the Board of Directors and the Committees.

The coordination of work between the Board and the Committee was also examined and it was largely considered that the respective roles of the Board and the Committees are clear and appropriate. A number of observations were nonetheless made concerning the role of the Audit Committee with regard to risks and the coordination of work between the Strategy & Investment Committee and the Board of Directors.

For the first time this year, a self-assessment questionnaire on their contribution to the Board of Directors and the Committees was proposed to directors, with a resulting average satisfaction rate of 94%.

With regards to the composition of the Board, directors are favorable to increasing the international profile of the Board, in particular by recruiting directors from outside France.

All the directors considered the criteria set for determining material business relations to be satisfactory (see page 47).

The directors are extremely satisfied with the role played by the Lead Independent Director. The number of executive sessions to be held without the presence of the Chairman and Chief Executive Officer and internal directors was actively debated.

The majority of directors are favorable to holding at least two executive sessions a year and to programming them in advance with set agendas.

Finally, directors were questioned on the quality of the assessment process itself, producing a 90% satisfaction rate. Directors were asked if they wished the introduction of a measure of their individual contribution to the work of the Board and its Committees and what form this should take: individual questionnaire, meeting with the Lead Independent Director or an independent director. This question will be followed up in 2016.

The following priorities were identified:

Organization of governance

- ▶ Provide for at least two executive sessions a year: to be prepared by the Lead Independent Director and the Chairmen of the Committees, with the ability to hold more sessions at the request of a director.

Duties and activities of the Committees

- ▶ Improve the programming of Strategy & Investment Committee meetings and the coordination of the work of this Committee with that of the Board.
- ▶ Improve the coordination of risk monitoring activities by associating the Board of Directors and the Audit Committee.

Identification of talent and preparation of succession plans

- ▶ Meet even more regularly with operating managers.
- ▶ Be informed of succession plans, in particular for Group Executive Board members.

Organization and activities of the Board

- ▶ Organize one Board meeting each half-year outside France.

2.1.4 Role and composition of the four Specialized Board Committees

THE AUDIT COMMITTEE

In accordance with the provisions of Article L.823-19 of the French Commercial Code and the AMF recommendations of July 22, 2010, the role of the Cap Gemini Audit Committee is to control the processes governing the preparation and distribution of accounting and financial information, to assess the appropriateness and the consistency of the accounting policies and methods used to prepare the annual and half-year consolidated and company financial statements, to check the effectiveness of internal control and risk management procedures and particularly their ability to identify those risks requiring an accounting entry in the balance sheet or off-balance sheet commitments, and to ensure by all means the quality of information presented to the Board and finally to present to the Board its assessment of the various engagements carried out by the Statutory Auditors and give its opinion on whether their audit engagement should be renewed. Where it considers it useful or necessary, the Audit Committee may be assisted by experts appointed for this purpose.

Since the Combined Shareholders' Meeting of May 7, 2014, this Committee has four directors: **Yann Delabrière** (Chairman), **Laurence Dors**, **Phil Laskawy** and **Xavier Musca**. Through their professional careers, Audit Committee members have amassed the necessary accounting and financial expertise to perform their duties. For example, the Chairman, an independent director, was Chief Financial Officer of PSA Peugeot Citroën from 1990 to 2007 and Phil Laskawy was the Chairman and Chief Executive Officer of Ernst & Young from 1994 to 2001. 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. Finally, 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 six times in 2015, with an average attendance rate of 79%.

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

Yann Delabrière	100%
Laurence Dors	100%
Phil Laskawy	50%
Xavier Musca	67%

The Committee reviewed the company and consolidated financial statements for the year ended December 31, 2014 and the consolidated financial statements for the half-year ended June 30, 2015.

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

With respect to the annual financial statements, it reviewed in particular the remeasurement of goodwill and deferred tax assets, notably in the United States. The Committee similarly reviewed the change in Group commitments, including pension obligations, focusing in particular on the analysis of the research tax credit in France and the monitoring of changes therein.

In addition, the Committee examined the situation in Brazil and its impact on performance.

The Committee also interviewed:

- ▶ **Philippe Christelle**, Internal Audit Director, questioning him on working methods, planning, areas of intervention, the findings of audits carried out during the year and more specifically on the compliance with Group procedures of newly acquired entities;
- ▶ **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 **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

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.

Since the Combined Shareholders' Meeting of May 7, 2014, this Committee has three directors: **Pierre Pringuet**, Chairman, **Lucia Sinapi-Thomas** and **Caroline Watteuw-Carlisle**. The Secretary of the International Works Council, **Kevin Masters**, was granted a permanent invitation in this capacity to attend meetings of this Committee and the Board of Directors.

The Committee met four times in 2015, with an average attendance rate of 100%.

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

Pierre Pringuet	100%
Lucia Sinapi-Thomas	100%
Caroline Watteuw-Carlisle	100%

Kevin Masters also attended all Committee meetings.

In accordance with the Committee's remit, it ensured throughout 2015 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 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 July 29, 2015.

The Committee reviewed the conditions under which the supplementary defined benefits and contingent rights pension plan set-up in 2007 was closed to new entrants and the terms under which rights under the complementary pension plan were frozen in favor of beneficiaries, decided in the second half of 2015. For these individuals (non-corporate officer employees and members of Group Management), it is planned to introduce a long-term compensation program, subject to performance conditions, enabling the progressive acquisition of precautionary savings. Paul Hermelin is not concerned by this measure.

THE ETHICS & GOVERNANCE COMMITTEE

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 Cap Gemini 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 question of replacing the Chairman and Chief Executive Officer suddenly arise. 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, etc. The Committee is also involved in the

selection and succession plans for key operating and functional managers of the Group and 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.

Since the Combined Shareholders’ Meeting of May 7, 2014, this Committee has five directors: **Daniel Bernard** was appointed Chairman of the Committee on March 5, 2014 to replace **Serge Kampf**, who remained a Committee member until he passed away on March 15, 2016. As Chairman of the Ethics & Governance Committee, Daniel Bernard is also the Lead Independent Director since May 7, 2014, as the Board of Directors’ Charter confers the duties of Lead Independent Director on the Chairman of the Ethics & Governance Committee, elected by the Board of Directors from among its independent members. This is the case for Daniel Bernard who is a member of the Board since 2005.

The other members of the Committee are **Laurence Dors**, **Pierre Pringuet** and **Bruno Roger**. This Committee met four times in 2015, with an average attendance rate of 80%.

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

Bruno Roger	100%
Serge Kampf ⁽¹⁾	0%
Daniel Bernard	100%
Laurence Dors	100%
Pierre Pringuet	100%

(1) In 2015, Serge Kampf discussed the meeting agendas with the Lead Independent Director and the Committee Chairman. He confirmed his intentions with respect to the direction of its work.

In 2015, the Ethics & Governance Committee:

- ▶ prepared the amendments to the Charters of the Board of Directors and the Ethics & Governance and Compensation Committees: it is the role of the Ethics & Governance Committee to examine the Group’s “talent pool” for individuals capable of becoming executive corporate officers and particularly members of the Executive Committee, without considering their compensation, the key area of responsibility of the Compensation Committee;
- ▶ under the aegis of its Chairman, the Lead Independent Director, was informed of and deliberated the annual review of the activities of the Board;
- ▶ deliberated the independence of directors in preparation for the Registration Document;
- ▶ prepared the governance issues presented to the Board of Directors followed by the Combined Shareholders’ Meeting of May 6, 2015, particularly with regards to the issue of double voting rights likely to be created pursuant to the Florange Law in France;
- ▶ deliberated on several occasions the possibility of renewing the Board of Directors on a rolling basis and recommended its adoption to the Board of Directors which proposes an amendment to the bylaws to this end to the Combined Shareholders’ Meeting of May 18, 2016;
- ▶ was informed of changes in legislative provisions regarding employee representation on boards of directors and their consequences for Cap Gemini and of the renewal process for

the term of office of the employee representing shareholder employees;

- ▶ was involved in the definition of the profile and the choice of two new female directors and recommended the candidacy of Mrs. Sian Herbert-Jones and Mrs. Carole Ferrand to the Board of Directors, which proposes their appointment to the Combined Shareholders’ Meeting of May 18, 2016;
- ▶ was informed by **Hubert Giraud**, Director of People Management and Talent Development, of the Group’s talent pool and recommended that the pool of potential employees for promotion to the Group Executive Board and the Executive Committee be widened and include more women and international employees as well as former IGATE employees.

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

- ▶ in the first section an overview of the foundations of the Group’s ethics program which is based on four documents available in eight languages – the Code of Business Ethics (signed by all new recruits), the anti-corruption policy, the anti-trust policy and the Blue Book (manual of principles and procedures applicable within the Group) – and presented to all new recruits. New recruits must also follow an e-learning program aimed at establishing and strengthening throughout the Group perfect integrity in the conduct of business and awareness of the importance of adopting at all times a behavior in accordance with Cap Gemini ethics. This report

also highlighted the Group's major efforts in e-learning (more than 80% of employees have followed the ethics charter course, the anti-corruption course and the anti-trust course). Over the last three years, to facilitate the assimilation of the ethics program by local management, more than 50 Business Ethics Workshops were held in most of the countries where Capgemini is present. The report also refers to the progressive implementation in all countries of the employee advice and professional warning procedure (known as the "Raising Concern Procedure"). Finally, it highlights that Capgemini was recognized as "One of the World's Most Ethical Companies" in 2013, 2014 and 2015 by the American Institute, Ethisphere, thereby affirming our ethical responsibility culture towards our clients;

- ▶ 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 to help further improve compliance with Group ethical rules and principles.

THE STRATEGY & INVESTMENT COMMITTEE

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.

Since May 7, 2014, this Committee has five members: **Bruno Roger**, Chairman, **Daniel Bernard**, **Paul Hermelin**, **Anne Bouverot** and **Caroline Watteuw-Carlisle**.

The Committee met four times in 2015, with an average attendance rate of 90%.

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

Bruno Roger	100%
Paul Hermelin	100%
Daniel Bernard	100%
Anne Bouverot	75%
Caroline Watteuw-Carlisle	75%

The Committee carried out an in-depth review of several opportunities before presenting them to the Board of Directors. In particular, it reviewed the advisability and strategic interest of the IGATE acquisition, its terms and conditions and its impact on the Capgemini Group in the event of integration.

The other major issues discussed by the Committee to prepare the work of the Board were:

- ▶ the strategic plan transformation projects;
- ▶ the follow-up of the integration of recent acquisitions;
- ▶ the study of the impact of major technology waves on all service businesses (Digital, Cloud, Cybersecurity);
- ▶ the consequences of digitalization of the client relationship.

2.1.5 Rights and obligations of Directors – Compensation

BOARD OF DIRECTORS' CHARTER

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. This Charter has since been amended several times and most recently on June 17, 2015.

The Board of Directors' Charter sets out the main obligations of the Code of Business Ethics that Cap Gemini directors undertake to comply with throughout their term of office, and in particular the rules governing share trading and the obligation for each director to communicate to the French Financial markets Authority (AMF) and to the Company any transactions they may have carried out

in the Company's shares within five trading days of the execution of such transactions.

This 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 power 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 Cap Gemini 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 Committees – 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, ensures that directors are able to carry out their duties and have all information necessary for this purpose, 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 Cap Gemini. He chairs Combined Shareholders' Meetings to which he reports on the activities and decisions of the Board.

The Vice-Chairman: in the absence of the Chairman, the Vice-Chairman chairs meetings of the Board of Directors and Shareholders' Meetings.

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.

The Charter stipulates nonetheless that he 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 Cap Gemini, 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 the Chief Executive Officer to grant pledges, security and guarantees up to the maximum amount set by the Board of Directors.

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 Lead Independent Director exercises his duties for as long as he satisfies the independence criteria and chairs the Ethics & Governance Committee. 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:

- ▶ he is consulted by the Chairman of the Board of Directors on the proposed Board meeting schedule subject to 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 chairs the annual meeting of the Board of Directors convened to assess the performance of the Chairman and Chief Executive Officer and any Deputy Chief Executive 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 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. He will report to the 2016 Combined Shareholders' Meeting on his assessment of the performance of the Board of Directors in 2015.

COMPENSATION OF DIRECTORS

In compensation for the time spent participating in Board and Committee meetings, the Company was authorized by the Combined Shareholders' Meeting of May 6, 2015 to pay attendance fees to directors of up to €1,000,000 per year.

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 Committee and €25,000 for the Chairmen of the Compensation Committee and the Strategy & Investment Committee.

A fixed annual fee of €45,000 is allotted to the Vice-President. Serge Kampf had waived his right to collect such fee in respect of 2015, like all other attendance fees since 2009 (see below).

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 resident outside Europe and of €2,000 for directors resident in Europe but outside France. Attendance fees are calculated in two parts, at the end of the first six months and at the end of the year. These 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 were these "rates" to be maintained.

Attendance fees calculated and paid to directors in respect of fiscal year 2015 totaled €843,500, representing 84% of the ceiling authorized by the Combined Shareholders' Meeting. It should be noted that Serge Kampf and Paul Hermelin have waived their right to collect attendance fees since 2009; these attendance fees would have totaled €65,000 for Paul Hermelin and €88,000 for Serge Kampf in respect of 2015.

The authorization given by the Combined Shareholders Meeting of May 6, 2015 to increase the total maximum amount of attendance fees allows the strategic objectives set by the Board of Directors to be attained. Despite the significant increase in the number of Board meetings during 2015 and the large number of meetings held by each of the Committees, the participation rate remained high, including for directors residing outside France. This increase in the total amount of attendance fees allowed

the increase to be focused both on directors not resident in France and on directors particularly involved in the work of the Committees (as Chair or as members of several Committee), while retaining the international outlook of the Board consistent with the international development and global presence of the Group.

As the Board of Directors aims to continue increasing the diversity of its composition, which must reflect its international outlook and the human diversity of its employees, the Combined Shareholders' Meeting of May 18, 2016 will be asked to appoint two new female directors in order to satisfy this objective. Furthermore, in addition to renewing the term of office of the director representing employee shareholders, the Board of Directors will ask the 2016 Combined Shareholders Meeting to apply, from this year, new legislative measures regarding employee representation on the Board, which would result in the appointment of two employee directors by the end of 2016.

Accordingly, assuming the approval of these various resolutions by the Combined Shareholders' Meeting of May 18, 2016, the Board of Directors would increase from 11 to 15 directors by the end of the year. In order to take account of this expansion of the composition of the Board of Directors, while continuing to involve directors of high quality who are strongly committed, the 2016 Combined Shareholders' Meeting will be asked to increase the total amount of attendance fees by 20%, representing a maximum amount of attendance fees allocated annually by the Board of Directors of €1.2 million.

A breakdown of compensation paid in respect of fiscal year 2015 to the executive corporate officer, Paul Hermelin, Chairman and Chief Executive Officer, is presented in section 2.3.2. Paul Hermelin's 2016 compensation is presented on page 66 of this Registration Document.

A breakdown of attendance fees paid to other directors in respect of 2015 is presented in the section entitled "Attendance fees and other compensation received by corporate officers" on page 66.

2.1.6 Declarations concerning the group's 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) provided that:

In a decision dated December 18, 2014, the Sanctions Commission of the French Financial Markets Authority (AMF) considered that Faurecia S.A 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;

- ▶ 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 Cap Gemini 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 Cap Gemini (other than the obligation for Paul Hermelin to hold his performance shares detailed in Section 2.3.1);
- ▶ service contracts between the members of the Board of Directors and Cap Gemini or any of its subsidiaries that provide for the granting of benefits upon termination thereof.

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

REGULATED AGREEMENTS WITH RELATED PARTIES

Several agreements governed by Article L. 225-38 of the French Commercial Code were authorized by the Board of Directors during the year ended December 31, 2015. These agreements are presented in the Board of Directors' report on the 3rd resolution presented to the Combined Shareholders' Meeting of May 18, 2015 (see pages 241 to 242) and in the Statutory Auditors' special report for the year ended December 31, 2015 (see page 220).

LOANS AND GUARANTEES GRANTED TO DIRECTORS AND MANAGERS OF THE COMPANY

None.

2.1.7 Factors affecting a potential takeover bid

No factors are subject to the provisions of Article L.225-100-3 of the French Commercial Code (factors likely to have an impact in the event of a public offering).

2.1.8 Transactions carried out by members of the board of directors and other senior managers involving cap gemini shares

Transactions carried out in 2015 by directors and senior managers involving the Company's shares, based on AMF disclosures, 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, may be summarized as follows:

► Serge Kampf (Vice Chairman of the Board of Directors), or persons related to him, performed the following transactions:

- sale of 100,000 shares on February 24, 2015 at a unit price of €70.18 (declaration 2015DD354697);
- sale of 100,000 shares on June 24, 2015 at a unit price of €81.22 (declaration 2015DD376740);
- sale of 100,000 shares on November 10, 2015 at a unit price of €80.32 (declaration 2016DD422395);
- Aiman Ezzat, Chief Financial Officer, sold 10,000 shares on March 24, 2015 at a unit price of €76.08.

2.2

General organization of the Group

Cap Gemini is the parent company of what is generally known as “the Capgemini Group” comprising 136 companies.

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, taking each year the risk to commit to a budget and personal and collective objectives. The second principle is the collective ambition to develop internationally and to lead the markets in which the Group operates. 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 performance, which enables the financing of external growth and development, which ensures the independence of the Group.

The new organizational structure of the Group announced during the “Rencontres” gathering in Rome in October 2015 combines these principles. It came into effect on January 1, 2016.

It comprises basic business units (BUs) of a size that allows their manager to remain in close contact with clients and technology partners, to know employees well and to tightly manage the projects he entrusts to them.

These basic units are grouped by business covering a given market corresponding to either a geographic area or a sector or offering. This grouping by business ensures consistent economic models, the sharing of experience, the industrialization of distributed delivery processes and methods enabling the demands of international clients to be served efficiently and consistently.

There are eight strategic business units (SBUs):

- ▶ five global strategic business units:
 - Consulting Services,
 - Infrastructure Services, i.e., the design, installation and maintenance of client IT infrastructures,
 - Business Services, grouping together B.P.O. (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,

- Financial Services, which develops and promotes the Group financial services application offerings (systems integration, applicative maintenance and testing) and, in close conjunction with the Business Services and Infrastructures Services entities, leads the Group’s commercial efforts in these areas with major clients in this sector;
- ▶ two systems integration and applicative maintenance strategic business units (Application Services) in the following regions and countries:
 - AppsOne: North America, the United Kingdom and the Asia-Pacific region,
 - AppsTwo: Continental Europe;
- ▶ the Group’s operations in Latin America (including the joint venture in Brazil) encompassing the Application Services and Infrastructure Services businesses.

These basic units – grouped, depending on their number, into larger business units – reflect the Group’s presence in around forty countries, which are in turn grouped into eight geographic areas⁽¹⁾, useful for reporting purposes and comparing performance year-on-year:

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

The migration of the delivery system towards a distributed model combining resources located in different countries contributing together to project performance or the maintenance of client information systems led, in parallel to this organization by business and geographic area, to the creation of the following three departments able to mobilize technology or functional resources making them available to all Group business units and their clients:

- ▶ a Cloud Foundation Services department, mobilizing expertise in the shift to Cloud computing and particularly consulting, information systems architecture and transformation expertise;
- ▶ a Digital department, mobilizing competent technology resources across three key digital transformation pillars: (i) Insights and Data, i.e. data analysis and processing offerings (Big Data), (ii) Digital Customer Experience offerings allowing Group clients to constantly optimize their customer relationships and finally (iii) Digital Manufacturing offerings, grouping together the Group’s know-how in the digitalization of industrial processes, the optimization of production assets and connected things;

(1) See Note 3 to the consolidated financial statements, page 146.

- ▶ a third department was created to steer improvements in the Group's competitiveness on a cross-functional basis. It brings together in a streamlined management team, the delivery and quality department, the distributed and industrialized delivery centers department – to which the operations department in India reports – the procurement department and a new production department tasked with implementing productivity gains to reduce Group direct production costs.

GROUP MANAGEMENT

Group Management, led by Paul Hermelin, is structured around two bodies:

- ▶ the Group Executive Board (GEB), whose role is to facilitate the carrying out of Group operations and implementing the necessary steps with respect thereto. 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. As of December 31, 2015, the GEB was comprised of Paul Hermelin and the following six individuals presented in alphabetical order:
 - Global functions:
 - Aiman Ezzat, Chief Financial Officer,
 - Hubert Giraud, Director of People Management and Talent Development,
 - Patrick Nicolet, Director of Group Competitiveness, with the roles described above;
 - Operations:
 - Thierry Delaporte, Financial Services Strategic Business Unit CEO and Latin America Strategic Business Unit operating control,
 - Salil Parekh, AppsOne Strategic Business Unit CEO, Sogeti and Infrastructure Services Strategic Business Units and «Cloud Foundation Services» operating control,
 - Olivier Sevillia, AppsTwo Strategic Business Unit CEO, Capgemini Consulting and Business Services Strategic Business Units and «Digital» operating control;
- ▶ the Executive Committee, whose role is to assist Group Management define broad strategies concerning the Group's operating structure, the choice of priorities, production rules and organization and the implementation conditions for human resources management. It assesses the performance of Group managers and prepares succession plans for major positions within the organization. The Executive Committee meets once a month with, in addition to the Chairman and Chief Executive Officer and GEB members:
 - the Global Sales Director,
 - the Delivery Director (Production/Methods and Support),
 - the General Secretary,
 - the Marketing and Communications Director,
 - the Strategy and Development Director,
 - the Technologies and Intellectual Property Director,
 - the Global Head «Digital»,
 - the CEOs of the above-mentioned Strategic Business Units,
 - the Application Services North America Business Unit CEO,
 - the AppsTwo Strategic Business Unit Deputy CEO,
 - the India Operations Director,
 - the Asia-Pacific Business Unit Executive Chairman.

The Executive Committee comprises a total of 22 persons.

Four 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, major contracts involving guarantees given by the Group;
- ▶ the Merger & Acquisitions Committee 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.

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 ensuring improved 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).

THE CENTRAL DEPARTMENTS

Group Management is assisted by the following central departments:

The Finance Department

The Finance Department is headed by Aiman Ezzat, who is responsible for:

- ▶ Group operating management control, comprising the preparation of budgets, monthly forecasts and performance minoring 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.

He also heads the Information Systems department and the Group's global risk management process.

People Management and Talent Development Department

The People Management and Talent Development Department is headed by 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 main 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 General Secretary

This position is occupied by Jean-Baptiste Massignon who is responsible for:

- ▶ legal affairs, which encompasses governance of the listed company Cap Gemini S.A., the management of subsidiary legal affairs and legal support to operating activities;
- ▶ 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;
- ▶ the IT Security and Data Protection department which seeks to ensure the Group's compliance with the highest IT security standards, through the implementation of appropriate tools, training and controls;
- ▶ corporate secretarial services for Capgemini Service, the entity which provides operating and support services to Cap Gemini S.A.

The Global Sales Department

Headed by Srikanth Iyengar, 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.

Capgemini India

Srinivas Kandula is CEO of Capgemini India. He is responsible for the development and performance of delivery centers based in India that employ some 90,000 people at December 31, 2015 to serve the Group's various businesses and countries.

Previously Human Resources director of IGATE, Mr. Kandula's main task is to steer the integration of IGATE and Capgemini's activities in India and to bring operating performance to the levels achieved by best-in-sector companies in India.

Technology and Intellectual Property Department

This department, run by Lanny Cohen, manages technology directors for all of the Group's businesses and coordinates the work for all proprietary solutions making up the Group's intellectual property. 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.

Development and Strategy Department

This department, managed by 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. To this end, 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.

Mr. Cros is also responsible for relations with the Group's major strategic and technology partners.

The Production/Methods and Support Department

Headed by 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 production industrialization programs undertaken by the strategic business units and particularly the "Lean" program for continuous improvement in productivity and quality.

The Marketing and Communications Department

Virginie Régis heads this department since January 1, 2016. It 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 Ethics & Compliance and Internal Audit Department

Headed by 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.

Philippe Christelle also heads the Ethics & Compliance department of the Group, reporting directly to Paul Hermelin.

Advisor to the Chairman and Chief Executive Officer

Philippe Grangeon, Marketing and Communications Director until December 31, 2015, occupies the position of Advisor to the Chairman and Chief Executive Officer since January 1, 2016. He serves as Chairman of Capgemini Université and of Capgemini Gouvieux, the company which operates the Fontaines site, place of training and meeting for the Group employees and which also hosts events for non-Group clients. Philippe Grangeon also chairs the Board of Directors of Capgemini Technology Services Maroc.

2.3

Compensation of executive corporate officers

2.3.1. Chairman and Chief Executive Officer compensation policy

The procedures for setting the compensation of the Chairman and Chief Executive Officer comply with the recommendations of the revised AFEP-MEDEF code issued in November 2015. Compensation components were determined in accordance with the recommendations of this code, whether fixed or variable compensation, the grant of equity instruments or supplementary pension benefits.

In addition to complying with “market” rules and in line with past Group practice, the Chairman and Chief Executive Officer is not entitled to termination benefits, is not covered by a non-compete clause and receives no benefits in kind. In addition, he has waived his right to receive attendance fees since fiscal year 2009.

These principles are regularly reviewed and discussed by the Compensation Committee 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 **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 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 in which the company operates.

The Compensation Committee took due note of the observations issued to Cap Gemini in July 2014 by the High Committee for Corporate Governance (*Haut Comité de Gouvernement d'Entreprise*, HCGE) and of its 2014 and 2015 activity reports, as well as of the AMF 2014 and 2015 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.

When performing comparisons with French companies of comparable size and ambition, the Compensation Committee ensures that Cap Gemini'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 2015 in comparative studies of the main French companies carried out by specialist firms. These comparisons show that 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. The Group also ensures that the respective

proportions of fixed and variable components and share grants valued in accordance with IFRS are **balanced** and in line with market practices. The fixed component is determined in accordance with a major philosophy specific to the Group, which aligns the compensation structure of the Chief Executive Officer **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 CSC, Accenture 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 Paul Hermelin's 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 in turn split into two parts: V1 tied to Group performance indicators and consolidated results and V2 based on the attainment of individual objectives, where possible quantified, set by the Board of Directors. 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 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 is not reviewed annually, but after several years in accordance with the AFEP-MEDEF Code. 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 indicators adopted are tied to growth, operating profitability, net profit and cash generation in line with the key indicators presented regularly to the market;
- ▶ the individual performance objectives underlying V2 compensation. The strategic and operating objectives for 2015 fall into four main categories, "Acquisitions", "Industrialization", Reinforcement of an account centric culture and "Talent enrichment". The Board of Directors ensured the objectives were based on directly measurable items so that overall 70% of the total variable compensation is 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 3-year strategic plan.

The V1 component varies in line with a formula applied for many decades within the Group, that accelerates actual performance upwards and downwards such that:

- ▶ the V1 component is nil if the weighted performance of financial indicators is less than or equal to 70%;
- ▶ the V1 component can reach twice the theoretical amount if the weighted performance is greater than or equal to 130%; varying on a straight-line basis between these two limits.

The level of attainment of objectives and the amount of the variable compensation component 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 Paul Hermelin of his objectives. An executive session of the board was held in December 2015 and another one in February 2016 to assess such performance before the February Board of Directors which decided the level of attainment by Paul Hermelin of his objectives.

The variable compensation is paid 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 decides the percentage attainment of individual objectives set. Payment generally takes place in March of fiscal year Y+1.

Summary table of the theoretical structure of fixed and variable compensation:

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%

CAP GEMINI 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 conditions**. Paul Hermelin received performance shares in 2009, 2012, 2013, 2014 and 2015 but was not granted any shares in 2010 or 2011;
- ▶ the performance conditions are ambitious, as demonstrated by the first two share grants in 2009 and 2010 where the vesting rates were only 50% and 68.5%, respectively, of the number of shares initially granted;
- ▶ the conditions include internal and external performance conditions in accordance with the AMF recommendation;
- ▶ the number 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 6, 2015). The performance shares granted to Paul Hermelin in 2012 and 2013 represented 2.1% of the total amount authorized by the Combined Shareholders

Meeting for the corresponding period and 4.1% of the total amount granted to all beneficiaries. These percentages were 3.1% and 3.6% respectively for 2014, and 2.3% and 3.7% respectively for 2015. Since 2009 and over 6 performance share grants, the average percentages are 2.1% and 3.2% respectively;

- ▶ in addition, IFRS value of shares granted targets to represent around one years' fixed compensation in average. The IFRS value of shares granted over the last 4 years is at 96% of the corresponding fixed compensation (and only at 65% over the last 7 years);
- ▶ Paul Hermelin is 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 corporate officer.

In addition, 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 represents less than twice the theoretical annual salary (fixed and variable). Once this

threshold is reached, the obligation to retain performance shares only applies to one third of shares vested.

As this threshold had been attained at the time of the July 2014 grant and similarly as of the July 2015 grant, the obligation to hold shares that vest as a result of this grant was set at one-third of shares vested for these two grants.

Given the significant number of shares held by Paul Hermelin, he was not required to buy a set number of shares on the delivery of the vested shares.

- ▶ 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.
- ▶ In accordance with the recommendations of the AFEP-MEDEF Code, performance share grants will be performed from now on at the same calendar periods and will be decided by either the Board of Directors' meeting at the end of July or the following meeting. This was the case in 2015 as the grant was made in July 2015.



2.3.2. 2015 Compensation of Paul Hermelin, Chairman and Chief Executive Officer

(gross amounts)

Paul Hermelin: Chief Executive Officer up to May 24, 2012 and Chairman and Chief Executive Officer thereafter	Compensation in respect of 2014			Compensation in respect of 2015			
	Total 2013 (Reminder)	Paid in 2014	Paid in 2015	Total 2014	Paid in 2015	Paid in 2016	Total 2015
Gross fixed compensation	1,452,000	1,452,000	-	1,452,000	1,452,000	-	1,452,000
Annual variable compensation	1,150,900	-	1,168,652	1,168,652	24,200	1,085,279	1,109,479
Multi-year variable compensation	-	-	-	-	-	-	-
Exceptional compensation	-	-	-	-	-	-	-
Attendance fees	-	-	-	-	-	-	-
Benefits in kind*	3,600	3,600	-	3,600	3,652	-	3,652
TOTAL	2,606,500	1,455,600	1,168,652	2,624,252	1,479,852	1,085,279	2,565,131
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	905,785	1,466,026	-	1,466,026	2,266,678	-	2,266,678
TOTAL	3,512,285	2,921,626	1,168,652	4,090,278	3,746,530	1,085,279	4,831,810

* Paul Hermelin did not receive any benefits in kind in 2015, with the sole exception of contribution paid by the Company for his unemployment insurance underwritten by the "Garantie Sociale des Chefs d'Entreprise" for 3,652€.

Pursuant to the revised AFEP-MEDEF Code issued in June 2013 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 an advisory 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 2015 TO PAUL HERMELIN CEO AND SUBJECT TO SHAREHOLDER ADVISORY VOTE

	Amount or accounting value subject to vote	Presentation
Fixed compensation	€1,452,000 (paid in 2015)	The gross fixed compensation of €1,452,000 for fiscal year 2015 was approved by the Board of Directors on February 18, 2015 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. 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 changes in and the 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 1.4% per annum. This compensation falls within the average for CAC 40 executives.
Annual variable compensation	€1,109,479 (paid in 2016)	<p>During the Board of Directors' meeting of February 17, 2016, 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 2015, 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.</p> <p>V1 component: this component is calculated in accordance with quantifiable criteria and the following respective weightings, all relating to the financial results:</p> <ol style="list-style-type: none"> 1) % attainment of the revenue objective: 30% weighting; 2) % attainment of the operating margin rate: 30% weighting; 3) % attainment of pre-tax net profit: 20% weighting; 4) 2015 Free Cash Flow: 20% weighting. <p>These objectives were assessed with respect to the budgeted objectives set by the Board of Directors' meeting of February 18, 2015. They didn't include the impact of the IGATE acquisition and therefore the achievements indicated below have been established accordingly i.e. excluding as well the impact of this acquisition effective July 1, 2015.</p> <p>Attainment rates for these four objectives were 99.77%, 97.38%, 112.41% and 111.71% respectively, which taking account of the relative weighting of each objective, gives a weighted attainment rate of 103.97%.</p> <p>The Group's historical calculation formula accelerates actual performance upwards and downwards such that:</p> <ul style="list-style-type: none"> ■ if the weighted performance of the above four financial indicators is less than or equal to 70%, the V1 component will be nil; ■ if the weighted performance of the above four financial indicators is greater than or equal to 130%, the V1 component will be equal to twice its theoretical amount. <p>Accordingly, with this formula, a one point variance in the weighted attainment rate increases or decreases the variable component by 3.33%. Therefore, application of the formula to the weighted attainment rate of 103.97% in 2015 results in the multiplication of the theoretical variable component by 113.23%, giving an amount of 968,000/2*1.1323 = €548,039.</p> <p>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 four categories: "Acquisitions" for 30%, "Industrialization" for 25%, "Reinforcement of the account centricity culture" for 25% and "Talent enrichment" for 20%.</p> <p>For the first category (Acquisitions-30%), the Board highlighted the successful acquisition of IGATE realized in a very short time frame with operational merger effective as of January 1, 2016. This acquisition the biggest realized by the Group in the last 15 years, strengthens its North American operations and brings strong assets such as new logos and a highly leveraged, talented and industrialized organization. Given the size of the operation, its strong matching to Group strategy and its fast and successful closing, the Board considered that the objectives set for this category had been exceeded.</p> <p>For the second category (Industrialization-25%), the Board based its recommendations on objective items and particularly on the margin improvement, through different measures (gross margin, contribution margin % evolution and production costs evolution) which all evolved positively year on year by +0.6pt (101.3%), +0.32pt (101.7%) and minus 0,4pt respectively. Given these achievements, the Board considered that the objectives set for this category have been realized at 96%.</p> <p>For the third category (account centricity-25%), the Board took into consideration the transition from a significant part of the business to a new accounting model going forward announced during the Group "Rencontres" last October and supported by a transformation program. In addition, the Board considered from a quantitative side the growth performance realized by the strategic accounts in absolute terms vs. the Group actual growth. Considering the sales growth of strategic accounts by 10.4% and of the corresponding revenue of 5.9% compared to Group growth the Board considered that the objectives set for this category have been realized at 120%.</p>

Amount or accounting value subject to vote

Presentation

For the fourth **category (Talent-20%)**, the Board took into several indicators such as the movements recorded within TeamOne, the Group transformation body, with 49 movements recorded in 2015 (vs. 43 in 2014) excluding any impact from the IGATE acquisition. This, as well as several external recruits of "Vice-Presidents" (78), the promotion of 120 new Vice-Presidents vs. 112 in 2014 (excluding IGATE promotions), the increase in executive manager turnover and mobility reflected by numerous job transfers in the course of 2015 (which have more than doubled) and the further increase by 4.4 points in the percentage of women promoted VP, following a 5 points improvement the previous year, led **the Board to consider that the Talent objectives set have been reached at 100%**.

The Board approved a weighted performance of 116%, as per the table below:

Objective type	Target		Proposal	
	Computed	Qualitative	Computed	Qualitative
Industrialisation	15	10	15	9
Account Centricity	15	10	20	10
Acquisitions		30		42
Talents	10	10	11.5	8.5
TOTAL	40	60	46.5	69.5
	Target	100	Proposed	116

leading to a **variable V2 calculation of €561.440**.

Accordingly, **variable compensation of €1,109.479** was approved by the Board for 2015, i.e. **76.4% of his fixed compensation for the same year and 114.6% of the theoretical variable compensation**. Total fixed and variable compensation for 2015 is therefore €2,561.479, i.e. 105.8% of the theoretical compensation and may be summarized as follows:

2015 Variable compensation calculation for Paul Hermelin

V1: quantitative part based on budgeted financial targets

Indicators	Weight	% of achievement	Weighted
Total Revenue	30%	99.77%	29.93%
Operational Margin %	30%	97.38%	29.22%
Net results before tax	20%	112.41%	22.48%
Organic Free Cash Flow	20%	111.71%	22.34%
Total weighted R/B before flex			103.97%
Total weighted after 70/130 flex (10/3*weighted R/B-7/3)			113.2%
Variable V1 on target			484,000
Computed V1			548,039

V2: qualitative part based on 2015 personal objectives

Categories	Weight	Weighted total
Acquisitions	30%	
Industrialisation	25%	
Account centricity	25%	116%
Talent enrichment	20%	
Variable V2 on target		484,000
Computed V2		561,440
TOTAL 2015 VARIABLE COMPENSATION		1,109,479
<i>As a % of the total variable on target</i>		<i>114.6%</i>
<i>As a % of fixed compensation</i>		<i>76.4%</i>

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 at the end of the first quarter of Y+1, or in the present case in March 2016.

	Amount or accounting value subject to vote	Presentation
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 €2,266,678 (accounting value)	<p>40,000 shares granted subject to performance and presence conditions.</p> <p>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 2015 to 2017. The minimum amount necessary for shares to vest is €1750 million. Above this threshold, shares vest progressively on a straight-line basis, with the maximum grant requiring Organic Free Cash Flow of €2 billion or more. The external performance conditions accounts for 50% of the grant and is based on the comparative performance of the Cap Gemini 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/CSC/Atos/Tieto/Steria/CGI Group/Infosys and Cognizant) and the CAC 40 index (new since 2014). Accordingly, no shares vest if the relative performance of the Cap Gemini share is less than 90% 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 60% of the initial grant vests. A portion of this allocation has been granted in reward of the successful IGATE acquisition. The number of shares that may vest to the executive corporate officer may not exceed 0.02% of the share capital.</p> <p>Authorized by the Combined Shareholders' Meeting of May 6, 2015. (Ninth resolution) Grant authorized by the Board of Directors on July 29, 2015.</p>
	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 Paul Hermelin's decision to waive his right to collect attendance fees as a director of Cap Gemini S.A. in respect of 2015 (as both Serge Kampf and he have done for the last six years).
Valuation of benefits in kind	€3,652 Contributions paid	Unemployment insurance contributions paid on behalf of Paul Hermelin

OTHER COMPENSATION COMPONENTS

COMPENSATION COMPONENTS DUE OR AWARDED IN RESPECT OF 2015 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	<p>No amount due in respect of the year.</p> <p>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 and lastly in November 2015.</p> <p>The plan was closed to new beneficiaries in 2015 and rights of existing members have been frozen as of October 31, 2015.</p> <p>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.</p> <p>In addition, this supplementary pension is subject to three cumulative limits such that the pension amount cannot exceed:</p> <ul style="list-style-type: none"> ■ 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. <p>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:</p> <p>1% up to 20 PASS 2% between 20 and 40 PASS 3% between 40 and 60 PASS</p> <p>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 CEO (23 years) 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 2015 theoretical compensation.</p> <p>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.</p> <p>21 members have benefited from this regime since its launch with 11 presently active as of 31/12/2015. Presented to the Combined Shareholders' Meeting of April 26, 2007</p> <p>Fourth resolution in respect of regulated agreements.</p>

EMPLOYMENT CONTRACT OF EXECUTIVE CORPORATE OFFICERS

With regards to 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 (23) 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, 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.

Executive corporate officers: employment contracts 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
Paul Hermelin - Chief Executive Officer up to May 24, 2012 and Chairman and Chief Executive Officer thereafter	No	Yes	No	No

2.3.3 2016 Compensation of the Chairman and Chief Executive Officer

The Board decided, pursuant to the recommendation of the Compensation Committee, to leave Mr. Hermelin's theoretical compensation unchanged for 2016 at €2,420,000. The Board also set the procedure for calculating the variable component of Mr. Paul Hermelin's compensation, defining the performance indicators underlying the V1 calculation, as well as the personal strategic objectives adopted for the V2 component for fiscal year 2016.

Accordingly, the operating indicators adopted for 2016 V1 compensation will remain as follows:

- ▶ revenue growth: 30% weighting;
- ▶ operating margin rate: 30% weighting;
- ▶ pre-tax net profit: 20% weighting;

- ▶ free cash flow: 20% weighting.

The personal strategic objectives adopted for 2016 V2 variable compensation have been assigned an individual specific weight. They relate to the operational transformation of the Group in 2016 in line with the strategic plan and related indicators, the successful integration of IGATE, the effectiveness of the acquisition strategy and to the HR strategy around talent management and mobility. The Compensation Committee has formalized these objectives in such a way as they can be clearly assessed on objective grounds at the end of 2016 with a minimum weight of 50% based on quantified objectives and the Board shared the same imperative when finalizing the objectives. Therefore 75% at least of the variable part will be subject to a quantitative evaluation in 2016.

2.3.4 Attendance fees and other compensation received by Corporate Officers

In compensation for the time spent participating actively in Board meetings and in consideration for the growing responsibilities of directors, the Company was authorized by the Combined Shareholders' Meeting of May 6, 2015 to pay attendance fees to directors of up to €1,000,000 per year. The method of allocating attendance fees between directors defined at this time was reviewed on May 7, 2014, the date of the Combined Shareholders' Meeting. This overhaul was decided 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 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;
- ▶ 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. Hermelin and Mr. Kampf voluntarily waived their right to collect the attendance fees that should have been paid to them as director of Cap Gemini S.A. in respect of 2015 (as both Serge Kampf and he have done for the last six years).

In application of the above principles, total attendance fees of €843.500 were paid to directors in respect of 2015, representing 84% of the maximum amount authorized by the Combined Shareholders' Meeting. After deduction of French and foreign withholding tax, a net amount of €548.948 was paid in respect of 2015.

Corporate governance and Internal control
2.3 Compensation of executive corporate officers

Attendance fees due in respect of one fiscal year and paid during another fiscal year are detailed below:

<i>(in euros)</i>	Amount due in respect of 2014	Amount due in respect of 2015	Gross amount paid in 2014	Gross amount paid in 2015
Serge Kampf	(nil)	(nil)	(nil)	(nil)
Daniel Bernard	99,383	110,000	80,000	110,883
Anne Bouverot	64,500	76,500	41,250	76,500
Yann Delabriere	78,288	82,000	69,000	84,288
Laurence Dors	58,000	80,000	51,000	70,500
Paul Hermelin	(nil)	(nil)	0	0
Phil Laskawy*	65,500	92,500	51,000	85,500
Bernard Liautaud*	(nil)	(nil)	6,750	(nil)
Xavier Musca	28,500	49,000	8,500	51,000
Ruud van Ommeren*	31,000	(nil)	61,000	(nil)
Terry Ozan*	23,000	(nil)	45,500	(nil)
Pierre Pringuet	77,777	86,000	62,500	83,277
Bruno Roger	77,777	90,000	59,500	84,277
Lucia Sinapi-Thomas	53,000	65,000	51,000	61,000
Caroline Watteeuw-Carlisle*	62,500	112,500	8,500	115,500
TOTAL	719,225	843,500	595,500	822,725

* 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 Serge Kampf, founder and executive corporate officer of the Group for 46 years and Lucia Sinapi-Thomas, the director representing employee shareholders, who holds an employment contract in respect of her functions in the Group Finance Department and receives compensation in this respect that is unrelated to her corporate office in the Company.

With regard to Serge Kampf, readers are reminded that he has long exercised – in addition to his duties as Chairman of Cap Gemini S.A. until May 24, 2012- – and still exercised, until he passed away on March 15, 2016 several other duties within the

Group: accordingly he was Chairman (since its creation in 1993) of Capgemini Service S.A.S., an intercompany service company which groups together and manages a large part of Group top management and whose role is to provide services and assistance to all operating companies of the Group (commercial development, financial and legal assistance, external growth, human resource management, consistency in commercial relations with major clients, communication, etc.), as well as Chairman of Capgemini Switzerland for over 47 years (i.e. since the creation in 1968 of this company, the Group's first subsidiary), Director of Capgemini North America Inc. (USA) and sole partner of SCI Paris Étoile. He received a total unchanged compensation of €960,000 in respect of these duties in 2015.

2.3.5 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 2015 and historical information on stock options and performance shares granted:

It should be noted that:

Mr. Serge Kampf has never been awarded (and has never requested) any stock options or performance shares.

Stock options have not been granted to group executives and managers since 2009.

Performance shares have vested to Paul Hermelin in 2015 for a total of 100,000 shares corresponding to the vesting of the grant of performance shares of 2012 (50,000) and 2013 (50,000), which both vested in 2015, as in both cases the performance conditions have been fully met.

In regard to the external performance condition, due to the strong share price performance over the calculation period, the relative performance of the Cap Gemini S.A. share price vs. the basket of comparable companies has been for both grants above 110%, target enabling to definitely grant 100% of shares related to the external condition. In regard to the internal condition, the free cash flow generation over the period 2012 to 2014 has been above the ceiling of 1 billion euros which was initially set to enable the maximum grant allocation associated to the internal performance condition.



Therefore the two set conditions have exceeded the maximum limits, enabling full allocation and the French fiscal residents beneficiaries have therefore been granted 100% of their initial

grant proposal, associated in their case of a minimum holding period of 4 years, Mr Hermelin being in addition subject to specific rules described before.

Stock options granted during the year to each executive corporate officer by Cap Gemini S.A. 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 Cap Gemini S.A. 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	6 th plan of 07/29/2015	40,000	2,266,678	03/01/2018	Later of the end of his term of office and 03/01/2021	A detailed description of the conditions is presented in Note 11 to the Consolidated Financial Statements on page 155 et seq. of this Registration Document

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	3 rd plan 2012	50,000	n/a	2012
	4 th plan 2013	50,000	n/a	2013

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	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				

* Complete historical information on stock options granted is provided on page 67 of the Registration Document.

HISTORICAL INFORMATION CONCERNING PERFORMANCE SHARES

Plan number	2009 Plan	2010 Plan	2012 Plan	2013 Plan	2014 Plan	2015 Plan
Grant date	03/05/2009	10/01/2010	12/12/2012	02/20/2013	07/30/2014	07/29/2015
Number of performance shares initially granted	1,148,250	1,555,000	1,003,500	1,209,100	1,290,500	1,068,550
o/w granted to Serge Kampf	(nil)	(nil)	(nil)	(nil)	(nil)	(nil)
o/w granted to Paul Hermelin *	50,000	(nil)	50,000	50,000	50,000	40,000
Number of shares vested	485,750	881,048	383,000	355,600	1,000	n/a
o/w to Paul Hermelin*	25,000	(nil)	50,000	50,000	n/a	n/a
Cumulative number of shares cancelled or expired	662,500	673,952	99,000	140,000	57,000	3,900
Number of shares potentially available for grant at the end of 2015			521,500	713,500	1,232,500	1,064,650
o/w to Paul Hermelin *	Expired	Expired	0	0	50,000	40,000
Vesting date-France	03/05/2011	10/01/2012	01/01/2015	03/01/2015	08/01/2016	03/01/2018
Vesting date-outside France	03/05/2013	10/01/2014	01/01/2017	03/01/2017	08/01/2018	08/01/2019
End of holding period-France	03/05/2013	10/01/2014	01/01/2019	03/01/2019	08/01/2020	03/01/2021
End of holding period-outside France	03/05/2013	10/01/2014	01/01/2017	03/01/2017	08/01/2018	08/01/2019
Share price at grant date (in €)	23.3	37.16	33.15	36.53	53.35	87.6

* Complete historical information on performance shares granted is provided on pages 155 to 159 of the Registration Document



HISTORICAL INFORMATION CONCERNING STOCK OPTIONS GRANTED TO THE TEN EMPLOYEES (NON-CORPORATE OFFICERS)

Stock options granted by Cap Gemini S.A. 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/exercised 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 Cap Gemini S.A. to the ten employees of all eligible companies having received the greatest number of shares	n/a	n/a	n/a
Options exercised (held previously on Cap Gemini S.A.) by the ten Group employees having exercised the greatest number of shares	n/a	n/a	n/a

Performance shares granted by Cap Gemini S.A. 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 Cap Gemini S.A. to the ten employees of all eligible companies having received the greatest number of shares	109,500	6 th Performance share plan
Performance shares (held previously on Cap Gemini S.A.) to the ten Group employees holding the greatest number of vested shares	190,000	3 rd & 4 th Performance share plans

2.4

Internal control and risk management procedures

Pursuant to Article L. 225-35 of the French Commercial Code, the Chairman of the Board of Directors prepared his report on the internal control and risk management procedures defined and implemented by Capgemini Group.

This report is based on the contributions of several departments and, in particular, the Group departments responsible for sales, production, IT, finance, insurance, legal affairs, human resources, as well as ethics, compliance and internal audit. In accordance with the Law of July 3, 2008, this report was reviewed and approved by the Board of Directors' on March 23, 2016.

During 2015, the Group implemented 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:

- ▶ the integration of the Latin America region into the automated reporting of project risks;
- ▶ the systematic follow-up of Group Review Board recommendations in project reviews and during independent technical reviews ("flying squads") of project teams performed by the Production/Methods and Support Department;
- ▶ the increased use of contract management in operational project management;
- ▶ the selection and roll-out of a sales and marketing management platform (THOR), that will be operational in 2016;
- ▶ the adoption of a unified procedure and the introduction of models for the global management of client accounts;
- ▶ the introduction of a global procedure and policy for sales-based compensation, integrating a three-year plan beginning in 2015, aimed at aligning all business units around the world;
- ▶ the accelerated roll-out of a global application for personnel management and the implementation of a performance management information system, now covering 98% of the Group;
- ▶ the definition of a *People Safety* global governance system;
- ▶ the overhaul of the management process for international travel;
- ▶ 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;
- ▶ the update of the three-year *People* plan to anticipate future employee and management requirements in the coming years and define strategic actions.

DEFINITION OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

Framework

The French Financial Markets Authority (AMF) has defined an internal control framework, which recommends all French companies, subject to the requirements of the Financial Security Law (*Loi de Sécurité Financière*), use and apply within their subsidiaries.

The Group builds on this reference framework and the application guidance published initially in January 2007 and updated on July 22, 2010 by the 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.

Objectives of the internal control and risk management systems

The Group's internal control and risk management systems seek to create and preserve 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.

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 2015, such systems covered all consolidated subsidiaries and Group businesses.

Measures for the progressive integration of newly acquired companies into the internal control and risk management system are in the course of implementation. All material Group subsidiaries are currently integrated into the general system presented in this report.

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 realization by the Group of all objectives set.

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 Serge Kampf, are: honesty, boldness, trust, freedom, team spirit, modesty and fun. 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 guaranteeing integrity of behavior;
- ▶ raise awareness of compliance with international and national laws;
- ▶ 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

The aim of the general internal control principles is to ensure efficient and traceable decision-making. They concern:

- ▶ delegation of decision-making powers and authorization; the decision-making process applied within the Group is based on rules governing the delegation of powers. These rules are regularly updated, comply with the principle of subsidiarity and define three levels of decision-making depending on the issues involved, corresponding to the three levels of Capgemini's organization:
 1. the Business Unit, for all issues that fall within its remit,
 2. the Strategic Business Unit (SBU) for all issues concerning several Business Units under their authority,
 3. the Group (Group Management, Executive Committee, central functions, etc.) for all decisions outside the scope of responsibility of a Strategic Business Unit or region and all transactions that must be decided at Group level due to their nature (acquisitions, divestments, etc.) and/or whose financial impacts exceed 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 objective assessment of the advantages and drawbacks of each of the possible solutions.

- ▶ the framework of general policies and procedures; the Blue Book defines the main principles and basic guidelines underpinning the Group's internal control procedures, and covers specific issues relating to the following areas:
 - Group governance and organization,

- authorization processes,
- sales and production rules and guidelines,
- risk management, pricing, contracting and legal rules,
- financial management, merger, acquisition, and insurance rules and guidelines,
- human resources policies,
- marketing and communications, knowledge management and Group IT,
- procurement policies, including ethical purchasing 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 avoid identified risks in the exercise of the Group's businesses.

Control

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 independence of the internal audit function with respect to the functions and Business Units audited. The internal audit team comprises 25 auditors, representing 13 different nationalities and covering 91% 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 twelve auditors including three technical experts specializing in the review of IT projects. Internal Audit is 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.

The Ethics & Compliance Department and the Internal Audit Department form a single department since September 2015. This 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 involve an examination, from an ethical stance, of all the activities of the target company in order to ensure, in particular, their compatibility with Capgemini Group expectations.

During 2015, the Ethics, Compliance and Internal Audit Department performed:

- ▶ 52 audits of units belonging to 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 at the request of the Chairman and Chief Executive Officer;
- ▶ 3 ethical due diligence assignments.

The Ethics, Compliance and Internal Audit Director presents:

- ▶ twice annually to the Audit Committee, a comprehensive report on the department's work during the half-year (particularly regarding internal control efficiency and risk management in the preparation and processing of financial and accounting information);
- ▶ once annually to the Ethics & Governance Committee a specific report on measures implemented under the ethics program and the result of compliance audits of the Group's Code of Business Ethics.

Finally, the Ethics, Compliance and Internal Audit Department may at any moment draw up a special report for presentation to the Chairman and Chief Executive Officer on any matter that it considers should be brought to his attention and informs the Audit Committee and/or the Ethics & Governance Committee where significant deviations have been identified.

The main risks faced by the Group are set out in the Risk Analysis section of this Registration Document. Risk management and control systems are presented below.

BUSINESS AND STRATEGY RISK MANAGEMENT AND CONTROL PROCEDURES

Economic risks

The Group monitors and anticipates, as far as possible, macroeconomic developments at global level, by closely monitoring the quality of the clients in the markets where it operates, as well as the potential impacts of these developments 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.

Competition

The Group monitors strategy in its various markets in order to assess the weight, strengths and weaknesses of the main players. To monitor the competitive environment, the Development Department (mergers and acquisitions); regularly assesses potential targets that could integrate the Group in the future.

The Group is also committed to ensuring client satisfaction in order to build long-term relationships. A satisfaction measure is kept up-to-date throughout all contract phases (see below).

External growth

Capgemini has a wealth of experience in acquisitions, having carried out around 50 external growth transactions since the 1970s. Entrepreneurial spirit, managerial autonomy, and the principle of subsidiarity are crucial factors in the successful integration of newly-acquired businesses. The successful integration of new businesses is also facilitated by the Group's organization along geographic regions and business lines. The Group's Legal Affairs Department is involved in the negotiation of the legal aspects of merger/acquisition projects.

An integration manager is appointed for all acquisitions. He/she is involved from early on in the acquisition process and generally from the due diligence stage and, in all events, prior to signature of the contract. He/she has substantial technical experience and the necessary authority and asserts his role as manager responsible for the implementation of appraisal systems and the regular review of management reports used to monitor the integration process and avoid any mismatch.

This integration process was implemented in July 2015 on the acquisition of IGATE.

Strategic alliances

Today, the Group has extensive experience with strategic alliances, enabling it to identify major risks and reduce them to an acceptable level for the Group.

Reputation

Compliance with clear principles of business ethics is firmly embedded in Capgemini's culture. On its creation in 1967, the Group through its founder, Serge Kampf, identified seven core values which form the keystone of its identity (honesty, boldness, trust, freedom, team spirit, modesty and fun). Today, each of its managers and employees continue to refer to these values and have committed to applying them personally on a daily basis and ensuring their compliance by individuals in their Business Unit or who participate on joint projects. 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. In 2015, the Ethics, Compliance and Internal Audit Director presented around the world, over 23 three-hour workshops on business ethics, raising the awareness of more than 617 executive officers and senior managers. These workshops, which were partly based on case studies, illustrate the importance of the "tone at the top" in terms of ethics and insist on the exemplary behavior required of each manager. An organizational structure rolled-out in each country by 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 work ethics and legal and physical security in the conduct of business, as well as tax compliance.

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, in order to strengthen

governance rules covering the activities of Group employees on internal and external social media, a social media code of conduct was also drafted and is freely available on the Group's website.

Listed 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.

Clients

The management of client risk is facilitated by the fact that the Group controls the international development of its activity by focusing on countries offering sufficient guarantees in terms of work ethic, the safety and security of individuals and legal security in the conduct of business.

In addition, for existing clients, the Group is exposed to standard client risks which are closely monitored:

- ▶ the risk of excessive dependence on a single client or group of clients or a single market sector; 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 insolvency; client solvency analysis upstream of the sales process helps minimize client credit risk. The solvency of these major clients, combined with the wide diversity of other smaller clients, helps reduce credit risk;
- ▶ the risk of dissatisfaction; Capgemini pays particular attention to assessing client satisfaction and has implemented a rigorous client relationship management process that it carries out throughout the project, known as OTACE (On Time and Above Client Expectations). This is a key pillar of the Group's client loyalty policy, particularly for major client accounts.

OPERATIONAL RISK MANAGEMENT AND CONTROL PROCEDURES

Projects, their performance and risk control

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 information systems projects** ordered by clients, from pre-sale to

acceptance and payment by the client of the last invoice for the project. This process differentiates between:

- ▶ pre-sale risk controls;
- ▶ production and quality controls during the project performance phase;
- ▶ business control.

1. Pre-sale risk control

Projects are increasingly complex, both in terms of size and technical specifications, especially in Outsourcing (long-term commitments, sometimes involving transfers of assets, staff and the related obligations). As a result, identifying and measuring the risks involved is essential at all stages of the selling process, not only for new contracts but also for extensions or renewals of existing contracts. This risk analysis is based in particular on:

- ▶ a reporting tool consolidating all commercial opportunities at Group level. Data concerning commercial opportunities is entered as and when identified, and updated throughout the sale process;
- ▶ validation, at the various organizational levels of the Group's operational structure and at the different stages of the selling process (from identification of an opportunity as investment-worthy from a Group perspective and the submission of service proposals, often in several stages, to the signature of a contract) of the main characteristics of the opportunity, in particular as regards technical, financial and legal matters.

The decision to commit the Group to commercial opportunities meeting pre-defined criteria concerning size and complexity 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 to the Group Review Board's attention any potential risks relating to the performance of these projects.

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 key features of these policies include:

- ▶ clear definition of the roles and responsibilities of each individual regarding performance and supervision throughout the entire production process, in particular as regards the choice of project leader, client relationship management, billing, estimation of costs to completion, joint oversight arrangements with the client, etc.;
- ▶ use of proprietary production methodologies in all of the Business Units;
- ▶ global access to the expertise available through Capgemini's Applications Development Centers;
- ▶ monthly Group-wide identification of all risk-sensitive projects in the performance phase, and the implementation of action plans aimed at eliminating or containing such risks;
- ▶ commissioning independent technical audits of the teams in charge of a given project to identify additional risks in cases where actual performance appears to diverge from forecasts or from commitments undertaken. These engagements are carried out by the Production/Methods and Support Department, and complement the upstream independent technical audits carried out by the Business Units as a preventative measure for operational risks.

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

The Group pays very close attention 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.

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

The Group has implemented business continuity procedures in the event of a disruption to IT services. The Group has drawn up an IT infrastructure security policy and the main management IT systems are covered by a back-up plan at a second data center. The security policy and the back-up plans are verified periodically.

For some projects or clients, enhanced systems and network protection are provided on a contractually agreed basis.

The Group also has a program that seeks to control the cyber risks for its main systems. This dedicated structure is headed by the Cyber Security and Information Protection Director (CySIP).

This program related 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;
- ▶ Data Protection Officers responsible for the protection of personal data and compliance;
- ▶ Chief Information Security Officers responsible for the protection of internal information systems.

The aim of this program is to become a benchmark presented to our clients which helps strengthen the credibility of the Group on digital and cybercrime issues.

Service continuity

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 automatically duplicated in cases where "Rightshored" 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. 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). These measures take account of various degrees of hypothetical threats along with the related damages considering the situation and impacts on the site, urban agglomeration and possibly the country. Communication (e-mail) and collaborative systems are covered by a redundant architecture at two data centers ensuring service continuity.

Business continuity and resumption plans in the event of a disruption to the specific IT infrastructures of a given center, client or contact, are the responsibility of the Group subsidiaries.

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 in the subsidiary entities to test the efficiency of these plans. Certain of these entities have heightened security requirements reflecting certain clients' imperatives and they are consequently certified ISO 27001 compliant by an independent agency.

Suppliers and sub-contractors

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. The procurement tool contains 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 this procurement base 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.

Geopolitics

The Capgemini 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. Furthermore, these organizations also help resolve any potential difficulties encountered by employees assigned to work in these countries and provide risk prevention training courses prior to their departure.

Strict approval criteria must be met before employees are sent 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.

In addition, following the terrorist attacks in France in 2015, the Group strengthened its security policy and its crisis management committee.

LEGAL RISK MANAGEMENT AND CONTROL PROCEDURES

Legal risks are identified, analyzed and managed by the Group Legal Affairs Department, which is comprised of central, regional and local teams in each of the main geographic areas in which Capgemini has operations.

Contracts

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 Group Legal Affairs Department 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.

Compliance with legislation

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, an anti-corruption policy 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.

Failure to comply with regulations governing our activities

While the Group’s activities are not generally regulated, certain of our clients sometimes require us to comply with regulations imposed on them, or in exceptional cases, make us comply with other regulations. The Group analyses these 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.

With regards to the various international and local regulations governing the protection of personal data, the Group rolled-out across European as early as 2007 a Group Legal Data Privacy program (encompassing information, training and legal advice) for operating teams. Furthermore, in February 2016, 28 European countries approved the Capgemini Binding Corporate Rules (BCR) defining the processing of personal data by the Group throughout the world, on its behalf and for its clients.

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

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.

Compliance with rules governing share trading

The Group requires all employees to refrain from carrying out any transactions involving the Company’s shares during certain periods of the year. All Group employees are reminded of these restrictions in writing before the start of each such period.

FINANCIAL RISK MANAGEMENT AND CONTROL PROCEDURES

The Group has drafted formal rules and processes to identify, control and manage financial risks through a prudent financing policy founded, in particular, on the prior authorization by the Board of Directors of all major financing decisions, prudent use of debt and maintaining a high level of available funds.

Equity risk

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.

Cap Gemini has a share buyback program authorized by its Shareholders' Meeting. Within such framework, the Board of Directors decides share buyback programs (outside the liquidity agreement, implementation of which is delegated and subject to a resource ceiling) and equity derivatives. The value of these shares is deducted directly from Group equity and fluctuations in the Cap Gemini share price do not impact its results.

Counterparty and credit risk

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 investments 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

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.

Interest rate risk

As part of its financing policy, the Group seeks to restrict interest rate risk by generally opting for either fixed rates or capped floating rates.

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

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 and its implementation which is mainly centralized at Cap Gemini level primarily involves forward purchases and sales of currency;
- ▶ financial flows exchanged as part of inter-company financing activities are primarily centralized within Cap Gemini and are mainly hedged (primarily using forward purchases and sales of currency);
- ▶ royalty flows payable to Cap Gemini by subsidiaries whose functional currency is not the euro are also generally hedged.

Employee-related liabilities

In conjunction with the Trustees, 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 annually and monitored periodically with the aim of reducing volatility, as much as economically possible and reasonable to do so. Increased life expectancy is taken into account as and when it is recognized by actuaries.

Group commitments in respect of pension shortfalls depend on local regulations. They are reviewed and negotiated with the Trustees approximately once every three years and give rise to payments spread over periods of 5 to 10 years.

CONTROL AND RISK MANAGEMENT PROCEDURES RELATING TO 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. Operational 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 and bringing any and all matters that he or she sees fit to the attention of the Chief Financial Officer.

All financial staff is required to apply the Group's accounting procedures and policies contained in the TransFORM manual, which sets out:

- ▶ the fundamental rules of internal control;
- ▶ what information must be reported, when, and how often;
- ▶ management rules and procedures;
- ▶ accounting policies, rules and methods;
- ▶ performance indicators.

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 2015. 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 now 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 indicators to be updated and measured against budget (A/B), the latest forecasts (A/F) and prior-year figures (A/A). Balance sheet items are analyzed on a quarterly basis. 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. 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 accounts 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 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:

- ▶ the Internal Audit; based on a program covering the Group's Business Units, drawn up in agreement with the Chairman and Chief Executive Officer (to whom 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 annual report;
- ▶ financial press releases;
- ▶ analyst and investor meetings.

The Annual Report has been a key component of the Group's financial communications strategy for the past 40 years (the first edition concerned the 1975 fiscal year). The preparation of the report, its content, illustrations, design and distribution are therefore subject to particular attention on the part of 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

Statutory Auditors' report prepared in accordance with Article L. 225-235 of the French Commercial Code on the report prepared by the Chairman of the Board of Directors

This is a free translation into English of the statutory auditors' report issued in French prepared in accordance with Article L. 225-235 of the French Commercial Code on the report prepared by the Chairman of the Board on the internal control procedures relating to the preparation and processing of accounting and financial information issued in French and is provided solely for the convenience of English speaking users.

This report should be read in conjunction with, and construed in accordance with, French law and the relevant professional standards applicable in France.

Year ended December 31, 2015

To the Shareholders,

In our capacity as Statutory Auditors of Cap Gemini S.A., and in accordance with Article L. 225-235 of the French Commercial Code (*Code de commerce*), we hereby report to you on the report prepared by the Chairman of your Company in accordance with Article L. 225-37 of the French Commercial Code for the year ended December 31, 2015.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report describing the internal control and risk management procedures implemented by the Company and providing the other information required by Article L. 225-37 of the French Commercial Code in particular relating to corporate governance.

It is our responsibility:

- ▶ to report to you on the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information; and
- ▶ to attest that this report sets out the other information required by Article L. 225-37 of the French Commercial Code, it being specified that it is not our responsibility to assess the fairness of this information.

We conducted our work in accordance with professional standards applicable in France.

INFORMATION CONCERNING THE INTERNAL CONTROL PROCEDURES RELATING TO THE PREPARATION AND PROCESSING OF FINANCIAL AND ACCOUNTING INFORMATION

The professional standards require that we perform procedures to assess the fairness of the information on internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report.

These procedures mainly consisted of:

- ▶ obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based, and of the existing documentation;
- ▶ obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;
- ▶ determining if any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the Chairman of the Board's report, prepared in accordance with Article L. 225-37 of the French Commercial Code.

Other information

We attest that the Chairman of the Board's report sets out the other information required by Article L. 225-37 of the French Commercial Code.

Neuilly-sur-Seine and Paris La Défense, March 31, 2016

The Statutory Auditors

PricewaterhouseCoopers Audit

Audit KPMG Audit
Division of KPMG S.A.

Françoise Garnier

Frédéric Quélin

Partner

Partner

3

Cap Gemini, its Values, Employees and Corporate Responsibility and Sustainability (CR&S)

3.1

Our approach to CR&S **82**

3.1.1	Our key priorities	82
3.1.2	CR&S: governance	82
3.1.3	Materiality and scope	83
3.1.4	Group Ethics & Compliance program	84
3.1.5	Cybersecurity and information protection	85
3.1.6	Commitments, awards and recognitions	86

3.2

Human resources, a key Group asset **88**

3.2.1	Methodology scope and themes	88
3.2.2	A changing labor environment	88
3.2.3	Compensation and benefits	92
3.2.4	Work organization, health and safety	93
3.2.5	International mobility and risk management	96
3.2.6	Investing in training and professional development	96
3.2.7	The certification process	99
3.2.8	Diversity and inclusion	99
3.2.9	Dialog and information process	105

3.3

Environmental responsibility **108**

3.3.1	Group environmental policy	108
3.3.2	Group environmental management approach	108
3.3.3	Environmental performance	109
3.3.4	Key performance indicators and methodology	110

3.4

Engaging with stakeholders **116**

3.4.1	Community engagement	116
3.4.2	Client services	120
3.4.3	Our suppliers and business partners	121

3.5

Independent external analysis **123**

	Report by one of the Statutory Auditors, appointed as independent third party on the consolidated labour, environmental and social information included in the management report	123
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3.6

Grenelle correlation table **126**

3.1 Our approach to CR&S

3.1.1 Our key priorities

Underpinned by our *Values and Ethics*, our commitment to Corporate Responsibility and Sustainability has endured throughout our history as we have grown to become Europe's largest IT services company. As a provider of consultancy, technology and outsourcing services, together with professional services through our Sogeti business, Capgemini Group's Corporate Responsibility and Sustainability (CR&S) program covers reducing our environmental impacts, contributing to the communities in which we operate, as well as creating a diverse and inclusive working environment to enable our people to both develop and serve our clients. Our management approach also supports all national laws and regulations, in particular 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.

During 2014 we have extended and enhanced our range of initiatives within the key focus areas of Values and Ethics, Environmental Sustainability, Community Engagement and People Culture. In parallel, we continue to innovate, striving to identify opportunities to embed sustainability into the services we provide our clients, helping them to adapt to our changing world.

Values & Ethics: It is about who we are and the way we do business.

Built on a foundation of our seven core values (Honesty, Boldness, Trust, Freedom, Team Spirit/Solidarity, Modesty and Fun), our Code of Ethics supports our corporate culture and permeates all our business practices, procurement behaviors and employee welfare policies.

People Culture: We are committed to being an employer of choice for people who wish to develop in a creative and diverse environment.

Our priority is to promote the professional development and well-being of our employees by ensuring that both our business practices and our facilities empower excellence. We have a culture whereby we respect and value the diversity and creativity of all our people.

Community Commitment: We strive to have a positive impact on the communities in which we live and work.

As a major global employer, we work locally, nationally and internationally with local authorities, non-governmental organizations (NGOs) and charities on two priorities: education and development. The Group encourages the active involvement of each of our team members in our communities.

Environmental Sustainability: We are committed to understanding, measuring and reducing our environmental impacts.

We recognize that, even though we do not manufacture products, the business services we provide have an impact on the environment. We work hard to reduce this impact by saving energy and reducing waste, as well as by reducing business travel. We also work to raise our employee awareness of the critical issues related to the environment.

Client Services: Our clients benefit from our understanding of the environment and our world-renowned business transformation capabilities.

We deliver long-lasting added-value with tangible results. We take time to talk to our clients and ensure that their views are taken into account, and we look to embed CR&S considerations into our service offerings.

3.1.2 CR&S: governance

With an enhanced focus on strategic planning and governance, 2015 has been a pivotal year for our program across the key areas Environmental Sustainability, Community Engagement and People Culture which are underpinned by our Values and Ethics. January 2015 saw the inaugural meeting of the Group's CR&S Board under the co-chairmanship of Hubert Giraud (Group Management Board Member and Director of People Management and Talent Development) and Christine Hodgson (Chairman, Capgemini UK Plc). Throughout the year, the Group CR&S Board have worked to advance Capgemini's strategic approach, further embedding corporate responsibility and sustainability principles into our business operations and practices.

The Board is comprised of senior executives from around the Group including the Group Corporate Responsibility and Sustainability Director. This Board maintains consistency and ensures the uniform implementation of our CR&S policies and initiatives across our Group, led locally by our global network of CR&S professionals.

Extract from the CR&S Board Charter

The Corporate Responsibility and Sustainability (CR&S) Board will provide the executive level governance for CR&S within Capgemini. The CR&S Board will review, debate and ultimately approve CR&S policies and practices for the Group.

For Capgemini, CR&S means taking a long term view – it is our approach to business that reduces our impact on the environment, contributes to the communities in which we operate and ensures that we remain a diverse and inclusive company. Hubert Giraud, co-chairman of the CR&S Board, provides the linkage to Capgemini’s Group Management Board (chaired by Capgemini’s Group CEO) ensuring the input of the CEO and the alignment of Capgemini’s approach to CR&S with the Group overall business strategy.

The overall program continues to focus on the three key areas of Environmental Sustainability, Community Engagement and People Culture. A number of interactive multi-national working groups continue to drive the program forward under the direction of the Group Corporate Responsibility & Sustainability Director.

Several networks established in different countries ensure consistency worldwide and in particular

- ▶ the Ethics & Compliance Officers’ network, reporting to the Group Chief Ethics & Compliance Officer;
- ▶ the Corporate Responsibility & Sustainability Leadership network, comprising CR&S professionals from within the Group.

Additionally, all interested employees can join the global Corporate Responsibility & Sustainability community or work with the global Sustainability network, focusing on embedding sustainability into client service offerings.

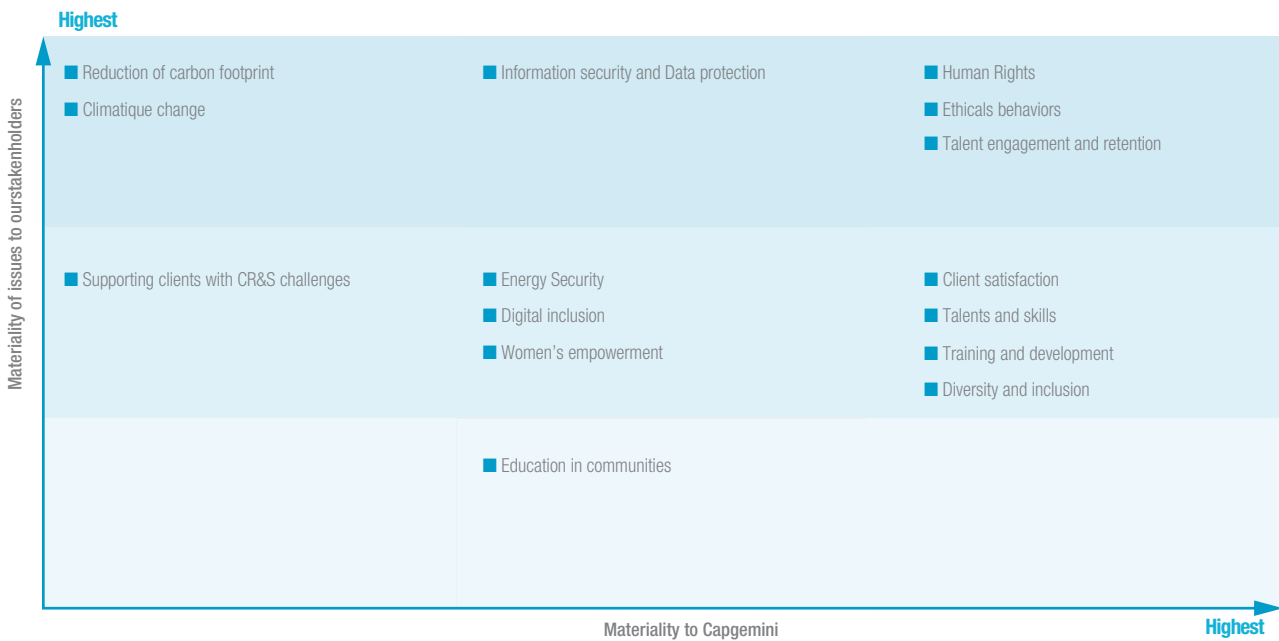
We have also set up country specific governance structures in a number of our largest countries. For example, Capgemini has specific executive CR&S committees in Germany, India, and the UK, while in other countries, such as France and North America, CR&S issues are discussed at local Executive Committee meetings.



3.1.3 Materiality and scope

In order to ensure our Corporate Responsibility and Sustainability program remains aligned with stakeholder expectations, an analysis of the relative importance of sustainability aspects and issues was undertaken during 2014. This analysis, or materiality assessment, is the result of a range of internal and external stakeholder interviews together with desk research.

MATERIALITY MATRIX (CAPGEMINI ONLY)



Confidence in the alignment of Capgemini’s CR&S approach remains.

All Grenelle II (legislation: article R.225-105-1 of the French Commercial Code) indicators are listed in the table in section 3.6, including explanations for indicators which are not reported. As a result of our materiality assessment and on-going analysis, 15 indicators are considered to be the most relevant to our business.

3.1.4 Group Ethics & Compliance program

The Group Board of Directors launched our Ethics & Compliance Program in 2009 to further strengthen the ethical culture that has been the Group's ever since its creation in 1967. 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 helps to attract, develop and retain employees. The company-wide Group Employee Survey shows that our employees' commitment is strongly linked to belonging to a Group with an ethical culture. Creating an ethical environment also strengthens our reputation, helps us win new business and allows us to take our place in the "Champions League", i.e. among the leaders in our industry.

ETHICS & COMPLIANCE ORGANIZATION AND NETWORK

The managers of the Group's operating units (SBUs/BU) are accountable for ethics and compliance in their respective units. They are also responsible for driving the Ethics & Compliance program in compliance with the local laws, 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 Ethics & Compliance program and its achievements annually.

General Counsels also serve as Ethics & Compliance Officers (GC-ECO) for their jurisdictions. They ensure implementation of the Ethics & Compliance program within their geographic regions and liaise with the CECO.

GROUP FUNDAMENTAL PRINCIPLES, GUIDELINES AND POLICIES: THE BLUE BOOK

In our largely decentralized and entrepreneurial organization, it is essential to have a set of common guidelines, procedures and policies that govern our daily operations. The company confidential Blue Book, so-called because of its color, was created in 1989. It provides a common reference tool, enabling each employee and company service or department to work effectively and maintain unity across operations worldwide.

The Blue Book contains:

- ▶ Group fundamental principles: its mission, expertise, main objectives, Values, Code of Business Ethics and collaboration principles;
- ▶ Group governance and organization;
- ▶ authorization and approval processes;
- ▶ sales and production rules and guidelines;
- ▶ risk management, pricing and contracting rules;

- ▶ financial management, merger, acquisition, disposal and insurance rules and guidelines;
- ▶ human resources policies;
- ▶ marketing, communications, Group knowledge and IT management guidelines;
- ▶ procurement policies, including ethical purchasing and supplier selection; and
- ▶ environmental and community policies.

These policies, procedures and guidelines comprise the reference standards that all entities are required to implement, while complying with national legal requirements and specificities. Assessment of compliance with these guidelines is an integral part of our Internal Audit process. The Group Blue Book is updated regularly and is available to all employees on the Group's intranet.

OUR BUSINESS ETHICS

Grounded in our seven core Values, Capgemini's CR&S (Corporate Responsibility & Sustainability) principles guide our relationships with partners and the communities in which we operate, and our behavior with regard to the environment.

Our Values and ethics rank amongst the most important of all our strategic dimensions. Our longstanding commitment to our Values has shaped the Capgemini Group's reputation in the market, and today, this reputation is an essential asset to our economic performance.

The Group launched our Ethics & Compliance program to protect and maintain this reputation 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 in Group companies; and
- ▶ implement initiatives aimed at reinforcing prevention and avoiding ethics and compliance breaches.

ETHICS & COMPLIANCE PROGRAM IN 2015

Our Code of Business Ethics

Our Code of Business Ethics, which encapsulates the Group's ethical culture, is now available in 14 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.

Capgemini expects all Group employees to adhere to the seven core Values and to the principles expressed in this Code. In particular, employees are expected to commit to:

- ▶ respecting applicable laws and regulations;
- ▶ applying health and safety rules and contributing to the creation of a safe, inclusive work environment;



- ▶ acting responsibly in the marketplace, complying with applicable competition laws and regulations and anti-corruption provisions, avoiding conflicts of interest and insider trading, and providing accurate commercial and financial information;
- ▶ building honest, clear relationships with clients, suppliers and business partners;
- ▶ maintaining the security and integrity of the assets of the Group and of any third parties with whom we work;
- ▶ supporting the communities and respecting the environments in which we operate; and
- ▶ refusing the use of forced labor and child labor.

At the end of 2015, more than 126,000 employees had followed the Code of Business Ethics e-learning module, which is available in five languages. This represented more than 82% of the Group's employees at year-end 2015.

All new hires are expected to undertake to comply with the principles set out in the Code of Business Ethics and to complete the e-learning module on the Code.

SPECIFIC POLICIES

Group Anti-Corruption Policy

In 2011, the Group released a policy, in eleven languages, outlining its commitment to zero tolerance for any form of corruption. At the end of 2015, more than 132,000 employees had followed the related e-learning module, available in six languages. This represented more than 87% of the Group's employees.

New employees are expected to undertake to comply with the principles set out in the Group Anti-Corruption Policy and to complete the related e-learning module.

Group Competition Laws Policy

In 2012, the Group released a policy, in eight languages, to help employees to identify and avoid situations that could violate competition laws. At the end of 2015, more than 121,000 employees had followed the related e-learning module, available in five languages. This represented more than 79% of the Group's employees at this date.

New employees are expected to undertake to comply with the principles set out in the Competition Laws Policy and to complete the related e-learning module.

RAISING CONCERN PROCEDURE: A DEDICATED PROCEDURE FOR REQUESTING ADVICE AND RAISING CONCERNS

The Code of Business Ethics provides that an employee faced with a question or issue involving ethics or compliance should discuss it first with his/her local manager. If the issue is not resolved 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 employees' dedicated Raising Concern Procedure (RCP). Employees may in this way seek advice and guidance on appropriate action from the local GC-ECO, or even directly from the CECO in Paris. In operation since late 2013, the RCP is applied on a case-by-case basis in 39 countries where the Group operates, in accordance with applicable legislation.

BUSINESS ETHICS TRAINING FOR MANAGEMENT

In 2015, six three-hour business ethics workshops were held around the world, covering more than 100 managers and top executives (mainly Grade F, i.e. the top of the managerial pyramid). These sessions, based on case studies, aimed to give practical advice on how to deal with Ethics and Compliance issues and to highlight management's role in setting an example. They also helped develop local action plans to cascade these messages to lower management levels, with the help of the Ethics & Compliance Officers.

Additionally in 2015, a new initiative was developed for more than 4,300 Grade E managers (i.e. the grade just below top management or Grade F), based on a "Train the Trainers" methodology. More than 65 top managers have been trained to deliver more than 200 sessions of a three-hour business ethics workshop. At the end of 2015, more than 1,500 Grade E managers had followed one of the sessions. This represented more than 35% of the target population at this date.

3.1.5 Cybersecurity and information protection

In July 2014, Capgemini Group Management Board decided to transform its IT security approach to better take into account its clients requirements and issues of data protection. The CySIP (Cybersecurity & Information Protection) Program was launched in November 2014 through risks and compliance management aimed at reinforcing Group competitiveness.

Sponsored by the Group General Secretary, the CySIP Program published in March 2015 a CySIP Strategy (stakes, objectives and governance) and a CySIP Baseline (minimum and mandatory practices), a data privacy strategy and a personal data protection policy. These documents must be implemented before end 2017.

The CySIP program is composed of three communities that are working together under the Group CySIP Officer steering: the CySIP Officers in Strategic Business Units (focused on the requirements and security of projects delivered to clients),

the Data Protection Officers (DPO, focused on personal data protection and sensitive data privacy) and the Chief Information Security Officers (CISO, focused on internal IT).

The three CySIP communities met altogether during 2 days in September for the first CySIP Seminar to prepare the 2016 work plan. By the end of 2015, corporate governance is in place, policies and standards are harmonized. A global acculturation plan has also been launched during the 1st CySIP week on November 2nd. It includes new e-learning modules and other innovative multimedia. Finally, a first maturity assessment related to the CySIP Baseline implementation level, Data protection practices and Acculturation was performed in April 2015. This assessment is made each year and aimed at developing annual remediation plan for each entity.

Data protection and data privacy were a major priority in 2015 agenda. Capgemini Binding Corporate Rules on personal data protection (BCRs) have been approved by the French data protection authority, the CNIL, on March 2, 2016 for the Group. They are aimed at covering Group activities acting as data controller and data processor. A Group DPO, member of the Legal Department, has been appointed on September 23, 2015. The Group DPO relies on a local DPOs network to ensure the implementation of BCRs in each country and each local entity.

At last, in 2015, the CySIP operational projects focused on 3 major topics: Identity and Access Management (to reinforce access controls to applications and data) and Security Information and Event Management (to reinforce detection/reaction capacities). The Capgemini Security Operation Centers in Europe and India will provide new monitoring services. A BYOD (Bring Your Own Device) policy and tool have been defined and are being implemented in 2016 to secure access and data while using personal devices for professional purpose.

3.1.6 Commitments, awards and recognitions

For Capgemini, the principles of CR&S extend beyond strict legal compliance: we commit to comply with international, national and local laws and regulations in the countries in which we operate.

We have also stated our commitment to Corporate Responsibility & Sustainability in a number of areas:

- ▶ Capgemini has been a signatory to the UN Global Compact since 2004. The member companies of this program support/comply with ten principles in the areas of the environment, human rights, labor rights, and the fight against corruption;
- ▶ Capgemini supports 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;
- ▶ Capgemini supports the OECD guidelines for multinational enterprises;
- ▶ Capgemini has been a signatory to the UN Global Compact's "Caring for Climate" initiative since its inception in 2007;
- ▶ Capgemini has been a signatory to the Women's Empowerment Principles since their inception in 2011;
- ▶ Capgemini is a signatory of the 2010 Guadalajara ICT Declaration on Transformative Low-carbon Solutions. This document urged governments at the 2010 Cancun Summit to use the power of ICT to make the transition to low a carbon economy;
- ▶ in partnership with the GoodPlanet foundation, Capgemini translated the 2011 Worldwatch Institute Report into French; and
- ▶ in 2015, Capgemini CEO Paul Hermelin signed the 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.

A number of actions have also been taken in certain countries, including:

- ▶ Capgemini France became a signatory of the "Charte de la diversité" in 2006 and the "Charte de la banlieue 2.0" in 2010;
- ▶ Capgemini France has been signatory to the Charter "entreprises et quartiers" in 2013;

- ▶ Capgemini France has been signatory to the "Charte de la parentalité" in 2011;
- ▶ Capgemini France has been signatory to the "Charte de l'apprentissage" in 2011;
- ▶ Capgemini UK is also a signatory of a series of five communiqués on Climate Change organized by the Prince of Wales's Corporate Leaders' Group on Climate Change. They are the Climate Change (2012), Cancun (2010), Copenhagen (2009), Poznan (2008), and Bali (2007) communiqués;
- ▶ Capgemini UK has registered its support for the "Think Act Report" initiative, a voluntary framework developed by the UK Government with the aim of promoting gender equality within the workplace;
- ▶ Capgemini UK awarded with the Positive About Disabled People Two Ticks Accreditation from "Business in the Community" for the seventh year running;
- ▶ Capgemini Germany signed the "Charta der Vielfalt" (the Diversity Charter) <http://www.charta-der-vielfalt.de/en/diversity-charter.html> in October 2014;
- ▶ Capgemini NL is signatory of the Talent to the Top Charter (gender diversity) since 2009;
- ▶ Capgemini NL committed to a multiple year agreement program in 2009. This is public/private collaboration program aiming for more effective and efficient energy use;
- ▶ Capgemini NL committed to the Lean & Green Personal Mobility Program in 2013; and
- ▶ Capgemini NL committed to the CO₂ Performance ladder in 2011 (level 4).

As a result of its on-going commitment to Corporate Responsibility & Sustainability, in 2015 Capgemini has:

- ▶ once again been recognized as one of the World's Most Ethical Companies in 2015 by the Ethisphere Institute, a leading international think tank specializing in research on ethical business practices;
- ▶ continued its inclusion in the FTSE4Good and index;

- ▶ been reconfirmed as a constituent of the Ethibel Sustainability Index (ESI) Excellence Europe since March 23, 2015;
- ▶ been recognized in the European Economic Congress' 2015 Responsible Companies Ranking for its quality management of CR&S, earning 36th place overall and 2nd place in the Telecommunications, technology, media and entertainment sector;
- ▶ been named within the annual Corporate 101 list by MBN USA Magazine (Minority Business Network), as representing the 'Most Admired Companies' in Supplier Diversity in Capgemini North America;
- ▶ been named as a winner in the Golden Peacock Awards for Sustainability, for managing natural resources and conserving electricity and water in Capgemini India;
- ▶ been awarded the Eco Corporate of the Year Award (Services category) in the Yes Bank Natural capital Awards which reward and showcase organizations dedicated to environmental stewardship. The award was in recognition of Capgemini India's Smart Energy Management Solution which was deployed across major Capgemini India locations in 2014;

- ▶ for the fourth consecutive year, been included in The Times Top 50 Employers for Women in Capgemini UK;
- ▶ been named as amongst Canada's Best Diversity Employers;
- ▶ achieved ISO 14001 certification covering Capgemini North America, Sweden and Capgemini France (extending coverage to include operations in eleven countries); and
- ▶ become a Rated Supplier on the Chartered Institute of Purchasing and Supply (CIPS) Sustainability Index (CSI).

Rating agencies

Capgemini continues to work with a number of independent corporate responsibility and sustainability analysts and financial rating agencies. We take external analysis of our performance seriously and welcome assessment by reputable third parties as this gives us a clear reference position for our performance.

Capgemini works with several analysts including CDP, Ethibel, Ethifinance, Ethisphere, FTSE4Good, Gartner, Oekom, Verdantix, and Vigeo.

3.2

Human resources, a key Group asset

Being a responsible employer with a wealth of diversity, whom people choose to work for and which provides an environment in which employees can deliver their best, is the mark of our business culture concerned with our most important asset –

our employees. Our priority is to ensure their well-being and professional development, ensuring that we empower delivery excellence. We have a culture whereby we respect and value diversity.

3.2.1 Methodology scope and themes

Three sources of information are available to provide the Group's HR and labor data. These sources are also used in this report:

- ▶ 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 31st December 2015. The scope of this data is Group-wide;
- ▶ 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. 99% of Group employees (without IGATE) are consolidated within this tool; and

- ▶ a questionnaire collecting labor and societal indicators, which are either qualitative or only needed annually.

Consistency checks and trend analyses are performed 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. All labor aspects of Article R225-105-1 of the French Commercial Code are covered in this report as, based on our analysis, they are declared relevant for our business.

3.2.2 A changing labor environment

STRATEGIC DIRECTIONS AND RISK FACTORS

Our Group Human Resources (HR) priority is to build a collective workforce to support our clients in solutioning their ever changing technology and consulting needs. In HR terms, this means that we need to appraise, develop, and promote our people to obtain personal growth and engagement and to recruit the skills which we are not able to develop quickly enough or which are needed to fuel the growth. The Human Resources Department continuously improves its contribution by:

- supporting Managers with appropriate means to **manage the career of the team members** and understand their **diverse workforce** profile and trends;
- providing Team Members with means to **develop and maintain personal employability** to perform over time;
- providing Team Members with better support in **mobility**, virtual working and learning; and
- maintaining employee safety in particular during business trips.

- ▶ Recruitment
 - Every new recruit is carefully assessed in terms of skills and cultural fit with group values;
 - Overall, we monitor gender mix of our external recruits and internal promotes. In 2013, we asked our internal and external recruiters to sign the group diversity charter to gain their commitment to improve diversity;
 - We continue our policy regarding the employment of people with a disability;
 - Nearly 1 out of 2 recruits are “college hires”. We therefore have significantly strengthened our partnerships with major schools and universities to make Capgemini an employer of choice; and
 - Capgemini is now strongly leveraging digital channels like LinkedIn to recruit suitable talents in the labor market.



► Development

Capgemini believes in offering an opportunity for a successful and rewarding career – not just a job. Each employee has his or her own personal aspirations, motivations and career preferences. The Career & Competency Framework has been designed to help employees to develop in a wide variety of different roles, with the clarity required to support employees’ career progression, and the flexibility to let them take charge of their own career.

As a global organization, our clients expect consistency of services and uniform excellence, regardless of where we deliver. As individuals, we expect clarity in the career options available to us. The Career & Competency Framework defines and describes a standard set of roles for our businesses, regardless of your region, business unit (BU), project, account, sector or technology specialization. At a glance, you should be able to understand the breadth of options available to you. For each role, there are a number of core attributes; professional competencies that apply to everyone in Capgemini and are independent of where you sit in the business; and role-specific competencies, tailored to Capgemini businesses.

Therefore:

- every employee fits into a transparent “Career & Competency Framework” linked to his or her profession, where personal ambition is equally important to make a career discussion open and fair;
- every employee has access to a wide range of training to enable their professional development through the group University. It delivers over 5 million hours per year of training to over 140,000 employees (excluding IGATE). All training programs are designed to incorporate new technological methodologies, client requirements and skilling needs; and
- today, 47% of training is virtual and our objective is to continuously optimize its impact.

► Talent management

- Capgemini is favouring mobility at local and global levels. In 2015, our employees were given the opportunity to deliver 35,000 international assignments; and
 - Capgemini provides visibility on job vacancies through the www.capgemini.com website, and internally through MyMobility system, allowing a “promote 1st; hire 2nd” approach.
- Leadership
- Our Leadership community, essentially the 1,400 Vice Presidents world-wide are recruited, measured, rewarded, and promoted through global policies. They are assessed against the 6 attributes of the “Group Leader Profile” (business pioneer, profit shaper, people leader, la Niaque, collaboration, and transformation strength), a fundamental tool that is being adapted to our new challenges; and
 - Capgemini focuses on Leadership Development by identifying and developing the right leaders through dedicated leadership programs and an aligned Learning & Development.

STRONG HEADCOUNT GROWTH, MOSTLY EXTERNAL BUT ALSO ORGANIC

The Group workforce was just below 60,000 people ten years ago, passed the bar of 100,000 employees in September 2010 and grew again by more than 25% in 2015 to reach 180,639 employees as of December 31, 2015, thanks mostly to the acquisition of the company IGATE (31,323 as of December 31, 2015)

The average headcount is calculated by adding the average of opening headcount and the 12 monthly headcount divided by 13.

Year	Average headcount		End-of-year headcount	
	Number	Change	Number	Change
2005 (reminder)	59,734	4.1%	61,036	2.9%
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%

The recent acquisition of IGATE, strong organic growth, notably in Asia-Pacific, and the most recent economic crisis that affected continental Europe to a greater extent, continued to significantly impact the geographical distribution of Group employees. This development is summarized in the following table:

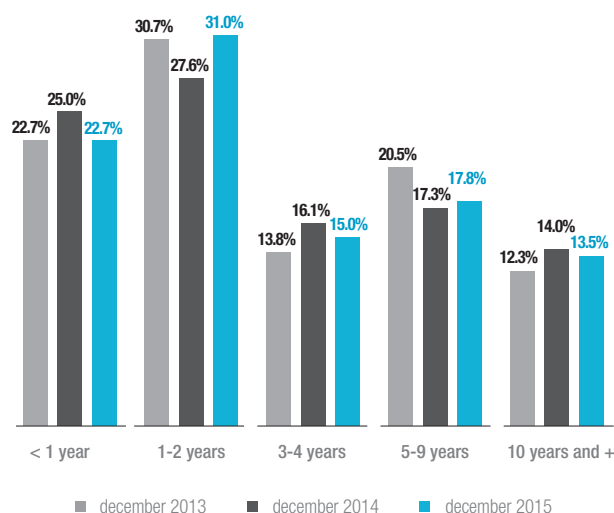
	December 31, 2013		December 31, 2014		December 31, 2015	
	Numbers	%	Numbers	%	Numbers	%
North America	9,173	7.0%	9,874	6.9%	16,034	8.9%
United Kingdom & Ireland	9,130	6.9%	8,766	6.1%	8,656	4.8%
Nordic countries	4,277	3.3%	4,145	2.9%	4,007	2.2%
Benelux	8,775	6.7%	8,547	6.0%	8,307	4.6%
Germany and Central Europe	10,095	7.7%	10,596	7.4%	11,342	6.3%
France	21,863	16.6%	23,637	16.5%	23,882	13.2%
Southern Europe	7,187	5.5%	7,446	5.2%	7,434	4.1%
Asia-Pacific (incl. Middle East)	50,888	38.7%	59,854	41.7%	91,584	50.7%
Latin America	10,042	7.6%	10,778	7.5%	9,393	5.2%
TOTAL	131,430	100%	143,643	100%	180,639	100%

As a result of IGATE acquisition, which was mostly present in India, the share of APAC region increased by 9pts and exceeded in December the bar of 91,000 employees. However, the share of this region should have increased by 2.7pts without the acquisition thanks to an organic growth in India of 11.7%. North America region has increased by 62% also thanks to the acquisition of IGATE as it was the 2nd biggest region of this company, but it also reported a strong organic growth of 7%. On the contrary, Latam decreased by 12.8%, especially in Brazil.

Moreover, India saw very strong growth in recent years with headcount rising from slightly under 2,000 people in 2004 to more than 87,000 in 2015 and represents 48.5% of the total Group workforce. Growth in Central Europe is notably due to the development of the BPO business in Poland, which went from less than 500 employees in 2004 to slightly below 6,500 at year end. UK and Benelux were the main regions to see its headcount fall for the third year in a row, due to a difficult economic situation, with Scandinavia also in decline, albeit to a lesser extent. In France and Southern Europe, the headcount is quite stable in 2015 but the share is mechanically lower in 2015.

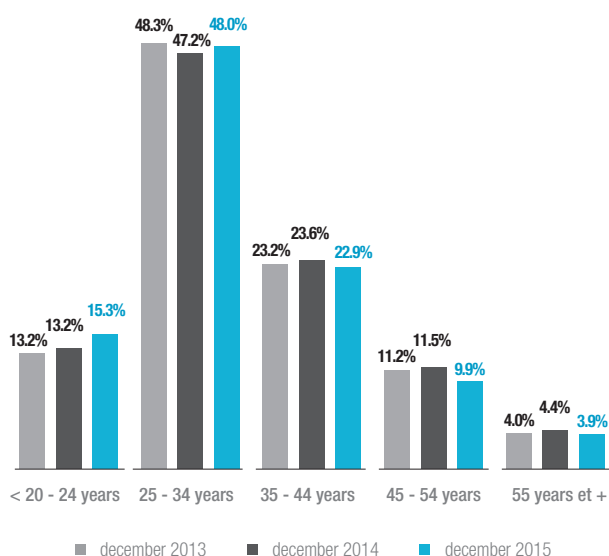
BREAKDOWN OF WORKFORCE BY LENGTH OF SERVICE: 2013-2015 CHANGES

The coverage rate for the data below is 99.5% of year-end headcount (including IGATE data). Changes for average length of service reflect the Group's recruitment dynamics over the last five years, with an average of more than 33,000 recruits each year. The high percentage of employees with less than three years' service (53.7% of our headcount) is clearly due to the high level of recruitment. However, the average length of service in the Group stands at 4.4 years in 2015, a small decrease of 0.1 years versus 2014 due in particular to the integration of IGATE employees who had an average length of service of 3.5. At constant perimeter, the average seniority should have increased by 0.1 year. This varies according to the geographical area, ranging from 2.3 years in India or 2.6 in Asia-Pacific and Latin America (where lies the majority of recruitments) to 10.2 years in the Benelux countries (stable), 8 years in France (in progression by 0.6 years due to the integration of Euriware employees) or 7 years in the UK. For the purpose of calculating length of service, it should be noted that it is the date of recruitment by the acquired company, and not the date of integration into Capgemini, which is taken into consideration.



BREAKDOWN OF WORKFORCE BY AGE: 2013-2015 CHANGES

The coverage rate for the data below is 99.3% of year-end headcount (including IGATE). The average age of employees decreased in 2015 to 33.6 years (-0.8 year vs 2014), mostly due to the acquisition of IGATE which has an average age lower than Capgemini (30.6 years) and thanks to the hiring of young graduates (42% of total recruits). At constant scope, it still would have decreased but slightly at 34.2 years. The average age is stable in most of countries, excepted in North America (-1.9 years at 38.5 years thanks to IGATE but also -0.6 years without), UK (-0.6 years at 40.6 years) and India (-0.8 years at 29.6 years with IGATE but also -0.2 years without). The percentage of employees aged less than 35 years increased by 2.9 pts over the previous year to 63.3%, while the share of employees in the over 45 group decreased by 2.1 pts, due mostly to the acquisition of IGATE. Average age is lowest, below 30 years, in Guatemala, India, China, Morocco, Romania and Poland, while the United Kingdom, Sweden, Canada, Denmark and the Netherlands are the only countries with an average age at just over 40 years.



Against a still uncertain economic backdrop for 2015, the Group hired more than 46,000 employees (including IGATE for 6 month) or 41,000 excluding IGATE, the highest number in the Group's history and a significant increase over the average number of hires over the past decade.

	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

This increase was not felt in the same way across all geographic regions and countries, with offshore countries contributing strongly to this recruitment dynamic, with nearly two thirds of all recruitment in 2015 (excluding IGATE). India, where 55% of recruitment took place, saw headcount grow organically by more than 6,500 people in 2015, representing more than 100% of Group organic net headcount growth. On the contrary, Latam and in particular Brazil, is showing a massive decrease of headcount by -15.2% due to a restructuring plan.

In a still volatile and uncertain economic environment, the employee turnover rate (the percentage of voluntary departures) increased by 1.5pt to 19.3% (excluding IGATE), being higher in APAC, Poland and India (where the IT Services market is more dynamic) than in Continental Europe or North America. This rate is still, however, below the peak rate of the last ten years, which reached 19.7% in 2007.

	Turnover rate
2005 (reminder)	15.4%
2010	16.3%
2011	18.1%
2012	17.0%
2013	16.8%
2014	17.8%
2015 (w/o IGATE data)	19.3%

Hires are people on-boarded into Capgemini payroll through the usual recruiting cycle during the period and accounted in headcount (it excludes recruits made through acquisition/big deals).

The number of voluntary departures was at the highest level of the last past 10 years at around 28,000 (w/o IGATE and 31,580 with IGATE). This 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.



3.2.3 Compensation and benefits

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. This provides employees with additional flexibility, enabling them to reconcile their financial and personal situations in the best possible way.

Profit-sharing is available to employees pursuant to the local regulations applicable in the country.

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 progressively better 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 salaries in force in the country concerned, and are sometimes higher by a very significant proportion. Salary increases guidelines are also reviewed and approved at Group level.

The evolution of compensation (which can be found in the Note 6 to the consolidated financial statements of the Registration Document) is subject to regular analysis as compensation costs represent 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...) on the evolution of the key indicator.

The Compensation Committee of the Cap Gemini 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.

ALLOCATION OF SHARE-BASED INCENTIVE SCHEMES

Cap Gemini S.A. 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 with the aim of rewarding employee loyalty, namely for those who have made exceptional contributions to company sales, production, innovation or to reward those who have been acknowledged for specific initiatives or who are seen as transformation agents. Any employee in the Group may be selected to receive them. They are an exceptional reward and do not form part 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 2,743 beneficiaries under the performance shares plans. The Management Report, presented at each Cap Gemini S.A. Shareholders' Meeting, provides a detailed yearly breakdown of the performance share allocations.

Concurrently, 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 Directors and the volume effectively allocated represented 3.2% of the total grants of the 6 performance share plans since 2009. Moreover, share based instruments are not allocated on an automatic and/or annual basis.

Detailed information regarding performance shares allocated by Cap Gemini S.A. to directors and to the ten main beneficiaries (non-directors), the options exercised by the latter, and details of these plans are provided on page 67 to 70 of this Registration Document.

In addition, following a negotiation with French employee representatives, instead of paying a bonus in cash for the "profit sharing bonus" implemented in 2011, the Board decided to pay this incentive through shares subject to a presence condition of 2 years and with a compulsory holding period of another 2 years in two occasions (2012 and 2014). As a result, more than 16,000 employees became shareholders in July 2014 and again more than 20,000 employees have been granted the opportunity to become shareholders in October 2016 subject to their presence on this date.

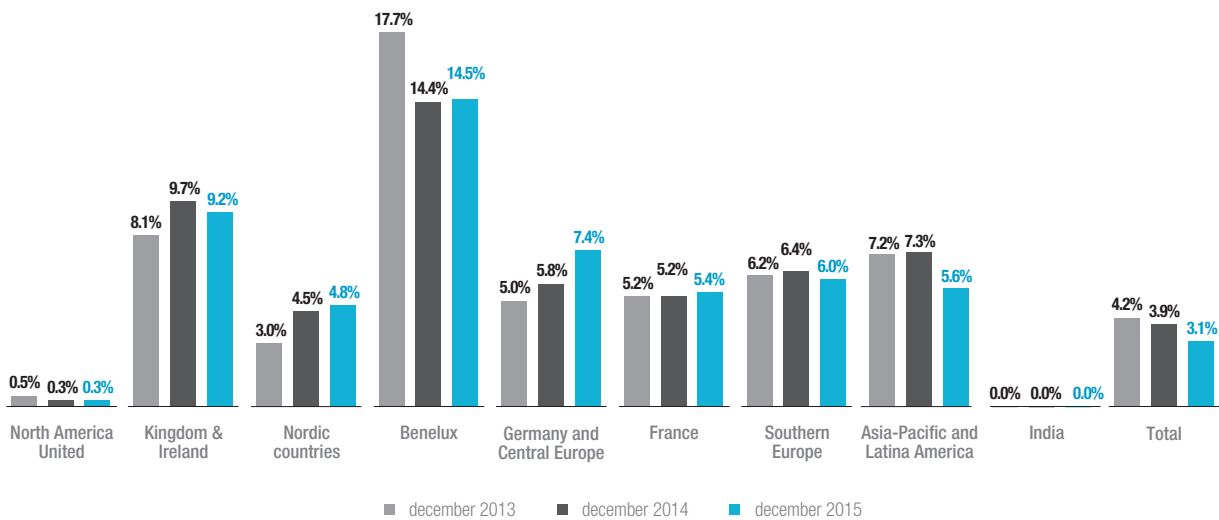
EMPLOYEE ACCESS TO STOCK HOLDING

In 2009, Capgemini launched its first international employee stock ownership plan, covering 19 countries. This 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, which was again very successful, with 12,000 employees subscribing. As the 2009 plan was ending in December 2014, a new international plan has been launched in 2014 and was again a success with close to 17,000 subscribers joining this new plan. As a result of these two active plans our employees, as a whole, are amongst the Group's main shareholders with close to 5.6% of the share capital.

Lastly, in 2009, Capgemini launched a product whose performance is related to its share price: the BSAAR. This product was made available to Group managers at the price of €3.22 (at fair value and in accordance with a valuation carried out by an external expert) and was accompanied by an information memorandum approved by the French Financial Markets Authority (AMF) (see 5.1.3 p. 228). BSAARs represented an opportunity for managers who wanted to make a long-term investment in the Company (from 4 to 7 years) while being fully exposed to fluctuations in the share price.

3.2.4 Work organization, health and safety

BREAKDOWN OF PART-TIME WORKFORCE IN 2013-2015

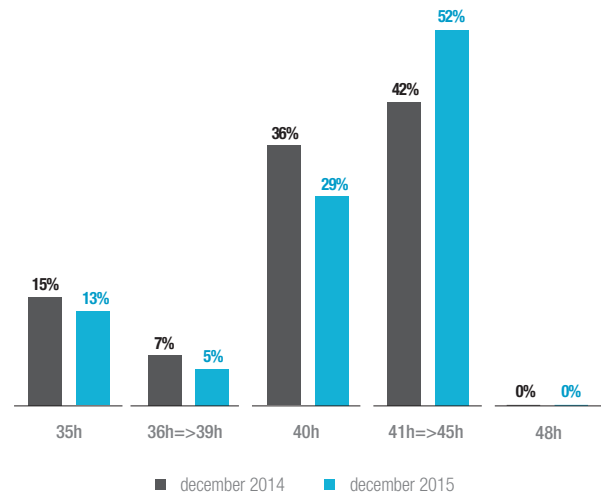


Part-time staff is defined as any resource working less than the normal/legal working hours schedule of each country of payroll.

The coverage rate for the above data is 96.6% of year-end headcount including IGATE.

The percentage of part-time employees in the Group decreased at 3.1% of the total headcount in 2015 due to Indian headcount increase through the IGATE acquisition mostly, as India reports zero part-time staff. Overall, the number of employees working part-time is slightly decreasing (-74 people) while in most European countries, the percentage of part-time staff is increasing (Poland +2.3pts, Germany +0.8pts, France +0.2pts). The figures show 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 9.2%. Conversely, Asia-Pacific, North America and Latin America (excepted Brazil), part-time working is not widespread. In France (and Morocco), 5.4%, or approximately 1,300 people, work on a part-time basis and the percentage has remained stable over the last three years.

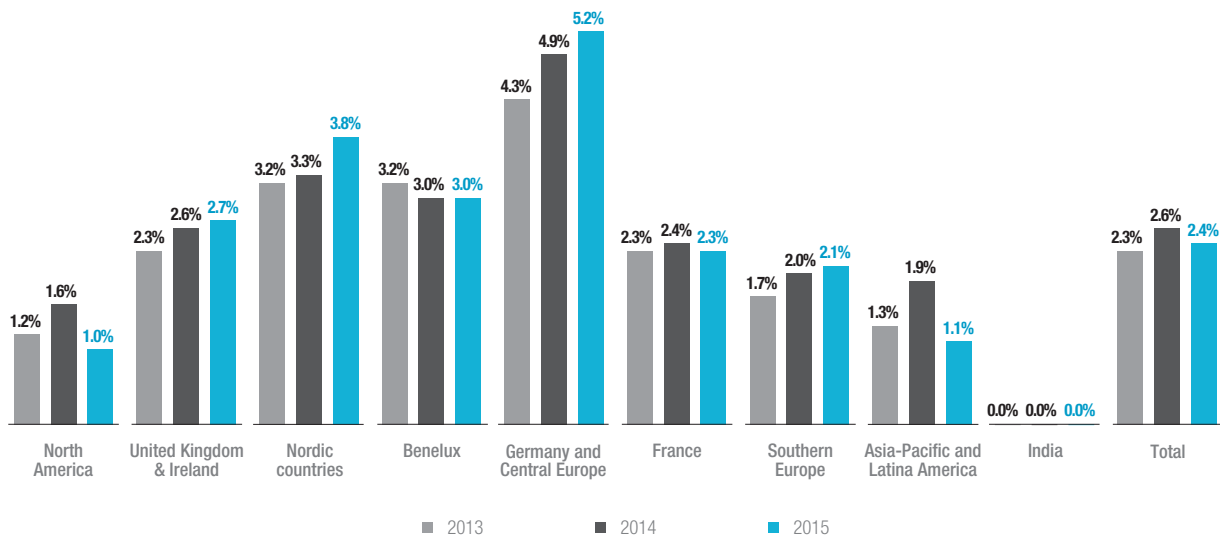
BREAKDOWN OF WORKFORCE BY FIXED WORKING HOURS IN 2014-2015



A study of fixed working hours in the Group showed a wide variation between the regions. This study covered 94.4% of the workforce at year end including IGATE. France, representing 13% of the total workforce, was singled out, with a 35-hour working week. 29% of our employees have a 40-hour working week but is the collective timetable of most of the countries in which we operate (the % is mechanically decreasing due to the acquisition of IGATE mostly in India with a collective timetable of 45 hours per week). The 40-hour working week concerns in particular Europe (excluding the United Kingdom, Finland and Denmark, where it is generally 37.5 hours) and North America. Guatemala, Chile 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.



RATE OF ABSENTEEISM IN 2013-2015



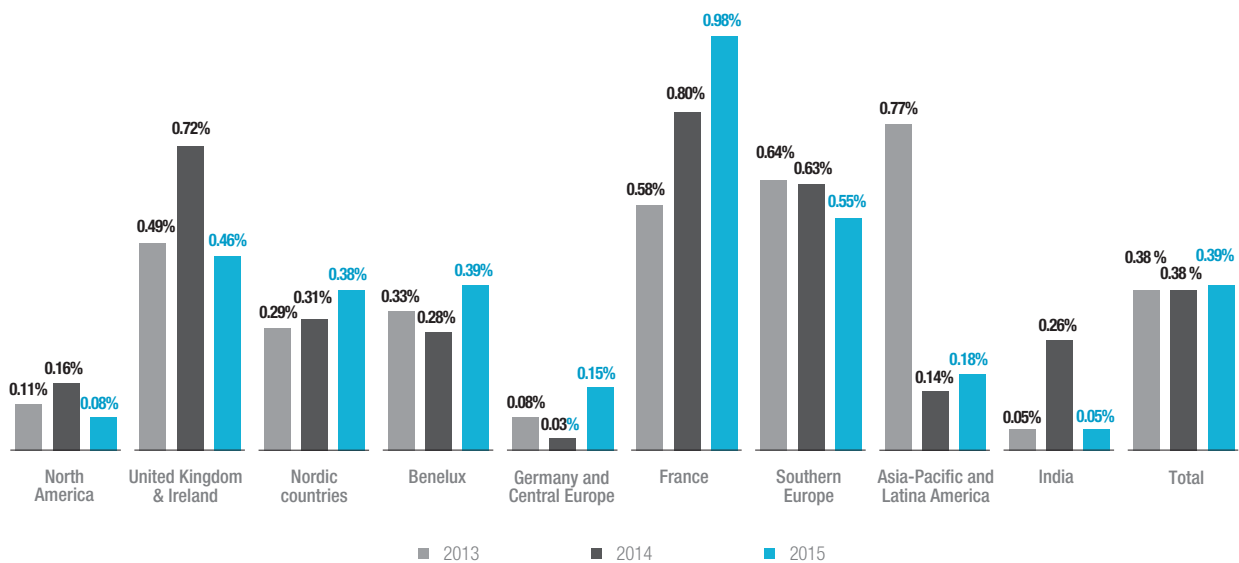
The rate of absenteeism is expressed as the number of sickness days excluding maternity (sickness covers all absence declared as such by employees which can cover anything from headache to surgery) versus the number of total working days less holidays and vacation for the average headcount.

The coverage rate for this study is 43.5% of the year-end headcount including IGATE. This low percentage is due to the fact that some countries such as India (which represents 48.5% of our workforce) do not collect data on the number of days of sick leave as such. In 2015, the rate of absenteeism for sickness in the sample was 2.4%, a decrease ratio of 0.2pt mostly due to Latam (-0.8pt), in particular in Brazil. It was highest in Germany and Central Europe, driven by Poland at 5.3%, followed by Scandinavia at 3.8%. France and Morocco at 2.3% are just below the Group average rate of absenteeism.

Identification and likely occurrence of professional diseases is implemented in some countries, however, these quantified data

are not yet consolidated. In UK, the Occupational Health referral activity is referenced in a high level disease codes (also known as ICD10 codes). The diseases are splitted by Mental Health, Musculoskeletal, Work related conditions and those covered by the Equality act. Employees who take a period of sick leave complete a sickness form confirming reason for sickness. These are the Company's standard diagnostic tools for assessing the general health situation of our population groups. In France, we identified two types of professional diseases: mental health and musculoskeletal disease. Therefore, they intensified the prevention of these risks by developing sensitization-training to all employees and more specifically to managers on these diseases. Through this training, we give them the means to better understand what is a psycho-social risk, identify signal loss health of their employees and, thereby, to be able to anticipate more changes in behaviour.

NUMBER OF WORK-RELATED ACCIDENTS/HEADCOUNT IN 2013-2015





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 rate for the above data is 58.5% of the year-end headcount including IGATE. In 2015, the Group recorded 414 work-related accidents which is stable, of which 56% were in France on account of the regulations in force relating to the reporting of information. This corresponds to a ratio of accidents/employee of 0.39%, an increase of 0,01pt versus 2015. The majority of these work-related accidents were accidents during the home/workplace journey. The group recorded also 8 victims of accidents resulting in death in 2015, 2 in France, 4 in India, 2 in Netherlands. Most of them were linked to accidents during the home/workplace journey.

Health and safety in the workplace

Health and Safety in the workplace is an important feature of human resources and facilities management. The Group's businesses do not involve high-risk activities. Health and Safety responsibilities are nevertheless taken very seriously and the company has established specific processes and measures. At a minimum, across the Group we comply with all local Health and Safety legal requirements. Our Health and Safety policies are focused on information, instruction and training, covering:

- ▶ accidents, first aid and work related health issues;
- ▶ disability;
- ▶ safe handling, use and disposal of hazardous substances and PPE;
- ▶ emergency procedures; and
- ▶ guidelines for Capgemini employees working on client sites.

Numerous modules are available on line to employees on Health and Safety matters and as part of our catalog we have a module called Well Being Essentials, addressing a variety of topics including health challenges, work-life balance, healthy eating, fitness, grief and loss, etc.

Our offices around the world have introduced initiatives to promote employee wellbeing, including:

- ▶ work-life balance programs, including remote working (as in France with a new agreement signed in 2015 for remote working and for professional equality between men and women, and parenthood);
- ▶ stress management;
- ▶ improvement of employee-manager relationships; and
- ▶ better working conditions.

New training and development modules provide work-life balance programs covering issues such as “stress and vitality”, “conflict prevention” and health.

In France, Health and Safety Committees (HSC) are set up by location or business unit. Their main objective is to analyze situations that might have an impact on the workforce: mobility projects, on-site working, safety in the workplace or stress at work. Actions are reviewed and decisions taken in quarterly meetings and whenever needed, extraordinary meetings may be called. HSCs may decide to commission surveys or studies if deemed necessary, to help the management improve working conditions and safety. A new agreement was signed in November 2013 aimed at strengthening actions in Capgemini France related to Health and Safety at work, informing employees about the nature of professional risks and developing necessary actions to avoid them, and safeguarding the health of every employee.

In North America, the safety and well being of employees is fully integrated in the way in which they carry out their daily jobs. The aim is to maintain the lowest possible accident and professional health and safety incident rates. Incident and trend assessments may, where appropriate, lead to tighter workplace safety checks. Our workforce is actively involved in the development of a positive health and safety culture through on-going training as part of our Cigna EAP Program, which includes training in wellness, stress management, prevention of harassment and violence, etc.

As in North America, other countries have an Employee Assistance Program (including India). Audits on the health and safety environment are regularly carried out within the Group (India, UK, etc.).

Capgemini India has a Health Safety & Environment policy signed this year by our India CEO which outlines our commitment to the health & safety of employees and the need to protect the environment. We are also OHSAS 18001 Pan India certified for all sites. Initiatives that we have in place from this year are standardized medical services across India.

In Poland (as in some countries such as the UK or the Netherlands), conditions of Health and Safety at work are regulated by applicable labor law and are incorporated into their internal regulation procedures available on the intranet. In addition, new hires must also sign a special document (declaration) stating that they are familiar with the content of the document. For example, in Poland, new employees are required to undergo a medical check-up before employment and to undergo periodic medical check-ups during employment. New employees must also attend a preliminary workplace Health and Safety training session organized on their first day.

3.2.5 International mobility and risk management

The total volume of cross-border assignments across the globe for a short or longer term duration is increasing each year; this is one of the results of globalization, our Group's delivery model as well as a strong will to offer to our employees exciting international career opportunities to enhance their employability in a global organization.

International assignments are therefore an important aspect of our business, whether the assignment is voluntary initiated by the employee for career development or personal reasons, or required by the company to fulfill a business need.

One of our Group's main challenges is to ensure an environment which meets our standards as well as the physical safety of our employees on assignment in potentially high-risk countries.

The Capgemini international assignment network, comprising nearly 100 people, supports employees with legal, immigration, and tax & labor regulation procedures in the 100 countries to which they may be assigned.

The Group International Assignment policy sets the general conditions applying during any stay abroad.

Through our Risk Management Policy & Procedures, the Group has a selective policy on the countries/locations in which our employees can work. Assignments in countries assessed as "at risk" by our specialist external safety service provider are subject to strict rules and must be approved in advance.

- ▶ Specific training courses and advice are provided by the Capgemini international assignment network and Capgemini's service provider. In 2010, an e-learning training course on business travel safety was launched and in 2015, 11,900 employees have been trained through this e-learning.
- ▶ A geo-localization tool has also been set up to identify where our employees are when they are travelling.
- ▶ Capgemini has set up a repatriation procedure and specific insurance coverage, to limit, as far as possible, the risks faced by its employees if trouble breaks out in a country where they are present.
- ▶ Lastly, there is an information system which provides travel alerts when necessary, as well as practical advice on local culture and customs in the countries our employees visit. For employees involved in overseas assignments, useful information is provided on the Group intranet sites, together with relevant rules and procedures.

In 2015, 18,572 employees from the Group (excluding IGATE) have been proposed with around 35,000 assignments abroad to 118 different countries. The main countries of origin were India, the US, the UK, Germany and Poland. The main destinations were the US, France, UK, Germany and India.

Moreover, in H2 2015, 1,646 IGATE's employees have been proposed with around 2,200 assignments.

3.2.6 Investing in training and professional development

TRAINING POLICY

General training policy

The value of a consulting and IT services company lies in the quality of its intellectual capital. In an industry characterized by rapid technological change and shifting patterns of work, it is essential for employees to keep their knowledge and skills up-to-date and in line with client and market needs. Likewise, new staff joining the Group is keen to leverage and build on their knowledge and to gain rewarding professional experience. Personalized development plans are therefore designed during annual performance interviews and reviewed at least once a year.

Furthermore, operating units undertake a systematic and iterative review of the capabilities required for their businesses and their portfolios of training offerings in order to keep pace with current and future market needs.

Capgemini is committed to the continuing development of all employees, professionally and personally, with the aim of creating and maintaining a fully competent and motivated workforce with core skills aligned to its present and future business requirements. In providing such development opportunities, we enhance our ability to achieve individual, team, business unit and corporate goals.

The fundamental strategy of competency development draws on standard training programs as well as various approaches such as virtual classrooms, facilitated virtual learning journeys and MOOCs (massive online open courses), online books and videos, easily accessible databases and KM 2.0 communities, team rooms, collaborative learning portals, mobile applications, on-the-job training, mentoring systems. We also organize learning and mobilization events that can include skill boosters, co-creation challenges and hackathons. The learning program offering available to employees is broadened continuously. In 2015, Capgemini University released 77 new courses and 124 new virtual classroom sessions, in addition to new content coming from the Group's alliance partners as well as Skillsoft.

A sustained focus on training and competency development based on a Career & Competency Framework

Employees' professional development is supported by a Career & Competency Framework which forms the basis for performance appraisals and personal career advancement. Rooted in shared values, the Career & Competency Framework is tailored to take into account the specific needs of each of the Group's businesses and functions. Common frameworks allow today's employees to understand competencies across businesses to facilitate mobility.

Capgemini believes in offering an opportunity for a successful and rewarding career – not just a job. Each employee has his or her own personal aspirations, motivations and career preferences. The Career & Competency Framework has been designed to help employees to develop in a wide variety of different roles, with the clarity required to support clear career progression, and the flexibility to let our employees take charge of their own career.

As a global organization, our clients expect consistency of services and uniform excellence, regardless of where we deliver. As individuals, we expect clarity in the career options available to us. The Career & Competency Framework defines and describes a standard set of roles for our businesses, regardless of the region, business unit (BU), project, account, sector or technology specialization. At a glance, our employees should be able to understand the breadth of options available to them.

The Career & Competency Framework allows employees to understand and measure the competencies they need to be successful in each role/level, and to be clear about what they need to achieve to be ready for the next step up the career ladder.

For each role, there are a number of core attributes; professional competencies that apply to everyone in Capgemini, independent of where employees sit in the business; and role-specific competencies, tailored to the Capgemini businesses.

Learning maps allow employees to find the best ways to develop their skills for each role, based on their current competence levels.

LEARNING & DEVELOPMENT

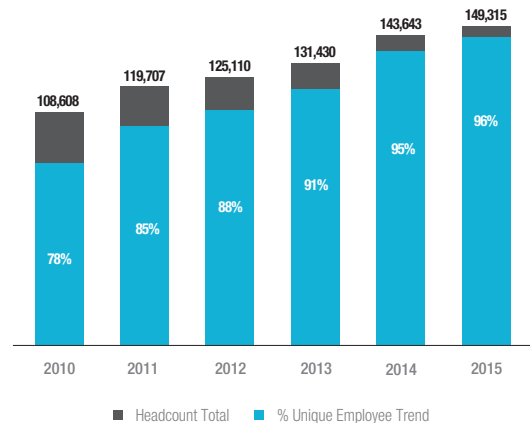
The quality of services provided to our clients depends on the excellence and motivation of our teams. We therefore invest in the development of our employees – our most precious asset – from their hiring and at every stage of their career.

Our Learning & Development teams provide our employees with a broad range of learning assets for them to develop their capabilities.

Capgemini University's Global Curriculum provides our employees with cutting-edge content to support their professional and personal skills development. Learning is available in several e-learning modes, from 24/7 e-book, through MOOCs, to mobile applications and dedicated collaborative learning platforms. These virtual solutions are often coupled with physical classrooms whether they are at the client's site, an office, or a local venue. We also organize international learning events for key talent, within key communities, at our Group's world-class campus recognized for its high quality service, in Les Fontaines, France.

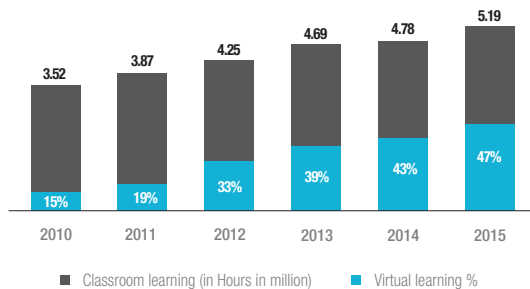
Group Training & Development figures (without IGATE)

Overall, more than 143,000 employees were trained in 2015, up 7.6% compared with the previous year taking the total volume of training hours to 5.19 million.



The Group continued to develop its virtual training courses, increasing by 19% over the year, or 2.45 million hours. This channel now represents 47% of total training hours.

In H2 2015, more than 25,600 employees from IGATE have been trained which represent nearly 1.2 million hours (and a total of 1.6 million training hours full year).



The Group's on-line learning management system, MyLearning, is open to all employees for informal, just-in-time learning and for structured learning events. MyLearning contains all the Group programs and, for many regions, local curricula. In 2015, to deliver a modern digital-age learning experience for all Capgemini Group employees, we invested in a content and user experience enhancement upgrade of the MyLearning core platform. In addition, we implemented a Google-like interactive search and filtering across the entire offering of the global curriculum. Our learning content can now be found and accessed anywhere and anytime, also through mobile devices.



Focus on Capgemini University

To really make a difference as a tool for alignment and acceleration of Capgemini Group's ambitions, the University **brings our people together to develop their capabilities and achieve the full potential of our Group for our clients.** To achieve this, the University:

- ▶ focuses on key populations to build their capabilities with speed and agility, and challenges and supports all our employees in their skill development, as it connects them to our Group and to their communities. It brings to life our Group's values and multicultural approach in the way it engages our teams – whether virtually, locally, or on site at our world class campus, Les Fontaines;
- ▶ formalizes, packages and deploys cutting edge content through a range of learning interventions, also adapted to the digital world, using our Next Generation Learning (NGL) approach on Capgemini specific hot-content topics aligned with Capgemini Group's strategic business objectives, know-how as well as industry standards, ensuring our teams are kept up to date and aligned with our strategy and responding to our clients' demands. It is delivered by our best practitioners and external experts;
- ▶ leverages its rich history and its European Foundation for Management Development (E.F.M.D). accreditation among best-in-class learning organizations to guarantee demonstrated excellence.

Capgemini University is working to deliver a participant experience that leverages digital technologies and innovative learner engagement principles. To make it more meaningful for the business and to support the end-to-end development of our key populations, the University is focused on ensuring alignment between competence, certification, community and curriculum.

Learning Business Partnering

The Global Learning Business Partner Team is composed of the Learning & Development (L&D) Executives of all Strategic Business Units (SBUs) and of the main countries – led by the Business-to-Learning Department of the University.

The University worked together and closely with the business to strengthen the capabilities of our people to respond to our clients demand through:

- ▶ focus on new content linked to hot market topics such as training on disruptive technologies, global service offers and sector trends to create business value;
- ▶ building professional capabilities in key roles such as architects, engagement managers, management consultants, intellectual property product managers, sales professionals or software engineers;

- ▶ learning interventions focused on bringing cross discipline teams together to sell and deliver on key market trends in Digital, Social, Mobile, Analytics, Cloud, Cybersecurity and the Internet of Things; and
- ▶ strengthening leadership capabilities to better enable our people to respond successfully to the fast pace of technology and market evolutions.

In addition to these cross Strategic Business Unit (SBU) interventions, the University also worked with each of the SBUs to deliver specific learning and mobilization events at the Group's physical Campus in Les Fontaines. These events delivered content that was both targeted at each specific SBU, strengthened key communities with Capgemini, and supported the Group's overall target.

External Awards and Recognition

As well as focusing on building Capgemini members capabilities, the University continued to focus on ensuring it was building its learning expertise. It challenged itself by submitting and winning awards through recognized organizations that included:

- ▶ Brandon Hall Gold Medal for Software Engineers MOOC (Massive Online Open Course) of the Future as the Best Innovative Learning and Development Program;
- ▶ Brandon Hall Silver Medal for Engagement Manager Certification Program as the Best Learning Program supporting a Change Transformation Business Strategy; and
- ▶ 2nd place on theconsultantlounge.com's ranking of corporate universities best supporting IT consulting careers.

In 2015 the University officially received its second, five-year re-accreditation from the EFMD (European Foundation for Management Development). Capgemini University received its initial EFMD accreditation in 2009 and is the only Corporate University from the IT industry to have it. The accreditation is a mechanism for quality benchmarking, mutual learning and sharing of good practices where internal self-assessment is combined with an external review from experienced peers against a comprehensive set of rigorous criteria.

Also in 2015, Capgemini University extended the relationship between Capgemini and the MaRS Innovation Network to develop digital and social learning interventions with business impact, and reinforce our capabilities in Digital Age Learning.

Key University L&D figures

In 2015, 143,415 Capgemini employees (96% of our workforce without IGATE) took part in training schemes as part of the training path defined by the Group, using various channels. The volume of training provided by the University was 3.3 million hours, representing 64% of total learning hours taken in the Group.

Close to 38,900 employees (+11% compared to 2014) were trained at our Global Campus, Les Fontaines, in France or locally in countries in which the Group is present, representing 1.17 million hours of training.

3.2.7 The certification process

INTERNAL CERTIFICATION

This in-house peer review process enables skills to be assessed on the basis of precise and clearly identified criteria such as experience gained, knowledge sharing, use of in-house tools and methods, mentoring and leadership.

The process has three objectives, namely:

- ▶ to create strong and recognized professional-interest groups by sharing information, knowledge and skills in specific areas;
- ▶ to ensure blended distribution and graduated progression of skills, both for in-house and client service requirements; and
- ▶ to create, in the process, a competitive edge for both the Group and its employees, thereby increasing their “employability”.

For a number of years the Group has run internal certification programs, primarily for project managers, architects, software engineers and network engineers.

More than 4,600 project managers, an improvement of 12% over last year especially in India (+49%) and in Latam (from only 7 in 2014 to 158 in 2015), 954 architects, 3,298 software engineers and 362 network engineers had either obtained or reconfirmed this internal certification during 2015. We also have an SAP certification program focusing on new joiners in our SAP practices, on mass certification programs and on specific initiatives, with on line access to learning material. Lastly, training programs are developed jointly with the University to support a consistent deployment of methods and content within the Group, around these different topics.

EXTERNAL CERTIFICATION

The Group has a longstanding external certification policy enhanced by on-line learning programs that enable study for external certification, including on-line mentoring. Employees may apply for the following external certification: Microsoft, IBM, Oracle, Sun Microsystems, Cisco, Linus Professional Institute, Six Sigma (Green and Black Belts), Project Management Institute (PMI), and ITIL.

CENTER CERTIFICATION

Centers of excellence around the world continue to develop and strengthen the Group’s ability to support a global delivery service model. External certification combined with our internal certification programs supports these objectives. More than 110 Capgemini centers, including Accelerated Delivery Centers, Application Management Services Centers, Infrastructure Management Service Centers, Business Process Outsourcing Centers, and Technical Excellence Centers now have some form of certification. Centers in 27 countries (India, the United States, Canada, France, the United Kingdom, Belgium, the Netherlands, Germany, Switzerland, Poland, Spain, Portugal, Brazil, Italy, Norway, Denmark, Finland, Romania, the Czech republic, Slovakia, Hungary, Sweden, Australia, Argentina, Vietnam, Chile and China) have ISO certifications including ISO 9001/ISO 9001-2008. Many centers also have CMM/CMMI® (Capability Maturity Model Integration) certification, which is specific to the applications development business. In India, the centers of Mumbai, Kolkata, Pune, Hyderabad, Chennai and Bangalore have achieved the highest level CMM and CMMI® certification (level 5). All BPO centers are ISO 9000 certified and IIP accredited, a measure of the global production capability, economies of scale and adaptability to changes in demand. All centers in India in IGATE have also ISO 9001 and CMMI level 5.

3.2.8 Diversity and inclusion

With over 180,000 people in more than 40 countries, Capgemini is proud to represent nearly 110 nationalities. As such, we are committed to creating an inclusive workplace culture that provides our people with the opportunity for a successful and rewarding career and ensures their well-being. We believe these are the factors which make people different, which offer valuable sources of innovation and creativity, enabling us to generate new ideas, anticipate market trends and be thought leaders in our chosen markets.

Diversity and inclusion have always been an important part of our corporate culture, shaping how we operate and work with our stakeholders, suppliers, clients and our colleagues around the world. This diversity and inclusion has many facets including gender, disability, ethnicity, age and lifestyle. At Capgemini we also include broader dimensions of diversity such as experience, personality, communication and working styles – together known as “diversity of thought”.

Our commitment is enshrined within our Group Diversity and Inclusion Charter which was refreshed in 2014.

GLOBAL DIVERSITY & INCLUSION CHARTER

Capgemini’s success, brand identity and client experience are determined by the talented people who work for us. We believe that people perform better when they are empowered to be their authentic self at work and feel included in the way we approach how we work to deliver services to our clients. 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 great place to work.

Our Group Global Charter for Diversity and Inclusion sets out the Group’s commitment to:

- ▶ engage with our clients, partners and suppliers to ensure there is understanding and alignment to our values, diversity and inclusion commitments and clear expectations;
- ▶ recruit and retain a talented and diverse workforce to deliver innovative, world-class solutions for our clients;
- ▶ foster an inclusive workplace environment that offers every employee the opportunity for a successful career;
- ▶ engage employees in the diversity and inclusion agenda through communication, awareness, education to build cultural competencies, and career development opportunities;



- ▶ continually review and integrate employee feedback to implement programs that provide employee engagement opportunities and drive leadership accountability;
- ▶ design, implement and regularly review and update policies to ensure that we, as an organization, are embracing diversity, cultivating inclusion, and responding to our employees' needs;
- ▶ support and leverage local and global networks across the Group business operations for employees and led by employees building communities to drive inclusion across culture, commerce, career, and community;
- ▶ encourage and support our employees to consider diversity and inclusion in our everyday business decisions (e.g. procurement, building a team, initiative sponsorship);
- ▶ integrate diversity and inclusion principles into Capgemini's business systems and activities based on five key drivers: workplace, workforce, marketplace, community, and executive engagement across the Group;
- ▶ comply with all applicable laws concerning diversity and inclusion supported through enabling employees to obtain guidance or report concerns on compliance and misconduct;
- ▶ report our progress, best practices and results across the Group both internally and externally based on our inclusion and diversity success measures; and
- ▶ enhance Capgemini's external employer brand through the promotion of our diversity and inclusion achievements.

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 or 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.

These commitments reflect Capgemini's vision for diversity and inclusion in the Group. We are determined to take the necessary steps to put this approach into action, drawing on the best of each and every employee's talents, and celebrating our multicultural and diverse workforce. We know this will enhance the employee experience around the Group, create greater opportunities for our business and affirm Capgemini's status as a preferred global employer.

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 allowed, employee data is monitored according to criteria such as socio-cultural group, age group and disability, etc. Diversity performance indicators are also included in the annual HR audit.

UNCONSCIOUS BIAS

Exposing unconscious bias, the tendency for individuals to favor people like themselves, is critical to the promotion of diversity and inclusion within an organization. Consequently, together with an external expert from the Southern Methodist University in Dallas, Capgemini has developed an Unconscious Bias training module which has been deployed across North America and which was attended by approximately 200 of the Group's top executives from around the globe in November 2014.

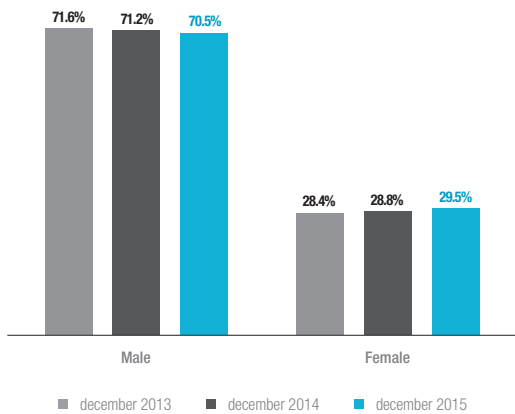
During 2015, Capgemini North America, Inc. reported a 12% gain in retention among team members who completed unconscious bias training in the first half of the year.

MEASURES TAKEN IN FAVOR OF GENDER DIVERSITY

For Capgemini, gender diversity is also an issue of 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.

Breakdown of workforce by gender: 2013-2015 changes

The coverage rate for the data below is 99.5% of year-end headcount including IGATE data. The percentage of females in the workforce continued to rise in 2015, increasing by 0.7 point over 2014 to reach 29.5% at year end. This percentage would have been the same excluding IGATE integration as the percentage of women in IGATE is at 29.3%. This increase in the female workforce was mainly due to strong growth in recent years of BPO (a business sector in which the proportion of females can reach 50%), an activity which attracts more females, and despite its recent expansion in countries and business sectors (Services Infrastructure) where females are less present in the workforce. Nevertheless, in several geographic regions the percentage of females is increasing like in India (+1.8pt at 29.4%) which improves largely the overall percentage of females in the Group due to the high number of employees in this country or in Poland which was already above 55% last year (+2.1pts at 58.7%). The countries with strong BPO development, and therefore a high proportion of women joining the Group, include Poland, China (+1.9pt) and Brazil (+1.1pt) in all of which the percentage of women in the workforce exceeds 50%. Conversely, the percentage of women is less than 25% in twelve countries covering 31% of the workforce analyzed, including mainly France, Benelux, the UK and the USA. This overall gender breakdown is a reflection of the information technology sector as a whole, which tends to attract engineering graduates who are predominantly male. Consulting Services, however, is a more diversified market, with a more balanced male/female ratio (i.e. 61/39).



Gender diversity is a specific priority for the Group and in order to ensure a balanced gender workforce, Capgemini has implemented a number of initiatives intended to promote the role of women within the organization, including:

- ▶ the creation of local women’s networks in Australia, Belgium, France, India, Italy, the Netherlands, North America, Spain and the UK;
- ▶ the development of the India Women’s Council to address the challenges women face in the workplace, to tap into the female talent pool, and to serve as a knowledge-sharing and networking forum;
- ▶ the re-launch in 2013 of the Women’s Leadership Development program in North America to provide specific training, mentoring, and on-the-job coaching to develop the future leaders of Capgemini;
- ▶ asking all our recruiters to ensure they provide the same number of female and male candidates, wherever possible; and
- ▶ the scheduling of networking events and workshops to coincide with lunch time, rather than after work.

During November 2015, the Group General Counsel hosted a Women@Capgemini workshop to further the initiative launched in 2012, as a global program focussed on gender balance across the Capgemini Group. During this workshop, in order to add value across the initiative, a number of male champions were welcomed from different parts of the Group. The Women@Capgemini team proceeded to set objectives and scope for the 4 pillars of **Recruit, Retain, Develop and Change Corporate Mentality**. Short and long-term plans were presented with an ability to modify across Capgemini to cater for local implementations.

Following the launch of a gender stereotypes campaign in April 2013, Capgemini France has created, in 2014, 2 mandatory e-learning on diversity and recruitment to explain how to include the gender diversity stakes in our recruitment. France also signed a new partnership of mentoring with the University “Pierre and Marie Curie”. 25 women students have benefited in 2015 from a support of 25 Capgemini women in the search and the follow-up of internship and the definition of their all year round school professional project, to prepare their insertion in the professional world. Capgemini and Sogeti France signed the “Charte de la Diversité dans l’Entreprise” (French corporate diversity charter) in 2006, and continue to actively participate in “IMS Entreprendre pour la Cité”, an organization responsible for promoting the charter to increase diversity in France. Thus, the company wishes to accompany the employees with young children not yet in school age in seeking emergency or occasional care solution close to their home or their workplace. In this context, it is now possible to request, via a dedicated platform, a network of inter-company nursery and home child care network determined by the UES. In terms of recruitment and beyond the view shared by the poor women young graduates from engineering schools or university corresponding to our target profiles, Capgemini France will pursue actions to both internally, with our higher education partners, and also upstream of guidance for future students. On equal pay, Capgemini France is committed to ensure compliance with equal pay for equal work or work of equal value between women and men. This implies a progressive wage plan over next 6 between women and men. The UES shall aim to achieve this goal in the coming six years. Thus, a budget of 1.5 million euros for the triennium 2015-2017 will focus on wage gap. They will also apply a percentage of women target, in particular concerning promotion rates, so that the share of women in top jobs reflects the one at the UES level.

In India, Women@capgemini found its voice in Winspire, a forum created four years ago. The focus of Winspire is to increase gender diversity in the workplace, so we can realize the advantages of having a greater balance of women employees at all levels. This program operates under four pillars, each driving a specific agenda: recruit, retain, develop and institutional awareness. Annual Women in Leadership Conference by the forum for Women (WILL forum) in Leadership recognized our efforts through the award “WILL Best employer for Women in 2014”. In 2015, Capgemini India underwent voluntary benchmarking to evaluate its diversity effort, by the not for profit organization WILL, which focusses on building gender balance at leadership level. “Data is a remarkable way of bringing facts to the table,” says Gayathri Ramamurthy, Diversity Lead, Capgemini India, who went on to say that “the benchmarking exercise showed us that we were heading in the right direction, but also identified that there was a lot more to be done.”



In April 2015, Capgemini UK was named in the Top 50 Employers for Women for fourth year running, demonstrating our ongoing commitment and efforts to achieve gender equality in the workplace. The unranked alphabetical list names the organisations that are leading in workplace gender equality. It is published in partnership with Opportunity Now, the Workplace Gender Campaign by Business in the Community (BITC) launched during BITC Responsible Business Week. Capgemini's workplace policies met the expectations of the Opportunity Now Diversity Change Model - Motivate, Act, Impact: Our School's Outreach Programme exemplifies our commitment:

- ▶ **Motivate:** In an industry heavily reliant upon recruiting graduates, we have created a school leavers programme to offer career and development opportunities to the next generation of female talent. Our apprentices join us straight from school and work towards a university degree.
- ▶ **Act:** We develop future talent through the "Girls in IT" stream within our school's programme.
- ▶ **Impact:** Ultimately, we hope to engage as many young women as possible and to inspire these young women to choose a technology career, particularly with us.

Capgemini UK have set some ambitious new diversity targets:

- ▶ to increase the proportion of women from 26.6% in 2013 to 30% by 2020;
- ▶ to increase the proportion of senior women from 16.9% in 2013 to 20% by 2020; and
- ▶ to ensure that 50% of our apprentice intake are female by 2025.

Capgemini Canada has been recognized by Canada's Best Diversity Employers for our exceptional workplace diversity and inclusiveness program. This competition recognizes successful diversity initiatives in a variety of areas, including programs for employees from five groups: (a) Women; (b) Members of visible minorities; (c) Persons with disabilities; (d) Aboriginal peoples; and (e) Lesbian, Gay, Bisexual and Transgendered/Transsexual (LGBT) peoples. Of particular note was Capgemini's Unconscious Bias training.

Monitoring is carried out to better assess and understand the position of women within the Group, in compliance with applicable legislation, *i.e.* the percentage of females recruited, leaving and promoted.

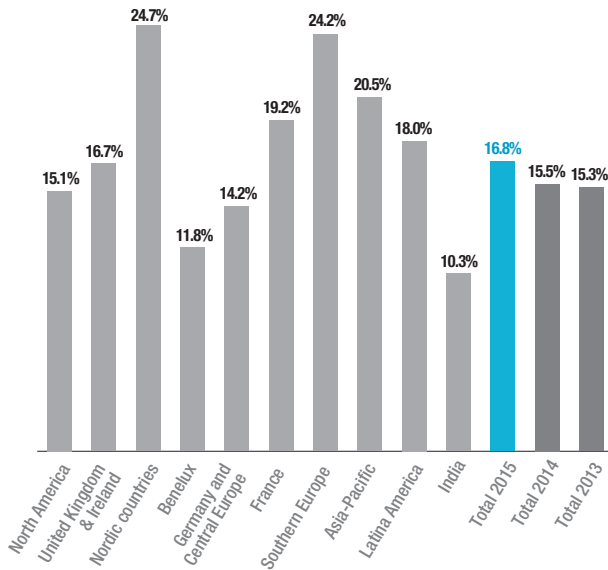
This showed that females represented 32.1% of total recruitments (excluding IGATE) in 2015 (rate of coverage of 99.5%), an increase ratio versus 2014 by 1.5% mostly due to India (where the bulk of recruitment is) with a ratio improving by 1.9pt at 32% and France (+1.4pt at 24%). The percentage of women recruited is higher than the female ratio of the Group, which contributed to the rise in the percentage of women in the workforce at end-2015. The Benelux region has improved its ratio by more than 6pts till 2013 but remains well below the Group level.

Nevertheless, the turnover rate total (voluntary and involuntary leavers included) for females was marginally higher (at equivalent scope to hires) than for the total population.

Attrition	2015	
	Women attrition	Total attrition
North America	25.4%	25.2%
United Kingdom & Ireland	19.3%	19.5%
Nordic countries	19.8%	19.5%
Benelux	13.7%	13.2%
Germany and Central Europe	22.2%	21.7%
France	12.5%	13.0%
Southern Europe	14.8%	16.8%
Asia-Pacific (incl. Middle East)	26.9%	26.6%
Latin America	30.6%	31.6%
TOTAL	22.8%	22.3%

Proportion of women in top executive positions by operating unit

The proportion of women in the highest levels of responsibility had increased at December 31, 2015:



The proportion of females in the highest executive grades in 2015 continues to grow with an increase of 1.3pt, but nevertheless remains lower than the total percentage of females, all grades combined, within the company. The continuing growth of Group headcount in countries with a low percentage of female engineers weights on the overall percentage (although Capgemini's proportion of women in these countries is higher than the generally seen in the market).

At the end of 2015, 23.2% of employees who had been promoted to the role of "Vice-President" were female, a higher percentage than last year (+4.4pts). We have a clear picture of our female talent pool thanks to talent reviews which are undertaken throughout the Group and which range from interviews with the Group CEO of the most talented employees to reviews which take place at the Business Unit level. All Business Units are asked to ensure that they build a female management talent pool. We are also leveraging leadership through local management training courses, mentoring by senior executives, and, lastly, increased visibility of female talents in order to improve the gender-balanced of the Vice-President community.

The largest countries where the Group is present have women's councils and networks in place with a focus on recruitment, retention, leadership and communication.

MEASURES TAKEN TO FAVOR SOCIAL INCLUSION OF DISABLED PEOPLE

In France an active employment policy towards people with disabilities has been in place since 1996. In 2006, this approach was enhanced via the creation of the "mission handicap", a specific program promoting the inclusion of disabled people. On October 28th, 2015 a new agreement aiming to increase the employability rate of disabled people was signed with The Trade Unions. This three year agreement will be in force until the end

of 2018. These measures are financed by an annual budget of about € 3.5 million. The agreement covers five key orientations:

- ▶ a commitment to improving the employability rate of disabled people through a specific recruiting and on-boarding policy. The objective is to increase their employability rate from 2.4% to 2.9% in 2016. The recruiting staff will expand their sourcing by participating in forums, through consultation of specialized sites and close collaboration with associations;
- ▶ the development of apprenticeships for disabled people, which will represent 15% of the total budget: in addition to welcoming trainees and apprentices, the Group has developed partnerships with Centers of Professional Reintegration and specialised schools. Inside the company, these apprentices are supported by voluntary and certified tutors. Furthermore, within the framework of the HEducap project, Capgemini assists Bac +2/3 level disabled students by financing their studies to enable them to acquire a master's degree;
- ▶ sustainable employment. As 80% of disabilities arise in the course of life, Capgemini is committed to supporting employees in such a situation. Permanently disabled employees can benefit from adapted working conditions or from financial assistance for the acquisition or the customization of a vehicle or for specific equipment (prostheses);
- ▶ facilitating indirect employment for disabled people through sub-contractors, with in particular, a partnership with the GESAT network which handles the electronic management of all our personnel files;
- ▶ raising awareness through broader communication, to reduce stereotypes and improve understanding.

The new agreement also includes some notable new dispositions, such as 3 more payed days off for employees who have a disabled child, or upgrading from 4 to 8 days off for disabled people who need medical care.

Capgemini France also supports several initiatives/partners facilitating the occupational integration of disabled employees, or helping to break handicap-related stereotypes:

- ▶ **Tadeo** and sign language for deaf or hearing impaired people;
- ▶ **Accede** to support access to the internet for visually impaired people;
- ▶ Capgemini is a founding member of **Hanploi**, which developed the Hanploi.com website dedicated to disabled people; and
- ▶ **Arpejeh**, which aims to improve and promote the training, qualification and employment of young disabled people.

In 2015, Capgemini France also greatly increased our purchases from the Sheltered Workshops, with an expenditure of about 1.6 million euros and a remarkable expansion of the indirect employment. Among the areas of progress, we can cite the subcontracting of computing services to sheltered workshops such as Talaron Services or Arche SI (200 k€ in 2015). A framework agreement with the Companies Elise and Nodixia resulted in the recycling of paper, tumblers, D3E on all the French sites.

The articles published in Economic Times on December 12, 2014 and in Hindu on August 14, 2014 considered Capgemini as a role model company for inclusive practices. Capgemini's Disability Inclusion practice's case study featured in a research report conducted by Community Business on "Tapping a Pool

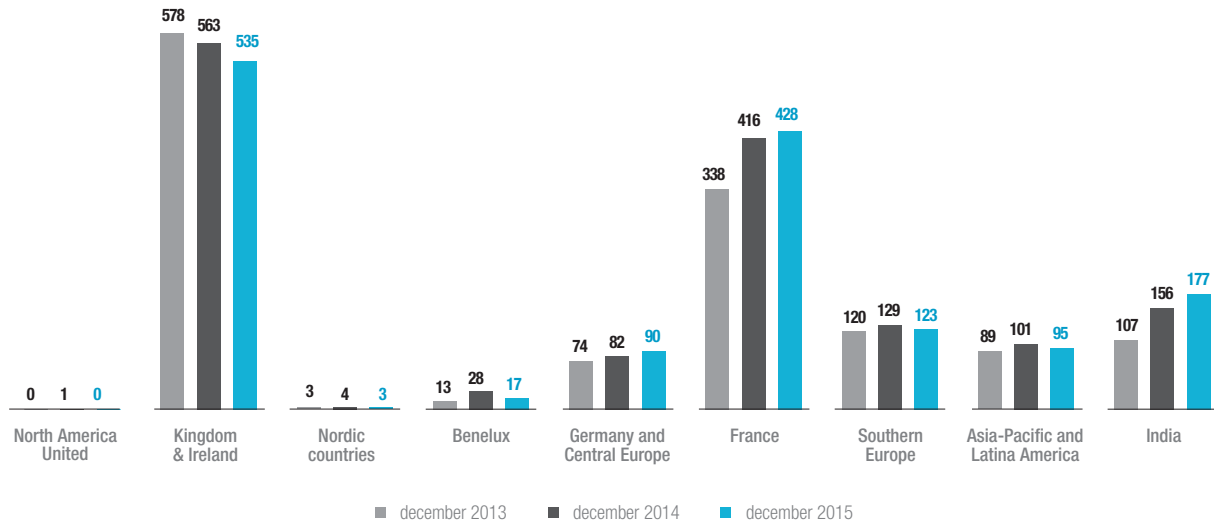


of Disabled Talent in India". The report positions Capgemini as an employer of choice for students with disabilities. The program continues to gain momentum year on year with over 200 People with Disabilities availing reasonable adjustments on rolls and with the training and recruitment of 12 new candidates with hearing disability in partnership with iPRIMED (Training organization).

In 2015 Capgemini Poland continued to create a working environment adopted for people with disabilities by creating a model for recruitment, training and inclusion of those with disabilities. Following a successful pilot in 2014, Capgemini

Poland now offers the necessary technology adaptations (e.g. enlarging visual software, adapted keyboards), extensive assistance at the first stage of work and equal treatment with in the workplace. Capgemini teams are supported with disability awareness training (around 100 of our people were trained on disability awareness in 2015). In addition, Capgemini Poland is working with The Managers of the Future Foundation to drive forward this agenda within the Polish Business Services Sector through the organization of a special event in 2016 called the "Come CloSeR Show".

NUMBER OF PEOPLE IN THE GROUP WITH A DISABILITY IN 2013-2015



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. This is both voluntary and legal declarations depending on the country.

The coverage rate for the data above is 74.7% of year-end headcount including IGATE. In 2015, figures indicated that the Group employed 1,468 disabled people, of whom 36.4% are in the United Kingdom and 29.2% are in France, but a new program has been launched in 2012 in India and now 177 disabled people have been identified (in constant progression). Group-wide, there were 422 more employees than in 2011, as a result of these new programs in India, as well as of the programs described above.

MEASURES AGAINST DISCRIMINATION

In all countries of operation, the Group not only complies with local labor legislation and international labor regulations but also with our own charter championing diversity and inclusion. In line with our commitment to the principles of the fundamental conventions on the labor standards of the International Labour organization and the Principles of the 1948 Universal Declaration of Human Rights including the UN Guiding Principles on Business and Human Rights, we ensure that:

- ▶ talented individuals from different backgrounds are recruited and retained;

- ▶ individuals are shown respect and treated fairly;
- ▶ our working environment is free from all forms of harassment or abuse;
- ▶ our people are encouraged and helped to keep a good balance between work and private life;
- ▶ the health and well being of our employees is supported and encouraged; and
- ▶ a sound and fair working environment is provided, where our people can develop and flourish.

Capgemini will not tolerate any form of discrimination in the workplace on any grounds. 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. In all countries where the Group is present, if any of our people feel discriminated against in any form the "grievance escalation process" enables the escalation of any complaint. Each claim is investigated fully and disciplinary action can be taken if discrimination is proven.

Personal development and appraisals

A key challenge for a services company such as Capgemini is to guarantee a consistent and transparent process of individual

performance assessment based on a set of clearly-defined and explained criteria. By establishing such a framework, the company can ensure the professional development and promotion of all employees and respect for equal opportunities.

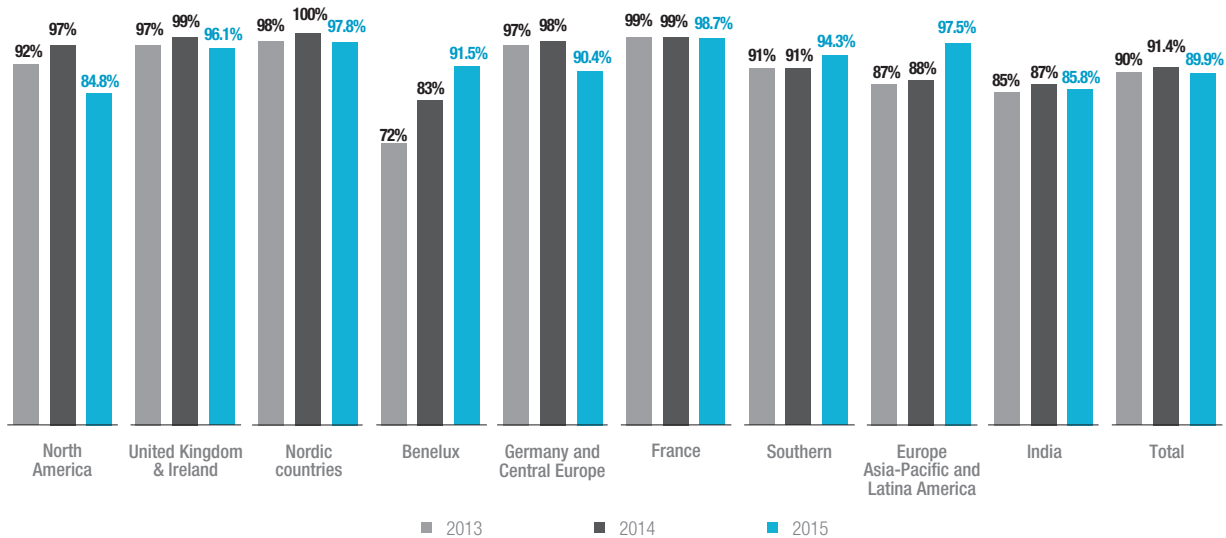
The performance and development process is driven by regular meetings between the employee and the evaluator, generally conducted in relation to assignments. The mentoring system has been set up to allow employees to benefit from an outside view and career management advice from more experienced colleagues throughout their careers. Expectations and skills descriptions are set out for each grade, and are used for setting objectives, evaluation and preparing for promotion. Priority is given to different dimensions of skills development for each grade, drawing attention to areas on which employees should focus.

Workforce – percentage of employees who had a performance and career review between 2013 and 2015

The coverage rate for the data below is 96.6% of year-end headcount including IGATE.

In 2015, 89.9% of the workforce concerned had undergone an annual performance review, the ratio is stable in the past three years. Some regions are further ahead than others in this area, such as Europe, where the figure is close to 100% (with the exception of the Benelux countries where coverage is weaker, at 91.5% but improved by 8.5pts especially in Netherlands). Latin America increased the ratio especially in Brazil. North America is decreasing due to a recent acquisition in Canada where the employees are not yet in the same process of performance evaluation.

WORKFORCE – PERCENTAGE OF EMPLOYEES WHO HAD A PERFORMANCE AND CAREER REVIEW BETWEEN 2013 AND 2015



3.2.9 Dialog and information process

DIALOG AND COMMUNICATION AT THE HEART OF OUR RELATIONSHIPS

Capgemini believes employee involvement and commitment is a precondition to an open culture and facilitates this through effective and timely communication. With more than 180,000 employees, spread across more than 40 countries, and within four businesses, Group Internal Communications (GIC) plays a vital role in sharing information, co-ordinating and mobilizing our people around the Group’s priorities.

Building one Capgemini

Our global intranet, Talent, is home to all global and local Group sites and provides a consistent user experience and increased connectivity across the company. Talent, through written and rich-media forms (videos, animations, infographics, etc.) and integrated with the internal social media tool, Yammer, encourages our employees to be active, social, mobile, and

technology savvy. Amongst other features, Talent enables personalization through the MyDesk feature and connects with team members through daily and weekly digests.

The Talent intranet, through its news portal and information store, connects team members across the world, creating a Capgemini without borders.

In 2015, Talent became fully responsive, offering a better experience to those team members using the site via mobile devices. Efforts were also made to make Talent accessible to differently-abled colleagues who suffer from audio or visual impairment – and an assessment made by Atalan (consulting agency specialized in web accessibility for people with disabilities; <http://www.atalan.fr/>) confirmed that the Global Talent homepage was 96% compliant with WCAG (Web Content Accessibility Guidelines) 2.0 AA+, while the rest of the tested sample reached an equally impressive rate of 90%, quite an achievement given the complexity of the site.



In 2015, Talent registered over 50 million connections, almost a 20% growth over 2014; the daily Talent News Alerts reached 63,000 subscribers and the weekly digest reached all employees globally every Friday. Yammer, with almost 90,000 members and TeamPark, Sogeti's social network with over 23,000 profiles, have become internal digital cybercafés, connecting people, fostering discussions and debates, hatching new ideas and being a source of innovation.

The Talent eCards platform is also a service much in demand. More than 110,000 eCards were sent over the course of the year.

A complementary extranet, called TalentXtra, was developed for those team members without access to the Capgemini network. TalentXtra provides a combination of local and global non-confidential content that can reside outside of the Capgemini firewalls.

Also in 2015, a network of plasmas screens, TalentTV, was launched to broadcast global and local content in open areas – receptions, cafeterias, open spaces... Content broadcast on these screens is shared with the Internal Communications Network to enable reuse by those entities not directly connected to the TalentTV network.

The Executive Corner on Talent is home to our ~1,400 Vice-Presidents. To supplement their need for real-time business information and equip them with information to carry out their client-facing responsibilities, GIC also shares press releases as soon as they are published and provides updates through regular key message documents. The Executive series, comprising a monthly newsletter (The Executive Summary) and ad-hoc communications (The Executive Link), is also sent regularly to our Vice-Presidents.

The 'Builders' continued to be very popular in 2015. The assets created via this application, which enables team members to create templated communications (messages, newsletters, quizzes, surveys), enjoyed over 30 million impressions.

Enabling face-to-face connection

To improve the culture of oral communications and allow managers to share the Group story directly with their teams, GIC provided regular TeamTime communications packs (in January, August and Post-Rencontres in October) comprising of a video animation, slides and voice-over documents available in 8 languages. Feedback (from online survey) indicated that 50% of managers held their sessions via face-to-face meetings, while video conferences and conference calls were held with teams spread across geographies.

GIC also continued to deploy new solutions to enable more frequent connection through virtual events, bringing top executives closer to their teams. These WebEvents offer a rich mix of contributions with live broadcast combined with direct interaction between speakers and audiences. The Post-Rencontres WebEvent held in October was notably a success in sharing content from the 25th Rencontres with all VPs and aligning them with the Group ambition, with 800+ concurrent connections and 1,500 replays. In many other cases, discussions

facilitated through Lync Big Events (a service provided by ITICS) gathered hundreds of participants, mixing voice, presentations and live chat interactions.

Engaging and recognizing through communication campaigns

To resonate with our tag line "People matter, Results count", a second phase of the "People & Results" internal multimedia campaign showcased the solutions that the Group brings to its clients, and highlighted the tangible results Capgemini teams bring to clients and society. In total, the campaign unearthed 200 projects across all SBUs and 21 countries and the dedicated website attracted over 90,000 visits.

In addition to the annual campaign that connects employees with results, a number of "One Week Focus" mini-campaigns were held to put the spotlight on topics of importance to our business and society (cloud, innovation, mobility, diversity, environment, community engagement, values & ethics and information security), and to raise awareness and encourage the involvement of our employees with these issues. In 2015, a regular feature of these campaigns was the gamification element that encouraged even more people to take part.

Gamification also was at the heart of the Cricket and Rugby internal competitions organized on the occasion of the World Cups. They combined quizzes - testing knowledge of team members on these sports and on the Group's key facts - and prediction games showcasing the business analytics skills of talented team members from Capgemini Consulting UK.

Growing trust through communications

To continue to engage and grow trust within the key community of employee shareholders (those members who invested in the company through one of the Employee Share Ownership Plans – ESOP), a number of communications took place in 2015: a newsletter in February; regular electronic communications (notably to provide members with the annual Shareholders' newsletter and H1 ESOP performance); a discussion group on Yammer; a dedicated contact at headquarter level; and a live broadcast meeting (WebEvent) in September that enjoyed 1,000 live connections and 2,500 replays. The dedicated hub on Talent recorded 40,000 page views and the calculator allowing team members to follow their investment live was used almost 60,000 times.

Constantly striving to improve

In an effort to ensure consistency and improve industrialization and efficiency across the marketing and communication community, GIC designs and shares applications tools and templates. Some 8,000 team members from Sydney to San Francisco used these in-house applications to communicate in 2014. To further improve the quality of internal communications, GIC organized in 2015 a number of virtual sessions and workshops (live and available for replay) to share best practices (notably with regards to improved accessibility) and editorial techniques for journalism.



Winning hearts and minds

Maintaining the motivation and satisfaction of existing employees is only a part of our communication challenges. The other part comes from winning the hearts and minds of the many people who join the company each year, as new recruits, or as part of an outsourcing agreement or an acquisition. GIC facilitates the rapid integration of new arrivals by providing them with the necessary tools and communication channels, and helping build ‘One Capgemini’ across all continents.

Employee commitment: innovation, continuous improvement and acceleration

In 2015, due to the acquisition of IGATE, the group decided not to launch an employee survey. The next one will be launched in 2016 including the IGATE employees.

EMPLOYEE RELATIONS AND DIALOG

Employee dialog has been early considered as a strategic topic for the Group which set up, ahead of large European companies and in advance to the European Union regulations, its International Works Council enlarged since more than ten years to non-European countries. It evolved constantly to cope with the evolution of the business strategy. In 2014, the chairman and CEO of the Company has proposed to the Board to invite the IWC Secretary to become a guest to the Board of Directors.

As of December 2015, 22 countries are represented at the International Works Council which counts 47 primary members and substitutes covering for 94% of our employees. This year, the IWC met four times - once per quarter - during two general meetings led by management in Les Fontaines and two Employee Meetings that took place in Krakow and Malmö and allowed exchanges with local management. The IWC enjoyed having the possibility to exchange with IGATE leadership, being informed on the AppsTwo strategic journey, sharing with Paul Hermelin who physically joined the two general meetings in June and November. The Bureau of the IWC, which is the standing body of the employees’ delegation, continued to gather on a monthly basis to directly discuss with Group Management Board (GMB) and Group Executive Committee (GEC) members and other top leaders. In total, throughout 2015, 92 leaders shared

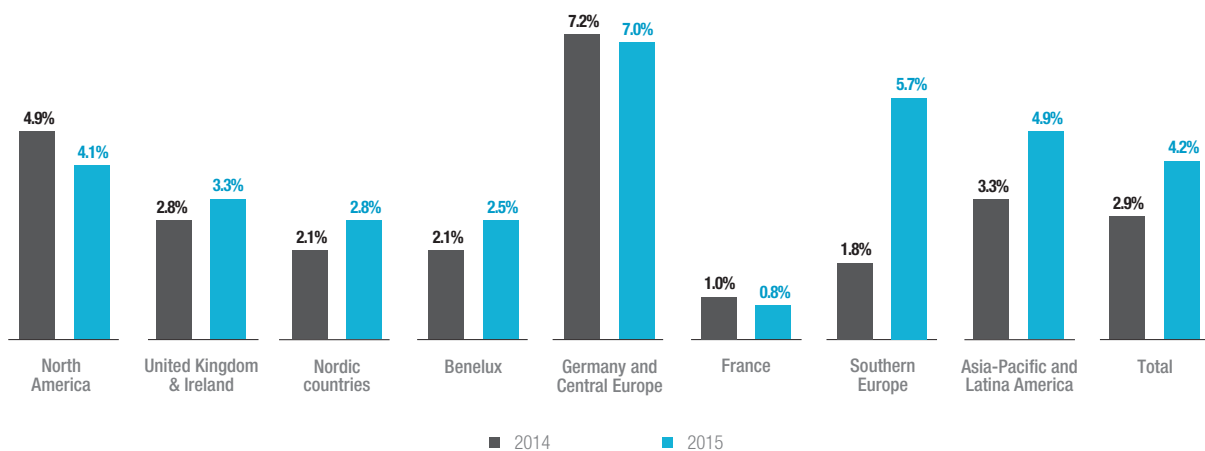
their views and were challenged by the IWC during 25 full days meetings covering 43 strategic topics related to information or consultation, while locally countries drove their own employee relations with formal representative bodies.

Early 2015, another key decision was taken by the Group head of HR to appoint an Employee Relations director, thus marking willingness to improve it, encourage dialog in each business unit and support accordingly the key players when necessary or upon request. That strategic move reinforces the declared will to continue to drive a mature and global dialog beyond the legislation in force. Employee relations are today one of the key assets of Capgemini when our team members are constantly at the very front of any strategic, organizational or processes changes. More than ever, in a complex world led by innovation, globalization and acceleration, there is no doubt that working and thinking collectively helps building confidence and ultimately shapes our ability to move fast and safely.

In 2015, 71 agreements were signed by trade unions organizations in 10 countries, mostly European countries (10 in France, and 25 in Netherlands, out of which one on health and safety process) and Brazil (24 agreements signed mostly on salary and benefits adjustments).

Maintaining transparent dialogue with employee representatives is particularly important in difficult economic environments. In 2015, the group has not conducted any significant collective redundancy plans apart from a transformation plan launched in Spain in June 2015 resulting in 375 reductions in force. However, in a business based on the strengths of our workforce, we must ensure the proper matching of our workforce skills to clients and market needs. As a consequence, and also in liaison with our very significant level of hiring (close to 46,000 people in 2015), we are doing layoffs for a large part linked to the improper matching to our businesses of a part of our new recruits as well as due to insufficient individual performance, terminations for cause or layoffs as part of a reduction in force. This represents 4.2% of total headcount, an increase of 1.4pts mostly due to Brazil who reduced the workforce in Infrastructure activities due to discontinuation of some low profitability contracts and to Chile further to the termination of our activities in this country in June 2016. The coverage of this study is 95% of total headcount including IGATE.

PERCENTAGE OF LAYOFFS/HEADCOUNT



3.3

Environmental responsibility

As an IT outsourcer, service provider and consultancy organization, Capgemini does not engage in manufacturing. We do, however, recognize that the services we provide and business activities in which we are engaged, can still impact the environment.

As a Group, Capgemini also remains cognizant of the importance of climate change including the responsibility of the business to do our part in limiting global temperatures to below a 2 degree celsius rise. Our on-going assessment of environmental impacts (as part of our wider materiality assessment, detailed in section 3.1.3) highlights the importance of climate change and its possible implications to our business, including energy security. Our efforts to reduce and minimize impacts through our energy use, waste management and business travel continue across our Group countries through our maturing Environmental Sustainability program. During 2015, business travel was

identified as our largest source of carbon and biggest challenge in a reduction of our footprint.

We are also committed to identifying and complying with all local and international legislation and other relevant requirements relating to this impact in the various geographies in which we operate. Our belief that environmental responsibility drives shareholder value provides the impetus to go beyond simple environmental compliance. It allows us to provide clients with new services and help them with their own challenges, - while enabling us to improve our own efficiency and reduce operational costs. The implications of climate change present risk and also opportunity throughout our business. For example, we are aware and mitigate against the risk posed by extreme weather events at our data centers ensuring our clients have continuous service no matter the weather conditions. We also recognize the opportunities, both current and potential, to use technology to assist our clients with their own climate change challenges.

3.3.1 Group environmental policy

The Group Environmental Policy, endorsed by Chairman and CEO Paul Hermelin, sets out the measures that all countries are expected to take in terms of the environment. It reinforces our commitment to respecting the environmental and the continual improvement of environmental performance across our global

operations, specifically in the areas of energy, business travel and waste management. Water is an increasing expectation and as such related data is gathered and logged wherever possible. The Policy can be found at:
<https://www.capgemini.com/resources/group-environmental-policy>

3.3.2 Group environmental management approach

Throughout 2015, Capgemini continued to extend the scope of its environmental management systems with Capgemini France, Sweden and North America added in 2015 to the list of countries with certification under ISO 14001. This certification increases the percentage of operations covered by the standard to 76% measured by headcount (excluding IGATE).

Germany, Finland, Italy, Poland and Sogeti Sweden will start their certification journey in 2016.

Capgemini's most material environmental impacts result from our use of energy (in both offices and data centers), as a result

of 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 bio-diversity and noise pollution, 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 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 <i>(approx. 52% of our emissions)</i>	The international and domestic business travel we undertake, by road, rail, air, and from staying in hotels, all consume fossil fuels which contribute to greenhouse gas (GHG) emissions. 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. We continue to take advantage of opportunities created by remote technology solutions such as video conferencing. We have also improved remote collaboration tools to facilitate remote working and allow greater flexibility, along with plans to roll-out globally our travel program "TravelWell" with its holistic view on travel and traveler well-being.
Energy consumption <i>(approx. 47% of our emissions)</i>	Our main environmental impact comes from the consumption of electricity, gas 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.
F-gas <i>(approx. 0.4% of our emissions)</i>	The man made gases from our use of air conditioning units are known as F-gases and carry a significant global warming potential. The associated emissions from a number of these gases are included in our overall emissions (as per the Kyoto Protocol), with the remaining identified gases (outside the Protocol) also identified and reported separately within the data tables at the end of this section. The material impact of our usage is low in comparison with emissions from travel and energy.
Water <i>(approx. 0.3% of our emissions)</i>	Not considered a material issue across the Group – however, within India and Brazil this issue is more prevalent. Where possible we are gathering water data from across the Group countries.
Waste Management <i>(approx. 0.1% of our emissions)</i>	Much of the waste that the Group produces is generated by office consumables and packaging. Capgemini aims to minimize the amount of waste that is sent to landfill by promoting the development of recycling facilities. We also work with our people and key suppliers to reduce the overall amount of waste generated on our premises by our daily operations. We ensure that all electronic equipment is recycled in accordance with local legislation.



3.3.3 Environmental performance

During 2015, our carbon accounting and management service coverage remained static covering operations in 28 countries representing around 99% of our global average headcount (excluding IGATE).

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. Capgemini's Carbon Accounting and Sustainability Reporting service is also available to clients.

GROUP TARGETS

Following the standardization of data collection and carbon management, our baseline of data became stable during 2014. Throughout 2015, the Group CR&S team formulated a series of global environmental targets in order to drive performance across the Group. These targets will be set to assist countries in adhering to Group Environment Policy and to also provide a framework within which to drive their own agendas at the local level. In 2016 these targets will be presented to the Group CR&S Board for final approval before publication.

Locally set targets are in place in a number of our countries including (but not limited to):

- ▶ Capgemini India:
 - 30% reduction in emissions per employee by 2020,
 - 20% reduction in water consumption per employee by 2017, and
 - zero waste to landfill by 2017;
- ▶ Capgemini France:
 - in support of the COP21, Capgemini France announced a target of a 20% reduction in overall carbon from our French operations by 2020;
- ▶ Capgemini Netherlands:
 - 30% reduction in emissions by 2016 compared to 2011, and
 - to be CO₂ neutral by 2020;
- ▶ Capgemini UK:
 - In the UK a number of targets were refreshed in 2015 including an overall ambition to deliver annualized emissions reductions in our ecosystem of three times our own emissions by 2017, through the engagement of our services and programs with clients, suppliers and our people;
- ▶ Capgemini North America:
 - Capgemini USA has committed to a reduction of 20% in the number of non chargeable flights in 2016, and
 - Capgemini Canada has set a target of a 20% reduction in the number of taxi journeys undertaken in 2016.

ISO 14001 PROGRAM CASE STUDY

Since 2009 a growing number of countries have implemented an Environmental Management System (EMS) in accordance with ISO 14001. We have seen how this structured approach towards continuous environmental improvement helps countries in driving results. By streamlining our internal capabilities concerning environmental management, we are able to move more of our operations in an increasing number of countries towards certification. We designed a Group EMS platform with all the necessary corporate and local processes and tools that make it possible to implement ISO 14001 in a very efficient and effective way, from the perspective of both time and budget. We are regularly complimented for the robustness of our EMS platform by external auditors.

In 2014 Capgemini India, as a whole entity, was added to the group of ISO 14001 certified countries, in 2015

Capgemini France, Sweden followed that example with North America completing during December 2015, bringing the total number of certified countries to 11. Other countries, like France, extended the scope of their existing certificate to further Strategic Business Units which, in total, brought the Capgemini coverage by headcount to approximately 76% across the Group (without IGATE). Work on an implementation in Germany also commenced in 2015. By 2017 we strive to have all of our 10 major countries (by headcount) ISO 14001 certified. At the end of 2020 we have a target to ensure all countries with a headcount of over 1000 employees are ISO 14001 certified. We recognize that there will be new challenges along the way, such as organizational changes as demonstrated by the recent iGATE acquisition. However, we remain confident in our approach.

3.3.4 Key performance indicators and methodology

The environmental data presented in this 2015 Annual Report have been taken from the Carbon Accounting and Sustainability Reporting system and covers 28 countries (Australia, Belgium, Brazil, Canada, China, Czech Republic, Denmark, Finland, France, Germany, Guatemala, India, Ireland, Italy, Luxembourg, Mexico, Morocco, the Netherlands, Norway, Philippines, Poland, Romania, Spain, Sweden, Switzerland, the UK, the USA and Vietnam) representing 97% of Group headcount (excluding IGATE). We have estimated the data for the remaining operations by headcount, by applying a relevant uplift to each emission source accounting for operations where we do not yet have data collection processes in place. This estimated data is provided within the environmental data tables labeled as 'non reported countries' and further explanations are given in the table footnotes.

Even where data is available for a particular country, it has sometimes been necessary to make a number of assumptions: thus, where only partial data are available, extrapolation has been employed to estimate total annual impact. In general, fourth quarter data for 2015 was not available at the time of reporting and therefore has been extrapolated based on available data for 2015. Other extrapolations have included:

- ▶ estimating unavailable 2015 data based upon available 2014 data (according to documented methodologies related to differing circumstances and covering all aspects of energy, travel, water and waste management);
- ▶ estimating emissions 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 emissions data for a facility based on data available for other facilities (estimating electricity usage based on area of the facility, estimating waste disposal & water consumption based on headcount of the facility).

Further disclosure about the scope of data available and extrapolations employed is presented in footnotes under the data tables.

The 2014 data against which the latest 2015 data is compared have been restated since our 2014 Registration Document, Annual Financial Report. The rationale for this change is included in the following sections.

OVERALL EMISSIONS

In 2015, Capgemini's carbon emissions from operations representing 100% of the Group's headcount (excluding IGATE) were 346,254 tCO₂e as calculated using the emission factors and methodology recommended by the UK Government's Department of Environment Farming and Rural Affairs (DEFRA).

Comparison with the 2014 data shows that total emissions across the group have decreased by nearly 4%. Within the same period, the emissions of our largest operations (India, Netherlands, UK, France and North America) have decreased by nearly 3% (from 285,085 tCO₂e to 276,945 tCO₂e) despite an average headcount raise of nearly 6%.

Within this report, the 2014 emission figures have been restated from a reported 328,500 tCO₂e to 360,191 tCO₂e (a difference of 31,691 tCO₂e). This is due to a number of significant improvements to the 2014 data, such as the inclusion of Scope 3 electricity transmission and distribution losses; the replacement of estimated Q4 2014 data with the now available actual data and the inclusion of an estimate for those non reporting countries where our operations are too small to be included in our formal reporting processes.

This non reporting country estimate accounts for just over 28% of the difference between the 2014 figures presented in this report and those published in our 2015 Report. Travel makes up 18% of the difference and the majority with around 53% of the difference is energy which includes transmission losses.

For the purposes of carbon accounting per head, an average headcount over the year has been calculated for both 2014 and 2015, which represents a more accurate per headcount calculation than using the December 2014 head count as

compared to the December 2015 headcount. As a consequence, the headcount stats here may vary slightly from the absolute figures quoted in other sections of this report.

Following the restatement of 2014 data, emissions per head were calculated as 2.51 tCO₂e (against an average headcount of 143,471). In 2015, a reduction of 6.5% to 2.35 tCO₂e per head (against an average headcount of 147,524) has resulted from our continued efforts to reduce our carbon footprint around the Group.

ENERGY CONSUMPTION

Across the Group, total reported energy use has reduced a little under 2% from 370,425 MWh in 2014 to 363,658 MWh in 2015 which, when you consider our headcount average rose just under 3% within the period, is an achievement attributed to the increasing focus on environmental management in an expanding number of our operations.

Emissions associated with our use of energy have fallen a little over 6% in the same period due to a decrease in the use of diesel (31% reduction in associated emissions) and electricity (3% reduction in office electricity) across the Group and a change in the emission factor for electricity as compared to 2014 across France, India, Netherlands, North America and the UK. This is reflected in the decrease of just over 6% (from 143,567 tCO₂e to 134,537 tCO₂e) in emissions related to energy use for our largest operating countries.

At the country level:

- ▶ in India, energy related emissions have reduced by around 5% which is largely attributable to the reduction in 2015 emission factors and also a reduction in the use of diesel (gas oil) leading to a 30% reduction in associated emissions;
- ▶ in France, the total energy consumption increased by 10% between 2014 and 2015 as a result of the addition of 29 facilities (23 following the acquisition of Euriware in 2014). Accordingly, the associated emissions from energy have risen by 11% (due also to additional data available from Euriware facilities in 2015);
- ▶ within the UK, total reported energy use in MWh has reduced by a little over 4%, primarily due to the rationalization of our facilities, with three offices and a section of one data center closing during 2015. We also completed the final phase of a sustainability flagship project at our Aston office, installing solar photovoltaic panels on the roof, which complement the small solar thermal system already in place. During 2015, the panels saved over £5,700 in electricity costs and generated over 58,000 kWh electricity. In addition, at our Merlin data centre in Swindon we improved the way the Building Management

System controls air flow and cooling. Emissions from energy use are showing a significant 11% decrease compared to 2014, partly due to the 5.2% decrease in the DEFRA grid average electricity emission factor for the UK;

- ▶ the significant reduction in energy use (15%) and associated emissions (around 13%) in The Netherlands is largely as a result of the closure of offices in Voorburg and Amersfoort and a the move from our large Amsterdam facility to a much smaller facility within the city. This has in turn resulted in reductions in the emissions associated with district heating (22% reduction), natural gas (67%) and office electricity (17%) since 2014; and
- ▶ in North America, overall energy use decreased by nearly 3% with an associated reduction in emissions.

Several countries including Netherlands, France and the UK purchased a significant portion of their electricity from renewable energy sources in 2015. This is not yet reflected in the Scope 2 emission calculations as location-based emission factors have been applied to all the data (rather than a supplier-specific one). Work has begun to engage with our energy suppliers across the Group to ensure The Greenhouse Gas Protocol's revised Scope 2 emission guidelines can be followed from 2016 onwards.

BUSINESS TRAVEL

Our business model of collaborative working alongside our clients necessitates travel within our globalized markets. Business Travel has therefore been identified as one of Capgemini's significant environmental impacts. However, we continue to invest in providing our people with alternatives to travel and initiatives to assist our colleagues in making informed decisions when travelling.

Our award-winning UK TravelWell program began its global deployment in 2015 and is focused on ensuring that the right tools are in place to support client delivery, while reducing travel impacts. In the UK, TravelWell won the Sustainable Transport and Travel category of the Sustainability Leaders Awards in November 2014.

As previously highlighted, the restatement of 2014 data showed an increase in travel emissions when converting the estimated Q4 travel available in the 2014 report, to actual data, which accounted for 5,850 tCO₂e. A comparison of the restated 2014 data with the available 2015 data indicates that our business travel emissions of 180,227 tCO₂e (which make up over half of our global carbon footprint) is just under a 2% decrease over the 2014 figure of 183,347 tCO₂e. This is a particular achievement considering the overall average headcount rise of 3% in the same period.



At the country level, the main results were:

- ▶ in India, emissions from travel increased by nearly 6% with a corresponding increase in average headcount of 8% within the same period;
- ▶ business travel emissions have increased by just under 7% in France, which is also proportionate to the 7.5% increase in average headcount over the period;
- ▶ in the UK, business travel emissions have reduced by 17% since 2014, due to a continued focus on reducing business travel. A genuine trend toward the use of smaller vehicles has been identified with a reduction in the use of medium and large petrol and diesel cars, especially within the company car fleet, and an increase in use of smaller vehicle types. Reductions in flights and hotels throughout the year have been observed with a reduction in long haul flights of over 20% (which has had the effect of countering an increase in short haul and domestic flights);
- ▶ a sustained focus on reducing emissions from business travel in The Netherlands has contributed to a reduction of 13% since 2014. This has been achieved by encouraging the use of public transport and implementing a new car lease arrangement to encourage people to switch to low emission company cars; and
- ▶ business travel for North America has increased by 10% since 2014. During the period there has been a 4% rise in average headcount, however, the data collection has also been improved with data taken from the expense system in 2015, which more accurately captures business travel across the US and Canada.

OTHER SOURCES

F-gas emissions, waste tonnage (including general, recycled and e-waste) and water usage (consumption primarily for use in sanitary areas, kitchen facilities and some data center cooling) are also provided in the table below. Water data continues to be collected as available, with no assessment done to date regarding potential scarcity of supply across our global locations. Across several locations, we have invested in technology to reduce water use, including rainwater harvesting equipment at an office in the UK and an office in India and improvements to tap fittings and flush controls in several locations.

Total waste tonnage (including general, recycled and e-waste) for 2015 was 3,281 tons, which represents a 9% decrease compared to 2014, due to a significant drive to reduce waste in our largest operations.

The volume of measured water (used and recycled) is 851,316 m³.

F-Gas emissions for 2014 have been restated to 754 tCO₂e. During 2015 it was identified that a number of F-gases which are not covered by the Kyoto Protocol had been included in the totals in error. The data was therefore recalculated. When compared against the 2015 figure (1,456 tCO₂e) this represents a 93% increase which we believe to be due to improvements in reporting as well as increases to the DEFRA emission factors for refrigerant gases.

Further country-level detail is provided in the tables and in the footnotes below.

SUMMARY OF ENVIRONMENTAL DATA BY COUNTRY

Scope and Metric	Energy Use	Scope 1 Emissions			Scope 2 Emissions			Scope 3 Emissions	Total Energy Emissions
	(MWh)√	(t CO ₂ e)			(t CO ₂ e)			(t CO ₂ e)	(t CO ₂ e)√
Country	Energy (All sources)	Gas	Diesel/ Gas Oil	Data Center Electricity	Office Electricity	Office Cooling	Electricity Urban Heating	Electricity T&D Losses	Total Energy Emissions
India – Capgemini & Sogeti	76,993	N/A	2,131	N/A	56,811	N/A	N/A	12,594	71,536
France – Capgemini, Sogeti & Prosodie	87,730	250	40	2,776	2,264	N/A	64	442	5,835
UK – Capgemini, incl FS & Sogeti	67,201	890	7	22,016	6,802	N/A	N/A	2,379	32,094
Netherlands	21,309	124	16	5,999	2,183	N/A	14	345	8,681
North America	35,348	11	88	7,820	7,358	N/A	N/A	1,113	16,390
Canada	6,690	N/A	N/A	667	430	N/A	N/A	98	1,195
USA – Capgemini & Sogeti	28,658	11	88	7,152	6,927	N/A	N/A	1,015	15,195
Total Largest operations	288,581	1,275	2,282	38,611	75,418	N/A	78	16,873	134,537
Belgium – Capgemini & Sogeti	554	40	N/A	N/A	63	N/A	N/A	3	107
Czech Republic	232	N/A	N/A	N/A	21	N/A	44	2	67
Denmark – Capgemini	123	N/A	N/A	N/A	36	N/A	N/A	3	39
Finland – Capgemini	9,949	N/A	27	1,400	231	N/A	294	59	2,012
Germany – Capgemini & Sogeti	13,052	330	N/A	3,091	1,663	N/A	266	222	5,572
Ireland – Sogeti	78	N/A	N/A	N/A	33	N/A	N/A	3	36
Italy	3,543	200	N/A	661	319	N/A	N/A	69	1,250
Luxembourg Sogeti	196	N/A	N/A	N/A	77	N/A	N/A	1	78
Norway Capgemini	1,053	N/A	N/A	N/A	11	N/A	53	1	65
Poland	11,946	237	N/A	N/A	6,938	N/A	380	616	8,170
Romania	881	32	N/A	N/A	159	17	59	27	294
Spain – Capgemini & Sogeti	5,665	27	N/A	N/A	1,596	N/A	N/A	170	1,793
Sweden – Capgemini & Sogeti	3,520	N/A	N/A	4	36	34	189	3	266
Switzerland – Capgemini & Sogeti	270	Not Available	N/A	6	3	N/A	N/A	1	9
Other Europe	51,062	866	27	5,161	11,187	51	1,284	1,180	19,756
Brazil	10,328	1	13	137	575	N/A	N/A	142	868
Guatemala	1,205	N/A	N/A	N/A	222	N/A	N/A	42	264
Mexico	199	N/A	N/A	6	83	N/A	N/A	17	106
Total Latin America	11,733	1	13	143	880	N/A	N/A	201	1,238
China Capgemini (including FS and BPO)	4,607	N/A	N/A	505	2,961	N/A	N/A	243	3,710
Philippines	531	N/A	N/A	N/A	264	N/A	N/A	37	302
Vietnam	199	N/A	N/A	N/A	94	N/A	N/A	14	108
Australia Capgemini (including BPO)	551	N/A	N/A	N/A	448	N/A	N/A	27	475



Scope and Metric	Energy Use	Scope 1 Emissions			Scope 2 Emissions			Scope 3 Emissions	Total Energy Emissions
	(MWh)√	(t CO ₂ e)			(t CO ₂ e)			(t CO ₂ e)	(t CO ₂ e)√
Country	Energy (All sources)	Gas	Diesel/ Gas Oil	Data Center Electricity	Office Electricity	Office Cooling	Electricity Urban Heating	Electricity T&D Losses	Total Energy Emissions
Morocco	2,072	N/A	N/A	N/A	1,206	N/A	N/A	175	1,380
Total Other Regions	7,960	N/A	N/A	505	4,973	N/A	N/A	496	5,975
Total Reported Countries	359,335	2,141	2,322	44,421	92,459	51	1,362	18,750	161,506
Total Non Reported Countries	4,323	26	28	534	1,112	1	16	226	1,943
GRAND TOTAL	363,658	2,167	2,350	44,955	93,571	52	1,378	18,976	163,449

Scope and Metric	F-Gas	Travel	Waste Generated (non-hazardous)		Water		Total Emissions		
	Scope 1 Emissions (t CO ₂ e)	Scope 3 Emissions (t CO ₂ e)√	Weight (in Tons)	Scope 3 Emissions (t CO ₂ e)	Water Use (m ³)	Scope 3 Emissions (t CO ₂ e)	Total Emissions (t CO ₂ e)		
Country	Total F-Gas Emissions	Total Business Travel Emissions	Total Waste	Total Waste Emissions	Total Water Use	Total Water Emissions	2015 Total Emissions	2014 Total Emissions	% Change from 2014
India – Capgemini & Sogeti	645	38,904	682	55	511,863	539	111,679	113,025	-1.19%
France – Capgemini, Sogeti & Prosodie	Not Available	26,846	290	6	70,682	74	32,762	30,443	7.62%
UK – Capgemini, Aspire, FS, Sogeti	352	13,309	256	7	65,116	69	45,831	52,315	-12.39%
Netherlands	Not Available	26,308	189	7	20,725	22	35,018	40,179	-12.84%
North America	N/A	35,207	472	43	14,686	15	51,656	49,123	5.15%
Canada	N/A	1,339	90	8	2,027	2	2,545	2,623	-2.97%
USA – Capgemini & Sogeti	N/A	33,868	382	35	12,659	13	49,110	46,500	5.61%
Total Largest operations	996	140,575	1,890	119	683,072	719	276,945	285,085	-2.86%
Belgium – Capgemini & Sogeti	Not Available	5,573	19	1	851	1	5,682	5,704	-0.38%
Czech Republic	50	82	12	1	6	0	200	215	-6.89%
Denmark – Capgemini	N/A	219	42	1	Not Available	Not Available	259	368	-29.70%
Finland – Capgemini	N/A	406	54	3	210	0	2,421	2,576	-6.03%
Germany – Capgemini & Sogeti	Not Available	9,322	211	20	6,731	7	14,920	14,529	2.69%
Ireland – Sogeti	N/A	22	0	0	Not Available	Not Available	58	81	-28.57%
Italy	Not Available	3,050	75	7	52,838	56	4,363	4,609	-5.35%
Luxembourg Sogeti	N/A	2,748	7	1	Not Available	Not Available	2,827	2,920	-3.18%
Norway Capgemini	N/A	499	33	2	902	1	568	661	-14.06%
Poland	N/A	2,674	386	30	27,462	29	10,902	10,229	6.59%
Romania	Not Available	105	0	0	2,190	2	401	317	26.55%
Spain – Capgemini & Sogeti	N/A	1,899	226	18	14,707	15	3,725	3,104	20.02%



Scope and Metric	F-Gas	Travel	Waste Generated (non-hazardous)		Water		Total Emissions		
	Scope 1 Emissions (t CO ₂ e)	Scope 3 Emissions (t CO ₂ e) √	Weight (in Tons)	Scope 3 Emissions (t CO ₂ e)	Water Use (m ³)	Scope 3 Emissions (t CO ₂ e)	Total Emissions (t CO ₂ e)		
Country	Total F-Gas Emissions	Total Business Travel Emissions	Total Waste	Total Waste Emissions	Water Use	Total Water Emissions	2015 Total Emissions	2014 Total Emissions	% Change from 2014
Sweden – Capgemini & Sogeti	372	2,554	110	8	890	1	3,201	3,884	-17.57%
Switzerland – Capgemini & Sogeti	N/A	243	5	0	3	0	253	173	46.37%
Total Other Europe	422	29,397	1,181	92	106,791	112	49,779	49,368	0.83%
Brazil	20	2,762	36	1	21	0	3,651	4,089	-10.72%
Guatemala	N/A	380	51	5	10,470	11	660	609	8.35%
Mexico	N/A	393	9	1	612	1	501	328	52.54%
Total Latin America	20	3,535	96	6	11,104	12	4,811	5,026	-4.28%
China – Capgemini, FS & BPO	N/A	3,593	52	5	19,552	21	7,328	7,622	-3.85%
Philippines	N/A	57	11	0	1,631	2	361	404	-10.59%
Vietnam	N/A	83	1	0	63	0	191	195	-2.27%
Australia Capgemini (including BPO)	N/A	736	Not Available	Not Available	12,048	13	1,224	2,408	-49.16%
Morocco	N/A	108	12	1	6,936	7	1,497	1,156	29.56%
Total Other Regions	N/A	4,578	76	6	40,230	42	10,602	11,785	-10.04%
Reported Countries	1,438	178,084	3,242	223	841,196	885	342,138	351,264	-2.60%
Total Non Reported Countries	17	2,142	39	3	10,120	11	4,116	8,928	-53.89%
GRAND TOTAL	1,456	180,227	3,281	226	851,316	896	346,254	360,191	-3.87%

- Data included in the tables is for the reporting period January to December 2015 (unless otherwise indicated)
- Data included in the tables does not include IGATE.
- The non reporting country emissions have been estimated based on the average tons of carbon per person (based on average headcount). The headcount associated with the non reporting countries has been calculated by deducting the total average headcount of the listed reporting countries from the Group total average headcount for both 2014 and 2015. The 50% reduction in non reporting country emissions in 2015 when compared to 2014 is as a direct result of a 51% fall in the average headcount associated with the same.
- Table key: N/A = Not Applicable where data sources are not applicable and Not Available, which denotes areas where data is assumed to exist but was not available for the purposes of this report.
- "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 hotel nights (mentioned below), emissions have been calculated using the conversion factors and methodology recommended by the DEFRA: <https://www.gov.uk/measuring-and-reporting-environmental-impacts-guidance-for-businesses>.
- Energy: For all countries, a location-based emission factor has been applied to 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 (the energy loss that occurs in getting the electricity from the power plant to our facilities). During 2015, the scope of our carbon accounting was improved to include a calculation of emissions from T&D Losses for all countries.
- Energy: For the UK, electricity data for two offices has been estimated, one based on available data for that site from 2014 and the other based on 2013 electricity usage at a similar site in a similar location.
- Energy: For Canada, electricity usage is calculated based on the amount paid at the start of each year.
- Energy: Diesel for India in 2014 was updated following a correction received in 2015.
- F-Gas: F-gas emissions reported for 2014 were overestimated for some entities due to the inclusion of F-gases not covered by the Kyoto Protocol. 2014 F-gas emissions have therefore been restated. Although they are not included in the reported data, the emissions relating to the gases not covered by the protocol are still captured with a value of just under 607 tCO₂e.
- Travel: Emission factors as produced by the Carbon Neutral Company have been used to calculate the emissions associated with hotel nights in all countries. It was identified during the external Grenelle II audit in 2012, that these factors, when applied outside the UK, may be too high with the result that the figures presented above are likely to be higher than reality. As more appropriate emission factors could not be obtained at the time, the figures have been reported as calculated. However, new lower factors have been developed to be applied during 2016.
- Travel: In the Netherlands and Belgium, emissions data associated with travel include personal car use as well as business mileage as it cannot be separated.
- Travel: 2014 Car and Rail data for Canada has been restated using the expense system in place, rather than the travel agent data which was found to be a more accurate repository of data
- Waste: For the US and Canada, 2015 waste data is estimated based on 2012 invoices (received in 2013), with data adjusted to take into account "Actual number of people in office" in 2015.
- Water: As recommended by DEFRA we calculate both emissions associated with water supply and emissions associated with water treatment. As the volume of water being sent for treatment is unmetered it is assumed that the volume is the same as that being supplied.
- Water: For the US and Canada, 2015 water data for all facilities is estimated based on two invoices from 2015, with data adjusted to take into account the "area of office". The same is done for 2014 data. (Water is charged based on office area irrespective of headcount).

3.4 Engaging with stakeholders

3.4.1 Community engagement

Our intention is to provide as many opportunities as we can for our people so that they can engage in activities for which they have passion and commitment. We embed our community service program within our business lines and client assignments. We measure and share this commitment with our people, our partners and our clients through various communication channels such as our externally published Corporate Responsibility and Sustainability Report, our internet site and our internal Talent intranet and Global Employee Survey. Through the energy and creativity of our people, communities have been impacted on every continent.

During 2015, the Group CR&S Board approved a challenging ambition to reach out to 1 million people by 2020 through our education and skills program. This ambition will utilize the structure and resources of our Group program whilst also allowing local implementations.

3.4.1.1 OUR GLOBAL INITIATIVES

PlaNet Finance initiative

Our professional services business, Sogeti, continues to provide practical IT assistance to PlaNet Finance, and has done since their creation in 1998. PlaNet Finance is an international non-profit organization focused on enabling those in poverty to access financial services in order to bring about sustained improvements to their living standards. Sogeti's assistance, comprising of technical expertise and critical IT systems support, has enabled PlaNet Finance to focus on their core business of providing financial inclusion. Sogeti manages PlaNet Finance's computer systems by hosting computer applications including intranet, electronic messaging, and online training, and provides services related to human resources.

In addition, in late 2011, Capgemini and Sogeti launched a dedicated website, in association with PlaNet Finance's microcredit platform, MicroWorld, to promote the growth of micro-credit in the most disadvantaged countries. This site provides a secure platform that enables our people to finance micro-credit projects around the world in the form of online loans to projects that have been validated from a socially responsible perspective.

In 2012, we launched the MicroWorld platform in France, Ireland, the Netherlands, Sweden, Norway, Denmark and Germany. More countries joined the initiative and we launched the platform in North America in 2014. Since the beginning of our involvement, a total of 1,662 micro entrepreneurs' projects have been co-funded, with loans amounting to €133,790 from more than 1,400 members. We are currently working with MicroWorld to enlarge the scope of support that our people can offer through the platform, via skills sharing, tutoring, mentoring and volunteering opportunities and as a result, hope to increase the number of potential beneficiaries.

Naandi

Since 2005, Capgemini has been working with the Naandi Foundation on the "Nanhi Kali" program, which focuses on supporting the education of girls across India. In 2015, Capgemini people from 12 countries contributed to the support of 5,502 school girls. Capgemini support the education of young ladies (girls from the age of 5 upwards) through Project Nanhi Kali. In both their formative years and also, through the Foundation's Last Lap Program (last lap was just a trial and has now completed), the support of girls studying in the 9th and 10th grades through extra tutorial support, stationery and career guidance support remains high. However the fall in numbers supported since 2013 as shown in the table reflects the increase in support for our own internal programs such as Enlight in India.

	Number of Nanhi Kali girls sponsored
2013	7,881
2014	6,765
2015	5,502

3.4.1.2 NATIONAL INITIATIVES

In 2014 we launched the Global Community Engagement Awards to champion, recognize and celebrate the success of our people who go above and beyond to make a difference to the communities in which we live and operate – adding value to our brand and to our business. The awards operate under five categories:

- ▶ Volunteer Initiative of the Year;
- ▶ Best Fundraising Award;
- ▶ Community Innovation Award;
- ▶ Client Collaboration Award;
- ▶ The People's Choice Award.

In 2015, 131 entries were received from 19 of our Group countries (including, for the first time, 21 entries from our IGATE colleagues), with over 9,000 of our people voting for their choice in the 'People's Choice' award. The following section highlights some of those entries along with other notable initiatives from around the Group.

In Capgemini France around 300 of our people are engaged in the project Passeport Avenir which provides voluntary mentorship through associations with engineering or management schools and universities for individual student coaching. Over 300 young people have been supported since the scheme's launch, to develop their professional skills and employability.

Capgemini UK have been patrons of the Prince's Trust since 2008, helping the UK's most disadvantaged young people into employment. Our people continue to deliver a wide range



of activities in support of the Trust including holding the annual Capgemini Golf Day, hosting a Million Makers Challenge and cycling the Palace to Palace bike ride. In 2015 we announced a new Digital Partnership with the Trust to change the lives of 600 young people over four years by teaching the skills that they need to develop a career in today's digital economy.

Capgemini India has developed a comprehensive program of work to touch lives in the communities in which we operate. The program covers the areas of Education, Environment, Employment and Emergency response. The program includes initiatives such as:

- ▶ Education:
 - “Enlight”, a Capgemini scholarship program for girl child education focussed on disadvantaged backgrounds,
 - Capgemini scholarship for technical and medical education for 90 young people pursuing a career in engineering and medicine,
 - school adoption projects across 90 schools in 9 locations, and
 - digital literacy centers (12) set up to empower and educate communities including awareness of relevant governmental entitlements;
- ▶ Environment:
 - partnering with a municipal co-operation to start 2 waste recycling units in Mumbai and Bangalore, and
 - partnering with WWF to set up a digital resource center providing a platform for environmental education awareness and knowledge sharing;
- ▶ Employment:
 - initiating employability centers across 9 locations providing skills based training aligned to market requirements, and
 - initiating 5 centers for young people with disabilities providing training towards economic empowerment;
- ▶ Emergency Response:
 - providing immediate relief following flooding in Jammu Kashmir, the earthquake in Nepal and flooding in Chennai where many of our people were affected.

Annually since 2012, colleagues from over 20 locations across Capgemini North America unite and serve in their local communities. Branded ‘Capgemini Cares’, these events and projects are identified by local teams and have included everything from supporting local food banks and cleaning up parks to assisting local homeless shelters. In North America, Capgemini Consulting completed a pro bono assignment for the international cleft palate charity, Smile Train, focused on improving the efficiency of their worldwide operations. The impact of the assignment, supporting Smile Train’s goal of delivering one million cleft lip and palate surgeries, was recognized by Consulting Magazine with the project receiving their Excellence in Social & Community Investment Award.

Capgemini Germany is actively involved in several projects to support the refugees within this region. Activities include collecting clothes and donations for refugees living in emergency accommodation, making Christmas gifts for underage refugees living in a children’s home in Berlin and offering internships for students of Kiron University, which is an open university for refugees. Capgemini Germany is currently leading an initiative which leverages our digital expertise and aims to create a more

effective interface between politics/politicians, administration, NGOs and IT companies. This project links with other members of Initiative D21 which is Germany’s largest partnership between policy-makers and businesses, working to shape and develop the digital-society. In addition, we are participating in recruitment activities on platforms such as www.workeer.de, which offers opportunities for employment to refugees. All projects are intended to support the welcome and integration of refugees, by helping them gain access to education, internships or employment.

India: IGATE: Summer camp with ICARE (Sumit Babu)

ICARE has been running within our IGATE function since 2013, before the US-listed organization was acquired by Capgemini in 2015. The initiative conducts summer camps in urban India. These summer camps are for children with extreme low income backgrounds, from working class families and studying in Government schools where extra-curricular activities are not given their due importance. The summer camps utilize the children’s vacation time by providing a fun and innovative way of learning, instilling values and creating an awareness of social issues. In 2015, ICARE volunteers and IGATE CR&S teams conducted these camps across seven of our locations across India where IGATE operate.

India: The Joy of Reading

In October 2015, around 2017 IGATE colleagues across, 7 locations in India came together, to collect and contribute 7771 books, for setting up libraries and reading spaces for 3910 children at 11 government schools. In the following months, our people also went on to host interactive and fun reading sessions, at the schools, to motivate students to read and introduce them to the world of books, stories, information and inspire them to dream.

Finland: Clean Baltic Sea: Tanker Safety Program, Enhanced Navigation Support System (ENSI) to Oil Tankers (Ilkka Kankare)

Since 2008, volunteers from Capgemini Finland have given their time and expertise to an initiative to save the Baltic Sea: The Tanker Safety Program spearheaded by the John Nurminen Foundation. The scope of our volunteers’ work includes planning, facilitation and documentation of several significant workshops, drawing up the requirement specifications for two digital services, and offering help with expert reports, service demonstrations, as well as the renewal of the Foundation’s customer register. In 2014, the Foundation highlighted in their annual report the invaluable partnership with Capgemini and our pro bono work which has continued into 2015 with the facilitation of strategy workshops for the organization.

Poland: RoboCap - Computer Science and robotics workshops for children (Piotr Smyk)

A group of IT engineers from Capgemini Software Solutions Center Wroclaw in Poland arranged science and robotics workshops for children. These workshops were called RoboCap. The workshops were held in Capgemini offices, a hospital, school and an orphanage too. The volunteers delivered these workshops to educate not only children but also adults (as tutors) in order to make IT more accessible to all. In an attempt to readdress the gender imbalance in STEM subjects (science, technology, engineering and maths), 50% of seats in each workshop were reserved for young women.

Australia: Sociable Charitable People

Capgemini colleague, Anthony Woods developed “Sociable Charitable People”, a group for people who enjoy volunteering in a social atmosphere. The group endeavors to provide a single channel in which potential volunteers may browse, select and plan the time they wish to donate. Anthony came up with the idea of using an existing Meetup platform to help provide a non-invasive and public forum in which volunteers, like him, can find and participate in fun volunteer opportunities. The group currently has over 190 members and provides volunteers to over 30 charitable organizations. <http://www.meetup.com/SociableCharitablePeople/>

Brazil: We make children’s dreams come true (Irene Barella)

Every year, post offices in several cities in Brazil receive letters from children with wishes for Christmas gifts. The post offices in turn make these letters available to people who want to help and fulfill these wishes. In Capgemini Brazil we participated in the initiative for one month. Volunteers collected letters which contained many different wishes – varying from wanting a doll to one that had a child wishing for a job for their father. One volunteer from each Capgemini business unit, across all Capgemini offices in Brazil, collected letters from post office every day for one month.

3.4.1.3 COMMUNITY INVESTMENT AND DONATIONS**SUMMARY OF DONATIONS MADE**

Countries	Donations	Programs
India	1,293,819€	Hope foundation (99k€), Sri Sri Ravishankar Vidya Mandir Trust (67k€), Saahas (61k€), Foundation for Excellence India Trust (81k€), Naasscom foundation(68k€), Anirban rural welfare Society (52k€), 432k€ from IGATE.
France	260,715€	Passeport Avenir (50k€), Emmaus connect (50k€), Programme Booster (20k€), Mission Handicap (120k€)
UK & Ireland	164,847€	The Princes Trust Membership (83,5k€), CIA's awarded (35k€), Naandi 18k€
North America	159,502€	Columbus Citizens Foundation (19k€), American India Foundation (19k€), IICF Insurance Industry Charitable Foundation (11k€), TM Charity Classic by Vail Place (11k€), United Way (21k€)
Benelux	58,048€	St. Opkikker (47,5k€)
Largest operations sub-total	1,936,932€	
Nordics countries	117,891€	Naandi 110k€
Latam	49,293€	Fondo Unido (33k€), Fundación Inclúyeme (13k€)
South Europe	126,925€	Foundation Adecco (67k€), Save the children (20k€), Cadin (24k€),
Germany and central Europe	11,126€	Managers of the Future Foundation (6k€), Jasiek Mela Foundation “Poza Horozyonty” (“Beyond Horizons”) (3k€)
Asia Pacific	8,579€	Smile Foundation: Reindeer Park Fund Raising (3k€), Naandi (2k€)
TOTAL	2,250,746€	

The high increase in donations in 2015 is mostly due to India where the government rules changed and asked to all companies to spend 2% of their profit for CSR activity every year.

3.4.1.4 SPONSORING AND PARTNERSHIP APPROACH

Group company sponsorship of sports, cultural, social, educational or business events, either occasional or recurring, forms part of Capgemini’s communication and marketing activities with customers and other stakeholders. Sponsorship is different from charitable donations, as its purpose is to promote and strengthen the Group brands and impact. To ensure that it serves its intended purpose, each sponsorship must be pre-approved and it should also comply with applicable laws and be aligned with Group’s “Seven Values”, internal policies and Code of Business Ethics.

Regarding sponsorship, the Group has established a longstanding partnership with the rugby world, especially in France, for a number of reasons:

- ▶ the team spirit which characterizes this sport fits with our own values;
- ▶ the quality of the relationship which can be developed with clients around this theme;
- ▶ the strong local nature of rugby teams reinforces the link with regional communities.

It is the Group’s policy not to make, directly or indirectly, any cash or in-kind contribution to any political organization.

Under certain circumstances, the Group wishes to have a positive impact on the communities in which it operates or where its employees live. As a major global player, it works with national and international charities on community projects:

- ▶ the goals are compatible with its “Seven Values”, its Code of Business Ethics and its Corporate Responsibility and Sustainability policy;
- ▶ the organization is a legitimate charitable organization.

3.4.1.5 SOCIAL AND ECONOMIC IMPACT OF OUR BUSINESS REGARDING EMPLOYMENT

In 2015, with more than 46,000 recruits a record high number in the Group history (even without IGATE with 41,046 recruits), the Capgemini Group has an important social and economic impact in most of the countries in which it operates and is a key local employer.

Nearly 42% of total new recruits are young graduates from highly-reputed technology schools and business schools, thus creating employment or replacing positions for more than 19,000 new graduates annually. Furthermore, we participate in many actions and job fairs, organized in management and engineering schools, notably in France (ESEO, Telecom Paris, INSA Rennes), India, North America, and the UK. In Latin American countries, such as Brazil, Guatemala and Argentina, where access to education is one of the biggest problems, Capgemini plays a major role in the labor market, recruiting employees with little or no work experience, thereby offering young people the opportunity to obtain their first job and acquire experience in a global company.

In France, many job fairs are set up with major universities to present professions and career paths within the Group. We have a number of ongoing projects, following the 2012 signature of three academic conventions and the creation of a university degree, enabling students to be integrated and trained, and to join Capgemini Associations such as “Passeport Avenir” and “Nos Quartiers ont des Talents” enable our Group to work with engineering or management schools and universities for individual student coaching. Each student is followed by one of our employees – called tutor (190 in 2015)– during the school year to develop their professional orientation and orient their job search.

In North America, India or Asia-Pacific, Capgemini creates employment mainly in certain selected development areas. Thus in North America, recruiting practice is to hire at our principal sites as much as possible, as well as sites involved in large projects (as opposed to more remote sites where there are fewer opportunities to hire).

In India, two of our largest campuses are situated in semi-urban special economic zones identified by the Government of India. These campuses, located near Chennai and Pune, contribute to the development of the local economy by providing commercial and employment opportunities to the local population. In this country, Capgemini is also growing its presence by setting up operations in smaller cities, such as Trichy and Trivandrum.

Lastly, still in India, as part of the “**Train & Hire Program**”, we cover training costs for students in certain cutting-edge technologies before hiring them when they have finished their training. This program creates a talent pool of candidates with niche skills and generates employment.

From early secondary education to post university Capgemini UK work with students, teachers and education providers to enhance employability skills and offer sustainable careers. The focus in 2015 has remained and will remain in 2016 on recruiting high numbers of young people. In 2015 Capgemini UK have hired 230 individuals who have joined our Advanced Apprenticeship, Higher Apprenticeship, Graduates and Placement programmes, and have taken on 982 young people since 2012. Our new talent has been spread throughout the UK with just over 43% based in the West Midlands, Wales, Northern England and the remainder in the South. In 2015 Capgemini UK built upon the work they did with Aston University the previous year by collaborating with other employers and universities to create the Degree Apprenticeship Programme. This offering allows students to gain a BSc in Digital and Technology Solutions whilst also gaining practical experience of the industry through employment, and the Aston university offering is founded upon the work that Capgemini did with them the previous year. The key difference in this programme is that it is a government recognised, UK-wide programme and so other employers with the UK are now able to offer this programme to their students and thus provide this opportunity to more young people than before.

In Asia-Pacific, the Capgemini Group has an impressive regional footprint with a presence in Singapore, Hong-Kong, Malaysia, Taiwan, the Philippines, China, Vietnam and Japan. In line with our strategy of local development, the majority of employees and management teams are locals and are recruited locally in most of these countries. Capgemini thus contributes to building employability and, in some of them, has demonstrated its long-term commitment (present in Taiwan for more than 15 years).

For all these employment programs, Capgemini received several awards in 2015, such as in Poland awarded with ABSL Diamonds in 2 categories: Business Leader in Employer Branding and Business Leader in Business Innovation and recognized as an Employer Branding Excellence Awards 2015 - Doskonała kampania rekrutacyjna offline 2015.



3.4.2 Client services

Capgemini works in collaboration with its clients to deliver services which underpin their own sustainability goals and aspirations.

3.4.2.1 ENABLING CLIENT TRANSFORMATION

Clients are increasingly expecting their service providers to help them address their own sustainability challenges, for example, not only providing the most efficient business solutions but minimizing and avoiding detrimental impacts to the environment, communities and society in the process. As a provider of business transformation and consultancy services for our clients, we believe that we are well positioned to help with such challenges.

Specifically, as an IT service provider and consultancy we have the opportunity to help clients reduce their own 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.

3.4.2.2 SMART ENERGY SERVICES

Capgemini's Smart Energy Services provides the full spectrum of smart metering and smart grid solutions through leveraging best practices developed over the last 12 years working alongside the world's leading utilities. As a result of following this strategy, investing and focusing in SES, Capgemini has established itself as one of the leaders among global consulting and technology firms in the advanced metering infrastructure (AMI) market. Our commitment is strong with more than 10,000 utility specialists worldwide. Our team has extensive utilities industry experience with an unequalled track record for successful innovation and delivery.

As evidence of success of this strategy, at Capgemini we:

- ▶ have provided services to AMI projects encompassing over 113 million meters worldwide;
- ▶ have provided services to over 75 active utilities with regard their Smart Meter and Smart Grid programs;
- ▶ directly manage mass deployment programs for over 23 million smart meters worldwide; and
- ▶ provide daily smart meter network operations support for 6 million meters globally.

Our Smart Energy Services Platform (SESP) is used to support mass deployments and ongoing meter operations for over 7.5 million meters globally.

Our clients include many of the world's major utilities such as British Columbia Hydro, Ontario's Hydro One, San Diego Gas & Electric, Southern California Gas, Consumers Energy, Fortum, AusNet Services, Hafslund, Italgas, EON Sweden, GrDF, Hydro Quebec, and Centrica.

Capgemini has an established global network of Smart Energy Centers of Excellence (COE). These COE's provide leading innovation, content, process, and tools support for our smart energy programs. Our centers also provide leading industrialized services for integration, deployment, meter operations, network operations and solution architecture across multiple clients.

<http://www.capgemini.com/utilities/smart-energy-services>

3.4.2.3 SMART CITIES

Capgemini recognizes that technology – properly scoped and implemented – is an enabler to the adoption of new approaches to delivering smarter citizen services.

As urban populations increase at a faster rate than ever before, they contribute disproportionately to carbon emissions and climate change, and our largest cities are now home to millions of people. New types of urban infrastructure are required to support sustainable growth, and maintain the efficiency of cities.

Capgemini is acknowledged as a thought leader in the use of information and communications technologies as a tool to provide energy, transport and public services with the explicit aims of reducing costs, delivering better outcomes, and respecting the environment.

More information is available at <http://www.capgemini.com/resources/creating-sustainable-cities-for-the-21st-century>.

3.4.2.4 SUSTAINABILITY CONSULTANCY SERVICES

Capgemini provides consulting services for climate change management, as well as operational efficiency and industry operations. Our global network of sustainability experts integrates complex business issues with sustainability goals.

We also deliver specialized services for smart verticals, such as utility (energy and water), transportation, consumer products, retail, oil and gas, and the public sector.

As companies face increasing scrutiny from consumers and regulatory bodies alike, Capgemini is positioned strongly in collaborating together with clients, technology partners and industry bodies to implement powerful tools and processes to be proactive in meeting these demands proactively. With extensive experience in supply chain visibility, product information management, smart metering, product lifecycle management, risk and compliance management, Capgemini is a partner in end to end sustainability management.



3.4.2.5 MERLIN DATA CENTER

Forming a part of our portfolio of data centers, our Merlin data center continues to operate as one of the most sustainable data centers in the world. Based on state-of-the-art technology, Merlin was opened in the UK in 2010 to ensure clients' systems are run as efficiently as possible with reduced emissions (compared with their own in-house systems). Sustainability has been at the heart of the project from the selection of its location, through its design and construction, to the day-to-day operations of the site.

Committed to maximising the resource efficiency of our existing facilities, Capgemini has, for some time, been investing heavily in improving the power efficiency of our data centers, including:

- ▶ sourcing renewable energy;
- ▶ converting AC mains power supply to DC;
- ▶ installing energy-efficient lighting and moving to lights-out operation;
- ▶ monitoring temperature set points and making adjustments as required to maintain an optimal power-to- processing ratio.

Among Merlin's key sustainability achievements are:

- ▶ a PUE (Power Usage Effectiveness) ratio of 1.10, which means power savings of 91% compared to an "industry average" data center;
- ▶ a cooling system that delivers 80% savings in running costs and produces up to 50% less carbon emissions than traditional data center cooling solutions; and
- ▶ the elimination of batteries in the Uninterruptible Power Supply (UPS) thanks to the application of innovative flywheel technology.

All of this has been achieved while fulfilling the industry's most rigorous security and resiliency demands. This led to Merlin winning the EU Institute for Energy and Transport's 2013 European Code of Conduct for Data Center Energy Efficiency Award in recognition of "our reduction in energy consumption in a cost-effective manner without hampering the critical function of data center equipment."

In its short life, Merlin has also won the Data Centre Dynamics Leaders' Green Data Centre Award (2010) and the Uptime Institute's Green IT Award for Data Center Design (2011). It was also a runner up in The Guardian's 2011 Sustainable Business Awards, and a finalist in the 2011 Business Green Leader's awards.

Further information is available from:
<http://www.capgemini.com/resources/a-closer-look-at-merlin>.

3.4.2.6 THE OTACE CLIENT SATISFACTION POLICY

Our internal client relationship management process, known as OTACE (On Time and At or Above Client Expectations) is a key factor underpinning our client relationships. Our clients are requested to specify their expectations from the Group, based on a set of indicators relating to the following:

- ▶ type of service required;
- ▶ nature of the working relationship;
- ▶ knowledge sharing.

We document and then analyze these indicators with clients to produce ratings that are reviewed according to an agreed schedule.

OTACE provides an indication of strengths and areas for improvement, as well as a deeper understanding of the various parameters of client satisfaction on individual projects. In 2015, more than 5,700 client assignments were monitored using OTACE (+37%). The results showed that 94% met or exceeded customer expectations (+6pts), with a client satisfaction rate of 3.96 out of 5.

OTACE is progressively deployed in new units and the coverage in 2015 was 86% of total revenue (+8pts).

Our client focus and our Collaborative Business Experience are the essence of the way we work with our clients. Client satisfaction and their appreciation of the value we bring in to help them achieve sustainable results are essential to our business. This is reflected in how our people feel.

3.4.3 Our suppliers and business partners

Capgemini's commitment to supplier relationship is reflected in its comprehensive set of guidelines on purchasing ethics, on the selection and management of suppliers.

PURCHASING PRINCIPLES

In our purchasing activities, the Group takes into account environmental issues, social impacts, human rights, and the fight against corruption. The ten key principles of the United Nations Global Compact guide Capgemini's activities throughout our business. In other words, the Group is committed to ensuring that we only work with suppliers with ethical practices and which respect 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 any of 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, to the suppliers’ activities and, where appropriate, to their downstream supply chains.

Contractors’ and suppliers’ staff is expected to work according to the same Corporate Responsibility & Sustainability 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 ETHICS & SUSTAINABLE PROCUREMENT PRINCIPLES

In 2015, Capgemini has developed its “Supplier Standards of Conduct & Compliance Management Requirements” that regroups all of the above principles and also reminds that Capgemini operates to a “Purchase Order Mandatory” policy. All suppliers are requested to agree upon the principles that are set out in this document prior to working with us. Should a supplier fail to respect these ethical and sustainability guidelines, Capgemini is then entitled to cancel the contract with the supplier.

“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>

Other reference documents and actions can be found at the following addresses:

- ▶ for ethics: <http://www.capgemini.com/resources/our-ethics-for-you>
- ▶ for CR&S and sustainability with SMEs: <http://www.uk.capgemini.com/about/corporate-responsibility/business-information-for-small-medium-enterprises>.

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, by sending a message to the following email address: Supplierstandardsconduct@capgemini.com which is accessed only by our Group Chief Procurement Officer and Chief Ethics & Compliance Officer.

SUPPLIER RELATIONSHIP MANAGEMENT

In 2015, Group purchases from its top one hundred and top ten suppliers totalled respectively €1,274 million and €478 million. The number one, top five and top ten suppliers represented 3%, 12% and 17% of Group spend, respectively.

This year Capgemini has introduced a new Supplier Relationship Management (“SRM”) approach. Supplier Relationship Management is one of the core activities of procurement and probably the one with utmost long-term impact. Why? 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, 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.

Experience has proven that successful and positive supplier relationship management is valued by our partners and suppliers.

Last but not least, 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.

Capgemini will further roll-out its SRM approach in 2016, with a clear focus on strengthening the governance and performance management with its top partners and suppliers.

The journey towards SRM is not overnight and will take months of careful preparation and ramp-up. It will be rewarding for Capgemini and its customers, its partners and suppliers.

3.5

Independent external analysis

Report by one of the Statutory Auditors, appointed as independent third party on the consolidated labour, environmental and social information included in the management report

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.

3

For the year ended 31 December 2015

To the Shareholders,

In our capacity as Statutory Auditor of Cap Gemini S.A., appointed as independent third party and certified by COFRAC under number 3-1049⁽¹⁾, we hereby report to you on the consolidated labour, environmental and social information for the year ended December 31st 2015, included in the management report (hereinafter named «CSR Information»), pursuant to article L.225-102-1 of the French Commercial Code.

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 of our profession and the requirements of article L.822-11 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, French professional standards and applicable legal and regulatory requirements.

RESPONSIBILITY OF THE STATUTORY AUDITOR

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 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, express reasonable assurance, that information selected by the Group and identified by the symbol √ in the chapter 3.3.3 of the Management Report is fairly presented, in all material respects, in accordance with the Guidelines (Reasonable assurance on a selection of CSR information).

Our work involved six people and was conducted between December 2015 and February 2016 for a total duration of around nine weeks.

We performed our work in accordance with the French professional standards and with the decree dated 13 May 2013 defining the conditions under which the independent third party performs its engagement and with ISAE 3000⁽²⁾ concerning our conclusion on the fairness of CSR 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 labour 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 information, presented in the sections 3.2.1 and 3.3.4 of the chapter related to environmental, labour and social information 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.

(1) Whose scope is available at www.cofrac.fr

(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information

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 labour 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 and presented in Appendix 1:

- ▶ 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, presented in Appendix 2 selected 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 were followed correctly 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 33% of headcount.

For the other 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 used, based on our professional judgement, were 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.

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 the work

For the information selected by the Group and identified by the symbol √ in the table "Summary of environmental data by country" and presented in Appendix 1 in this report, our audit consisted of work of the same nature as described in paragraph 2 above for the CSR information considered the most important, but in more depth, particularly regarding the number of tests.

The sample selected represents between 64% and 78% of the quantitative environmental information identified by the symbol √.

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 aspects, in compliance with the Guidelines.

Appointed Independent Third-Party Auditor

French original signed by:

Paris La Défense, 26th February 2016

KPMG S.A.

Frédéric Quélin
Partner

Philippe Arnaud
Partner
Climate Change & Sustainability Services Department

Appendix 1

Environmental indicators		Level of assurance
Direct energy consumption		Reasonable
Greenhouse gas emissions related to direct energy consumption		
Greenhouse gas emissions related to work travel		
Labour indicators		Level of assurance
Total headcount		Limited
Workforce broken down by geographical area, age and gender		
Number of hires		
Turnover rate (total)		
Absenteeism ratio		
Breakdown of part-time workforce		
Number of training hours		
Number of employees who had a performance and career review		
Qualitative information		
Labour topics	Remuneration and their evolution	
	Working time organization	
	Policies implemented regarding training	
	Measures implemented to promote gender equality	
Environnemental Topics	The organization of the company to integrate environmental issues and, if appropriate, the assessments and certification process regarding environmental issues	
Social Topics	Conditions of the dialogue with stakeholders	
	Importance of subcontracting and consideration, in the relationship with subcontractors and suppliers of their social and environmental responsibility	

Appendix 2

Audited entity
Capgemini UK
Capgemini North America
Capgemini India
Capgemini France



3.6 Grenelle correlation table

The following Grenelle II table details the indicators included in the legislation and which Capgemini has reported. Explanations for not reporting any indicator are also included.

HR data indicators	Y/N	Explanation
a) Employment		
▶ Total headcount; Distribution of employees by gender, age and geographical area	■	See pages 90 and 91 and pages 100 to 102
▶ Recruitments and redundancies	■	See pages 91, 102 and 107
▶ Remunerations and their evolution	■	See page 92
b) Work organization		
▶ Working time organization	■	See page 93
▶ Absenteeism	■	See page 94
c) Labor relations		
▶ Organization of social dialogue including information procedures, consultation and negotiation with the employees	■	See pages 105 to 107
▶ Summary of collective agreements	■	See pages 105 to 107
d) Health and safety		
▶ Occupational health and safety conditions	■	See page 95
▶ Summary of collective agreements signed with trade unions or the representatives of the company health and safety committee	■	See page 95
▶ Occupational accidents , including accident frequency and severity rates, and occupational diseases	■	See page 94 and 95
e) Training		
▶ Policies implemented regarding training	■	See pages 96 to 98
▶ Total number of training hours	■	See pages 96 to 98
f) Equal opportunity		
▶ Measures implemented to promote gender equality	■	See pages 100 to 103
▶ Measures implemented to promote employment and integration of disabled people	■	See pages 103 and 104
▶ Policy against discrimination	■	See pages 99 and 100
g) Promotion and compliance with ILO fundamental conventions relative to:		
▶ The freedom of association and recognition of the right to collective bargaining	■	
▶ The elimination of discrimination in respect of employment and occupation	■	See pages 84 and 85
▶ 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 108 and 109
▶ Information and training measures for employees regarding the protection of the environment	■	See pages 108 and 109
▶ Resources allocated to prevention of environmental risks and pollution	■	Due to the nature of our activities, our impact is mostly linked to associated carbon emissions. Hence the most relevant indicator has been identified as Greenhouse Gas Emissions and to the set of actions implemented to reduce and optimize energy resources and sustainable resources in general
▶ 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 and waste management		
▶ Measures of prevention, reduction or repair of discharges into the atmosphere, water and soil, impacting severely the environment	■	as above
▶ Measures regarding waste prevention, recycling and disposal	■	See pages 110 and 115
▶ Consideration of noise and of any other activity specific pollution	■	as themes a, b
c) Sustainable use of resources		
▶ Water consumption	■	As water usage is not a significant environmental aspect for Capgemini, it has been excluded from the data tables. The Group roll out of our carbon accounting system requires the inclusion of water consumption at which time it can be identified if the water used in cooling systems (especially in our data centers) is significant
▶ water supply adapted to the local constraints	■	
▶ 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 110 to 115
▶ Land usage	■	As there is very little land or 'green' space at our office locations for which we have responsibility, data relating to the use of land is not available and not considered applicable
d) Climate Change		
▶ Greenhouse gas emissions	■	See pages 110 to 115
▶ Adaptation to consequences of climate change	■	We evaluate the risks in terms of energy costs. The aim going forward is to set reduction targets globally
e) Biodiversity protection		
▶ Measures implemented to protect and conserve the biodiversity	■	As there is very little land or 'green' space at our office locations for which we have responsibility, data relating to the use of land is not available and not considered applicable



Social and communities indicators	Y/N	Explanation
a) Territorial, economic and social impact of the company activity:		
▶ regarding regional employment and development	■	See pages 116 to 119
▶ on the local populations	■	See pages 118 and 119
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 pages 116 to 119
▶ Actions of partnership and sponsorship	■	See pages 116 to 119
c) Subcontractors and suppliers		
▶ Integration of social and environmental issues into the company procurement policy	■	See pages 121 and 122
▶ Importance of subcontracting and consideration, in the relationship with subcontractors and suppliers of their social and environmental responsibility	■	See pages 121 and 122
d) Fair business practices		
▶ Action implemented against corruption	■	See pages 84 and 85
▶ 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 84 and 85

4

Financial information

4.1

Analysis on Capgemini 2015 Group consolidated results **130**

4.1.1	General comments on the Group's activity over the past year	130
4.1.2	Comments on the Capgemini Group consolidated financial statements and outlook for 2016	134

4.2

Consolidated financial statements **136**

4.2.1	Consolidated income statement	136
4.2.2	Statement of income and expense recognized in equity	137
4.2.3	Consolidated statement of financial position	138
4.2.4	Consolidated statement of cash flows	139
4.2.5	Consolidated statement of changes in equity	140
4.2.6	Notes to the consolidated financial statements for the year ended December 31, 2015	141
4.2.7	Statutory auditors' report on the consolidated financial statements	195

4.3

Comments on the Cap Gemini S.A. Financial Statements **196**

4.4

2015 financial statements **199**

4.4.1	Balance Sheet at December 31, 2014 and 2015	199
4.4.2	Income Statement for the years ended December 31, 2014 and 2015	201
4.4.3	Notes to the financial statements	202
4.4.4	Statutory Auditors' report on the financial statements	219
4.4.5	Statutory Auditors' special report on regulated agreements and commitments	220

4.5

Other financial and accounting information **223**

4.5.1	Five-year financial summary	223
4.5.2	Subsidiaries and investments	224

4.1

Analysis on Capgemini 2015 Group consolidated results

4.1.1 General comments on the Group's activity over the past year

2015 represented a major step in the Group's development. On a financial level, the Group achieved its target operating margin of 10% of revenues one year ahead of schedule, while continuing to improve organic free cash flow generation.

Furthermore, on an operating level, the business portfolio was strengthened both in terms of presence and offerings. Firstly, thanks to strong organic growth and the acquisition of the US company IGATE on July 1, 2015, the North America region is now the Group's largest geographic area, generating 28% of Group revenues. Accordingly, the geographic spread of the Group's activities is now a better match for the global market and its growth potential. At offerings level, thanks to investment in innovation, the share of Digital offerings in the business portfolio is now significant: Digital and Cloud offerings contribute 22% of revenues and represent, with a growth rate of 23% in 2015 on a like-for-like basis (i.e. at constant Group perimeter and exchange rates), a major growth driver for the Group.

Overall, the Group generated revenues of €11,915 million in 2015, up 12.7% compared with 2014. Excluding the impact of fluctuations in Group currencies against the euro and changes in Group perimeter, and primarily the integration of IGATE, revenues grew 1.0% year-on-year.

The operating margin is €1,262 million, or 10.6% of revenues, up 1.4 points in one year. It therefore exceeds the objective set for 2015 of 10.3% (as increased by the Group on the publication of the half-year results in July 2015). The gross margin accounts for 1.1 points of this improvement, with the balance mainly attributable to general and administrative expenses (0.3 points).

Other operating income and expenses total €240 million. The increase compared to 2014 is primarily due to the costs of acquiring and integrating IGATE as well as the amortization expense on intangible assets recognized as part of this acquisition. Restructuring costs remain under tight control at €81 million.

The operating profit for 2015 is €1,022 million, representing an operating margin rate of 8.6% up 0.5 points on the 2014 rate of 8.1%.

The net financial expense is €118 million, up €48 million on 2014, after expenses of €51 million relating to the implementation of the IGATE acquisition financing (initially consisting of a bridge loan followed by bonds issue). The 2015 Group income tax is a €203 million income, following a one-off non-cash profit of

€476 million linked to the reassessment of deferred tax assets on US tax loss carry-forwards.

On this basis, profit for the year attributable to owners of the Company is €1,124 million for 2015, compared with €580 million in 2014 and 2015 basic earnings per share are €6.67.

Normalized earnings per share (basic earnings per share restated for "other operating income and expense" and net of tax calculated at the effective tax rate), prior to the recognition of the one-off tax profit, increased by 15% to €4.84.

Organic free cash flow (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, after payment of €76 million to increase the Group's majority stake in CPM Braxis, is up €147 million, reaching €815 million.

OPERATIONS BY MAJOR REGION

North America reported revenues of €3,325 million in 2015 (28% of Group revenues), a rise of 7.8% like-for-like. With the appreciation of the US dollar against the euro and the acquisition of IGATE in July 2015, growth is some 49.1% based on published figures. All sectors contributed to these results, particularly the retail and consumer goods sector which reported growth in excess of 20% on a like-for-like basis. Application services and Consulting services reported the strongest growth in 2015. The operating margin of the North America region surged 76% year-on-year to €494 million, representing 14.9% of revenues and an improvement of 2.3 points in the operating margin rate in one year. These results bear witness to the Group's new capacity in the number one market for IT services.

United Kingdom and Ireland reported 2015 revenues of €2,150 million (18% of Group revenues), down 13.9% on a like-for-like basis and 2.2% after accounting for the appreciation of the pound sterling against the euro. This decline is entirely due to the planned decrease in revenue from a major Group contract in the public sector. Driven by the financial services and retail and consumer goods industries, the private sector was extremely dynamic, helping to rebalance the relative weightings of the public and private sectors in this region. The operating margin is €289 million, representing an operating margin rate of 13.4%, up 2.1 points on 2014.

France reported revenues of €2,444 million (20% of Group revenues) up 1.2% year-on-year at constant Group perimeter and 4.4% on 2014 published revenues. Trends in the different sectors were highly contrasted, with robust growth in the financial services, retail and consumer goods sectors and the public sector more than offsetting the decline recorded in the manufacturing sector as well as telecommunications and media. The operating margin increased slightly in 2015 in absolute terms to €199 million while the operating margin rate fell by a mere 0.3 points year-on-year to 8.1% of revenues.

Benelux reported 2015 revenues of €1,078 million (9% of Group revenues), successfully steadying its activity level (+0.1% year-on-year) after several years of decline. This stability is supported by the end of the multi-year contraction in financial services. The strong growth in the manufacturing sector fully offset the continuing shrinkage in the public sector. At a business level, growth in Application services and Local professional services offset the decline in Other managed services. The operating margin for the year is €121 million, representing a 0.7 point improvement in the operating margin rate on 2014 to 11.2%.

The **Rest of Europe** region reported revenues of €1,988 million (17% of Group revenues), the strongest increase in Europe with growth of 7.4% on a like-for-like basis (and 7.5% based on published figures). This remarkable performance was fueled by most of the sectors, with in particular double-digit growth in the financial services, retail and consumer goods and energy sectors. At an operating level, the offshore leverage is progressing rapidly in Central and Northern European countries. The operating margin increased 20% year-on-year to €192 million, representing a margin rate of 9.6% of revenues, up 1.0 points on 2014.

Finally, with revenues of €930 million (8% of Group revenues), the **Asia-Pacific and Latin America** region reported growth of 6.5% on a like-for-like basis and 5.6% based on published figures. Driven by the development of financial services, growth in the Asia-Pacific region continued to exceed 10%. On the other side, Latin America started the year with a good momentum before slowing down significantly in the second half. For the full year, Latin America reported a slight drop in revenues on a like-for-like basis, reflecting the economic downturn in this region. After adjusting for currency effects and particularly the weakness of the Brazilian real against the euro, the decrease in published revenues in Latin America reached 15%. The 2015 operating margin is €39 million, compared with €54 million the previous

year. The improvement in profitability in Asia-Pacific is more than offset by the downturn recorded in Latin America, resulting in a 1.9 point fall in the operating margin rate to 4.2%.

OPERATIONS BY BUSINESS

Consulting services (4% of Group revenues) benefited from the repositioning around “digital transformation”, reporting an upturn in activity of 8.7% on a published basis and 5.8% like-for-like. This increase was driven by strong growth in North America, the United Kingdom and the Rest of Europe region. The utilization rate exceeded the 2014 rate throughout the year and attained 71% in the fourth quarter. As a result, the 2015 operating margin rate is 9.1% compared with 8.2% in 2014.

Local professional services (15% of Group revenues) reported revenue growth in 2015 of 0.3% on a like-for-like basis and 10.6% based on published figures. Growth in the United Kingdom and Benelux compensated the drop in activity in the aeronautic sector in France. The utilization rate improved during the year, closing the year at 84%, an improvement of 2 points year-on-year. The operating margin improved 1.7 points to 11.6% in 2015 compared with 9.9% in 2014.

Application services (59% of Group revenues) growth in 2015 was 6.3% on a like-for-like basis and 19.5% based on 2014 published figures. Growth was driven, among other things, by the investment in innovation around Digital & Cloud and in particular what the profession refers to as SMAC (Social, Mobile, Analytics and Cloud). Geographically, this growth was primarily driven by North America, Rest of Europe and the private sector in the United Kingdom. Here again, the utilization rate improved year-on-year, closing the year at 85%. The operating margin rate is 11.9%, up 1.3 points on 2014.

Other managed services (22% of Group revenues) reported a 10.9% decline in 2015 revenues on a like-for-like basis (down 0.2% on published figures). This decrease was due to a contraction in activity levels in infrastructure services with the planned decrease in revenues from a major Group contract in the public sector in the United Kingdom. The operating margin rate at 9.6% is up 0.8 points on the 2014 rate of 8.8%.

The following table presents the utilization rates (on a like-for-like basis) measuring the percentage of work time, excluding vacation, of production employees. These rates show an overall improvement on 2014.

Utilization rate	2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Consulting services	65%	69%	64%	70%	71%	72%	68%	71%
Local professional services	81%	82%	82%	82%	81%	82%	84%	84%
Application services	81%	82%	82%	83%	82%	84%	85%	85%



RESULTS BY BUSINESS

Revenues (in € millions)	2013	2014	2015
Consulting services	456	442	480
Local professional services	1,498	1,577	1,744
Application services	5,825	5,854	6,997
Other managed services	2,313	2,700	2,694
TOTAL GROUP	10,092	10,573	11,915

Operating margin (as a % of revenues)	2013	2014	2015
Consulting services	7.8%	8.2%	9.1%
Local professional services	10.6%	9.9%	11.6%
Application services	9.7%	10.6%	11.9%
Other managed services	7.1%	8.8%	9.6%
TOTAL GROUP	8.5%	9.2%	10.6%

HEADCOUNT

At December 31, 2015, the total Group headcount is 180,639 employees compared with 143,643 employees one year earlier. This 36,996 net increase (+26%) reflects:

- ▶ 76,446 additions, including 30,265 employees included in the Group headcount during the year following acquisitions (primarily the acquisition of IGATE);
- ▶ 39,450 departures (including 31,580 resignations), representing an attrition rate of 19.3% of the headcount in 2015 (compared with 17.8% in 2014).

ORDER BOOK

New orders recorded during the year totaled €11,538 million. New orders of €10,978 million were recorded in 2014, including the signature of a €1 billion contract with Areva, alongside the acquisition of Euriware.

SIGNIFICANT EVENTS OF 2015

Fiscal year 2015 was marked by the following events:

- ▶ The acquisition of IGATE:
IGATE, a US technology and services company, reported revenues of US\$ 1.3 billion and an operating margin rate of 19% in 2014. North America is IGATE's main market, generating 79% of its revenues in 2014. IGATE is a 30,000-employee group, which runs an industrialized model leveraging production centers, located in India, that account for 75% of the total headcount.
The acquisition of IGATE, completed on July 1, 2015, therefore enables the Group to strengthen its presence in North America, one of Capgemini's strategic priorities as it is, by far, the largest and most innovative market in the technology and services sector. By combining IGATE and Capgemini, Group revenues increased 33% in this region to around €4 billion (2014 pro forma basis). North America is now therefore the Group's leading market, contributing 31% of Group revenues in the second-half of 2015.
The transaction will strengthen Capgemini's industrialized delivery model globally. Capgemini will leverage IGATE know-

how to accelerate the "People supply chain" transformation and improve its operating efficiency in India.

Furthermore, thanks to this acquisition Capgemini will increase its competitiveness across all its markets while enriching its service portfolio in key sectors such as financial services. The IGATE acquisition should generate commercial synergies of US\$ 100 to 150 million within a 3-year timeframe, as well as annual savings tied to direct cost savings (estimated at between US\$ 30 and 40 million) and greater operating efficiency (estimated at between US\$ 45 and 65 million).

The purchase consideration was US\$ 3,961 million (i.e. US\$ 48 per IGATE share). As announced on the presentation of the proposed acquisition (on April 27, 2015), the transaction was ultimately financed by a combination of a bond issue (on July 1, 2015) of a nominal amount of €2,750 million, a share capital increase (on June 9, 2015) of a net amount of €500 million, through the issue of 6.7 million new shares (4.05% of the share capital) at a price of €75.50 each (representing a discount of 2.4% on the share price on the issue date) and available cash for the remaining balance.

The integration of IGATE is developing in line with the plan. On the publication of its 2015 third-quarter results, the Group presented the integrated organizational structure from January 1, 2016. In this context, while Ashok Vemuri, the IGATE CEO, left the Group by mutual agreement after participating in the transition phase, several former IGATE managers were promoted to positions of responsibility in the new organizational structure, including two to the executive committee.

Furthermore:

- ▶ At the Economic Summit, Challenges and Oddo&Cie revealed their 2015 ranking of best performing CEOs in France, awarding Paul Hermelin the number one position;
- ▶ In May 2015, Capgemini organized a one-day seminar for financial analysts and investors during which the Group presented market trends and developments in its businesses and offerings. During this seminar, the Group announced its mid-term objective of attaining an operating margin rate of between 12.5% and 13.0%. This goal is based on three key levers: innovation, industrialization and increased globalization of its businesses;

- ▶ For the third year running, Capgemini was recognized as one of the world's most ethical companies by Ethisphere Institute, an independent think tank dedicated to promoting ethical and corporate governance best practices;
 - ▶ The third employee share ownership plan was a resounding success, mobilizing an unprecedented number of employees: +50% of subscribers, 5 million shares issued, and 17,660 subscribers. The success of the Capgemini employee share ownership plan is a powerful symbol of confidence in the Group's development prospects. In return, it reflects the desire to associate our teams with the Group's performance;
 - ▶ In February 2015, Capgemini launched a new cybersecurity global service line to enable organizations to embrace digital transformation securely. Cybersecurity issues have become a genuine obsession for companies today. Increasingly sophisticated cyber-attacks can seriously damage companies in only a few hours. This is one of the most comprehensive offerings on the market, comprising a wide range of services: consulting, complete systems protection (computing and industrial systems, connected objects) and a 24/7 surveillance system;
 - ▶ The Group extended its Big Data and Analytics services;
 - ▶ Capgemini increased its majority stake in CPM Braxis in Brazil to over 70%, in line with its strategy of strengthening its presence in emerging countries;
 - ▶ Capgemini strengthened its partnership with Microsoft, launching a new offering named "Capgemini Cloud Choice with Microsoft", enabling it to offer clients overhauled advice, services and Microsoft cloud solutions. The offering encompasses "SkySight", a private cloud similar to Azure, and "OneShare", a tool aimed at "facilitating the deployment of applications", also based on Azure. Finally the IP offerings include hybrid, public, hosted and private Cloud services, using Microsoft Azure. Microsoft is therefore the first partner to join Capgemini's comprehensive program, known as "Cloud Choice" encompassing SaaS, PaaS, IaaS, and the cloud migration of applications;
 - ▶ The Group opened two new "innovation Labs" in Munich and Mumbai after those in Paris, London, Utrecht, Melbourne, Toulouse and Lille.
- At operating level, the key events of the year were as follows:
- ▶ In the United States, Capgemini signed a contract to provide business process outsourcing (BPO), application maintenance and testing services worldwide to Office Depot a global supplier of office supplies, services and solutions. Under this contract, Capgemini will help Office Depot consolidate and standardize its financial and accounting processes across its global operations until 2020. **(January 29, 2015)**.
 - ▶ In France, Sodexo Pass is assisted by Prosodie-Capgemini for the introduction of paperless restaurant vouchers. Sodexo Pass selected Capgemini because of its expertise in the prepayment sector, to help introduce its new Pass Restaurant® card solution in addition to its paper offering. **(February 12, 2015)**.
 - ▶ The French Defense Procurement Agency selected Capgemini to develop and maintain for a seven-year period its new Mine Warfare Data Operating System (SEDGM), in conjunction with the publisher of the ESRI ArcGIS geographic information system. Above all, this new system should enable the French Navy to adapt to new methods in the fight against mines by implementing mission planning and data processing tools, while integrating the latest available hardware and software solutions. **(May 6, 2015)**.
 - ▶ In the United States, Capgemini signed a seven-year contract with the Georgia Technology Authority (GTA) for the management of IT infrastructure services for federal bodies of the State of Georgia. Under this agreement, Capgemini will coordinate the IT services provided by different service providers under the Georgia Enterprise Technology Services program. As GTA's IT services integrator, Capgemini will provide service management processes and systems that include billing, service desk, service catalog and request management, and risk and security management among other services. **(May 26, 2015)**.
 - ▶ The insurance company, Zurich, is transforming its UK claims system with Capgemini and Guidewire. Capgemini will be the primary systems integrator and will be responsible for implementation. This project is the first phase of a multi-year program, aimed at transforming claims processing within the business, reducing costs, and improving Zurich's customer experience across the UK. **(May 29, 2015)**.
 - ▶ Capgemini secured a contract extension worth tens of millions of euros with Nokia, a leading global network infrastructure software, hardware and services provider. With this agreement, Nokia renews its partnership with Capgemini entrusting it with the optimization of its order management operations worldwide. This contract extension is testament to Capgemini's expertise in telecommunications and supply chain Business Process Outsourcing. **(June 3, 2015)**.
 - ▶ In Finland, Capgemini signed an agreement with Neste, the world's leading producer of premium renewable fuels, for the delivery of Neste's ICT services. This five-year contract is worth tens of millions of euros. Under this new contract, Capgemini will deliver the majority of Neste's ICT services including service integration and management (SIAM), business application operations, ICT production platforms, end-user productivity services and end-user support through Capgemini's Intelligent Service Centre™. **(June 17, 2015)**.
 - ▶ In France, Capgemini signed a seven-year contract with SILCA, Crédit Agricole's IT subsidiary. SILCA has launched a transformation program aimed at modernizing its IT infrastructures to enable the digitalization and securing of banking activities. This program should lead to a significant reduction in IT production costs and encourage the digitalization of Crédit Agricole's banking activities through a strong focus on innovation. Capgemini will assist SILCA on two key missions: firstly, it will provide support and consulting services in the areas of innovation and cybersecurity, and secondly, it will manage part of SILCA's IT infrastructures, through the creation of a joint venture. **(June 24, 2015)**.

- ▶ In Germany, Capgemini signed a five-year services agreement with Munich Re, a leading insurance group. Capgemini will undertake the maintenance and further development of the insurer's existing global data warehouse. In addition, through its Insights & Data practice, it will design and implement a global reporting landscape using the SAP HANA® platform and SAP® Data Services™ software. **(July 23, 2015)**.
- ▶ In France, Capgemini and Oracle combined their expertise to assist the Randstad Group with its Big Data project. Capgemini through project assistance and Oracle in the technology sector, both contributed significantly to the development of the solution, which consists of a decision-making tool for companies and candidates – or even public bodies. Information available to the group reveals the hidden section of the employment market. To this end, the solution maps expertise corresponding to a specific need in a given labor pool. A jobseeker will be proposed a list of employment positions based on a range of expertise transferable to different job sectors, rather than on his or her original job. Accordingly, the Randstad France group Big Data tool offers a wider and enriched range of employment supply and demand. **(September 15, 2015)**.
- ▶ In the Netherlands, Capgemini signed a new partnership with Eneco to accelerate the digital transformation of the Dutch energy company. This new agreement extends the partnership between Eneco and Capgemini currently focused on infrastructure services, business innovation and the digital transformation of the energy company. Capgemini will call on its global expertise in the energy sector. Capgemini and Eneco will therefore be able to offer new innovative services to the entire Utilities sector. This new contract will help Eneco transform its IT environment and innovate and provides, in particular, for Eneco and Capgemini to work together in the areas of research, intellectual property and commercial development. **(September 30, 2015)**.
- ▶ In the United States, Capgemini announced a global partnership with Fortinet, a leader in cybersecurity solutions. Through this relationship Capgemini will further reinforce its cybersecurity services portfolio leveraging Fortinet products. Together Capgemini and Fortinet will provide new packaged cybersecurity services such as web application security, security for new generation datacenters and Security Operation Centers specialized in Advanced Data Analysis (3rd generation capabilities) to help companies to detect and react to sophisticated cyber-attacks. **(October 1, 2015)**.
- ▶ In the United Kingdom, Capgemini signed a five-year contract to provide IT infrastructure services to Nationwide. This agreement will help the world's largest building society to drive improvements to user experience, increase its agility to meet growing customer demand and be the number one choice for financial services in the United Kingdom. The contract will run until July 2020 with three core elements: service integration, service desk and end user services. **(October 20, 2015)**.
- ▶ In France, Valeo and Capgemini are working together to develop a unique smart mobility solution for corporate fleets and car rental companies. Capgemini's digital expertise combined with Valeo's smart key technology – Valeo InBlue™, will allow secure virtual key management and real-time car data collection together with digital services for corporate fleets and car rental companies. Valeo's InBlue™ solution is a vehicle entry/start system allowing drivers to use their smartphone to lock, unlock and start their car and transfer vehicle data thanks to a highly secure cloud-based platform. In addition to having full command of IT integration, Capgemini is developing a range of customized digital services in order to accelerate its time-to-market. This industrial solution will provide end users with an enhanced and innovative customer experience, and allow fleet managers to make car sharing and monitoring safe and seamless. **(November 5, 2015)**.

4.1.2 Comments on the Capgemini Group consolidated financial statements and outlook for 2016

CONSOLIDATED INCOME STATEMENT

Consolidated revenues total €11,915 million for the year ended December 31, 2015, compared with €10,573 million in 2014, up 12.7% (+1.0% like-for-like). Operating expenses total €10,653 million compared with €9,603 million in 2014.

An analysis of costs by nature reveals:

- ▶ a €959 million increase in personnel costs (+15.2%) to €7,260 million for 2015. Personnel costs represent 60.9% of revenues compared with 59.6% in 2014. The average headcount rose 17.1% in 2015 to 161,268, compared with 137,747 in 2014. Offshore employees represent 54% of the total Group headcount, compared with 47% in 2014;
- ▶ a decrease of 3.4% or €77 million in “purchases and subcontracting” (18.5% of revenues compared with 21.6% last year).

An analysis of costs by function reveals:

- ▶ the cost of services rendered is €8,838 million, or 74.2% of revenues, down slightly by 1.1 points on 2014. This enabled an improvement in the gross margin to 25.8% of revenues in 2015;
- ▶ selling costs total €955 million, or 8.0% of revenues, stable on last year;
- ▶ general and administrative expenses total €860 million (7.2% of revenues) an improvement of 0.3 points on 2015 as a result of a strict cost control policy.

The **operating margin** is therefore €1,262 million in 2015, or 10.6% of revenues compared with 9.2% in 2014.

Other operating income and expense (including the amortization of intangible assets recognized in business combinations) represents an overall net expense of €240 million in 2015, compared with €117 million in 2014. This increase of

€123 million is mainly due to acquisition and integration costs as well as the amortization of intangible assets recognized in the context of the IGATE acquisition and the impairment of goodwill in the Latin America region.

Operating profit is €1,022 million (8.6% of revenues) compared with €853 million (8.1% of revenues) in 2014, an increase of 19.8%.

The **net financial expense** is €118 million, up on 2014 (€70 million). This rise is mainly due to the increase in net finance costs as a result of the bond issue performed to finance the IGATE acquisition.

Income tax income of €203 million is recognized in respect of 2015, compared with an income tax expense of €210 million in 2014. This is primarily due to the remeasurement of deferred tax assets on US tax loss carry-forwards in the amount of €476 million. Adjusted for this non-recurring item, the effective tax rate is 30.1% in 2015 (compared with 26.8% in 2014).

Profit for the year attributable to owners of the Company is €1,124 million in 2015, compared with €580 million in 2014. Basic earnings per share are €6.67 based on an average of 168,452,917 ordinary shares outstanding in 2015, compared with €3.68 based on an average of 157,855,433 ordinary shares outstanding in 2014.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Equity attributable to owners of the Company totaled €6,887 million at December 31, 2015, up €1,830 million on December 31, 2014. This increase was mainly due to:

- ▶ profit for the year of €1,124 million;
- ▶ share capital increases totaling €564 million (including €500 million for the financing of the IGATE acquisition);
- ▶ a €258 million increase in foreign exchange translation reserves;
- ▶ the recognition in equity of actuarial gains on provisions for pensions and other post-employment benefits of €97 million, net of deferred tax;

partially offset by the payment to shareholders of the 2014 dividend of €198 million.

Non-current assets total €10,532 million at December 31, 2015, up €4,711 million on December 31, 2014, mainly due to:

- ▶ a €3,271 million increase in goodwill, attributable to the acquisition of IGATE in the amount of €3,092 million and the positive impact of foreign currency translation adjustments, partially offset by impairment of €40 million recognized on goodwill of the Latin America region;
- ▶ a net increase in intangible assets of €690 million mainly due to the provisional allocation of the IGATE purchase price to client relationships in the amount of €576 million;
- ▶ a €248 million increase in property, plant and equipment, primarily due to the acquisition of IGATE;

- ▶ a €347 million increase in deferred tax assets, mainly due to the remeasurement of deferred tax assets on US tax loss carry-forwards in the amount of €476 million;
- ▶ a €155 million increase in other non-current assets, mainly due to:
 - the call option on Cap Gemini S.A. shares purchased on October 18, 2013 in the amount of €67 million,
 - research tax credit receivables and competitiveness and employment tax credit receivables in France in the amount of €19 million,
 - the fair value remeasurement of cash flow hedging derivative instruments contracted pursuant to the central management of foreign exchange risk, recognized through equity in the amount of €17 million.

Operating receivables (accounts and notes receivable) totaled €3,055 million at December 31, 2015, compared with €2,849 million at December 31, 2014, up 7.2%. Accounts receivable, net of advances from clients and amounts billed in advance and excluding capitalized costs on projects, totaled €2,207 million at December 31, 2015 compared with €1,981 million at December 31, 2014 and represent 64 days annual revenue.

Non-current liabilities increased €2,346 million at December 31, 2015 (to €4,990 million compared with €2,644 million last year), mainly due to the bond issue performed to finance the IGATE acquisition.

Accounts and notes payable mainly consist of trade payables and related accounts, personnel costs and accrued taxes other than income tax and total €2,724 million at December 31, 2015, compared with €2,543 million at December 31, 2014.

Consolidated net debt totaled €1,767 million at December 31, 2015 compared with net cash and cash equivalents of €1,218 million at December 31, 2014. This €2,985 million decrease was mainly due to:

- ▶ cash outflows relating to the acquisition of the IGATE group net of cash transferred in of €3,392 million;
 - ▶ cash outflows of €615 million to repay certain IGATE debts;
 - ▶ payment to shareholders of the 2014 dividend of €198 million;
- partially offset by:
- ▶ organic free cash flow, 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, of €815 million;
 - ▶ share capital increases totaling €564 million (including €500 million for the financing of the IGATE acquisition).

OUTLOOK FOR 2016

For 2016, the Group forecasts revenue growth at constant exchange rates of 7.5% to 9.5%, an operating margin of 11.1% to 11.3% and organic free cash flow generation in excess of €850 million. The Group estimates the negative impact of currency fluctuations on revenues at -2%, primarily due to the appreciation of the euro against the pound sterling and the Brazilian real.

4.2 Consolidated financial statements

4.2.1 Consolidated income statement

<i>in millions of euros</i>	Notes	2014		2015	
		Amount	%	Amount	%
Revenues	3 - 5	10,573	100	11,915	100
Cost of services rendered		(7,960)	(75.3)	(8,838)	(74.2)
Selling expenses		(855)	(8.1)	(955)	(8.0)
General and administrative expenses		(788)	(7.5)	(860)	(7.2)
Operating expenses	6	(9,603)	(90.8)	(10,653)	(89.4)
Operating margin *		970	9.2	1,262	10.6
Other operating income and expense	7	(117)	(1.1)	(240)	(2.0)
Operating profit		853	8.1	1,022	8.6
Net finance costs	8	(15)	(0.1)	(55)	(0.5)
Other financial income and expense	8	(55)	(0.5)	(63)	(0.5)
Net financial expense		(70)	(0.7)	(118)	(1.0)
Income tax income (expense)	9	(210)	(2.0)	⁽¹⁾ 203	1.7
PROFIT FOR THE YEAR		573	5.4	1,107	9.3
<i>Attributable to:</i>					
<i>Owners of the Company</i>		580	5.5	1,124	9.4
<i>Non-controlling interests</i>		(7)	(0.1)	(17)	(0.1)

EARNINGS PER SHARE

Average number of shares outstanding during the year		157,855,433		168,452,917
Basic earnings per share (in euros)	10	3.68		6.67
Diluted average number of shares outstanding		170,226,305		178,581,519
Diluted earnings per share (in euros)	10	3.44		6.33
Average number of shares outstanding during the year		157,855,433		168,452,917
Normalized earnings per share * (in euros)	10	4.22		4.84

(1) Including the remeasurement of deferred tax assets on US tax loss carry-forwards in the amount of €476 million;

* The alternative performance measures monitored by the Group (operating margin and normalized earnings per share) are defined in Note 4, Consolidated Income Statement and Note 10, Earnings per share, respectively.

4.2.2 Statement of income and expense recognized in equity

<i>in millions of euros</i>	2014	2015
Actuarial gains and losses on defined benefit pension plans, net of tax ⁽¹⁾	(210)	97
Remeasurement of hedging derivatives, net of tax ⁽²⁾	57	35
Translation adjustments ⁽²⁾	255	255
TOTAL INCOME AND EXPENSE RECOGNIZED IN EQUITY	102	387
Profit for the year (reminder)	573	1,107
If this income and expense recognized in equity had been recognized in profit or loss, profit for the year would have been as follows:	675	1,494
<i>Attributable to:</i>		
<i>Owners of the Company</i>	682	1,514
<i>Non-controlling interests</i>	(7)	(20)

(1) Items that will not be reclassified subsequently to profit or loss;

(2) Items that may be reclassified subsequently to profit or loss.

4.2.3 Consolidated statement of financial position

<i>in millions of euros</i>	Notes	December 31, 2014	December 31, 2015
Goodwill	12 - 14	3,784	7,055
Intangible assets	12	158	848
Property, plant and equipment	13	515	763
Deferred taxes	15	1,065	1,412
Other non-current assets	17	299	454
Total non-current assets		5,821	10,532
Accounts and notes receivable	18	2,849	3,055
Current tax receivables		46	64
Other current assets	19	512	514
Cash management assets	20	90	116
Cash and cash equivalents	20	2,141	1,950
Total current assets		5,638	5,699
TOTAL ASSETS		11,459	16,231

<i>in millions of euros</i>	Notes	December 31, 2014	December 31, 2015
Share capital		1,309	1,377
Additional paid-in capital		3,010	3,499
Retained earnings and other reserves		158	887
Profit for the year		580	1,124
Equity (attributable to owners of the Company)		5,057	6,887
Non-controlling interests		26	26
Total equity		5,083	6,913
Long-term borrowings	20	914	3,161
Deferred taxes	15	158	221
Provisions for pensions and other post-employment benefits	23	1,294	1,216
Non-current provisions	24	24	28
Other non-current liabilities	25	254	364
Total non-current liabilities		2,644	4,990
Short-term borrowings and bank overdrafts	20	102	652
Accounts and notes payable	26	2,543	2,724
Advances from customers and billed in advance	18	776	739
Current provisions	24	48	90
Current tax liabilities		115	61
Other current payables	27	148	62
Total current liabilities		3,732	4,328
TOTAL EQUITY AND LIABILITIES		11,459	16,231

4.2.4 Consolidated statement of cash flows

Cash flows for the period are discussed in Note 21, Cash flows.

<i>in millions of euros</i>	Notes	2014	2015
Profit for the year attributable to owners of the Company		580	1,124
Non-controlling interests		(7)	(17)
Impairment of goodwill	12 - 14	-	40
Depreciation, amortization and impairment of fixed assets	12 - 13	204	264
Change in provisions		2	8
Losses on disposals of assets		6	17
Expenses relating to share grants		28	32
Net finance costs	8	15	55
Income tax (income) expense	9	210	(203)
Unrealized (gains) losses on changes in fair value and other		6	(19)
Cash flows from operations before net finance costs and income tax (A)		1,044	1,301
Income tax paid (B)		(97)	(137)
Change in accounts and notes receivable and advances from customers and amounts billed in advance		(71)	(22)
Change in capitalized costs on projects		19	(10)
Change in accounts and notes payable		26	(80)
Change in other receivables/payables		(106)	(48)
Change in operating working capital (C)		(132)	(160)
NET CASH FROM OPERATING ACTIVITIES (D=A+B+C)		815	1,004
Acquisitions of property, plant and equipment and intangible assets	12 - 13	(150)	(198)
Proceeds from disposals of property, plant and equipment and intangible assets		8	19
		(142)	(179)
Cash (outflows) inflows on business combinations net of cash and cash equivalents acquired		3	(3,392)
Cash outflows in respect of cash management assets		(12)	(2)
Other cash (outflows) inflows, net		(2)	(13)
		(11)	(3,407)
NET CASH USED IN INVESTING ACTIVITIES (E)		(153)	(3,586)
Proceeds from issues of share capital		229	564
Proceeds from issues of share capital subscribed by non-controlling interests		-	5
Dividends paid		(174)	(198)
Net payments relating to transactions in Cap Gemini S.A. shares		(181)	(81)
Proceeds from borrowings		160	2,881
Repayments of borrowings		(248)	(797)
Interest paid	8	(35)	(38)
Interest received	8	30	28
NET CASH FROM (USED IN) FINANCING ACTIVITIES (F)		(219)	2,364
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS (G=D+E+F)		443	(218)
Effect of exchange rate movements on cash and cash equivalents (H)		68	26
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (I)	20	1,629	2,140
CASH AND CASH EQUIVALENTS AT END OF YEAR (G+H+I)	20	2,140	1,948

4.2.5 Consolidated statement of changes in equity

	Number of shares	Share capital	Additional paid-in capital	Treasury shares	Consolidated retained earnings and other reserves	Total income and expense recognized in equity		Equity (attributable to owners of the Company)	Non-controlling interests	Total equity
						Translation adjustments	Other			
<i>in millions of euros</i>										
At January 1, 2014	160,317,818	1,283	2,930	(9)	1,246	(265)	(727)	4,458	33	4,491
Dividends paid out for 2013	-	-	-	-	(174)	-	-	(174)	-	(174)
Incentive instruments and employee share ownership	5,530,539	44	184	8	30	-	-	266	-	266
Adjustments to the put option granted to minority shareholders	-	-	-	-	(3)	-	-	(3)	-	(3)
Tax impact of the derivative instrument on Cap Gemini S.A. shares	-	-	-	-	9	-	-	9	-	9
Elimination of treasury shares	-	-	-	(181)	-	-	-	(181)	-	(181)
Share capital reduction by cancellation of treasury shares	(2,255,408)	(18)	(104)	122	-	-	-	-	-	-
Transactions with shareholders	3,275,131	26	80	(51)	(138)	-	-	(83)	-	(83)
Income and expense recognized in equity	-	-	-	-	-	255	(153)	102	-	102
Profit for the year	-	-	-	-	580	-	-	580	(7)	573
At December 31, 2014	163,592,949	1,309	3,010	(60)	1,688	(10)	(880)	5,057	26	5,083
Dividends paid out for 2014	-	-	-	-	(198)	-	-	(198)	-	(198)
Incentive instruments and employee share ownership	1,888,551	15	49	92	(18)	-	-	138	-	138
Adjustments to the put option granted to minority shareholders	-	-	-	-	(32)	-	-	(32)	-	(32)
Tax impact of the derivative instrument on Cap Gemini S.A. shares	-	-	-	-	22	-	-	22	-	22
Elimination of treasury shares	-	-	-	(107)	2	-	-	(105)	-	(105)
Issues of share capital	6,700,000	53	440	-	7	-	-	500	5	505
Transactions with minority shareholders	-	-	-	-	(9)	-	-	(9)	15	6
Transactions with shareholders	8,588,551	68	489	(15)	(226)	-	-	316	20	336
Income and expense recognized in equity	-	-	-	-	-	258	132	390	(3)	387
Profit for the year	-	-	-	-	1,124	-	-	1,124	(17)	1,107
AT DECEMBER 31, 2015	172,181,500	1,377	3,499	(75)	2,586	248	(748)	6,887	26	6,913

4.2.6 Notes to the consolidated financial statements for the year ended December 31, 2015

Note 1	Accounting basis	142	Note 17	Other non-current assets	172
Note 2	Consolidation principles and group structure	143	Note 18	Accounts and notes receivable	173
Note 3	Operating segments	146	Note 19	Other current assets	174
Note 4	Consolidated income statement	149	Note 20	Net debt / net cash and cash equivalents	174
Note 5	Revenues	150	Note 21	Cash flows	179
Note 6	Operating expenses by nature	151	Note 22	Currency, interest rate and counterparty risk management	181
Note 7	Other operating income and expense	151	Note 23	Provisions for pensions and other post-employment benefits	183
Note 8	Net financial expense	152	Note 24	Current and non-current provisions	188
Note 9	Income tax expense	153	Note 25	Other non-current liabilities	188
Note 10	Earnings per share	154	Note 26	Accounts and notes payable	188
Note 11	Equity	155	Note 27	Other current payables	189
Note 12	Goodwill and intangible assets	163	Note 28	Number of employees	189
Note 13	Property, plant and equipment	165	Note 29	Off-balance sheet commitments	190
Note 14	Cash-generating units and asset impairment tests	167	Note 30	Related-party transactions	191
Note 15	Deferred taxes	168	Note 31	Subsequent events	191
Note 16	Financial instruments	171	Note 32	List of the main consolidated companies by country	192

Note 1 Accounting basis

The consolidated financial statements for the year ended December 31, 2015 and the notes thereto were adopted by the Board of Directors on February 17, 2016. The consolidated financial statements will be approved by the Combined Shareholders' Meeting, scheduled for May 18, 2016.

A) IFRS standards-base

Pursuant to European Commission Regulation no. 1606/2002 of July 19, 2002, the 2015 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 2015

a) New standards, amendments and interpretations of mandatory application (published by the IASB, endorsed by the EU, entered into effect on January 1, 2015)

The accounting policies applied by the Group are unchanged on those applied for the preparation of the 2014 consolidated financial statements, with the exception of new standards, amendments and interpretations which entered into effect on January 1, 2015 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, 2015)

The potential impacts of the application of new standards, amendments and interpretations on the Group consolidated financial statements will not be material.

c) New standards, amendments and interpretations not yet endorsed (published by the IASB, not yet endorsed by the EU, not yet in effect at January 1, 2015)

The Group did not elect to adopt early the standards, amendments, and interpretations published by the IASB but not yet endorsed by the European Union at December 31, 2015 or in effect at January 1, 2015.

With regards to IFRS 15, Revenue from contracts with customers, in 2015 the Group worked together with international sector players and within *Syntec Numérique* in France on identifying application issues.

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 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, 2015 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 financial statements presented in this report 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" for their net-of-tax amount.

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.

The exchange rates used to translate the financial statements of the Group's main subsidiaries into euros are as follows:

	Average rate		Closing rate	
	2014	2015	2014	2015
Australian dollar	0.67960	0.67838	0.67435	0.67128
Brazilian real	0.32053	0.27480	0.31049	0.23193
Canadian dollar	0.68225	0.70630	0.71109	0.66155
Chinese renminbi yuan	0.12235	0.14349	0.13270	0.14163
Indian rupee	0.01235	0.01406	0.01304	0.01389
Norwegian Krona	0.11976	0.11200	0.11060	0.10413
Polish zloty	0.23899	0.23916	0.23402	0.23453
Pound sterling	1.24055	1.37806	1.28386	1.36249
Swedish krona	0.10997	0.10691	0.10646	0.10882
US dollar	0.75373	0.90166	0.82366	0.91853

For information, the Income Statement of IGATE, purchased on July 1, 2015, was consolidated at average exchange rates for the second-half of 2015.

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.

ACQUISITION OF IGATE

IGATE is a technology and services group based in the United States and headquartered in New Jersey. In 2014, it reported US GAAP revenues of US\$ 1.3 billion and operating income of US\$220 million, and had 33,484 employees at December 31, 2014. North America is IGATE's main market generating 79% of revenues in 2014, followed by Europe (14%) and the Asia-Pacific region (7%).

Pursuant to the terms of the merger agreement announced on April 27, 2015, Capgemini completed the acquisition of IGATE Corporation on July 1, 2015, which became a wholly-owned subsidiary of the Capgemini Group at that date. On July 1, 2015, all issued and outstanding IGATE Corporation ordinary shares (other than IGATE Corporation ordinary shares held by

the company) and vested rights under stock option plans were converted into a right to receive cash of US\$ 48 per security. The resulting purchase price was US\$ 3,961 million. IGATE Corporation shares are no longer traded and have been delisted from the NASDAQ Global Select Market.

IGATE is fully consolidated from July 1, 2015.

Since its acquisition on July 1, 2015, IGATE has contributed €609 million to Group revenues, €88 million to Group operating profit and €68 million to Group profit for the year. Had the acquisition been performed on January 1, 2015 and based on information provided by IGATE in respect of the first-half of 2015, the Group estimates that IGATE's contribution to its revenues, operating profit and profit for the year would have been €1,194 million, €160 million and €109 million, respectively.

Provisional allocation of the purchase price

The provisional allocation of the purchase price at July 1, 2015 was the subject of an appraisal by an independent expert. It breaks down as follows:

		Fair value in US\$ millions	Fair value in € millions ⁽¹⁾
Intangible assets		775	692
<i>o/w customer relationship</i>	12	644	576
<i>o/w remeasurement of intangible assets</i>		49	44
Property, plant and equipment		299	268
<i>o/w remeasurement of property, plant and equipment</i>		65	58
Deferred tax		(205)	(183)
<i>o/w deferred tax liabilities relating to the purchase price allocation</i>		(254)	(227)
Cash and cash equivalents		184	164
Long-and short-term borrowings		(690)	(617)
Other assets and liabilities		138	124
NET ASSETS AT THE ACQUISITION DATE		501	448
GOODWILL	12	3,460	3,092
PURCHASE PRICE		3,961	3,540
Acquisition costs expensed in the Income Statement		18	16

(1) The fair value was converted using exchange rate at July 1, 2015.

Financing transactions

To finance this acquisition, the Group performed the following transactions to supplement available cash:

- ▶ negotiation of a bridge loan of US\$ 3,800 million (available for draw-down in US dollars and/or euro) with a group of 15 banks following a round of syndication completed on June 2, 2015 (the bridge loan having been subscribed by a restricted group of banks on April 24, 2015). This loan was drawn twice on June 29, 2015, in the amount of €2,200 million and US\$ 1,000 million (representing a total euro-equivalent of €3,094 million) for the partial financing of the acquisition of IGATE on July 1, 2015 and the refinancing of a portion of its borrowings (see below);
- ▶ a €500 million share capital increase (net of post-tax share issue costs) launched on June 9, 2015 by private placement and concerning 6,700,000 new shares. The subscription price was €75.50 per share, representing a discount of 2.4% on the volume-weighted average price of June 9, 2015;
- ▶ a “triple tranche” bond issue for a total nominal amount of €2,750 million, placed on June 24, 2015 and with a settlement/delivery date of July 1, 2015. The three tranches of this bond issue present the following characteristics (see Note 20, Net debt / Net cash and cash equivalents):
 - €500 million of notes due July 2, 2018, paying a floating coupon of 3 month Euribor + 85bp (issue price 100%),
 - €1.25 billion of notes due July 1, 2020, paying an annual coupon of 1.75% (issue price 99.853%),
 - €1 billion of notes due July 1, 2023, paying an annual coupon of 2.50% (issue price 99.857%).

On July 7, 2015, the proceeds from this bond placement were allocated to the repayment of the €3,094 million drawdown on the bridge loan. The bridge loan was cancelled in full on July 9, 2015 (see Note 8, Net financial expense).

Furthermore, Capgemini entered into the following transactions to manage the interest rate and foreign currency risk associated with this acquisition:

- ▶ purchase of euro interest rate swaptions: all these options were unwound before the acquisition of IGATE and were recognized in full in net financial expense at December 31, 2015 (see Note 8, Net financial expense);

- ▶ purchase of US dollar/euro call options: all these instruments were unwound before the acquisition of IGATE and were recognized in full in net financial expense at December 31, 2015 (see Note 8, Net financial expense);
- ▶ set-up, for a total notional amount of US\$ 1,000 million and with a 5-year maturity, of EUR/USD fix-to-fix cross currency swaps, classified as cash flow hedges for the interest rate component and as fair value hedges for the exchange rate component. In respect of these financial instruments, Capgemini will receive from the relevant banking counterparties a rate of 1.75% on a notional amount of €894 million, in exchange for payment of an average rate of 3.51% on a notional amount of US\$1,000 million (see Note 8, Net financial expense).

Following its acquisition by Capgemini, IGATE repaid its main borrowings in July 2015:

- ▶ a bond issue of a principal amount of US\$325 million, maturing in 2019;
- ▶ a bank loan with an outstanding balance of US\$ 234 million.

Employee incentive instruments

In the context of the acquisition of IGATE on July 1, 2015, the Capgemini Group decided to maintain the vesting conditions of capital instruments (stock options, restricted shares and performance units) granted by IGATE prior to the acquisition and to fix the price thereof based on the transaction price. A cash amount will therefore be granted at the initial vesting dates calculated based on a price of US\$48. The cash payment for stock options and restricted shares not vested at July 1, 2015 will be made primarily in 2015 (post acquisition), 2016 and 2017 subject to compliance with the presence condition associated with these instruments at the vesting date.

The payment in respect of vested capital instruments is US\$42 million. The US\$75.5 million expense in respect of instruments in the course of vesting is spread over the period between the different grant and vesting dates. Accordingly, a provision of US\$54 million was recognized in the opening balance sheet in respect of services rendered between the grant dates and the date of acquisition of IGATE. The expense in respect of the period after the acquisition date is estimated at US\$21.5 million and will be recognized progressively in the Income Statement over the period from the acquisition date to the relevant vesting dates. An expense of €9.9 million was recognized in respect of 2015.

Note 3 Operating segments

Group Management analyzes and measures activity performance:

- ▶ in the geographic areas where the Group is present;
- ▶ in the different businesses (consulting services, local professional 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 seven 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 eight geographic areas where it is located.

Costs relating to operations and incurred by Group holding companies on behalf of geographic areas 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 and Poland) is reallocated to the geographic areas managing the contracts to enable a better understanding of the performance of these areas.

* *Operating margin, the alternative performance indicator monitored by the Group is defined in Note 4, Consolidated Income Statement.*

SEGMENT REPORTING BY GEOGRAPHIC AREA

The Group has operations in the following eight geographic areas:

Geographic area	Main countries
North America	Canada, United States
France	France
United Kingdom and Ireland	Ireland, United Kingdom
Benelux	Belgium, Luxembourg, Netherlands
Southern Europe	Italy, Portugal, Spain
Nordic countries	Denmark, Finland, Norway, Sweden
Germany and Central Europe	Austria, Czech Republic, Germany, Poland, Switzerland
Asia-Pacific and Latin America	Argentina, Australia, Brazil, China, India, Japan, Mexico, Saudi Arabia, Singapore, United Arab Emirates

Financial information
4.2 Consolidated financial statements

ANALYSIS OF THE INCOME STATEMENT BY GEOGRAPHIC AREA

2015 (in millions of euros)	North America	France	United Kingdom and Ireland	Benelux	Southern Europe	Nordic countries	Germany and Central Europe	Asia-Pacific and Latin America	HQ expenses	Eliminations	Total
Revenues											
■ external	3,325	2,444	2,150	1,078	518	723	747	930	-	-	11,915
■ inter-geographic area	151	185	162	77	28	20	181	1,051	-	(1,855)	-
TOTAL REVENUES	3,476	2,629	2,312	1,155	546	743	928	1,981	-	(1,855)	11,915
OPERATING MARGIN *	494	199	289	121	29	86	77	39	(72)	-	1,262
% of revenues	14.9	8.1	13.4	11.2	5.6	11.9	10.3	4.2	-	-	10.6
OPERATING PROFIT	408	152	291	107	3	81	64	(24)	(60)	-	1,022

2014 (in millions of euros)	North America	France	United Kingdom and Ireland	Benelux	Southern Europe	Nordic countries	Germany and Central Europe	Asia-Pacific and Latin America	HQ expenses	Eliminations	Total
Revenues											
■ external	2,230	2,342	2,197	1,074	497	699	653	881	-	-	10,573
■ inter-geographic area	113	173	149	62	24	20	161	698	-	(1,400)	-
TOTAL REVENUES	2,343	2,515	2,346	1,136	521	719	814	1,579	-	(1,400)	10,573
OPERATING MARGIN *	281	197	249	113	19	79	62	54	(84)	-	970
% of revenues	12.6	8.4	11.3	10.5	3.8	11.3	9.4	6.1	-	-	9.2
OPERATING PROFIT	274	158	232	95	5	76	54	43	(84)	-	853

* Operating margin, the alternative performance indicator monitored by the Group is defined in Note 4, Consolidated Income Statement.

ANALYSIS OF ASSETS AND LIABILITIES BY GEOGRAPHIC AREA

At December, 31 2015 <i>(in millions of euros)</i>	North America	France	United Kingdom and Ireland	Benelux	Sou- thern Europe	Nordic countries	Germany and Central Europe	Asia-Pacific and Latin America	Not allo- cated	Elimina- tions	Total	
Assets by geographic area												
■ external	3,385	2,603	1,757	1,275	362	514	621	1,796	36	-	12,349	
■ inter-geographic area	69	77	56	35	10	12	49	137	39	(484)	-	
TOTAL ASSETS	3,454	2,680	1,813	1,310	372	526	670	1,933	75	(484)	12,349	
<i>o/w acquisitions of intangible assets and PPE ⁽¹⁾</i>	28	51	40	20	6	10	13	74	1	-	243	
											Deferred tax assets	1,412
											Current income taxes	94
											Cash management assets	116
											Cash and cash equivalents	1,950
											Derivative instruments	310
											TOTAL ASSETS	16,231
Liabilities by geographic area												
■ external	814	1,192	1,378	285	193	219	286	645	8	-	5,020	
■ inter-geographic area	110	103	73	43	13	41	29	72	-	(484)	-	
TOTAL LIABILITIES	924	1,295	1,451	328	206	260	315	717	8	(484)	5,020	
											Equity	6,913
											Deferred tax liabilities	221
											Current tax liabilities	79
											Borrowings and bank overdrafts	3,813
											Derivative instruments	185
											TOTAL LIABILITIES AND EQUITY	16,231
At December 31, 2014 <i>(in millions of euros)</i>	North America	France	United Kingdom and Ireland	Benelux	Sou- thern Europe	Nordic countries	Germany and Central Europe	Asia-Pacific and Latin America	Not allo- cated	Elimina- tions	Total	
Assets by geographic area												
■ external	1,207	2,220	1,307	1,115	299	370	460	926	36	-	7,940	
■ inter-geographic area	76	66	56	20	10	9	38	98	25	(398)	-	
TOTAL ASSETS	1,283	2,286	1,363	1,135	309	379	498	1,024	61	(398)	7,940	
<i>o/w acquisitions of intangible assets and PPE ⁽¹⁾</i>	21	40	28	20	6	20	9	52	-	-	196	
											Deferred tax assets	1,065
											Current income taxes	46
											Cash management assets	90
											Cash and cash equivalents	2,141
											Derivative instruments	177
											TOTAL ASSETS	11,459
Liabilities by geographic area												
■ external	684	1,154	1,488	302	204	213	256	682	8	-	4,991	
■ inter-geographic area	73	92	93	38	10	27	23	42	-	(398)	-	
TOTAL LIABILITIES	757	1,246	1,581	340	214	240	279	724	8	(398)	4,991	
											Equity	5,083
											Deferred tax liabilities	158
											Current tax liabilities	115
											Borrowings and bank overdrafts	1,016
											Derivative instruments	96
											TOTAL LIABILITIES AND EQUITY	11,459

(1) Total acquisitions of intangible assets and PPE-property, plant and equipment is different from the figure reported in the Statement of Cash Flows (€198 million in 2015 and €150 million in 2014), which excludes acquisitions of assets held under finance leases (€45 million in 2015 and €46 million in 2014).

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;
- ▶ Local Professional Services, which provide assistance and support to internal IT 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, 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

<i>in millions of euros</i>	2014		2015	
	Amount	%	Amount	%
Consulting services	442	4	480	4
Local professional services	1,577	15	1,744	15
Application services	5,854	55	6,997	59
Other managed services	2,700	26	2,694	22
REVENUES	10,573	100	11,915	100

BREAKDOWN OF OPERATING MARGIN* BY BUSINESS

<i>in millions of euros</i>	2014		2015	
	Amount	%	Amount	%
Consulting services	37	8.2	44	9.1
Local professional services	156	9.9	202	11.6
Application services	623	10.6	830	11.9
Other managed services	238	8.8	258	9.6
Headquarter expenses	(84)	-	(72)	-
OPERATING MARGIN *	970	9.2	1,262	10.6

* Operating margin, the alternative performance indicator monitored by the Group is defined in Note 4, Consolidated Income Statement.

Note 4 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, 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.

Note 5 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 client 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 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.

Group revenues total €11,915 million (€10,573 million in 2014), representing a year-on-year increase of 12.7%, based on the year-end Group structure and exchange rates and 1.0% on a like-for-like basis (constant Group structure and exchange rates).

Note 6 Operating expenses by nature

<i>in millions of euros</i>	2014		2015	
	Amount	% of revenues	Amount	% of revenues
Personnel expenses	6,301	59.6%	7,260	60.9%
Travel expenses	428	4.0%	499	4.2%
	6,729	63.6%	7,759	65.1%
Purchases and sub-contracting expenses	2,284	21.6%	2,207	18.5%
Rent and local taxes	336	3.2%	372	3.1%
Other charges to depreciation, amortization and provisions and proceeds from asset disposals	254	2.4%	315	2.7%
OPERATING EXPENSES	9,603	90.8%	10,653	89.4%

BREAKDOWN OF PERSONNEL COSTS

<i>in millions of euros</i>	Note	2014	2015
Wages and salaries		4,976	5,845
Payroll taxes		1,256	1,344
Pension costs related to defined benefit pension plans and other post-employment benefit expenses	23	69	71
PERSONNEL EXPENSES		6,301	7,260

Note 7 Other operating income and expense

<i>in millions of euros</i>	Notes	2014	2015
Amortization of intangible assets recognized in business combinations		(20)	⁽¹⁾ (45)
Impairment of goodwill	12 - 14	-	(40)
Expense relating to share grants	11	(36)	(42)
Restructuring costs		(68)	(81)
Integration costs for purchased companies		(4)	(39)
Acquisition costs		(1)	(16)
Other operating expenses		(9)	(29)
Total operating expenses		(138)	(292)
Other operating income		21	52
Total operating income		21	52
OTHER OPERATING INCOME AND EXPENSE		(117)	(240)

(1) The increase in this heading is primarily attributable to the amortization of intangible assets recognized on the acquisition of the IGATE group.

RESTRUCTURING COSTS

Fiscal year 2015 restructuring costs primarily concern workforce reduction measures in the amount of €67 million (€46 million in 2014) and the streamlining of real estate and production assets in the amount of €11 million (€21 million in 2014).

INTEGRATION COSTS FOR PURCHASED COMPANIES

Integration costs for purchased companies total €39 million and mainly concern the IGATE group and primarily consist of cost of consultants involved in the integration and expenses relating to incentive instruments granted to IGATE employees.

Other operating income includes an income of €35 million relating to the decrease in the present value of the benefit obligation for the main Capgemini UK Plc. pension plan, following an agreement with certain members regarding a reduction in their defined benefits.

Note 8 Net financial expense

<i>in millions of euros</i>	Note	2014	2015
Income from cash, cash equivalents and cash management assets		30	28
Net interest on borrowings		(35)	(71)
Net finance costs at the nominal interest rate		(5)	(43)
Impact of amortized cost on borrowings		(10)	(12)
Net finance costs at the effective interest rate		(15)	(55)
Net interest cost on defined benefit pension plans	23	(40)	(45)
Exchange gains (losses) on financial transactions		(7)	21
(Losses) gains on derivative instruments		1	(20)
Other		(9)	(19)
Other financial income and expense		(55)	(63)
<i>o/w financial income</i>		45	143
<i>o/w financial expenses</i>		(100)	(206)
NET FINANCIAL EXPENSE		(70)	(118)

Interest on borrowings (€71 million) and the impact of amortized cost on borrowings (€12 million) total €83 million and mainly comprise:

- ▶ coupons on the 2011 bond issue of €26 million (stable on 2014), plus an amortized cost accounting impact of €1 million;
- ▶ an amortized cost accounting impact of €10 million on the “ORNANE 2013” bonds redeemable in cash and/or in new and/or existing shares issued in October 2013 (zero-coupon bonds) compared with €9 million in 2014;
- ▶ coupons on the bond issues maturing in July 2018, July 2020 and July 2023 of €26 million, plus an amortized cost accounting impact of €1 million primarily on the July 2020 bond issue: floating coupon of €2 million on the July 2018 tranche, coupon of €11 million on the July 2020 tranche and coupon of €13 million on the July 2023 tranche, respectively (see Note 2, Consolidation principles and Group structure);
- ▶ the net impact of EUR/USD fix-to-fix cross currency swaps of €8 million;
- ▶ interest on finance leases of €4 million, primarily in the United Kingdom and the United States (€5 million in 2014).

Other financial income and expense primarily comprises (see Note 2, Consolidation principles and Group structure):

- ▶ an expense of €16 million in respect of the bridge loan set-up in the context of the IGATE acquisition, primarily consisting of commission paid to participating banks;
- ▶ a net gain of €8 million realized on the unwinding of the euro interest rate swaptions (net gain of €5 million) and the US dollar/euro call options (net gain of €3 million).

Note that fair value gains and losses on the conversion option embedded in the “ORNANE 2013” bonds and the call option on own shares purchased in October 2013 are included in the “Derivative instruments” line (see Note 20, Net debt / Net cash and cash equivalents). Given the “matching” nature of the main characteristics of these two derivative instruments, their respective fair value gains and losses fully offset each other, resulting in a nil impact on the Group net financial expense.

Note 9 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 tax

The current 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. It is calculated using tax rates that have been enacted or substantively enacted at the year-end.

Deferred taxes

See Note 15, Deferred tax.

The income tax income for fiscal year 2015 breaks down as follows:

<i>in millions of euros</i>	Note	2014	2015
Current income taxes		(161)	(226)
Deferred taxes	15	(49)	429
INCOME TAX INCOME (EXPENSE)		(210)	203

The difference between the French standard rate of income tax and the Group effective tax rate can be analyzed as follows:

<i>in millions of euros</i>	2014		2015	
	Amount	%	Amount	%
Profit before tax	783		904	
Standard tax rate in France (%)	38.0		38.0	
Tax expense at the standard rate	(297)	38.0	(343)	38.0
Difference in tax rates between countries	53	(6.8)	53	(5.9)
<i>Impact of:</i>				
Deferred tax assets not recognized on temporary differences and tax loss carry-forwards arising in the period	(34)	4.4	(31)	3.4
Net recognition of deferred tax assets on temporary differences and tax loss carry-forwards arising prior to January 1	93	(11.9)	192	(21.3)
Utilization of previously unrecognized tax loss carry-forwards	3	(0.3)	4	(0.4)
Prior year adjustments	6	(0.8)	(8)	0.8
Taxes not based on taxable income	(37)	4.6	(43)	4.8
Permanent differences and other items	3	(0.4)	(97)	10.7
Income tax expense and effective tax rate before remeasurement of deferred tax assets on US tax loss carry-forwards	(210)	26.8	(273)	30.1
Remeasurement of deferred tax assets on US tax loss carry-forwards			476	(52.6)
Income tax income and effective tax rate after remeasurement of deferred tax assets on US tax loss carry-forwards			203	(22.5)

Taxable profit projections were revised upwards in the United States as a result of an organic improvement in Group's profitability in the United States combined with the acquisition of IGATE (included in the tax consolidation from July 2, 2015). Accordingly, the Group remeasured its deferred tax assets in the United States in the amount of €476 million.

The heading "Taxes not based on taxable income" primarily consists of the Corporate Value-Added Contribution (*Cotisation sur la Valeur Ajoutée des Entreprises*, CVAE) and the additional 3% contribution on dividends paid in France, State taxes in the United States and the regional tax on productive activities (IRAP) in Italy.

Note 10 Earnings per share

Earnings per share, diluted earnings per share and normalized earnings per share are 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 adjusted by the number of ordinary shares bought back or issued during the period and is calculated by reference to the date of redemption or issue of shares during the year;
- ▶ **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, where appropriate, for the effects of all potential 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 during the period, excluding treasury shares. 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 7, Other operating income and expense), net of tax calculated using the effective tax rate.

BASIC EARNINGS PER SHARE

	2014	2015
Profit for the year attributable to owners of the Company <i>(in millions of euros)</i>	580	1,124
Weighted average number of ordinary shares	157,855,433	168,452,917
BASIC EARNINGS PER SHARE <i>(in euros)</i>	3.68	6.67

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 2015 was €78.23.

In 2015, instruments considered dilutive for the purpose of calculating diluted earnings per share include:

- ▶ the 5,958,587 “ORNANE 2013” convertible bonds issued on October 25, 2013, as the €6 million interest expense recorded (net of taxes) on the bonds is lower per bond than basic earnings per share. These bonds are convertible during the period from October 25, 2013 (inclusive) to December 31, 2016 (inclusive) in a limited number of defined circumstances and then at any time from January 1, 2017 (inclusive) until the eighteenth business day (exclusive) preceding January 1, 2019, when they will be redeemable at par;
- ▶ shares to be delivered to French and non-French employees under the 2012 and 2013 performance share grant plans, representing a weighted average of 1,324,733 shares. At December 31, 2015, the only remaining condition applicable to these shares is the presence of the beneficiaries in the Group at the delivery dates, scheduled for January and March 2017, respectively;

- ▶ shares available for grant under the performance share grant plan, the terms of which were approved by the Board of Directors on July 30, 2014, representing a weighted average of 1,260,667 shares. The related performance conditions will be assessed in August 2016;
- ▶ all the shares available for grant under the performance share grant plan, the terms of which were approved by the Board of Directors on July 29, 2015, representing a weighted average of 443,279 shares. The related performance conditions will be assessed in March 2018;
- ▶ the shares falling within the scope of the free share grant plan open to all French employees, the terms of which were approved by the Board of Directors on October 8, 2014, representing a weighted average of 99,255 shares. These shares are subject to the presence of the beneficiaries in the Group in October 2016;
- ▶ the weighted average number of Redeemable Share Subscription or Purchase Warrants (BSAAR) still outstanding, i.e. 1,042,081 warrants, as the aggregate market price of the Cap Gemini S.A. share in 2015 is higher than the aggregate of the €34 strike price and the €3.22 issue premium.

Financial information
4.2 Consolidated financial statements

<i>in millions of euros</i>	2014	2015
Profit for the year attributable to owners of the Company	580	1,124
Finance cost savings linked to the conversion of debt instruments, net of tax	6	6
Diluted profit for the year attributable to owners of the Company	586	1,130
Weighted average number of ordinary shares	157,855,433	168,452,917
Adjusted for:		
“ORNANE 2013” convertible bonds	5,958,587	5,958,587
Performance shares and free shares that can be granted	3,484,679	3,127,934
Redeemable Share Subscription or Purchase Warrants (BSAAR)	2,927,606	1,042,081
Weighted average number of ordinary shares (diluted)	170,226,305	178,581,519
DILUTED EARNINGS PER SHARE <i>(in euros)</i>	3.44	6.33

NORMALIZED EARNINGS PER SHARE

<i>in millions of euros</i>	2014	2015
Profit for the year attributable to owners of the Company	580	1,124
Remeasurement of deferred tax assets on US tax loss carry-forwards		(476)
Profit for the year attributable to owners of the Company – excluding remeasurement of deferred tax assets on US tax loss carry-forwards	580	648
Other operating income and expenses, calculated at the effective tax rate	87	167
Normalized profit for the year attributable to owners of the Company	667	815
Weighted average number of ordinary shares	157,855,433	168,452,917
NORMALIZED EARNINGS PER SHARE <i>(in euros)</i>	4.22	4.84

Note 11 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 two 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 confer entitlement to subscribe for Cap Gemini S.A. 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 Cap Gemini S.A. share price, adjusted for volume, 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

Cap Gemini S.A. 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, so that the gain or loss on the sale has no impact on 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 and then May 6, 2015, 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 presence conditions. On December 12, 2012, February 20, 2013, July 30, 2014 and July 29, 2015, the Board of Directors approved the terms and conditions and the list of beneficiaries of these four plans.

Financial information
4.2 Consolidated financial statements

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⁾ 1,003,500	⁽¹⁾ 1,209,100
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)	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, 2014	that may vest under the plan in respect of shares previously granted, subject to conditions (performance and presence)	
	958,500	1,135,300
	o/w to corporate officers	
	⁽¹⁾ 50,000	⁽⁴⁾ 50,000
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	
	54,000	66,200
	Number of shares vested during the year	
	⁽²⁾ 383,000	⁽⁴⁾ 355,600
Number of shares at December 31, 2015	that may vest under the plan in respect of shares previously granted, subject to conditions (presence only)	
	⁽³⁾ 521,500	⁽³⁾ 713,500
Diluted weighted average number of shares	548,500	776,233
Share price at the grant date (in euros)	33.15	36.53

(1) Grant subject to performance and presence conditions;

(2) Balance on the "French" plan granted in January 2015 subject to performance and presence conditions at this date;

(3) In respect of the "foreign" plan only;

(4) Balance on the "French" plan granted in March 2015 subject to performance and presence conditions at this date.

	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⁾ 1,290,500	⁽¹⁾ 1,068,550
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 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)	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, 2014	that may vest under the plan in respect of shares previously granted, subject to conditions (performance and presence)	
	1,288,500	-
	o/w to corporate officers	
	⁽¹⁾ 50,000	-
Change during the period	Number of shares subject to performance and/or presence conditions granted during the year	
	-	1,068,550
	o/w to corporate officers	
	-	⁽¹⁾ 40,000
	Number of shares forfeited or canceled during the year	
	55,000	3,900
	Number of shares vested during the year	
	⁽²⁾ 1,000	-
Number of shares at December 31, 2015	that may vest under the plan in respect of shares previously granted, subject to conditions (performance and presence)	
	⁽³⁾ 1,232,500	⁽⁴⁾ 1,064,650
Diluted weighted average number of shares	1,260,667	443,279
Share price at the grant date (in euros)	53.35	87.60

(1) Grant subject to performance and presence condition;

(2) Accelerated grant following the death of a beneficiary;

(3) Of which 405,750 shares in respect of the "French" plan and 826,750 shares in respect of the "foreign" plan;

(4) Of which 359,650 shares in respect of the "French" plan and 705,000 shares in respect of the "foreign" plan.

a) Shares vested under the 2012 and 2013 plans

Based on an assessment of the performance conditions of the 2012 and 2013 plans for shares granted to beneficiaries of the 2012 and 2013 plans tax-resident in France, 100% of the initial allocation vested to those beneficiaries still present in the Group at the vesting date at the beginning of January 2015 and the beginning of March 2015, respectively.

With regards to the external performance condition, due to the good performance of the share over the calculation period, the relative performance of the Cap Gemini S.A. share compared to that of the basket of comparable companies exceeded 110% in both cases, the threshold above which 100% of the initial allocation vests in respect of the external performance condition.

With regards to the internal performance condition, cumulative organic free cash flow generation for fiscal years 2012 to 2014 exceeded the €1 billion threshold, enabling the vesting of the maximum number of shares in respect of the internal performance condition.

As both conditions exceeded the maximum vesting thresholds, 100% of shares initially allocated vested to beneficiaries tax-resident in France still present in the Group at the vesting date, subject however to a lock-in period of four years in accordance with plan rules.

A total of 383,000 shares vested under the 2012 plan and 355,600 shares vested under the 2013 plan, representing 94.6% and 91.6% of the maximum possible amount, respectively. The performance conditions are assessed at the same dates and under the same conditions for non-French beneficiaries, however the shares vest at the end of a four-year period, subject to their presence in the Group at this date. Vested shares are not, however subject to a lock-in period.

b) Performance conditions of the 2012, 2013 2014 and 2015 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 plans and in line with the conditions applied to the first two plans, as follows:

- ▶ No shares are granted if the performance of the Cap Gemini S.A. 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 Cap Gemini S.A. 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 Cap Gemini S.A. share is equal to 100% 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 Cap Gemini S.A. share is between 90% and 100% of the basket in the first case and 100% and 110% of the basket in the second case,
- is equal to 100% of the number of shares initially allocated if the relative performance of the Cap Gemini S.A. share is higher than or equal to 110% of the basket.

Under these conditions, if the performance of the Cap Gemini S.A. 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 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 and 2015 Plans: Accenture / CSC / Atos / Tieto / CAC 40 index / CGI Group / Infosys / Sopra / Cognizant.

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 and fiscal years 2015 to 2017 for the 2015 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 and €1,750 for the 2015 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 and €2 billion for the 2015 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.

C) Free share plans

Following the free share grant in 2012, the Combined Shareholders' Meeting of May 23, 2013 gave the Board of Directors an 18-month authorization to grant shares to certain Group employees, on one or several occasions subject only to a condition of presence. This authorization was partially used and the terms and conditions of the grant and the list of beneficiaries were set by the Board of Directors meeting of October 8, 2014.

The main features of these plans are set out in the table below:

2014 Plan France	
Date of the Combined Shareholders' Meeting	May 23, 2013
Maximum number of shares that may be granted	1% of the share capital on the date of the Board of Directors' decision i.e. a maximum of 1,595,495 shares, of which a maximum of 15% granted without performance conditions
Total number of shares granted	⁽¹⁾ 104,379
Date of the Board of Directors' decision	October 8, 2014
Grant condition assessment date	Presence condition only (employee presence within the Group at the vesting date)
Vesting period	2 years as from the grant date Democratic plan
Mandatory lock-in period effective as from the vesting date	2 years
Number of shares at December 31, 2014 that may vest under this plan in respect of shares previously granted, subject to presence conditions	102,379
Number of shares subject to presence conditions granted during the year	-
Number of shares forfeited or canceled during the year	6,231
Number of shares vested during the year	28
Number of shares at December 31, 2015 that may vest under this plan in respect of shares previously granted, subject to presence conditions	96,120
Diluted weighted average number of shares	99,255
Share price at the grant date (in euros)	52.69
Main market conditions at the grant date	
■ Risk-free interest rate	0.34%
■ Expected dividend rate	2.31%
Fair value in euros (per share)	€43.91

(1) i.e. 6.5% of the total authorized maximum granted without performance conditions, pursuant to the resolution (authorization capped at 15% of the total).

These transactions aim to develop employee share ownership by enabling all employees of French companies with at least three months seniority at the grant date to receive shares and thereby become Cap Gemini S.A. shareholders at the end of the vesting period. More than 20,000 employees were concerned by each share grant, with a differentiated share allocation based on annual salary (four categories): the lowest paid employees receiving more shares than the highest paid employees.

The Board of Director decisions were preceded each time by the signature of a company-wide agreement, in respect of payment of the profit-sharing bonus.

D) Redeemable share subscription or purchase warrants (BSAAR)

During 2009, 2,999,000 warrants were subscribed by employees and corporate officers of the Group (at a price of €3.22 per warrant). The exercise period commenced the date of listing of the BSAAR warrants on the Euronext Paris market on July 23, 2013 and terminates on the seventh anniversary of the issue date. Between July 23, 2009 and the date the warrants were admitted to trading on Euronext Paris, they could not be

exercised or transferred except under the conditions specified in the issue agreement. The issue was disclosed in a prospectus approved by the AMF on May 14, 2009 under reference number N°09-140.

Since the date of admission of the BSAAR warrants to trading on the Euronext Paris market, 2,646,368 BSAAR warrants have been exercised resulting in delivery of the same number of shares.

E) 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.

F) 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.

IMPACT OF INCENTIVE INSTRUMENTS AND EMPLOYEE SHARE OWNERSHIP PLANS

The following table breaks down by type of incentive and employee share ownership instrument, the expense recognized in “Other operating income and expense” (including payroll taxes and employer contributions) and the residual amount to be amortized in future periods.

	Note	2014		2015	
		Expense of the period	Residual amount to be amortized in future periods	Expense of the period	Residual amount to be amortized in future periods
<i>in millions of euros</i>					
Performance share plans		32	57	40	99
Other		4	3	2	1
TOTAL	7	36	60	42	100

G) 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 units at December 31, 2014 that may vest under the plan in respect of units previously granted subject to performance and presence conditions	-
Number of units subject to performance and presence conditions granted during the year	114,073
Number of units forfeited or cancelled during the year	-
Number of units vested during the year	-
Number of units at December 31, 2015 that may vest under the plan in respect of units previously granted subject to performance and presence conditions	114,073
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	x	1.0824
(closing price of the Cap Gemini S.A. on April 24, 2015)		(€/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 Cap Gemini S.A 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 an organic free cash flow 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 Cap Gemini share to outperform a reference basket comprising the CAC40 index and the following companies in equal weighting: Accenture, CSC, Atos, Tieto, CGI Group, Infosys, Sopra, 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 Cap Gemini S.A. share price between the vesting dates and July 1, 2019.

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, 2015, treasury shares were deducted from consolidated equity in the amount of €75 million. These consist of (i) 821,107 shares purchased between March and October 2015 under the share buyback program and (ii) 224,440 shares relating to the implementation of the liquidity agreement (the associated liquidity line is €14 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.

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 as evidenced by the use of the debt-to-equity ratio as a key performance indicator (see Note 29, Off-balance sheet commitments). At December 31, 2015, and following the acquisition of IGATE, the Group had net debt* of €1,767 million (compared with net cash and cash equivalents of €1,218 million at December 31, 2014). In order to best manage the structure of its capital, the Group can issue new shares, buy back its own shares, adjust the dividend paid to shareholders or enter into derivative instruments on its own shares.

It is recalled that in October 2013, the Group sold a call option on Cap Gemini S.A. shares to a bank counterparty. At December 31, 2015, the derivative instrument is recognized in equity in the amount of €65 million, after adjustment for the tax impact.

* *Net debt, the alternative performance indicator monitored by the Group is defined in Note 20, Net debt / Net cash and cash equivalents.*

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 Indian rupee against the euro, generating a positive impact on translation reserves, mainly due to the appreciation of those same currencies against the euro during 2015.

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 12 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 on an individual transaction basis.

Goodwill balances are allocated to the different cash-generating units (as defined in Note 14, 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 reserves. Changes in this put option resulting from any changes in estimates or the unwinding of the discount are also recognized through reserves. 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.

<i>in millions of euros</i>	Goodwill	Customer relationships	Licenses and software	Other intangible assets	Total
GROSS VALUE					
At January 1, 2014	3,652	201	207	251	4,311
Translation adjustments	176	11	7	-	194
Acquisitions / Increase	-	-	24	-	24
Internal developments	-	-	-	20	20
Disposals / Decrease	-	-	(13)	(1)	(14)
Business combinations	8	1	13	-	22
Other movements	(1)	-	(2)	-	(3)
At December 31, 2014	3,835	213	236	270	4,554
Translation adjustments	221	18	(2)	2	239
Acquisitions / Increase	-	-	37	-	37
Internal developments	-	-	-	33	33
Disposals / Decrease	-	-	(18)	(1)	(19)
Business combinations ⁽¹⁾	3,092	576	27	111	3,806
Other movements	-	-	2	(1)	1
AT DECEMBER 31, 2015	7,148	807	282	414	8,651
ACCUMULATED AMORTIZATION AND IMPAIRMENT ⁽²⁾					
At January 1, 2014	51	137	166	190	544
Translation adjustments	-	10	6	-	16
Charges and provisions	-	17	21	17	55
Disposals	-	-	(12)	-	(12)
Business combinations	-	-	11	-	11
Other movements	-	-	(2)	-	(2)
At December 31, 2014	51	164	190	207	612
Translation adjustments	2	5	(2)	-	5
Charges and provisions	40	43	26	20	129
Disposals	-	-	(18)	(1)	(19)
Business combinations ⁽¹⁾	-	-	19	3	22
Other movements	-	-	(1)	-	(1)
AT DECEMBER 31, 2015	93	212	214	229	748
NET VALUE					
At December 31, 2014	3,784	49	46	63	3,942
AT DECEMBER 31, 2015	7,055	595	68	185	7,903

(1) The Business combinations line is related to the acquisition of IGATE (see Note 2, Consolidation principles and Group structure);

(2) Goodwill is subject to impairment only.

Note 13 Property, plant and equipment

A) 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.

B) 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, with the related obligation 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.

<i>in millions of euros</i>	Land, buildings and fixtures and fittings	Computer equipment	Other PP&E	Total
GROSS VALUE				
At January 1, 2014	572	553	185	1,310
Translation adjustments	18	20	11	49
Acquisitions / Increase	37	94	21	152
Disposals / Decrease	(27)	(42)	(8)	(77)
Business combinations	16	17	4	37
Other movements	-	(7)	-	(7)
At December 31, 2014	616	635	213	1,464
Translation adjustments	7	12	6	25
Acquisitions / Increase	44	108	21	173
Disposals / Decrease	(22)	(70)	(11)	(103)
Business combinations ⁽¹⁾	283	56	37	376
Other movements	(1)	(8)	1	(8)
AT DECEMBER 31, 2015	927	733	267	1,927
ACCUMULATED DEPRECIATION AND IMPAIRMENT				
At January 1, 2014	304	380	132	816
Translation adjustments	10	13	6	29
Charges and provisions	46	87	16	149
Disposals	(21)	(35)	(7)	(63)
Business combinations	10	13	2	25
Other movements	-	(7)	-	(7)
At December 31, 2014	349	451	149	949
Translation adjustments	6	8	4	18
Charges and provisions	53	100	22	175
Disposals	(20)	(52)	(10)	(82)
Business combinations ⁽¹⁾	49	40	19	108
Other movements	-	(5)	1	(4)
AT DECEMBER 31, 2015	437	542	185	1,164
NET VALUE				
At December 31, 2014	267	184	64	515
AT DECEMBER 31, 2015	490	191	82	763

(1) The Business combinations line is related to the acquisition of IGATE (see Note 2, Consolidation principles and Group structure).

PROPERTY, PLANT AND EQUIPMENT PURCHASED UNDER FINANCE LEASE

Net (in millions of euros)	2014	2015
At January 1	156	104
Translation adjustments	6	3
Acquisitions / Increase	46	45
Charges and provisions	(41)	(41)
Business combinations	2	1
Other movements	⁽¹⁾ (65)	1
AT DECEMBER 31	104	113

(1) Including €61 million following exercise of the lease finance option by S.A.R.L. Immobilière Les Fontaines, leading to the transfer of the asset from PP&E purchased under finance lease to assets owned outright.

Note 14 Cash-generating units and asset impairment tests

Cash-generating units

The cash-generating units identified by the Group represent geographic areas and lines of development and strategic investment.

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).

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. Discount rates (based on the weighted average cost of capital) and long-term growth rates for the period beyond five years are based in the majority of cases on the average of a representative sample of projections by financial analysts who use these indicators to value the Group. 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."

4

GOODWILL PER CASH-GENERATING UNIT

The allocation of goodwill to cash-generating units breaks down as follows, noting that the goodwill arising on the IGATE acquisition of €3,092 million was allocated to the different Group cash-generating units at December 31, 2015 that will benefit from this acquisition.

<i>in millions of euros</i>	December 31, 2014			December 31, 2015		
	Gross value	Impairment	Net carrying amount	Gross value	Impairment	Net carrying amount
North America	687	(7)	680	2,114	(8)	2,106
France	1,057	(1)	1,056	1,450	(1)	1,449
United Kingdom and Ireland	569	-	569	1,062	-	1,062
Benelux	808	(12)	796	992	(12)	980
Southern Europe	50	-	50	129	-	129
Nordic countries	159	-	159	295	-	295
Germany and Central Europe	263	(31)	232	407	(32)	375
Asia-Pacific	62	-	62	560	-	560
Latin America	180	-	180	139	(40)	99
GOODWILL	3,835	(51)	3,784	7,148	(93)	7,055

This goodwill was tested for impairment at December 31, 2015 in line with the Group procedure for verifying the value of such assets.

In 2015, the Group used estimates produced by nine financial analysts, all of whom were included in the 2014 group of financial analysts. Long-term growth and discount rates used for Brazil and India have been calculated separately, taking account of the specific characteristics of these countries.

The change in discount rates arises from the three components used for the calculation: risk-free rates, the risk premium and the volatility of the Cap Gemini S.A. share price in relation to changes in its listed market ("beta").

Value in use is measured using the discounted future cash flow method and based on the following main assumptions:

- ▶ number of years over which cash flows are estimated: five years, based on data taken from the three-year strategic plan, with extrapolation of this data for the remaining period;
- ▶ long-term growth rate used to extrapolate to perpetuity final year estimated cash flows: 8.0% for Brazil (5.5% in 2014), 3.8% for India (stable on 2014) and 2.4% for the rest of the Group (2.3% in 2014);

- ▶ discount rate: 9.0% for North America (9.0% in 2014), 14.7% for Brazil (13.1% in 2014), 13.4% for India (12.5% in 2014), 8.7% for the United Kingdom (8.9% in 2014), and 8.5% for the rest of the Group (9.3% in 2014).

No impairment losses were recognized at December 31, 2015 as a result of these impairment tests, with the exception of the Latin American area where an impairment of €40 million was recognized to take account of the deteriorated outlook mainly due to the environment and economic situation in Brazil.

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 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, with the exception of the Latin America cash-generating unit where an impairment was recorded for €40 million.

* *Operating margin, the alternative performance indicator monitored by the Group is defined in Note 4, Consolidated Income Statement.*

Note 15 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, taking account of 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.

RECOGNIZED DEFERRED TAX ASSETS

Deferred tax assets and movements therein break down as follows:

<i>in millions of euros</i>	Note	Tax loss carry- forwards	Provisions for pensions and other post- employment benefits	Other deductible temporary differences	Total deferred tax assets
At January 1, 2014		629	252	142	1,023
Business combinations		-	5	6	11
Translation adjustments		26	14	4	44
Deferred tax recognized in the Income Statement	9	(58)	(5)	(4)	(67)
Deferred tax recorded in income and expense recognized in equity		5	48	-	53
Other movements		(3)	1	3	1
At December 31, 2014		(1) 599	315	151	1,065
Business combinations		13	4	(65)	(49)
Translation adjustments		32	7	(15)	24
Deferred tax recognized in the Income Statement	9	399	(13)	37	422
Deferred tax recorded in income and expense recognized in equity		(2)	7	11	17
Other movements, including offset with deferred tax liabilities		(95)	(24)	50	(68)
AT DECEMBER 31, 2015		947	296	169	1,412

(1) Including amortizable goodwill in the United States.

Recognized tax loss carry-forwards total €947 million at December 31, 2015 and primarily concern the United States in the amount of €639 million (US\$ 695 million) and France in the amount of €281 million.

US DEFERRED TAX ASSETS AND TAX LOSS CARRY-FORWARDS

The acquisition of Ernst & Young's North American consulting business in 2000 gave rise to the amortization for tax purposes, over a period of 15 years, of the difference between the acquisition price of the business and the tax base of the assets and liabilities acquired. Since 2000 and up to May 2015, the

annual amortization charge has been deducted each year from US tax profits. Annual tax losses can be carried forward for a period of 20 years.

At December 31, 2015, the cumulative amount of US tax losses carried forward totaled €2,977 million (US\$ 3,241 million).

The deferred tax asset was remeasured at December 31, 2015 in the amount of US\$ 528 million (€476 million) to US\$ 695 million (€639 million).

Accordingly, unrecognized deferred tax assets at this date represent a tax base of €1,324 million (US\$ 1,441 million), that is deferred tax assets of €518 million (US\$ 564 million).



UNRECOGNIZED DEFERRED TAX ASSETS

At December 31 (in millions of euros)	2014	2015
Deferred tax on tax loss carry-forwards	1,188	729
Deferred tax on other temporary differences	150	14
UNRECOGNIZED DEFERRED TAX ASSETS	1,338	743

EXPIRY DATES OF TAX LOSS CARRY-FORWARDS (TAXABLE BASE)

At December 31 (in millions of euros)	2014		2015	
	Amount	%	Amount	%
Between 1 and 5 years	94	2	115	2
Between 6 and 10 years	1,335	28	1,460	31
Between 11 and 15 years	1,204	25	1,238	27
Beyond 15 years (definite expiry date)	461	9	289	6
Carried forward indefinitely	1,745	36	1,572	34
TAX LOSS CARRY-FORWARDS (taxable base)	4,839	100	4,674	100
<i>o/w recognized tax losses (taxable base)</i>	<i>1,550</i>	<i>32</i>	<i>2,570</i>	<i>55</i>

DEFERRED TAX LIABILITIES

Deferred tax liabilities and movements therein break down as follows:

<i>in millions of euros</i>	Note	Tax-deductible goodwill amortization	Customer relationships	Amortized cost of bonds	Other taxable temporary differences	Total deferred tax liabilities
At January 1, 2014		54	21	5	78	158
Translation adjustments		4	-	-	1	5
Deferred tax recognized in the Income Statement	9	1	(5)	-	(14)	(18)
Deferred tax recorded in income and expense recognized in equity		-	-	-	12	12
Other movements		-	-	-	1	1
At December 31, 2014		59	16	5	78	158
Business combinations		-	78	-	56	134
Translation adjustments		4	(9)	-	-	(5)
Deferred tax recognized in the Income Statement	9	1	(12)	-	4	(7)
Other movements, including offset with deferred tax assets		-	(7)	-	(52)	(59)
AT DECEMBER 31, 2015		64	66	5	86	221

Note 16 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 payables 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, changes in 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 values measured based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities;
- ▶ Level 2: fair values 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 values 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).

December 31, 2015 (in millions of euros)	Notes	Net carrying amount		Fair value		
		Fair value	Amortized cost	Level 1	Level 2	Level 3
Financial assets						
Shares in non-consolidated companies	17	4				4
Shares in associates	17	1				1
Long-term deposits, receivables and other investments	17		96			
Other non-current assets	17		128			
Asset derivative instruments	17 - 19	310			310	
Accounts and notes receivables	18		3,055			
Other current assets	19		429			
Cash management assets	20	116		116		
Cash and cash equivalents	20	1,950		1,950		
Financial liabilities						
Bonds	20		3,633	3,768		
Obligations under finance leases	20		97			
Draw-downs on bank and similar facilities and other borrowings, net	20		81			
Other non-current liabilities	25		182			
Liability derivative instruments	25 - 27	185			185	
Accounts and notes payable	26		2,724			
Other current payables	27		59			
Bank overdrafts	20	2		2		

Note 17 Other non-current assets

At December 31 (in millions of euros)	Notes	2014	2015
Long-term deposits, receivables and other investments		71	96
Derivative instruments	22	141	225
Non-current tax receivables		39	88
Other		48	45
OTHER NON-CURRENT ASSETS	21	299	454

Long-term deposits, receivables and other investments consist mainly of "aides à la construction" (building aid program) loans and security deposits and guarantees relating in part to leases.

Derivative instruments consist of (i) the call option on own shares purchased by Cap Gemini S.A. on October 18, 2013, valued at €162 million at December 31, 2015 (€95 million at December 31, 2014) and (ii) the fair value of derivative instruments contracted

as part of the centralized management of currency risk in the amount of €63 million (the current portion amounts to €81 million, see Note 19, "Other current assets").

At December 31, 2015, non-current tax receivables include research tax credit receivables and competitiveness and employment tax credit receivables in France in the amount of €58 million (€39 million at December 31, 2014).

Note 18 Accounts and notes receivable

At December 31 (in millions of euros)	Note	2014	2015
Accounts receivable		1,834	1,924
Provisions for doubtful accounts		(20)	(15)
Accrued income		943	1,037
Accounts and notes receivable, excluding capitalized costs on projects	21	2,757	2,946
Capitalized costs on projects	21	92	109
ACCOUNTS AND NOTES RECEIVABLE		2,849	3,055

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	2014	2015
Accounts and notes receivable, excluding capitalized costs on projects	21	2,757	2,946
Advances from customers and billed in advance	21	(776)	(739)
TOTAL ACCOUNTS RECEIVABLE NET OF ADVANCES FROM CUSTOMERS AND BILLED IN ADVANCE		1,981	2,207
In number of days' annual revenue ⁽¹⁾		67	64

(1) This ratio is adjusted to take account of the impact of entries into the scope of consolidation.

In 2015, receivables totaling €43 million were assigned with transfer of credit risk as defined by IAS 39 to a financial institution (€33 million in 2014) and were therefore derecognized in the Statement of Financial Position at December 31, 2015.

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-2015, past due balances totaled €405 million, representing 21.2% of accounts receivable less provisions for doubtful accounts. The breakdown is as follows:

in millions of euros	< 30 days	> 30 days and < 90 days	> 90 days
Net accounts receivable	249	92	64
As a % of accounts and notes receivable, net of provisions for doubtful accounts	13.1%	4.8%	3.3%

Past due balances concern accounts receivable from clients which are individually analyzed and monitored.

CREDIT RISK

The Group's 5 largest clients contribute around 11% of Group revenues (down on 2014). The top 10 clients collectively account for 17% 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.

Note 19 Other current assets

At December 31 (in millions of euros)	Notes	2014	2015
Social security and tax-related receivables, other than income tax		219	167
Prepaid expenses		214	205
Derivative instruments	22	36	85
Other		43	57
OTHER CURRENT ASSETS	21	512	514

At December 31, 2015, 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 €37 million (€52 million at December 31, 2014), after recognition of research tax credit income deducted from operating expenses of €26 million (€22 million in 2014).

Note 20 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, and also include the fair value of hedging instruments relating to these items.

Net cash and cash equivalents or net debt 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	Note	2014	2015
Short-term investments		1,668	1,107
Cash at bank		473	843
Bank overdrafts		(1)	(2)
Cash and cash equivalents	21	2,140	1,948
Cash management assets		90	116
Bonds		(858)	(3,107)
Obligations under finance leases		(56)	(54)
Long-term borrowings		(914)	(3,161)
Bonds		(2)	(526)
Obligations under finance leases		(49)	(43)
Draw-downs on bank and similar facilities and other borrowings, net		(50)	(81)
Short-term borrowings		(101)	(650)
Borrowings		(1,015)	(3,811)
Derivative instruments ⁽¹⁾		3	(20)
(NET DEBT) / NET CASH AND CASH EQUIVALENTS		1,218	(1,767)

⁽¹⁾ Including the fair value of the conversion option embedded in the "ORNANE 2013" bonds, of the call option on own shares purchased by Cap Gemini S.A. on October 18, 2013 and of the 5-year EUR/USD fix-to-fix cross currency swaps set-up in June 2015 in respect of the IGATE acquisition financing.

SHORT-TERM INVESTMENTS

At December 31, 2015, short-term investments mainly consist of money market mutual funds, certificates of deposit 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 Cap Gemini S.A. at any time without penalty, as well as marketable securities held by certain IGATE group companies which do not meet all the 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) July 1, 2015 Bond issue

On June 24, 2015, Cap Gemini S.A. 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 + 85bp, 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 may be redeemed before these dates at the initiative of Cap Gemini S.A., 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 n°15-318.

b) “ORNANE 2013” Bond issue

On October 18, 2013, Cap Gemini S.A. 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) and maturing on January 1, 2019. Bondholders enjoy 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 Company benchmark share price during 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 enhance the effective dilution threshold of the ORNANEs by approximately 5%.

The bonds will not bear any interest (zero coupon bonds).

During the period from October 25, 2013 to December 31, 2016 (inclusive), bondholders may only exercise their share conversion rights in the limited circumstances listed in the prospectus.

From January 1, 2017 (inclusive), bondholders may exercise their share conversion rights at any time up to the eighteenth trading day (exclusive) preceding January 1, 2019.

On the exercise by bondholders of their share conversion rights, Cap Gemini S.A. may present, at its initiative, either: (i) a cash amount up to the nominal value of the bonds and new and/or existing shares thereafter, where applicable; or (ii) only new and/or existing shares.

The bonds will be redeemed at par on January 1, 2019 if share conversion rights are not exercised by bondholders.

The bond issue is also subject to standard early redemption, early repayment and *pari passu* clauses.

Given the settlement terms of the “ORNANE 2013” bonds, an embedded conversion option is recognized in “Other non-current liabilities”, with fair value movements taken to profit or loss.

In parallel and given its terms and conditions, the call option on own shares purchased on October 18, 2013 is recognized in assets. Fair value movements are taken to profit and loss and offset those on the embedded conversion option.

The terms and conditions of this issue were set out in the prospectus approved by the AMF on October 18, 2013 under reference number n°13-557.

c) 2011 Bond issue

On November 18, 2011, Cap Gemini S.A. performed a bond issue maturing on November 29, 2016. Bondholders enjoy all rights from November 29, 2011.

The total nominal amount of the issue was €500 million, comprising 5,000 bonds with a nominal value of €100,000 each. The bonds bear interest at 5.25% per year, potentially increasing to 6.50% in the event of a down-grading of Cap Gemini S.A.'s credit rating.

The bonds are redeemable in full on November 29, 2016. They may be redeemed before this date at the initiative of the Company, subject to certain conditions set out in the issue prospectus and particularly concerning the minimum redemption price. Bondholders may request the early redemption of all or part of their bonds in the event of a change in control of the Company, provided this change in control is accompanied by a downgrading of the Company's financial rating.

Early repayment may also be requested by any bondholder, subject to the occurrence of certain events and particularly failure to pay sums due in respect of the bond issue or to comply with other obligations set out in the documentation (beyond any "grace" periods, if applicable), cross default (in excess of a minimum threshold), liquidation or dissolution.

An upgrade or downgrade in Cap Gemini S.A.'s credit rating would not constitute an early repayment event.

Furthermore, Cap Gemini S.A. has undertaken that the bonds will rank *pari passu* with all other marketable bonds issued by the Company.

The terms and conditions of this issue were set out in the prospectus approved by the AMF on November 25, 2011 under reference number n°11-546.

IMPACT OF BONDS ON THE FINANCIAL STATEMENTS

	2014		2015				
	2011 Bond issue	"ORNANE 2013" bonds	2011 Bond issue	"ORNANE 2013" bonds	2015 Bond issue (July 2018)	2015 Bond issue (July 2020)	2015 Bond issue (July 2023)
At December 31 (in millions of euros)							
Equity component	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Option component in respect of the embedded conversion option	n/a	95	n/a	162	n/a	n/a	n/a
Debt component at amortized cost, including accrued interest	500	360	501	370	500	1,255	1,007
Effective interest rate	5.5%	2.7%	5.5%	2.7%	1.0%	1.9%	2.6%
Interest expense recognized in the Income Statement for the period	27	9	27	10	2	12	13
Nominal interest rate	5.3%	0.0%	5.3%	0.0%	0.8%	1.8%	2.5%
Nominal interest expense (coupon)	26	-	26	-	2	11	13

FAIR VALUE OF BONDS

	2014		2015				
	2011 Bond issue	"ORNANE 2013" bonds	2011 Bond issue	"ORNANE 2013" bonds	2015 Bond issue (July 2018)	2015 Bond issue (July 2020)	2015 Bond issue (July 2023)
At December 31 (in millions of euros)							
Fair value	548	387	525	391	506	1,293	1,053
Market rate	0.4%	0.8%	0.2%	0.8%	0.4%	1.2%	1.9%

B) Obligations under finance leases

<i>in millions of euros</i>	Earliest date of leases	Latest expiry date	Effective interest rate	December 31, 2015
Obligations under finance leases:				
Computer equipment and other fixed assets	2010	2020	4.1%	97
<i>o/w long-term obligations</i>				54
<i>o/w short-term obligations</i>				43

C) Breakdown of borrowings by currency

<i>in millions of euros</i>	At December 31, 2014			At December 31, 2015		
	Euro	Other currencies	Total	Euro	Other currencies	Total
2011 Bond issue	500	-	500	501	-	501
"ORNANE 2013" bonds	360	-	360	370	-	370
2015 Bond issue (July 2018)				500	-	500
2015 Bond issue (July 2020)				1,255	-	1,255
2015 Bond issue (July 2023)				1,007	-	1,007
Draw-downs on bank and similar facilities and other borrowings, net	1	49	50	-	81	81
Obligations under finance leases	41	64	105	52	45	97
Bank overdrafts	1	-	1	2	-	2
BORROWINGS	903	113	1,016	3,687	126	3,813

Obligations under finance leases are mainly denominated in pound sterling in the amount of €25 million (€39 million at December 31, 2014) and in US dollars in the amount of €15 million (€16 million at December 31, 2014).

D) Effective Interest Rate (EIR)

In 2015, the effective interest rate on the Group's average outstanding borrowings was 2.6% (4.3% in 2014). At December 31, 2015, 86% of the Group's borrowings are at fixed rates (98% in 2014) and the remainder is at floating rates.

E) Syndicated credit facility negotiated by Cap Gemini S.A.

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. In the event of exercise (subject to the approval of the banks) of two one-year extension options, exercisable at the end of the first and second years, respectively, the maturity of the new facility will be extended by a maximum of two additional years. Following the exercise of the first one-year extension option, the maturity of this credit facility was extended to July 28, 2020.

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 Cap Gemini S.A. The facility is also subject to a fee on undrawn amounts equal to 35% of the margin. Following the downgrade of Cap Gemini S.A.'s

credit rating to BBB by Standard & Poor's on April 27, 2015 after the announcement of the acquisition of IGATE, the margin applicable is now 0.45% and the fee on undrawn amounts is 0.1575%.

An upgrade or downgrade in Cap Gemini S.A.'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 at December 31, 2015.

NET DEBT / NET CASH AND CASH EQUIVALENTS 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 2011 and 2015 bond issues and the "ORNANE 2013" bonds 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.

<i>in millions of euros</i>	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, 2015							
Cash and cash equivalents	2016	1,948	1,948	1,948	-	-	-
Cash management assets	2016	116	116	116	-	-	-
2011 Bond issue	2016	(501)	(526)	(526)	-	-	-
"ORNANE 2013" bonds	2019	(370)	(400)	-	-	(400)	-
2015 Bond issue (July 2018)	2018	(500)	(511)	(4)	(4)	(503)	-
2015 Bond issue (July 2020)	2020	(1,255)	(1,360)	(22)	(22)	(1,316)	-
2015 Bond issue (July 2023)	2023	(1,007)	(1,200)	(25)	(25)	(75)	(1,075)
Obligations under finance leases	2016 to 2020	(97)	(103)	(47)	(33)	(23)	-
Draw-downs on bank and similar facilities and other borrowings, net	2016 to 2020	(81)	(158)	(91)	(17)	(50)	-
Borrowings		(3,811)	(4,258)	(715)	(101)	(2,367)	(1,075)
Derivative instruments on borrowings	n/a	(20)					
(NET DEBT)		(1,767)	(2,194)	1,349	(101)	(2,367)	(1,075)
Au December 31, 2014							
Cash and cash equivalents	2015	2,140	2,140	2,140	-	-	-
Cash management assets	2015	90	90	90	-	-	-
2011 Bond issue	2016	(500)	(552)	(26)	(526)	-	-
"ORNANE 2013" bonds	2019	(360)	(400)	-	-	(400)	-
Obligations under finance leases	2015 to 2019	(105)	(112)	(53)	(34)	(25)	-
Draw-downs on bank and similar facilities and other borrowings	2015	(50)	(52)	(52)	-	-	-
Borrowings		(1,015)	(1,116)	(131)	(560)	(425)	-
Derivative instruments on borrowings	n/a	3					
NET CASH AND CASH EQUIVALENTS		1,218	1,114	2,099	(560)	(425)	-

NET DEBT / NET CASH AND CASH EQUIVALENTS AND LIQUIDITY RISK

The financial liabilities whose repayment could expose the Group to liquidity risk are mainly the bond issues performed in 2015, the convertible bonds ("OCEANE 2013") and the 2011 bond issue.

To manage the liquidity risk that may result from financial liabilities 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 (€2,066 million at December 31, 2015), which could be increased by a multi-currency syndicated credit facility of €750 million (undrawn at December 31, 2015);
- ▶ actively managing the due dates of financial liabilities in order to limit the concentration of borrowings' 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 monetary market mutual funds, subject to minimum credit rating and diversification rules.

At December 31, 2015, short-term investments totaled €1,107 million and comprise mainly (i) monetary market mutual funds (FCP) meeting the criteria defined by the ESMA (European Securities and Market 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 21 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, 2015, cash and cash equivalents totaled €1,948 million (see Note 20, Net debt / Net cash and cash equivalents), down €192 million on December 31, 2014 (€2,140 million). Excluding the impact of exchange rate fluctuations on cash and cash equivalents of €26 million, this decrease is €218 million. Cash flow impacts are shown in the Consolidated Statement of Cash Flows.

NET CASH FROM OPERATING ACTIVITIES

In 2015, net cash from operating activities totaled €1,004 million (compared with €815 million in 2014) and resulted from:

- ▶ cash flows from operations before net finance costs and income tax in the amount of €1,301 million;
- ▶ payment of current income taxes in the amount of €137 million;
- ▶ an increase in working capital requirements, generating a negative cash impact of €160 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
	Notes	December 31, 2014	December 31, 2015	Net impact	Non WCR items ⁽¹⁾	Impact of WCR items	Net profit impact	Foreign ex-change impact	Reclassifications ⁽²⁾ and changes in Group structure	Amount
<i>in millions of euros</i>										
Accounts and notes receivable, excl. capitalized costs on projects	18	2,757	2,946	(189)	(9)	(198)	-	41	221	64
Capitalized costs on projects	18	92	109	(17)	-	(17)	-	6	1	(10)
Advances from customers and billed in advance	18	(776)	(739)	(37)	-	(37)	-	(24)	(25)	(86)
Change in accounts and notes receivable, advances from customers, amounts billed in advance and capitalized costs on projects				(243)	(9)	(252)	-	23	197	(32)
Accounts and notes payable (accounts payable)	26	(1,015)	(1,015)	-	(2)	(2)	-	(18)	(60)	(80)
Changes in accounts and notes payable				-	(2)	(2)	-	(18)	(60)	(80)
Other non-current assets	17	299	454	(155)	140	(15)	-	-	16	1
Other current receivables	19	512	514	(2)	(47)	(49)	6	(4)	44	(3)
Other non-current liabilities	25	(254)	(364)	110	(141)	(31)	-	36	6	11
Accounts and notes payable (excluding accounts payable)	26	(1,528)	(1,709)	181	35	216	-	(21)	(152)	43
Other current payables	27	(148)	(62)	(86)	(8)	(94)	(3)	18	(21)	(100)
Change in other receivables/payables				48	(21)	27	3	29	(107)	(48)
CHANGE IN OPERATING WORKING CAPITAL						(227)	3	34	(3) 30	(160)

(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;

(3) Change in Group structure into the consolidation scope reflects the acquisition of the IGATE group.

NET CASH USED IN INVESTING ACTIVITIES

The main components of net cash used in investing activities of €3,586 million (compared with €153 million in 2014) reflect:

- ▶ cash outflows relating to the acquisition of the IGATE group net of cash transferred in of €3,392 million;
- ▶ cash outflows net of disposals of €109 million, primarily relating to acquisitions of computer hardware for client projects or the partial renewal of IT installations and the renovation, extension and refurbishment of office space;
- ▶ cash outflows of €70 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 12, Goodwill and intangible assets).

NET CASH FROM FINANCING ACTIVITIES

Net cash inflows as a result of financing activities totaled €2,364 million (compared with cash outflows of €219 million in 2014) and mainly comprised:

- ▶ the 2015 bond issues for a net amount of €2,735 million;
- ▶ cash outflows of €615 million to redeem certain IGATE debts including €315 million (including premiums) in respect of a bond issue of a principal amount of US\$325 million and €212 million for the repayment of a bank loan with an outstanding principal of US\$234 million (see Note 2, Consolidation principles and Group structure);
- ▶ share capital increases of €564 million following the issue of new shares, including €500 million in the context of the financing of the IGATE group acquisition (see Note 2, Consolidation principles and Group structure);
- ▶ payment of the 2014 dividend of €198 million;
- ▶ cash outflows of €58 million to reimburse obligations under finance leases.

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 <i>(in millions of euros)</i>	2014	2015
Cash flows from operations	815	1,004
Acquisitions of property, plant and equipment and intangible assets	(150)	(198)
Proceeds from disposals of property, plant and equipment and intangible assets	8	19
Acquisitions of property, plant, equipment and intangible assets (net of disposals)	(142)	(179)
Interest paid	(35)	(38)
Interest received	30	28
Net interest cost	(5)	(10)
ORGANIC FREE CASH FLOW	668	815

Note 22 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 growing use of offshore production centers located in India, Poland 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 definition of 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 the coming 1 to 3 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 generally 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 2.5% change in revenues and a 3.2% change in the operating margin* amount. Similarly, a 10% fluctuation in the pound sterling-euro exchange rate would trigger a corresponding 1.8% change in revenues and a 2.3% change in the operating margin* amount.

B) Hedging derivatives

Amounts hedged at December 31, 2015 using forward purchase and sale foreign exchange contracts, mainly concern the parent company with respect to the centralized management of currency risk on operating transactions and inter-company financing transactions.

* Operating margin, the alternative performance indicator monitored by the Group is defined in Note 4, Consolidated Income Statement.

At December 31, 2015, 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		1,074	922	1,076	3,072
o/w	■ fair value hedge	273	-	-	273
	■ cash flow hedge	801	922	1,076	2,799
Financial transactions		314	46	1,010	1,370
o/w	■ fair value hedge	314	46	91	451
	■ cash flow hedge for the interest rate component and fair value hedge for the exchange rate component	-	-	919	919
TOTAL		1,388	968	2,086	4,442

Hedges contracted in respect of operating transactions mainly comprise forward purchase and sale foreign exchange contracts maturing between 2016 and 2018 with an aggregate euro-equivalent value at closing exchange rates of €3,072 million (€2,322 million at December 31, 2014). The hedges were chiefly taken out in respect of transactions in Indian rupee (INR 128,050 million), US dollars (USD 882 million), Polish zloty (PLN 659 million) and Pound Sterling (GBP 82 million).

The maturities of the hedges range from 1 to 36 months and the main counterparty is Cap Gemini S.A. for a euro-equivalent value of €2,924 million.

Hedges contracted in respect of financial transactions concern Cap Gemini S.A. in the amount of €1,370 million at December 31, 2015. They mainly comprise hedged inter-company loans for €1,356 million (€115 million at December 31, 2014), including €919 million in respect of EUR/USD fix-to-fix cross-currency swaps (see Note 2, Consolidation principles and Group structure). The residual balance primarily corresponds to loans denominated in US dollars and in Swedish krona.



The Group's overall exposure to currency risk on assets/liabilities primarily concerns the Group's internal financing activity.

At December 31, 2015 (in millions of euros)	US dollar	Swedish krona	Indian rupee	Euro	Pound sterling	Other currencies	Total
Assets	377	8	1	65	58	105	614
Liabilities	(1,062)	(135)	(96)	(89)	(37)	(57)	(1,476)
Net exposure in the Consolidated Statement of Financial Position							(862)
Hedging derivatives							766
NET EXPOSURE							(96)

C) Fair value of hedging derivatives

Hedging derivatives are recorded in the following accounts:

At December 31 (in millions of euros)	Notes	2014	2015
Other non-current assets	17	141	225
Other current assets	19	36	85
Other non-current liabilities	25	(95)	(182)
Other current payables	27	(1)	(3)
Fair value of hedging derivatives, net		81	125
Relating to:			
■ operating transactions		78	145
■ financial transactions		3	(20)

The main hedging derivatives comprise:

- ▶ the call option on own shares purchased by Cap Gemini S.A. on October 18, 2013 recorded in "Other non-current assets", valued at €162 million at December 31, 2015 (€95 million at December 31, 2014);
- ▶ 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 €63 million and in "Other current assets" in the amount of €81 million;
- ▶ the conversion option embedded in the "ORNANE 2013" bonds recorded in "Other non-current liabilities", valued at €162 million at December 31, 2015 (€95 million at December 31, 2014);
- ▶ EUR/USD fix-to-fix cross currency swaps recorded in "Other non-current liabilities" valued at €20 million at December 31, 2015.

The change in the period in derivative instruments hedging operating transactions recorded in income and expense recognized in equity breaks down as follows:

in millions of euros	2015
Hedging derivatives recorded in income and expense recognized in equity at January 1	69
Amounts reclassified to operating profit in respect of transactions performed	(4)
Fair value of derivative instruments hedging future transactions	59
HEDGING DERIVATIVES RECORDED IN INCOME AND EXPENSE RECOGNIZED IN EQUITY AT DECEMBER 31	124

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, 2015, the Group had €2,066 million in cash and cash equivalents, mainly invested at floating rates (or failing this, at fixed rates for periods of less than or equal to 3 months), and €3,813 million in gross indebtedness principally at fixed rates (86%) (see Note 20, Net debt / Net cash and cash equivalents). The high proportion of fixed-rate borrowings is due to the weight of bond issues in gross indebtedness.

B) Exposure to interest rate risk: sensitivity analysis

As 86% of Group borrowings were at fixed rates in 2015, 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 and cash management assets, a 100-basis point rise in interest rates would have had a positive impact of around €10 million on

the Group's net finance costs in 2015. Conversely, a 100-basis point fall in interest rates would have had an estimated €10 million negative impact on the Group's net finance costs.

C) Fair value of interest rate derivatives

An interest rate swap contract covering 50% of a finance lease taken out by S.A.R.L. Immobilière Les Fontaines (owner of Capgemini University) was entered into by the latter in 2003. This swap contract matured on July 31, 2014.

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, 2015, 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 23 Provisions for pensions and other post-employment benefits

4

A) 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.

B) 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 currency and term 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 transfers of defined benefit pension plans are recognized in "Other operating income" or "Other operating expenses."

The impact of discounting defined benefit obligations as well as the expected return on plan assets is recorded net in "Other financial income" or "Other financial expense."

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 directly 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). Movements during the last two fiscal years were as follows:

<i>in millions of euros</i>	Notes	Obligation		Plan assets		Net provision in the Consolidated Statement of Financial Position	
		2014	2015	2014	2015	2014	2015
PRESENT VALUE OF THE BENEFIT OBLIGATION AT JANUARY 1		3,428	4,432	(2,466)	(3,138)	962	1,294
Expense for the period recognized in the Income Statement		225	204	(116)	(120)	109	84
Service cost	6	69	71	-	-	69	71
Curtailments, settlements and plan transfers		-	(32)	-	-	-	(32)
Interest cost	8	156	165	(116)	(120)	40	45
Impact on income and expense recognized in equity		618	(177)	(362)	83	256	(94)
Change in actuarial gains and losses		618	(177)	-	-	618	(177)
<i>Impact of changes in financial assumptions</i>		603	(101)	-	-	603	(101)
<i>Impact of changes in demographic assumptions</i>		21	-	-	-	21	-
<i>Experience adjustments</i>		(6)	(76)	-	-	(6)	(76)
Return on plan assets ⁽¹⁾		-	-	(362)	83	(362)	83
Other		161	39	(194)	(107)	(33)	(68)
Contributions paid by employees		7	7	(7)	(7)	-	-
Benefits paid to employees		(98)	(141)	89	130	(9)	(11)
Contributions paid		-	-	(96)	(99)	(96)	(99)
Translation adjustments		235	170	(179)	(130)	56	40
Business combinations		15	3	-	(1)	15	2
Other movements		2	-	(1)	-	1	-
PRESENT VALUE OF THE BENEFIT OBLIGATION AT DECEMBER 31		4,432	4,498	(3,138)	(3,282)	1,294	1,216

(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 benefit pension plans. The plans are administered within trusts which are legally separate from the employer. They are governed by a board of directors comprising independent trustees and representatives of the employer.

The 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. In exchange, these individuals were given the opportunity to join a defined contribution pension plan.

Employees covered by defined benefit pension plans break down as follows:

- ▶ 964 current employees accruing pensionable service (995 at December 31, 2014);

- ▶ 7,889 former and current employees not accruing pensionable service (8,096 at December 31, 2014);
- ▶ 2,491 retirees (2,417 at December 31, 2014).

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.

Financial information
4.2 Consolidated financial statements

<i>in millions of euros</i>	Obligation		Plan assets		Net provision in the Consolidated Statement of Financial Position	
	2014	2015	2014	2015	2014	2015
PRESENT VALUE OF THE BENEFIT OBLIGATION AT JANUARY 1	2,512	3,252	(1,911)	(2,480)	601	772
Expense for the period recognized in the Income Statement	130	105	(89)	(95)	41	10
Service cost	14	15	-	-	14	15
Curtailments, settlements and plan transfers	-	(35)	-	-	-	(35)
Interest cost	116	125	(89)	(95)	27	30
Impact on income and expense recognized in equity	468	(156)	(329)	84	139	(72)
Change in actuarial gains and losses	468	(156)	-	-	468	(156)
<i>Impact of changes in financial assumptions</i>	456	(89)	-	-	456	(89)
<i>Impact of changes in demographic assumptions</i>	11	-	-	-	11	-
<i>Experience adjustments</i>	1	(67)	-	-	1	(67)
Return on plan assets ⁽¹⁾	-	-	(329)	84	(329)	84
Other	142	129	(151)	(142)	(9)	(13)
Contributions paid by employees	1	1	(1)	(1)	-	-
Benefits paid to employees	(54)	(73)	54	73	-	-
Contributions paid	-	-	(54)	(62)	(54)	(62)
Translation adjustments	195	201	(149)	(152)	46	49
Other movements	-	-	(1)	-	(1)	-
PRESENT VALUE OF THE BENEFIT OBLIGATION AT DECEMBER 31	3,252	⁽²⁾ 3,330	(2,480)	(2,633)	772	697

(1) After deduction of financial income on plan assets recognized in the Income Statement and calculated using the discount rate;

(2) The year-on-year decrease in the present value of the obligation is mainly due to the impact of an increase in the benchmark discount rate (3.6% to 3.8%).

In 2015, the curtailment following a plan change represents income of €35 million due to the decrease in the present value of the benefit obligation for the main Capgemini UK Plc. pension plan after an agreement was reached with certain members regarding a reduction in their defined benefits.

a) Main actuarial assumptions

Discount rate, salary inflation rate and inflation rate

<i>in %</i>	At December 31, 2014	At December 31, 2015
Discount rate	3.6	3.8
Salary inflation rate	3.1	2.4-3.2
Inflation rate	3.1	3.2

In 2015, the benchmark indexes used to calculate discount rates were similar to those used in previous years.

Mortality tables used are those commonly used in the United Kingdom.

b) Plan assets

<i>in millions of euros</i>	2014		2015	
Shares	1,363	55%	1,421	54%
Bonds and hedging assets	1,085	44%	1,168	44%
Other	32	1%	44	2%
TOTAL	2,480	100%	2,633	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 and bank loans. A portion of these investments seeks to hedge interest rate risk on the plan liabilities; this matching portfolio consists in UK government bonds (GILT), owned directly or borrowed via sale and repurchase agreements.

c) Sensitivity analysis

<i>in millions of euros</i>	Impact on the obligation at December 31, 2015	
	Increase	Decrease
Increase/decrease of 50 basis points in the discount rate	(328)	381
Increase/decrease of 50 basis points in the inflation rate	256	(260)
Increase/decrease of 50 basis points in the mortality rate	(43)	44

d) Future contributions

Contributions to defined benefit pension funds in the United Kingdom in respect of 2016 are estimated at €60 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, 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:

- ▶ 782 current employees accruing pensionable service (809 at December 31, 2014);
- ▶ 79 former and current employees not accruing pensionable service (79 at December 31, 2014);
- ▶ 275 retirees (262 at December 31, 2014).

<i>in millions of euros</i>	Obligation		Plan assets		Net provision in the Consolidated Statement of Financial Position	
	2014	2015	2014	2015	2014	2015
PRESENT VALUE OF THE BENEFIT OBLIGATION AT JANUARY 1	499	647	(403)	(470)	96	177
Expense for the period recognized in the Income Statement	42	65	(20)	(19)	22	46
Service cost	17	23	-	-	17	23
Curtailments, settlements and plan transfers	-	15	-	-	-	15
Interest cost	25	27	(20)	(19)	5	8
Impact on income and expense recognized in equity	102	(9)	(24)	(4)	78	(13)
Change in actuarial gains and losses	102	(9)	-	-	102	(9)
<i>Impact of changes in financial assumptions</i>	103	(10)	-	-	103	(10)
<i>Impact of changes in demographic assumptions</i>	10	-	-	-	10	-
<i>Experience adjustments</i>	(11)	1	-	-	(11)	1
Return on plan assets ⁽¹⁾	-	-	(24)	(4)	(24)	(4)
Other	4	(79)	(23)	45	(19)	(34)
Contributions paid by employees	4	4	(4)	(4)	-	-
Benefits paid to employees	(26)	(36)	25	35	(1)	(1)
Contributions paid	-	-	(25)	(19)	(25)	(19)
Translation adjustments	26	(47)	(19)	33	7	(14)
PRESENT VALUE OF THE BENEFIT OBLIGATION AT DECEMBER 31	647	624	(470)	(448)	177	176

⁽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

<i>in %</i>	At December 31, 2014	At December 31, 2015
Discount rate	4.0	4.0
Salary inflation rate	3.0	2.8
Inflation rate	2.0	2.0

In 2015, 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

<i>in millions of euros</i>	2014		2015	
Shares	287	61%	268	60%
Bonds and hedging assets	172	37%	170	38%
Other	11	2%	10	2%
TOTAL	470	100%	448	100%

Shares correspond to investments in equities or diversified growth investments, mainly in North America.

Bonds primarily comprise Canadian government bonds.

c) Sensitivity analysis

<i>in millions of euros</i>	Impact on the obligation at December 31, 2015	
	Increase	Decrease
Increase/decrease of 50 basis points in the discount rate	(53)	61
Increase/decrease of 50 basis points in the inflation rate	38	(34)
Increase/decrease of 50 basis points in the mortality rate	(2)	2

d) Future contributions

Contributions to the Canadian defined benefit pension funds in respect of 2016 are estimated at €15 million, including the funding of pension plan deficits defined as part of the regular actuarial valuations.

Note 24 Current and non-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:

<i>in millions of euros</i>	2014	2015
At January 1	58	72
Charge	25	64
Reversals (utilization of provisions)	(12)	(12)
Reversals (surplus provisions)	(14)	(18)
Other	15	12
AT DECEMBER 31	72	118

At December 31, 2015, current provisions (€90 million) and non-current provisions (€28 million) mainly concern risks relating to projects and contracts amounting to €99 million (€56 million at December 31, 2014) and risks relating to tax and labor disputes amounting to €19 million (€16 million at December 31, 2014).

Note 25 Other non-current liabilities

<i>At December 31 (in millions of euros)</i>	Notes	2014	2015
Special employee profit-sharing reserve		27	21
Derivative instruments	22	95	182
Liabilities related to acquisitions of consolidated companies		120	108
Non-current tax liabilities		-	18
Other		12	35
OTHER NON-CURRENT LIABILITIES	21	254	364

Liabilities related to acquisitions of consolidated companies consist for €108 million of put options granted to Caixa Participações and EMC in 2012 and 2013 on their investments in CPM Braxis and earn-outs granted at the time of certain acquisitions.

Derivative instruments primarily consist of the conversion option embedded in the "ORNANE 2013" bonds, valued at €162 million at December 31, 2015 and EUR/USD fix-to-fix cross currency swaps valued at €20 million at December 31, 2015.

Note 26 Accounts and notes payable

<i>At December 31 (in millions of euros)</i>	Note	2014	2015
Accounts payable		1,015	1,015
Accrued taxes other than income tax		386	390
Personnel costs		1,128	1,303
Other		14	16
ACCOUNTS AND NOTES PAYABLE	21	2,543	2,724

Note 27 Other current payables

At December 31 (in millions of euros)	Notes	2014	2015
Special employee profit-sharing reserve		15	11
Derivative instruments	22	1	3
Liabilities related to acquisitions of consolidated companies		90	8
Other		42	40
OTHER CURRENT PAYABLES	21	148	62

Early November 2015, the Group purchased the investment held by certain minority shareholders in CPM Braxis, in accordance with an agreement signed on the entry of the Group into the share capital of CPM Braxis in October 2010, for an amount of €76 million. Following this transaction, the Group now holds a stake of 75.72% in CPM Braxis.

Note 28 Number of employees

AVERAGE NUMBER OF EMPLOYEES BY GEOGRAPHIC AREA

	2014		2015	
	Employees	%	Employees	%
North America	10,064	7	12,627	8
France	22,667	17	23,558	15
United Kingdom and Ireland	9,007	7	8,759	5
Benelux	8,674	6	8,385	5
Southern Europe	7,350	5	7,414	5
Nordic countries	4,231	3	4,053	2
Germany and Central Europe	10,302	8	10,817	7
Asia-Pacific and Latin America	65,299	47	85,495	53
Not allocated	153	-	160	-
AVERAGE NUMBER OF EMPLOYEES	137,747	100	161,268	100

NUMBER OF EMPLOYEES AT DECEMBER 31 BY GEOGRAPHIC AREA

	2014		2015	
	Employees	%	Employees	%
North America	10,384	7	16,034	9
France	23,600	17	23,832	13
United Kingdom and Ireland	8,766	6	8,656	5
Benelux	8,547	6	8,307	5
Southern Europe	7,446	5	7,434	4
Nordic countries	4,145	3	4,007	2
Germany and Central Europe	10,484	7	11,233	6
Asia-Pacific and Latin America	70,122	49	100,977	56
Not allocated	149	-	159	-
NUMBER OF EMPLOYEES AT DECEMBER 31	143,643	100	180,639	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. These include the contracts signed with HM Revenue & Customs, Schneider Electric Industries, Euroclear, the Metropolitan Police, Ontario Power Generation Inc., Environment Agency, Johnson & Johnson Services, Inc., the Department of Work and Pensions, EMC and Michelin.

B) Commitments given on non-cancellable leases

Commitments given on non-cancellable leases break down by maturity as follows:

<i>in millions of euros</i>	Computer equipment	Offices	Vehicles and other non- cancellable leases	Total
Maturity				
< 1 year	10	197	58	265
1 to 5 years	9	404	79	492
> 5 years	-	70	-	70
AT DECEMBER 31, 2015	19	671	137	827
At December 31, 2014	30	625	122	777

Lease payments recognized in the Income Statement in 2015 totaled €350 million (€319 million in 2014).

C) Other commitments given

Other commitments given total €29 million at December 31, 2015 (€34 million at December 31, 2014) and mainly comprise firm purchase commitments relating to goods or services in the United Kingdom and in France.

D) Other commitments received

Other commitments received total €112 million at December 31, 2015 (€50 million at December 31, 2014) and primarily comprise:

- ▶ commitments received on client contracts: in the context of a contract signed in 2010, Capgemini Group received a limited financial guarantee of €50 million from the client;
- ▶ commitments received following the purchase of shares held by certain minority shareholders of CPM Braxis for an amount of €44 million.

OFF-BALANCE SHEET COMMITMENTS RELATING TO GROUP FINANCING

A) Bonds

With regard to the 2011 bond issue, the "ORNANE 2013" bonds and the 2015 bond issues detailed in Note 20, Net debt / Net cash and cash equivalents, Cap Gemini S.A. has committed to standard obligations and particularly to maintain *pari passu* status with all other marketable bonds that may be issued by the Company.

In addition, certain clients enjoy:

- ▶ limited financial guarantees issued by the Group and totaling €1,601 million at December 31, 2015 (€1,367 million at December 31, 2014);
- ▶ bank guarantees borne by the Group and totaling €172 million at December 31, 2015 (€105 million at December 31, 2014).

B) Syndicated credit facility obtained by Cap Gemini S.A. and not drawn to date

Cap Gemini S.A. has agreed to comply with the following financial ratios (as defined in IFRS) in respect of the credit facility disclosed in Note 20, Net debt / Net cash and cash equivalents:

- ▶ 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).

At December 31, 2014 and 2015, the Group complied with these financial ratios.

The credit facility agreement also includes covenants restricting Cap Gemini S.A.'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. Cap Gemini S.A. 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, 2015, these related to finance leases for an amount of €97 million and other borrowings in the amount of €12 million.

* The alternative performance measures monitored by the Group (operating margin and net debt) are defined in Note 4, Consolidated Income Statement and Note 20, Net Debt / Net cash and cash equivalents, respectively.

CONTINGENT LIABILITIES

During 2015 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 2009 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.

Note 30 Related-party transactions

ASSOCIATES

Associates are equity-accounted companies over which the Group exercises significant influence. At December 31, 2015, O2C Pro LLC is the only company equity-accounted by the Group since its acquisition in 2011. Transactions with this equity associate in 2015 were performed at arm's length and were of immaterial volume.

- ▶ 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 Participações, a minority shareholder, is also one of the main clients of CPM Braxis, accounting for approximately 18% of its revenues.

OTHER RELATED-PARTIES

In 2015, no material transactions were carried out with:

- ▶ shareholders holding significant voting rights in the share capital of Cap Gemini S.A.;

GROUP MANAGEMENT COMPENSATION

The table below provides a breakdown of the 2014 and 2015 compensation of members of management bodies encompassing the Group operating management structure at each year-end, comprising 24 members in 2015 (20 members in 2014) and Directors (compensation and attendance fees).

<i>in thousands of euros</i>	2014	2015
Short-term benefits excluding employer payroll taxes ⁽¹⁾	19,320	23,185
<i>o/w attendance fees to salaried Directors</i>	53	65
<i>o/w attendance fees to non-salaried Directors ^{(2) (3)}</i>	725	779
Short-term benefits: employer payroll taxes ⁽⁴⁾	7,495	6,328
Post-employment benefits ⁽⁵⁾	845	1,184
Share-based payment ⁽⁶⁾	5,493	6,035

⁽¹⁾ Includes gross wages and salaries, bonuses, profit-sharing, attendance fees and benefits in kind;

⁽²⁾ Note that Serge Kampf and Paul Hermelin have waived receipt of their attendance fees since 2011;

⁽³⁾ 12 directors in 2014 and in 2015;

⁽⁴⁾ This amount includes the 30% contribution due on the grant of performance shares as well as the contribution paid on high executive compensation in 2014;

⁽⁵⁾ Primarily contractual retirement termination payments;

⁽⁶⁾ Representing the annual expense relating to the grant of performance shares.

Note 31 Subsequent events

At the Combined Shareholders' Meeting, the Board of Directors will recommend a dividend payout to Cap Gemini S.A. shareholders of €1.35 per share in respect of 2015. A dividend of €1.20 per share was paid in respect of fiscal year 2014.

On January 5, 2016, the Group purchased Oinio in Germany, which will be consolidated from January 1, 2016.



Note 32 List of the main consolidated companies by country

FC = Full consolidation

EM = Equity method

Country	List of the main companies consolidated at December 31, 2015	% interest	Consolidation Method
ARGENTINA	Capgemini Argentina S.A.	100.00%	FC
AUSTRALIA	Capgemini Australia Pty Ltd.	100.00%	FC
AUSTRIA	Capgemini Consulting Österreich AG	100.00%	FC
BELGIUM	Capgemini Belgium N.V./S.A.	100.00%	FC
	Sogeti Belgium S.A.	100.00%	FC
BRAZIL	Capgemini Business Services Brasil - Assessoria Empresarial Ltda.	100.00%	FC
	Consultoria de Gestao Gemini Ltda.	100.00%	FC
	CPM Braxis S.A.	75.72%	FC
	CPM Braxis Tecnologia, Ltda.	75.72%	FC
CANADA	Capgemini Canada Inc.	100.00%	FC
	Capgemini Financial Services Canada Inc.	100.00%	FC
	Gestion Capgemini Québec Inc.	100.00%	FC
	IGATE Technologies (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
CHILE	Capgemini Business Services Chile Ltda.	100.00%	FC
CHINA	Capgemini (China) Co., Ltd.	100.00%	FC
	Capgemini (Hangzhou) Co., Ltd.	100.00%	FC
	Capgemini (Kun Shan) Co., Ltd.	100.00%	FC
	Capgemini Business Services (China) Ltd.	100.00%	FC
	IGATE Computer Systems (Suzhou) Co., Ltd.	99.49%	FC
	Praxis Beijing Technology Co. Ltd.	100.00%	FC
COLOMBIA	Capgemini Colombia S.A.S	100.00%	FC
CZECH REPUBLIC	Capgemini Czech Republic s.r.o.	100.00%	FC
DENMARK	Capgemini Sogeti Danmark A/S	100.00%	FC
FINLAND	Capgemini Finland Oy	100.00%	FC
	Sogeti Finland Oy	100.00%	FC
FRANCE	Bacelite S.A.S.	100.00%	FC
	Cap Gemini S.A.	Parent Company	FC
	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 OS Electric 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
	Capgemini Université S.A.S.	100.00%	FC
	Cloud ERP Solutions S.A.S	100.00%	FC
	Immobilière Les Fontaines S.A.R.L.	100.00%	FC
	Open Cascade S.A.S.	100.00%	FC
Prosodie S.A.S.	100.00%	FC	

Financial information
4.2 Consolidated financial statements

Country	List of the main companies consolidated at December 31, 2015	% interest	Consolidation Method
FRANCE	SCI Paris Etoile	100.00%	FC
	Silgem S.A.S.	50.00%	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
	Patni Computer Systems GmbH	99.49%	FC
	Sogeti Deutschland GmbH	100.00%	FC
GUATEMALA	Capgemini Business Services Guatemala S.A.	100.00%	FC
HONG KONG	Capgemini Hong Kong Ltd.	100.00%	FC
HUNGARY	Capgemini Magyarorszag Kft.	100.00%	FC
INDIA	Capgemini Business Services (India) Pvt Ltd.	100.00%	FC
	Capgemini India Pvt Ltd.	100.00%	FC
	IGATE Global Solutions Ltd.	99.49%	FC
	IGATE Infrastructure Management Services Ltd.	99.49%	FC
INDONESIA	Patni Computer Systems Indonesia	99.49%	FC
IRELAND	Sogeti Ireland Ltd.	100.00%	FC
ITALY	Capgemini BS S.r.l.	100.00%	FC
	Capgemini BST S.p.A.	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
	IGATE Technologies Luxembourg S.à.r.l.	100.00%	FC
	Sogeti Luxembourg S.A.	100.00%	FC
MALAYSIA	Capgemini Services Malaysia Sdn. Bhd.	100.00%	FC
MEXICO	Capgemini Mexico S. de R.L. de C.V.	100.00%	FC
	IGATE Global Solutions Mexico S.A. de C.V.	99.49%	FC
	PCS Computer Systems Mexico, S.A. de C.V.	99.49%	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
	IBX Norge AS	100.00%	FC
	Sogeti Norge AS	100.00%	FC
PHILIPPINES	Capgemini Philippines Corp.	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
ROMANIA	Capgemini Services Romania s.r.l.	100.00%	FC
RUSSIA	Datavision NN	100.00%	FC
SAUDI ARABIA	Capgemini Saudi Ltd.	100.00%	FC

Country	List of the main companies consolidated at December 31, 2015	% interest	Consolidation Method
SINGAPORE	Capgemini Asia Pacific Pte Ltd.	100.00%	FC
	Capgemini Singapore Pte. Ltd.	100.00%	FC
	IGATE Singapore Pte. Ltd.	99.49%	FC
SLOVAKIA	Capgemini Slovensko s.r.o.	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
	IBX Group AB	100.00%	FC
	Sogeti Sverige AB	100.00%	FC
	Sogeti Sverige Mitt AB	100.00%	FC
SWITZERLAND	Capgemini Suisse S.A.	100.00%	FC
	Sogeti Suisse S.A.	100.00%	FC
UNITED ARAB EMIRATES	Capgemini Middle East FZ LLC	100.00%	FC
	Thesys Technologies LLC	49.00%	FC
UNITED KINGDOM	Capgemini Financial Services UK Ltd.	100.00%	FC
	Capgemini UK plc	100.00%	FC
	CGS Holdings Ltd.	100.00%	FC
	IGATE Computer Systems (UK) Ltd.	100.00%	FC
	IGATE Information Services (UK) Ltd.	100.00%	FC
	Sogeti UK Ltd.	100.00%	FC
UNITED STATES	Capgemini America, Inc.	100.00%	FC
	Capgemini Business Services USA LLC	100.00%	FC
	Capgemini Financial Services International Inc.	100.00%	FC
	Capgemini Financial Services USA Inc.	100.00%	FC
	Capgemini Government Solutions LLC	100.00%	FC
	Capgemini North America, Inc.	100.00%	FC
	Capgemini Technologies LLC	100.00%	FC
	Capgemini US LLC	100.00%	FC
	CHCS Services, Inc.	100.00%	FC
	IGATE Corporation	100.00%	FC
	IGATE Technologies, Inc.	100.00%	FC
	O2C Pro, LLC	49.00%	EM
	Sogeti USA LLC	100.00%	FC
VIETNAM	Capgemini Vietnam Co., Ltd.	100.00%	FC

4.2.7 Statutory auditors' report on the consolidated financial statements

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 users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

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 31 December 2015

To the Shareholders

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended 31 December 2015, on:

- ▶ the audit of the accompanying consolidated financial statements of CAP GEMINI SA;
- ▶ the justification of our assessments;
- ▶ the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I - Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 31 December 2015 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.

II - Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- ▶ Note 5 to the consolidated financial statements sets out the methods used to account for revenues and costs related to long-term contracts. As part of our assessments, we ensured that the above-mentioned accounting rules and principles adopted by your Group were properly applied and verified that the information provided in the note above was appropriate. We also obtained assurance that the estimates used were reasonable.
- ▶ Goodwill of €7,055 million is recorded in the consolidated balance sheet. The approach adopted by the Group as well as the accounting principles and methods applied to determine the value in use of these assets are described in Note 14 to the consolidated financial statements. As part of our assessments, we verified whether the approach applied was correct and that the assumptions used and resulting valuations were consistent overall.
- ▶ Deferred tax assets amounting to €1,412 million are recorded in the consolidated balance sheet. Note 15 to the consolidated financial statements describes the methods used to calculate the value of these assets. As part of our assessments, we verified the overall consistency of the information and assumptions used to perform these calculations.

These assessments were made in the context of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III - Specific verification

As required by law, we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

The statutory auditors

Neuilly-sur-Seine, February 26, 2016
PricewaterhouseCoopers Audit

Françoise Garnier
Partner

Paris La Défense, February 26, 2016
KPMG Audit
Division of KPMG S.A.

Frédéric Quélin
Partner

4.3

Comments on the Cap Gemini S.A. Financial Statements

INCOME STATEMENT

The Company reported **operating income** for the year ended December 31, 2015 of €312 million (including €258 million in royalties received from subsidiaries) compared with €248 million last year (including €237 million in royalties).

Operating profit is €175 million, compared with €177 million in 2014.

The increase in royalties invoiced to subsidiaries in 2015 was partially offset during the year by fees relating to the US\$3,800 million bridge loan secured in connection with the acquisition of the US company IGATE.

Net financial income totaled €1,037 million (compared with €1,020 million in 2014) and reflects the difference between:

- ▶ income of €1,854 million, mainly comprising reversals of provisions for equity interests (€1,417 million) and particularly €908 million in respect of the US subsidiary following the organic improvement in Capgemini's profitability in the United States combined with the acquisition of IGATE, foreign exchange gains on the pooling of currency risk at Group level (€272 million), dividends received from subsidiaries (€55 million) and income from loans granted to subsidiaries (€39 million);
- ▶ expenses of €817 million, mainly comprising charges to provisions for equity interests (€383 million), a charge to the provision on a call option on own shares sold on October 18, 2013 (€113 million), foreign exchange losses on the pooling of currency risk at Group level (€242 million), as well as the interest expense on bond issues and a currency swap (€68 million).

This €17 million improvement in net financial income year-on-year was mainly due to the increase in reversals of provisions for equity interests.

The net non-recurring expense is €25 million compared with €2 million in 2014, attributable to the loss recognized on the transfer of shares on the exercise of BSAAR warrants (€27 million).

After an **income tax expense** of €30 million (compared with €34 million in 2014), reflecting the income tax expense of the tax consolidation group, the Company reported a **net profit** of €1,157 million.

BALANCE SHEET

Net investments rose from €10,200 million last year to €15,060 million at December 31, 2015. This €4,860 million increase is mainly attributable to:

- ▶ a share capital increase by a North American subsidiary in the amount of €2,515 million and two loans granted to the same subsidiary totaling €1,123 million as part of the IGATE acquisition;
- ▶ net reversals of provisions for equity interests of €1,034 million;
- ▶ share capital increases by European subsidiaries in the amount of €145 million;
- ▶ a net increase in loans granted to subsidiaries of €34 million;
- ▶ a €16 million increase in other long-term investments corresponding to the net impact of treasury share transactions during the year.

Shareholders' equity is €11,037 million, up €1,524 million on last year. This increase essentially reflects the difference between:

- ▶ net profit for 2015 (€1,157 million);
- ▶ the share capital increase net of issue costs and tax of €496 million following the issue of 6.7 million new shares;
- ▶ the share capital increase of €64 million following the issue of shares on the exercise of BSAAR warrants;
- ▶ the May 20, 2015 dividend payment of €1.20 per share on the 165,317,556 shares making up the Company's share capital at May 18, 2015 (after neutralization of the 117,564 treasury shares held by the Company), representing a total payment of €198 million.

Borrowings totaled €4,612 million at December 31, 2015, up €2,867 million compared with December 31, 2014. This increase was mainly due to:

- ▶ the three bond issues performed on July 1, 2015 for €2,750 million;
- ▶ the €108 million increase in outstanding inter-company loans;
- ▶ the €9 million increase 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 cash and cash equivalents of the Company.

Cash and cash equivalents net of borrowings totaled negative €3,365 million at the end of 2015, compared with negative €5 million at December 31, 2014. This €3,360 million deterioration was mainly due to:

- ▶ the share capital increase net of issue costs of €496 million;
- ▶ the collection of brand royalties and other income of €311 million;
- ▶ dividends received from subsidiaries of €55 million;
- ▶ payments in respect of share capital increases performed by subsidiaries of €2,660 million, including €2,515 million for a US subsidiary and €145 million for European subsidiaries;
- ▶ new loans net of repayments granted to subsidiaries of €1,151 million, including €1,105 million to a US subsidiary in the context of the IGATE acquisition;

- ▶ payment of the 2014 dividend for €198 million;
- ▶ payments relating to the acquisition of shares under the share buyback program authorized by the Combined Shareholders' Meeting of May 7, 2014 and May 6, 2015 of €107 million;
- ▶ the increase in current account advances to Group subsidiaries of €17 million.

In addition to the above, the following information is required by law:

- ▶ External accounts payable of Cap Gemini S.A. total €96 thousand, €47 thousand of which are not yet due. Group accounts payable total €5.2 million, none of which are due.

APPROPRIATION OF EARNINGS

During its meeting of February 17, 2016, 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	€1,156,946,800.03
Allocation to the legal reserve	€37,099.20
i.e. a balance of	€1,156,909,700.83
Retained earnings of previous years	€1,449,263,790.24
i.e. Distributable earnings at December 31, 2015 of	€2,606,173,491.07
This amount will be allocated to:	
■ payment of a dividend of €1.35 per share:	€232,445,025.00
■ retained earnings for the balance	€2,373,728,466.07
Giving a total of:	€2,606,173,491.07



This dividend of €1.35 for each of the 172,181,500 shares bearing dividend rights on January 1, 2016, 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*). Taking account of the recommendations of certain investors, and so as not to encourage security lending/borrowing transactions around the date of the Combined Shareholders' Meeting scheduled for May 18, 2016, the Board of Directors proposes an ex-dividend date of Monday, May 30, 2016 and a dividend payment date of Wednesday, June 1, 2016. If, at the time of payment of the dividend, the Company still holds some of its own shares, the dividend amount for these shares will be allocated to retained earnings. Furthermore, pursuant to Article 243 bis of the French Tax Code, it is recalled that dividends paid over the past three fiscal years were as follows:

- ▶ €198,381,067.20 for 2014 (€1.20 per share);
- ▶ €176,349,599.80 for 2013 (€1.10 per share);
- ▶ €162,055,362.00 for 2012 (€1 per share).

All of these dividends were fully eligible for the 40% tax rebate set out in Article 158.3.2° of the French Tax Code.

SHARE CAPITAL AND OWNERSHIP STRUCTURE

At December 31, 2015, the share capital amounted to €1,377,452,000 (compared with €1,308,743,592 at December 31, 2014) following:

- ▶ the exercise of 1,888,545 redeemable share subscription or purchase warrants (BSAAR) during the year;
- ▶ the early grant of 6 shares due to disability under a free share grant plan;
- ▶ the issue of 6,700,000 shares following the share capital increase by private placement with suppression of pre-emptive subscription rights as part of the refinancing of the bridge loan secured to finance the acquisition of IGATE.

Pursuant to Article L.233-13 of the French Commercial Code (*Code de commerce*) and based on notifications received, two shareholders held more than 5% of the Company's share capital and voting rights at the year-end:

- ▶ The US company, **BlackRock Inc.**⁽¹⁾, acting on behalf of clients and managed funds.
- ▶ **Société Générale**⁽²⁾.

The limited liability company, Amundi Group⁽³⁾, acting on behalf of managed funds, disclosed that it had raised and then reduced its interest above and below the threshold of 5% of the Company's share capital and voting rights on March 4 and 13, 2015, respectively, as a result of an acquisition followed by a disposal of Cap Gemini shares on the market and holds 4.99% of the Company's share capital and voting rights on behalf of such funds.

The limited liability company, Amundi, acting on behalf of the Capgemini ESOP FCPE (employee savings mutual fund) which it manages, disclosed that it reduced its interest below the threshold of 5% of the Company's share capital and voting rights on July 1, 2015 and holds 4.97% of the Company's share capital and voting rights⁽⁴⁾.

(1) BlackRock's investment is held on behalf of clients, but the investment manager has the discretionary power to exercise the voting rights attached to the shares held, except at the express request of clients to retain control of their voting rights.

(2) This threshold crossing disclosure follows the repeal of the so-called "trading" exception which exempted providers of investment services from including in their threshold crossing disclosures certain agreements or financial instruments considered to have an economic effect similar to the ownership of shares, following the enactment into French law of the revised transparency directive 2013/50/EU by Order no.2015-1576 of December 3, 2015 (e.g. forward purchase with physical settlement).

(3) Held 80% by Crédit Agricole group and 20% by Société Générale group. The limited liability companies, Amundi, Société Générale Gestion, Etoile Gestion, CPR Asset Management and BFT Gestion are management companies controlled by Amundi Group and have a common voting policy. These management companies act independently of Crédit Agricole and Société Générale, in accordance with the conditions laid down in Articles L.233-9 II of the French Commercial Code and Articles 223-12 and 223-12-1 of the AMF General Regulations.

(4) This threshold was crossed as a result of the increase in the total number of the Company's shares and voting rights.

4.4 2015 financial statements

4.4.1 Balance Sheet at December 31, 2014 and 2015

	12/31/2014	12/31/2015		
	Net	Gross	Depreciation, amortization and provisions	Net
<i>in thousands of euros</i>				
Assets				
Intangible assets				
Trademarks, patents and similar rights	3,083	38,014	(34,010)	4,004
Property, plant and equipment	224	224	-	224
Financial fixed assets				
Equity interests	10,054,969	17,503,686	(3,755,180)	13,748,506
Receivable from controlled entities*	90,264	1,241,389	-	1,241,389
Other financial fixed assets*	54,357	70,402	-	70,402
NON-CURRENT ASSETS	10,202,897	18,853,715	(3,789,190)	15,064,525
Accounts and notes receivable*	-	82	(71)	11
Other receivables*	97,829	111,715	-	111,715
Receivable from related and associated companies*	33,270	82,021	-	82,021
Marketable securities	1,075,139	556,727	-	556,727
Cash and cash equivalents	665,189	691,086	-	691,086
CURRENT ASSETS	1,871,428	1,441,631	(71)	1,441,559
Prepaid expenses*	33,992	28,372	-	28,372
Deferred charges	10,026	17,746	-	17,746
Unrealized foreign exchange losses	2,391	143	-	143
OTHER ASSETS	46,409	46,261	-	46,261
TOTAL ASSETS	12,120,733	20,341,607	(3,789,261)	16,552,346
* of which due within one year	252,108	271,386	-	271,314

<i>in thousands of euros</i>	12/31/2014	12/31/2015
Shareholders' equity and liabilities		
Share capital (fully paid-up)	1,308,744	1,377,452
Additional paid-in capital	5,851,791	6,340,387
Legal reserve	130,874	137,708
Other reserves	559,573	559,573
Retained earnings	486,444	1,449,264
Profit for the year	1,161,201	1,156,947
Tax-driven provisions	14,627	15,948
Shareholders' equity	9,513,254	11,037,278
Provisions for contingencies and losses	54,891	113,659
Convertible bonds*	400,000	400,000
Bond issue	500,000	3,250,000
Bank loans and borrowings*	649,100	658,596
Payable to controlled entities*	196,053	303,670
Borrowings*	1,745,153	4,612,267
Accounts and notes payable*	4,440	3,309
Tax and social security liabilities*	2,563	3,283
Payable to related and associated companies*	764,182	745,834
Other payables*	642	940
Prepaid income	35,567	35,567
Unrealized foreign exchange gains	41	208
Other liabilities	807,435	789,142
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	12,120,733	16,552,346
<i>* of which due within one year.</i>	1,605,980	2,073,414

4.4.2 Income Statement for the years ended December 31, 2014 and 2015

<i>in thousands of euros</i>	2014	2015
Royalties	236,631	258,400
Reversals of depreciation, amortization and provisions, expense transfers	3,133	11,555
Other income	8,552	41,724
Total operating income	248,316	311,679
Other purchases and external charges	41,823	72,344
Taxes, duties and other levies	8,512	9,566
Depreciation and amortization	720	4,216
Charges to provisions	10,447	8,330
Other expenses	9,669	42,120
Total operating expenses	71,171	136,575
Operating profit	177,145	175,103
Investment income ⁽¹⁾	83,321	54,965
Income from other marketable securities and amounts receivable on non-current assets ⁽¹⁾	3,482	38,590
Other interest income ⁽¹⁾	9,690	15,131
Reversals of provisions	992,022	1,472,213
Foreign exchange gains	143,033	272,180
Net proceeds on disposals of marketable securities	1,010	1,065
Total financial income	1,232,558	1,854,144
Depreciation, amortization and provisions relating to financial items	68,600	496,659
Interest and similar expenses ⁽²⁾	29,204	78,320
Foreign exchange losses	115,023	242,378
Total financial expenses	212,827	817,357
Net finance income (expense)	1,019,731	1,036,787
Recurring profit before tax	1,196,876	1,211,890
Non-recurring income from operations	22	-
Non-recurring income from capital transactions	2,385	3,405
Total non-recurring income	2,407	3,405
Non-recurring expenses on operations	1,157	26,723
Non-recurring expenses on capital transactions	1,631	773
Exceptional depreciation, amortization and provisions	1,740	1,320
Total non-recurring expenses	4,528	28,816
Net non-recurring income (expense)	(2,120)	(25,411)
Income tax expense	(33,555)	(29,532)
PROFIT FOR THE YEAR	1,161,201	1,156,947
<i>(1) of which income concerning related companies</i>	89,358	95,496
<i>(2) of which interest concerning related companies</i>	1,570	9,109

4.4.3 Notes to the financial statements

I - ACCOUNTING POLICIES

The annual financial statements for the year ended December 31, 2015 are prepared and presented in accordance with Regulation No. 2014-03 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.

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, 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 Cap Gemini S.A. 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 Cap Gemini S.A. 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. The fair value of financial instruments, which is not recognized in the accounts of the Company in accordance with French accounting principles, is estimated based on market prices or pricing data provided by banks.

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 consolidated tax returns 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 CAP GEMINI S.A. BALANCE SHEET AND INCOME STATEMENT

1. Non-current assets

<i>in thousands of euros</i>	Gross value (January 1)	Increase	Decrease	Gross value (December 31)
Intangible assets				
Trademarks, patents and similar rights	36,712	1,302	-	38,014
Sub-total	36,712	1,302	-	38,014
Property, plant and equipment				
	224	-	-	224
Sub-total	224	-	-	224
Financial fixed assets				
Equity interests	14,844,426	2,659,555	(295)	17,503,686
Receivable from controlled entities	90,264	1,210,300	(59,175)	1,241,389
Other financial fixed assets	54,402	387,099	(371,099)	70,402
Sub-total	14,989,091	4,256,954	(430,569)	18,815,477
TOTAL NON-CURRENT ASSETS	15,026,027	4,258,256	(430,569)	18,853,715

Equity interests

Equity interests comprise shares in the Company's subsidiaries. The main change during the year reflects share capital increases in North America of €2,514,404 thousand with the acquisition of IGATE and in Europe of €145,151 thousand.

Receivable from controlled entities

Amounts receivable from controlled entities consist of loans granted by the Company to subsidiaries primarily in North America (€1,123,194 thousand), Europe (€51,445 thousand), the Asia-Pacific region (€29,971 thousand) and Latin America (€29,789 thousand).

The main changes in this heading reflect:

- ▶ two loans totaling €1,123,194 thousand granted to a US subsidiary;
- ▶ a loan of €30,785 thousand granted to a UK subsidiary;
- ▶ loans totaling €27,642 thousand granted to Latin American subsidiaries;
- ▶ loans totaling €13,969 thousand granted to European subsidiaries;
- ▶ loans totaling €13,965 thousand granted to subsidiaries in the Asia-Pacific region;
- ▶ the repayment of loans granted to Latin American subsidiaries in the amount of €35,446 thousand;

- ▶ the repayment of a loan granted to a US subsidiary in the amount of €18,755 thousand;
- ▶ the partial repayment of a loan granted to a UK subsidiary in the amount of €3,590 thousand;
- ▶ the partial repayment of a loan granted to a Mexican subsidiary in the amount of €827 thousand.

Other financial fixed assets

This account comprises treasury shares held under the liquidity agreement. This agreement relates to the share buyback program approved by the Combined Shareholders' Meeting on May 6, 2015. Accordingly, a total of 3,637,916 shares were acquired and 3,685,978 shares were sold between January 1, 2015 and December 31, 2015. At December 31, 2015, Cap Gemini S.A. held 85,000 treasury shares (133,062 at December 31, 2014), valued at €7,219 thousand.

In 2015, the Company continued to purchase treasury shares for cancellation in the amount of 1,412,042 shares (€107,435 thousand, including transaction fees). During the year, 739,622 shares were presented to beneficiaries of performance shares and free shares and 686,429 shares were presented to holders of BSAAR warrants on exercise.

At December 31, 2015, other financial fixed assets also include 821,107 shares with a value of €62,979 thousand earmarked for various objectives.

2. Depreciation, amortization and provisions for non-current assets

<i>in thousands of euros</i>	Depreciation, amortization and provisions (January 1)	Charge	Reversal	Depreciation, amortization and provisions (December 31)
Intangible assets				
Amortization of trademarks, patents and similar rights	33,629	381	-	34,010
Financial fixed assets				
Provisions for equity interests	4,789,457	383,000	(1,417,277)	3,755,180
TOTAL DEPRECIATION, AMORTIZATION AND PROVISIONS	4,823,086	383,381	(1,417,277)	3,789,190

In 2015, the charge to provisions for equity interests concerns an European subsidiary in the amount of €383,000 thousand. Provision reversals of €1,417,277 thousand concern US, UK, Italian and French subsidiaries.

3. Marketable securities

Marketable securities break down as follows at December 31, 2015:

<i>in thousands of euros</i>	Net asset value	Nominal value	Carrying amount
Listed securities			
Investment funds (FCP)	345,674	345,674	345,674
Unlisted securities			
Term deposits	120,000	120,000	120,000
Other marketable securities			
Capitalization contracts	91,053	91,053	91,053
TOTAL	556,727	556,727	556,727

Other marketable securities comprise three capitalization fund contracts subscribed in July 2010, August 2010 and November 2014 with leading insurance companies in Europe for €20,000 thousand, €50,000 thousand and €10,000 thousand, respectively. The residual balance represents capitalized interest at December 31, 2015.

4. Maturity of receivables at year-end

<i>in thousands of euros</i>	Gross amount	One year or less	More than one year
Non-current assets			
Receivable from controlled entities	1,241,389	56,150	1,185,239
Other financial fixed assets	70,402	70,202	200
Current assets			
Accounts and notes receivable	82	82	-
Income tax receivable	111,114	53,066	58,048
VAT receivable	602	602	-
Receivable from related companies	82,021	82,021	-
Prepaid expenses	28,372	9,263	19,109
TOTAL	1,533,982	271,386	1,262,596

Prepaid expenses mainly comprise the call option on own shares purchased on October 18, 2013 in the amount of €43,200 thousand (the premium paid is amortized over the contract term) and prepaid interest on the 2011 and 2015 bond issues.

5. Deferred charges

<i>in thousands of euros</i>	Amount at January 1	Increase	Amortization & decrease	Amount at December 31
Issuance fees on syndicated credit facility, 2011 Bond issue, ORNANE bonds and 2015 bond issue	10,026	11,555	(3,835)	17,746
TOTAL	10,026	11,555	(3,835)	17,746

Issuance fees on the syndicated credit facility, 2011 Bond issue, ORNANE bonds and the three 2015 bond issues (€11,367 thousand) are amortized on a straight-line basis over the term of the debt.

In 2014, Cap Gemini S.A. refinanced its multi-currency credit facility with a group of 18 banks for an increased amount of €750 million, maturing on July 30, 2019. In July 2015, a one-year extension request was accepted by all banks, extending the maturity of this credit facility to July 28, 2020.

6. Share capital and additional paid-in capital

<i>in thousands of euros</i>	Number of shares	Share capital	Additional paid-in capital
At December 31, 2014 (par value of €8)	163,592,949	1,308,744	5,851,791
+ Capital increases tied to performance share grants and BSAAR warrants	1,888,551	15,108	49,102
+ Capital increase for cash	6,700,000	53,600	452,250
- Charge to the legal reserve following the capital increase for cash	-	-	(6,834)
- Offset of share issue costs, net of tax	-	-	(5,923)
AT DECEMBER 31, 2015 (PAR VALUE OF €8)	172,181,500	1,377,452	6,340,387

Share capital increase by exercise of BSAAR warrants

During the year, 2,574,974 BSAAR warrants were exercised at a subscription price of €34 and the Chairman and Chief Executive Officer, using the delegation of authority granted by the Board of Directors, decided to issue 1,888,545 shares with a par value of €8 and a unit issue premium of €26, representing a share capital increase of €15,108 thousand and an increase in additional paid-in capital of €49,102 thousand, respectively. Treasury shares were presented on the exercise of the remaining 686,429 BSAAR warrants.

Share capital increase on June 12, 2015 through a private placement issue with cancellation of shareholder pre-emptive subscription rights

On June 9, 2015, the Chairman and Chief Executive Officer, using the delegation of authority granted by the Board of Directors, decided to increase the Company's share capital with cancellation of shareholder pre-emptive subscription rights through an offer governed by Article L. 411-2 II of the French Monetary and Financial Code (*Code monétaire et financier*) for a par value amount of €53,600 thousand, through the issue of 6,700,000 ordinary shares with a par value of €8 each. The total subscription price of shares thus issued was €505,850 thousand, generating a share capital increase of a par value amount of

€53,600 thousand, with the surplus (i.e. the difference between the subscription price (€75.50 per share) and the par value (€8 per share) of €67.50 per share or a total of €452,250 thousand) recognized in additional paid-in capital. Concomitantly to this share capital increase, the Chairman and Chief Executive Officer decided the deduction of €6,834 thousand from additional paid-in capital to increase the legal reserve to one-tenth of the new share capital amount after this increase and the offset of the related share issue costs against 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 and then May 6, 2015, 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 presence conditions. On December 12, 2012, February 20, 2013, July 30, 2014 and July 29, 2015, the Board of Directors approved the terms and conditions and the list of beneficiaries of these four plans.

The main features of these plans are set out in the table below:

	2012 International Plan	2013 International Plan	2014 International Plan	2015 International Plan
Maximum number of shares that may be granted	2,426,555 shares	2,426,555 shares	1,590,639 shares	1,721,759 shares
% of share capital at the date of the Board of Directors' decision	1.50%	1.50%	1%	1%
Total number of shares granted	1,003,500 ⁽¹⁾	1,209,100 ⁽¹⁾	1,290,500 ⁽¹⁾	1,068,550 ⁽¹⁾
Date of Board of Directors' decision	December 12, 2012	February 20, 2013	July 30, 2014	July 29, 2015
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	Three years for the internal performance condition and two years for the external performance condition	Three years for both conditions
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)	Two 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	25.80%	38.70%	26.33%	24.54%
■ Risk-free interest rate	0.35% - 0.98%	0.59% - 1.28%	0.34% - 0.81%	0.10%-0.55%
■ Expected dividend rate	3.00%	3.00%	2.31%	1.60%
Other conditions				
■ Performance conditions	Yes (see below)			
■ Employee presence within the Group at the vesting date	Yes			

Financial information
4.4 2015 financial statements

	2012 International Plan	2013 International Plan	2014 International Plan	2015 International Plan
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	n/a	n/a
■ Performance shares (per share and in euros)	14.35 - 28.67	16.18 - 32.14	26.46 - 48.26	61.73 - 82.18
Of which corporate officers	16.18	18.12	29.32	56.66
Number of shares at December 31, 2014	<i>that may vest under the plan in respect of shares previously granted, subject to conditions (performance and presence)</i>			
	958,500	1,135,300	1,288,500	-
	<i>o/w to corporate officers</i>			
	50,000 ⁽¹⁾	50,000 ⁽¹⁾	50,000 ⁽¹⁾	-
Change during the period	<i>Number of shares subject to performance and/or presence conditions granted during the year</i>			
	-	-	-	1,068,550
	<i>o/w to corporate officers</i>			
	-	-	-	40,000 ⁽¹⁾
	<i>Number of shares forfeited or canceled during the year</i>			
	54,000	66,200	55,000	3,900
	<i>Number of shares vested during the year</i>			
	383,000 ⁽²⁾	355,600 ⁽³⁾	1,000 ⁽⁷⁾	-
Number of shares at December 31, 2015	<i>that may vest under the plan in respect of shares previously granted, subject to conditions (performance and presence)</i>			
	521,500 ⁽⁴⁾	713,500 ⁽⁴⁾	1,232,500 ⁽⁵⁾	1,064,650 ⁽⁶⁾
Share price at the grant date (in euros)	33.15	36.53	53.35	87.60

(1) Grant subject to performance and presence conditions;

(2) Balance on the "French" plan granted in January 2015 subject to performance and presence conditions at this date;

(3) Balance on the "French" plan granted in March 2015 subject to performance and presence conditions at this date;

(4) In respect of the "foreign" plan only;

(5) Of which 405,750 shares in respect of the French plan and 826,750 shares in respect of the foreign plan;

(6) Of which 359,650 shares in respect of the French plan and 705,000 shares in respect of the foreign plan;

(7) Accelerated grant following the death of a beneficiary.

Shares vested under the 2012 and 2013 plans

Based on an assessment of the performance conditions of the 2012 and 2013 plans for shares granted to beneficiaries of the 2012 and 2013 plans tax-resident in France, 100% of the initial allocation vested to those beneficiaries still present in the Group at the vesting date at the beginning of January 2015 and the beginning of March 2015, respectively.

With regards to the external performance condition, due to the good performance of the share over the calculation period, the relative performance of the Cap Gemini S.A. share compared to that of the basket of comparable companies therefore exceeded 110% in both cases, the threshold above which 100% of the initial allocation vests in respect of the external performance condition.

With regards to the internal performance condition, cumulative organic free cash flow generation for fiscal years 2012 to 2014 exceeded the €1 billion threshold, enabling the vesting of the maximum number of shares in respect of the internal performance condition.

As both conditions exceeded the maximum vesting thresholds, 100% of shares initially allocated vested to beneficiaries tax-resident in France still present in the Group at the vesting date, subject however to a lock-in period of four years in accordance with plan rules.

A total of 383,000 shares vested under the 2012 plan and 355,600 shares vested under the 2013 plan, representing 94.6% and 91.6% of the maximum possible amount, respectively. The performance conditions are assessed at the same dates and under the same conditions for non-French beneficiaries, however the shares vest at the end of a four-year period, subject to their presence in the Group at this date. Vested shares are not, however subject to a lock-in period.

Performance conditions of the 2012, 2013, 2014 and 2015 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 plans and in line with the conditions applied to the first two plans, as follows:

- ▶ No shares are granted if the performance of the Cap Gemini S.A. 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 Cap Gemini S.A. 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 Cap Gemini S.A. share is equal to 100% 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 Cap Gemini S.A. share is between 90% and 100% of the basket in the first case and 100% and 110% of the basket in the second case,
- is equal to 100% of the number of shares initially allocated if the relative performance of the Cap Gemini S.A. share is higher than or equal to 110% of the basket.

Under these conditions, if the performance of the Cap Gemini S.A. 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 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 and 2015 Plan: Accenture / CSC / Atos / Tieto / CAC 40 index / CGI Group / Infosys / Sopra / Cognizant

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 and fiscal years 2015 to 2017 for the 2015 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 and €1,750 million for the 2015 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 and €2 billion for the 2015 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. Free share plan

Following the free share grant in 2012, the Combined Shareholders' Meeting of May 23, 2013 gave the Board of Directors an 18-month authorization to grant shares to certain Group employees, on one or several occasions subject only to a condition of presence. This authorization was partially used and the terms and conditions of the grant and the list of beneficiaries were set by the Board of Directors meeting of October 8, 2014.

The main features of this plan are set out in the table below:

2014 Plan France	
Date of the General Meeting	May 23, 2013
Maximum number of shares that may be granted	1% of the share capital on the date of the Board of Directors' decision i.e. a maximum of 1,595,495 shares, of which a maximum of 15% granted without performance conditions
Total number of shares granted	104,379*
Date of the Board of Directors' decision	October 8, 2014
Grant condition assessment date	Presence condition only (employee presence within the Group at the vesting date)
Vesting period	2 years as from the grant date (Democratic plan)
Mandatory lock-in period effective as from the vesting date	2 years
Number of shares at December 31, 2014 that may vest under this plan in respect of shares previously granted, subject to presence conditions	102,379
Number of shares subject to presence conditions granted during the year	0
Number of shares forfeited or canceled during the year	6,231
Number of shares vested during the year	28
Number of shares at December 31, 2015 that may vest under this plan in respect of shares previously granted, subject to presence conditions	96,120
Share price at the grant date (in euros)	52.69
Main market conditions at the grant date	
■ Risk-free interest rate	0.34%
■ Expected dividend rate	2.30%
Fair value in euros (per share)	€43.91

* i.e. 6.5% of the total authorized maximum granted without performance conditions, pursuant to the resolution (authorization capped at 15% of the total).

These transactions aim to develop employee share ownership by enabling all employees of French companies with at least three months seniority at the grant date to receive shares and thereby become Cap Gemini S.A. shareholders at the end of the vesting period. More than 20,000 employees were concerned by each share grant, with a differentiated share allocation based on annual

salary (four categories): the lowest paid employees receiving more shares than the highest paid employees.

The Board of Director decisions were preceded each time by the signature of a company-wide agreement, in respect of payment of the profit-sharing bonus.



10. Change in shareholders' equity

<i>in thousands of euros</i>	At December 31, 2014	Appropriation of profit for 2014	Other movements	At December 31, 2015
Share capital	1,308,744	-	68,708	1,377,452
Additional paid-in capital	5,851,791	-	488,596	6,340,387
Legal reserve	130,874	-	6,834	137,708
Other reserves	559,573	-	-	559,573
Retained earnings	486,444	962,820		1,449,264
Dividends paid	-	198,381	(198,381)	-
Profit for the year	1,161,201	(1,161,201)	1,156,947	1,156,947
Tax-driven provisions	14,627	-	1,320	15,948
TOTAL	9,513,254	0	1,524,024	11,037,278

The appropriation of the net profit for 2014 led to the distribution on May 20, 2015 of a dividend of €1.20 on each of the 165,317,556 shares ranking for dividends on May 18, 2015 for a total of €198,381 thousand. The amount not paid out on the 117,564 shares held by the Company on May 20, 2015 of €141 thousand was appropriated to retained earnings.

Other movements mainly concern:

- ▶ the share capital increase of €53,600 thousand following the issue of 6,700,000 shares by way of a private placement with cancellation of shareholder pre-emptive subscription rights;

- ▶ the share capital increase of €15,108 thousand following the issue of 1,888,545 million new shares following the exercise of BSAAR warrants;

- ▶ an increase in additional paid-in capital of €501,352 thousand pursuant to the aforementioned two transactions. Issue costs, net of tax, of €5,923 thousand were offset against this balance and €6,834 thousand was transferred to the legal reserve to bring it to one-tenth of the new share capital balance at June 12, 2015;

- ▶ 2015 net profit for the year of €1,156,947 thousand;

- ▶ the €1,320 thousand charge to tax-driven provisions, corresponding to the accelerated tax depreciation of equity interests.

11. Provisions for contingencies and losses

<i>in thousands of euros</i>	At January 1	Charge	Reversal (utilized)	At December 31
Provisions for contingencies and losses				
■ relating to foreign exchange losses	2,390	143	2,390	143
■ on derivative instruments	52,501	113,516	52,501	113,516
TOTAL	54,891	113,659	54,891	113,659

In 2015, the net charge of €61,015 thousand to provisions on derivative instruments concerns a provision for financial risks on a call option on own shares sold on October 18, 2013.

12. Bond issues and Convertible bonds

<i>in thousands of euros</i>	December 31, 2014	December 31, 2015
2011 Bond issue	500,000	500,000
ORNANE 2013	400,000	400,000
2015-2018 Bond issue	-	500,000
2015-2020 Bond issue	-	1,250,000
2015-2023 Bond issue	-	1,000,000
TOTAL	900,000	3,650,000

A) Bond issued on November 29, 2011 (2011 Bond issue)

On November 18, 2011, Cap Gemini S.A. performed a euro bond issue maturing on November 29, 2016. Bondholders enjoy all rights from November 29, 2011 (2011 Bond issue).

The total nominal amount of the issue was €500 million, comprising 5,000 bonds with a nominal value of €100,000 each. The bonds bear interest at 5.25% per year, potentially increasing to 6.50% in the event of a down-grading of Cap Gemini S.A.'s credit rating.

The terms and conditions of this issue were set out in the prospectus approved by the AMF on November 25, 2011 under reference number n°11-546.

The main features of the 2011 Bond issue are as follows:

► Redemption at maturity

The bonds are redeemable in full on November 29, 2016.

► Early redemption at the Company's option

The bonds may be redeemed early at the initiative of the Company, subject to certain conditions set out in the issue prospectus and particularly concerning the minimum redemption price.

► Early redemption at the option of bondholders

Bondholders may request the early redemption of all or part of their bonds in the event of a change in control of the Company, provided this change in control is accompanied by a downgrading of the Company's financial rating.

► Early repayment

Early repayment may also be requested by any bondholder, subject to the occurrence of certain events and particularly failure to pay sums due in respect of the bond issue or to comply with other obligations set out in the documentation (beyond any "grace" periods, if applicable), cross default (in excess of a minimum threshold), liquidation or dissolution.

An upgrade or downgrade in Cap Gemini S.A.'s credit rating would not constitute an early redemption event.

► Pari passu status

Cap Gemini S.A. has undertaken that the bonds will rank pari passu with all other marketable bonds issued by the Company.

B) "ORNANE 2013" Bonds issued on October 25, 2013

On October 18, 2013, Cap Gemini launched a bond issue redeemable in cash and/or in new and/or existing shares (*Obligations à option de Remboursement en Numeraire et/ou en Actions Nouvelles et/ou Existantes, ORNANE*) and maturing on January 1, 2019. Bondholders enjoy all rights from October 25, 2013. The total nominal amount of the issue was €400,000 thousand, comprising 5,958,587 bonds with a nominal value of €67.13 each, representing an issue premium of 42.5% compared with the Company benchmark share price at the launch date. The bonds do not bear any interest (zero coupon bonds) and will be redeemed at par on January 1, 2019.

The Bonds may be redeemed early at the initiative of the Company subject to certain terms and conditions.

In the event of exercise of their share allotment rights, bondholders will receive a cash amount and potentially an amount payable in new and/or existing Cap Gemini S.A. shares. The Company also has the possibility to present solely new and/or existing shares.

The purpose of the issue was to partially finance the repurchase by the Company of the outstanding OCEANE bonds convertible and/or exchangeable for new or existing shares, maturing on January 1, 2014.

The terms and conditions of this issue were set out in the prospectus approved by the AMF on October 18, 2013 under reference number n°13-557.

The main features of the "ORNANE 2013" bonds are as follows:

► Bond term

5 years and 68 days from the issue date.

► Exercise of share allotment rights

a) Bondholders may exercise their share allotment right (as defined below) during the period October 25, 2013 to December 31, 2016, inclusive, solely in the following circumstances:

- at any time during a relevant calendar quarter, if the arithmetic average of the closing price of the Company's share calculated over a period of 20 consecutive trading days among the 30 trading days preceding the last trading day of the preceding calendar quarter, as determined by the calculation agent, exceeds 130% of the conversion price (equal to the nominal value of the bond divided by the conversion rate, i.e. 1 share per bond, subject to adjustments) applicable the last trading day of the preceding calendar quarter;
- in the event of early redemption of all outstanding bonds at the initiative of the Company;
- where the Company ignores the negative opinion of bondholders in general meeting consulted on a change in the legal form or corporate purpose of the Company;
- where the Company plans a distribution of dividends, reserves or additional paid-in capital in cash or kind, the value of which per Company share exceeds 25% of the arithmetic average of the average share price weighted for daily trading volumes over a period of 20 consecutive trading days;
- in the event of a public offering targeting the Company's shares found to be compliant by the AMF and likely to lead to a change in control;
- In the event of an early repayment event; and
- at any time during a period of 5 trading days following any period of 20 consecutive trading days during which the bond price determined on the closing of daily trading in the Company's share has been, each trading day, less than 95% of the multiple of (i) the daily closing price of the Company's share, and (ii) the conversion rate.

b) From January 1, 2017 (inclusive), bondholders may exercise their share allotment right at any time up to the eighteenth trading day (exclusive) preceding January 1, 2019.

► **Redemption at maturity**

Unless the bonds are redeemed early pursuant to the terms and conditions set out in the prospectus, and where the share allotment right is not exercised, the bonds will be redeemed in full at par, i.e. €67.13 per bond, on January 1, 2019 (or the next working day, if this day is not a working day).

► **Early redemption at the Company's initiative**

- At any time, from October 25, 2016 and up to the maturity of the bonds, for all outstanding bonds and subject to a notice period of 45 calendar days, by redemption at par, if the arithmetic average calculated over 20 consecutive days among the 40 days preceding the publication of the early redemption notice, of the opening price of the Company's shares on the Euronext Paris market multiplied by the applicable conversion rate at each date, exceeds 130% of the nominal value of the bonds;
- At any time, for some or all of the bonds, without limit as to price or quantity, by repurchase on or off market or through a repurchase or exchange offering;
- At any time, for all outstanding bonds and subject to a notice period of 45 calendar days, if the number of outstanding bonds is less than 15% of the number of bonds issued.

► **Early redemption at the initiative of bondholders in the event of a change in control**

In the event of a change in control of the Company, bondholders may request the early redemption of all of part of their bonds, in accordance with the terms and conditions set out in the prospectus approved by the AMF.

► **Early repayment in the event of default**

Possible, particularly, in the event of default by the Company.

► **Pari passu status**

Cap Gemini S.A. has undertaken that the bonds will rank pari passu with all other marketable bonds issued by the Company.

C) Bonds issued on July 1, 2015

On June 24, 2015, Cap Gemini S.A. 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 + 85pb, 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 1.750% (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 2.500% (issue price 99.857%).

The July 2020 and July 2023 tranches may be redeemed before these dates at the initiative of Cap Gemini S.A., 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 n°15-318.

13. Bank loans and borrowings

Bank loans and borrowings total €658,596 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 €614,700 thousand, offset in the amount of €617,319 thousand by opposite balances presented in cash and cash equivalents of the Company, (ii) bank overdrafts in the amount of €725 thousand and (iii) accrued interest not yet due on bond issues and the cross currency swap of €43,171 thousand.

Syndicated credit facility secured by Cap Gemini S.A.

On January 13, 2011, Cap Gemini S.A. signed a €500 million multi-currency credit facility with a syndicate of 18 banks, maturing on January 13, 2016.

This facility was refinanced on July 30, 2014 with a group of 18 banks by a new multi-currency credit facility for an increased amount of €750 million, maturing on July 30, 2019. In the event of exercise (subject to the approval of the banks) of two one-year extension options, exercisable at the end of the first and second years, respectively, the maturity of the new facility will be extended by a maximum of two additional years.

The initial margin on the new credit facility was 0.45% (excluding the fee on drawn amounts which varies according to the portion of the facility drawn), compared with the margin of 0.75% applied previously at the same credit-rating level. This margin may be adjusted upwards or downwards according to the credit rating of Cap Gemini. The facility is also subject to a fee on undrawn amounts equal to 35% of the margin.

Following the downgrade of Cap Gemini S.A.'s credit rating from BBB+ to BBB by Standard & Poor's on April 27, 2015 after the acquisition of IGATE, the margin applicable is now 0.45% and the fee on undrawn amounts is 0.1575%.

An upgrade or downgrade in Cap Gemini's credit rating would have no impact on the availability of this credit facility.

Cap Gemini 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 Cap Gemini S.A.'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. Cap Gemini S.A. also committed to standard obligations, including an agreement to maintain pari passu status.

At December 31, 2015, this credit facility had not yet been drawn.

14. Maturity of payables at the year end

<i>in thousands of euros</i>	Gross amount	One year or less	More than one year
Convertible bonds	400,000		400,000
Bond issue			
■ 2011 Bond issue	500,000	500,000	-
■ 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
Sub-total	3,650,000	500,000	3,150,000
Bank loans and borrowings			
■ Bank overdrafts	725	725	-
■ Bank overdrafts (Group cash pooling arrangement)	614,700	614,700	-
■ Accrued interest	43,171	43,171	-
Sub-total	658,596	658,596	-
Group loans and borrowings			
■ Loans	303,670	161,451	142,219
■ Other payables	745,834	745,834	-
Sub-total	1,049,504	907,285	142,219
Accounts and notes payable	3,309	3,309	-
Tax and social security liabilities	3,283	3,283	-
Other payables	940	940	-
TOTAL	5,365,633	2,073,413	3,292,219

Group loans of €303,670 thousand mainly comprise:

- ▶ three three-month revolving loans from Capgemini Deutschland GmbH totaling €150,000 thousand;
- ▶ a three-month revolving loan from Capgemini Sverige of €129,320 thousand. This loan is denominated in Swedish krona and hedged against currency risk;
- ▶ a three-month revolving loan from Capgemini Financial Services USA Inc. of €11,450 thousand. This loan is denominated in US dollars and hedged against currency risk.

15. Accrued income and charges

Accrued charges reported in the balance sheet break down as follows:

<i>in thousands of euros</i>	Amount
Borrowings	
■ Accrued interest	43,171
Other liabilities	
■ Accounts and notes payable	3,213
■ Tax and social security liabilities	591
TOTAL	46,975

Accrued interest payable mainly comprises interest on bond issues and particularly the bonds issued in July 2015 in the amount of €26,835 thousand and interest payable in US dollars on the cross currency swap of €16,125 thousand.

Accrued income reported in the balance sheet break down as follows:

<i>in thousands of euros</i>	Amount
Cash and cash equivalents	
■ Accrued interest receivable	7,930
TOTAL	7,930

Accrued interest receivable mainly comprises interest receivable in euros on the cross currency swap of €7,824 thousand.

16. Unrealized foreign exchange gains and losses on foreign currency receivables and payables

<i>in thousands of euros</i>	Reported in assets	Reported in liabilities	Provision for foreign exchange losses
On other receivables/payables	143	208	143
TOTAL	143	208	143

17. Net finance income (expense)

<i>in thousands of euros</i>	Amount
Provisions relating to financial items	
Charge	(496,659)
Reversal	1,472,213
	Sub-total
	975,554
Dividends received	54,965
	Sub-total
	54,965
Other financial income and expense	
Net income from short-term investments	3,564
Other investment income (capitalization contracts)	1,649
Revenue from loans, current accounts and Group cash pooling arrangements	41,371
Net foreign exchange gains (losses)	29,802
Interest on borrowings, current accounts and Group cash pooling arrangements	(9,368)
Interest on bond issues	(52,711)
Interest on the cross currency swap	(8,173)
Interest on issued commercial paper	(219)
Other	351
	Sub-total
	6,266
NET FINANCE INCOME (EXPENSE)	1,036,787

Charges to provisions for financial items of €496,659 thousand primarily concern provisions for impairment of equity interests in the amount of €383,000 thousand in respect of an European subsidiary and a provision for financial risks on the treasury share option contract of €113,659 thousand.

Provision reversals of €1,472,213 thousand comprise reversals of provisions for impairment of equity interests in respect of the US subsidiary in the amount of €908,000 thousand, one of the UK subsidiaries in the amount of €421,000 and the Italian subsidiary in the amount of €81,000 thousand.

The dividends of €54,965 thousand correspond to dividends received during the period by the Company from Swedish, Dutch, Portuguese, Polish and Moroccan subsidiaries.

18. Net non-recurring income (expense)

<i>in thousands of euros</i>	Amount
Disposals of equity interests	
selling price	49
net carrying amount	(295)
Net proceeds on disposals of treasury shares under the liquidity agreement	2,878
Sub-total	2,632
Accelerated depreciation	(1,320)
Loss on the delivery of treasury shares	(26,646)
Other	(77)
Sub-total	(28,043)
NET NON-RECURRING INCOME (EXPENSE)	(25,411)

19. Income tax expense

In France, Cap Gemini S.A. is the parent company of a French tax consolidation group comprising 21 companies. In 2015, Cap Gemini S.A. recognized an income tax expense in respect of the tax consolidation of €25,709 thousand.

In the absence of tax consolidation, Cap Gemini S.A. would have recognized a theoretical income tax expense of €43,101 thousand. Tax losses carried forward by Cap Gemini S.A. amounted to €746,278 thousand at December 31, 2015.

BREAKDOWN OF THE INCOME TAX EXPENSE

<i>in thousands of euros</i>	2015	
	Net profit before tax	Income tax expense at 37.98%
■ Recurring profit before tax	1,211,890	(460,249)
■ Net non-recurring income (expense)	(25,411)	9,651
■ Accounting profit for the year before tax	1,186,479	(450,599)
■ Tax differences	(958,502)	364,018
■ Offset of tax losses carried forward	(114,489)	43,480
■ Tax consolidation of subsidiaries		13,568
INCOME TAX EXPENSE		(29,532)

IMPACT OF TAX-DRIVEN VARIATIONS

<i>in thousands of euros</i>	Amount
Profit for the year	1,156,947
Income tax expense (net)	29,532
Profit for the year before tax	1,186,479
Change in tax-driven provisions:	
■ Accelerated depreciation	(1,320)
Other tax-driven valuations	-
PROFIT EXCLUDING TAX-DRIVEN VALUATIONS (BEFORE TAX)	1,185,159

CHANGE IN DEFERRED TAX LIABILITIES

Deferred tax on temporary differences <i>in thousands of euros</i>	Current year amount	Prior year amount
Non-deductible provisions		
■ Organic sales tax	97	105
Provisions for contingencies and losses		
■ Provision for foreign exchange losses	143	2,391
Net asset value differences on UCITS	1	0
Unrealized foreign exchange gains	208	41
Unrealized foreign exchange losses	(143)	(2,391)
Remeasurement differences on receivables and payables and fair value measurement of derivatives	228,164	142,165
Amortization of the derivative on own shares	8,330	8,330
TOTAL	236,800	150,641
Tax rate for temporary differences	34.43%	34.43%
DEFERRED TAX	81,530	51,866
Deferred tax assets		
■ Tax losses carried forward	746,278	860,767
Tax rate for temporary differences	34.43%	34.43%
DEFERRED TAX	256,943	296,362

III - OTHER INFORMATION

20. Off-balance sheet commitments

a) Commitments given in favor of subsidiaries

Guarantees, deposits and comfort letters granted by Cap Gemini S.A. to its subsidiaries at December 31, 2015 break down as follows:

<i>in thousands of euros</i>	Amount
■ Financial items	119,790
■ Operating items	1,328,408
■ Tax items	15,060
TOTAL	1,463,258

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, 2015 amounted to €16,745 thousand.

b) Other commitments

The Group has provided performance and/or financial guarantees for a number of major contracts. These include the contracts signed with HM Revenue & Customs, Schneider Electric Industries, Euroclear, the Metropolitan Police, Ontario Power Generation Inc., Environment Agency, Johnson & Johnson Services, Inc., the Department of Work and Pensions, EMC and Michelin.

Cap Gemini S.A., 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. The program's largest policy, amounting to €20 million, is reinsured with a consolidated captive reinsurance subsidiary.

Cap Gemini S.A. 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 6 years.

c) Financial instruments

Currency hedges/Derivative instruments

At December 31, 2015, the values of external currency derivative instruments negotiated in respect of foreign currency denominated internal financing arrangements, primarily break down as follows:

- ▶ a euro/Swedish krona swap with a positive value of €1,219 thousand for a nominal amount of SEK 1,202 (€131 million);
- ▶ a euro/pound sterling swap with a positive value of €208 thousand for a nominal amount of GBP 25 million (€34 million);
- ▶ a euro/Mexican pesos swap with a positive value of €154 thousand for a nominal amount of MXN 38 million (€2 million);
- ▶ five euro/US dollar swaps with a net negative value of €1,549 thousand for a nominal amount of USD 243 million (€219 million);
- ▶ a euro/Australian dollar swap with a negative value of €447 thousand for a nominal amount of AUD 13 million (€9 million);
- ▶ a euro/Brazilian real swap with a negative value of €328 thousand for a nominal amount of BRL 108 million (€25 million).

At December 31, 2015, external currency derivatives hedging brand royalties invoiced to subsidiaries had a positive value of €54 thousand and mainly concerned the pound sterling, Australian dollar, US dollar and Swedish krona.

At December 31, 2015, external currency derivative instruments entered into pursuant to the pooling of currency risk at Group level, had a net positive value of €143,304 thousand.

At December 31, 2015, off-balance sheet commitments given to subsidiaries on internal currency derivative instruments entered into pursuant to the pooling of currency risk at Group level, had a positive value of €18,949 thousand.

At December 31, 2015 off-balance sheet commitments given to banks in respect of a cross currency swap had a negative value of €19,693 thousand. This commitment given is fully offset by a commitment received from the North American subsidiary in respect of a currency swap back-to-back contract with a positive value of €19,693 thousand.

21. Related companies

in thousands of euros

	Total	Related companies
Balance sheet items		
■ Equity interests	17,503,686	17,503,686
■ Receivable from controlled entities	1,241,389	1,241,389
■ Payable to controlled entities	303,670	303,670
■ Related and associated companies		
receivable	82,021	82,021
payable	745,834	745,834
Income Statement items		
■ Investment income	54,965	54,965
■ Income on Group loans	38,590	38,590
■ Other interest and similar income	15,131	1,941
■ Interest and similar expenses	78,320	9,109



22. Dilution tied to the Redeemable share subscription or purchase warrants (BSAAR)

At December 31, 2015, the 352,632 redeemable share subscription and/or purchase warrants (BSAAR) still outstanding are dilutive, as the aggregate of the €34 strike price and €3.22 issue premium is lower than the average market price of the Cap Gemini share in 2015.

If all these redeemable share subscription or purchase warrants (BSAAR) were exercised, the dilutive impact at December 31, 2015 would be 0.20% after exercise.

23. Consolidating company

Cap Gemini S.A. is the consolidating company for the Capgemini Group.

24. Subsequent events

At the Combined Shareholders' Meeting, the Board of Directors will recommend a dividend payment of €1.35 per share in respect of 2015.

25. Remuneration of members of the Board of Directors

Attendance fees paid to Directors in 2015 totaled €822,725 (or €535,495 after deduction of withholding tax for beneficiaries not tax resident in France and the 21% flat-rate income tax advance payment and social security contributions for beneficiaries tax resident in France).

26. Fees paid to the statutory auditors and members of their networks

in thousands of euros

	Amount
Statutory audit of the consolidated and separate financial statements	1,181
Other services directly related to the statutory audit engagement	1,704
Sub-total	2,885
Other services	
Legal, tax and employee-related advisory services	-
Other	-
Sub-total	-
TOTAL	2,885

4.4.4 Statutory Auditors' report on the financial statements

This is a free translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures. This report also includes information relating to the specific verification of information given in the management report and in the documents addressed 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 31 December 2015

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended 31 December 2015, on:

- ▶ the audit of the accompanying financial statements of Cap Gemini S.A.;
- ▶ the justification of our assessments;
- ▶ the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I - OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sample techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 31 December 2015 and of the results of its operations for the year then ended in accordance with French accounting principles.

II - JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L.823-9 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we bring to your attention the following matter:

The net value of equity interests as reported in the balance sheet amounts to €13,749 million at 31 December 2015. The accounting principles and methods used to determine the value in use of these investments are described in Note I to the financial statements. As part of our assessments, we verified whether the approach applied was appropriate and that the assumptions used and resulting valuations were consistent overall.

These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III - SPECIFIC VERIFICATIONS AND INFORMATION

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 documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L.225-102-1 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 companies controlling your company or controlled by it. 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 identity of shareholders and holders of the voting rights has been properly disclosed in the management report.

The statutory auditors

Neuilly-sur-Seine, on 26 February 2016

PricewaterhouseCoopers Audit

Françoise Garnier

Partner

Paris La Défense, on 26 February 2016

KPMG Audit

Division of KPMG S.A.

Frédéric Quélin

Partner

4.4.5 Statutory Auditors' special report on regulated agreements and commitments

This is a free translation into English of the Statutory Auditors' special report on regulated agreements and commitments that is issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements and commitments should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by French corporate law (Code de Commerce) and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards

Shareholders' Meeting held to approve the financial statements for the year ended December 31, 2015

To the Shareholders,

In our capacity as Statutory Auditors of Cap Gemini S.A., 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 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 implementation 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 authorized during the year

In accordance with article L.225-40 of the French Commercial Code, we were informed of the following agreements and commitments authorized by the Board of Directors.

- ▶ Services agreement with Lazard

Persons concerned:

Phil Laskawy, director of Lazard Ltd. and Bruno Roger, Chairman of Lazard Frères S.A.S.

Type and purpose:

On April 24, 2015, the Board of Directors authorized a services agreement with Lazard (through its French and American entities) pursuant to which the latter was appointed as the exclusive advisor for the IGATE acquisition. Under the terms of the agreement between Capgemini North America Inc. on the one hand and Lazard Frères S.A.S. and Lazard Frères & Co. Ltd. on the other, on April 26, 2015, Lazard undertook, in its capacity as advisor, to assist the Company with work related to the preparation of reports and analyses, the definition of the structure and terms and conditions of the transaction, the coordination of audit work and the negotiation of the necessary documents for the acquisition.

Terms and conditions:

The terms and conditions of Lazard's engagement are as follows: fee payable upon completion of the transaction equal to the higher of a fixed amount and a variable amount based on amount of the transaction. The fee paid by Capgemini North America Inc. to Lazard in 2015 amounted to USD 10.8 million.

Reasons provided by the Company:

This agreement was justified as follows: "Cap Gemini appointed Lazard as an advisor, given its involvement in international transactions for major international groups. In addition, this bank has already supported Cap Gemini in several major acquisitions, including the acquisition of the Kanbay group in 2007, which had many similarities with the IGATE acquisition."

► **Financing contract in the form of a bridge loan signed with Crédit Agricole Corporate and Investment Bank and Société Générale**

Persons concerned:

Laurence Dors, director of Crédit Agricole S.A., Yann Delabrière, director of Société Générale, and Xavier Musca, Chief Operating Officer of Crédit Agricole S.A.

Type and purpose:

On May 5, 2015, the Board of Directors authorized Paul Hermelin, in his capacity as CEO, to sign a bank financing contract in the form of a bridge loan for a maximum amount of USD 3,800 million with several banks, including Crédit Agricole S.A. and Société Générale and their respective affiliates.

Terms and conditions:

Pursuant to this authorization, a bridge loan in the amount of USD 3,800 million (with drawdowns possible in US dollars and/or euros) was signed on May 22, 2015 between Cap Gemini S.A. and six banks including Crédit Agricole Corporate and Investment Bank and Société Générale, the latter two lenders each taking on a USD 304 million commitment, corresponding to 8% of the total amount each after the syndication round.

This bridge loan has an initial term of one year, with a one year extension option exercisable at the Company's discretion.

The bridge loan was cancelled in its entirety at the Company's initiative on July 9, 2015.

Fees and interest paid by the Company to Crédit Agricole Corporate and Investment Bank and Société Générale under this bridge loan were determined based on their respective commitments and their roles in the financing contract. The Company paid and recognized the following expenses in 2015:

- USD 966,232 in fees, USD 10,407 in interest and €15,628 in interest to Crédit Agricole Corporate and Investment Bank; and
- USD 966,232 in fees, USD 10,407 in interest and €15,628 in interest to Société Générale.

Reasons provided by the Company:

This agreement was justified by the fact that "both banks regularly participate in major financing transactions in France and internationally."

► **Investment agreement with Crédit Agricole Corporate and Investment Bank**

Persons concerned:

Laurence Dors, director of Crédit Agricole S.A., and Xavier Musca, Chief Operating Officer of Crédit Agricole S.A.

Type and purpose:

On June 8, 2015, the Board of Directors authorized, as part of the bridge loan to finance the acquisition of IGATE, an increase in the Company's capital through a private placement, by virtue of the powers granted to it by the 25th and 26th resolutions of the Extraordinary Shareholders' Meeting of May 7, 2014. To this end, it approved an underwriting agreement with several banks, in which Crédit Agricole S.A. as well as one or more of its affiliates were invited to participate, to underwrite its capital increase and manage its placement with institutional investors.

Terms and conditions:

Following the private placement carried out as part of the underwriting agreement signed on June 9, 2015 with eight banks, including Crédit Agricole Corporate and Investment Bank, Cap Gemini S.A. carried out a €506 million capital increase.

The amount in fees paid to each bank was determined based on its percentage participation in the underwriting agreement and its role in the private placement.

As part of this underwriting agreement, Crédit Agricole Corporate and Investment Bank committed to underwriting 20% and acted as Lead Bank and Joint Bookrunner. As such, the fees charged to equity as an issuance premium in 2015, and which were paid by your Company, amounted to €1,647,630.

Reasons provided by the Company:

This agreement was justified by the fact that "Crédit Agricole S.A. has recognized experience in this area."

► **Subscription agreement for bond issues with Crédit Agricole Corporate and Investment Bank and Société Générale**

Persons concerned:

Laurence Dors, director of Crédit Agricole S.A., Yann Delabrière, director of Société Générale, and Xavier Musca, Chief Operating Officer of Crédit Agricole S.A.

Type and purpose:

On June 8, 2015, the Board of Directors authorized Mr. Hermelin, in his capacity as Chief Executive Officer, to enter into a subscription agreement for bond issues by Cap Gemini S.A. with banks, in which Crédit Agricole S.A. and Société Générale as well as one or several of their respective affiliates could be called to play a role in the placement of bonds.

Terms and conditions:

In accordance with this authorization and as part of a bond issue in three tranches in the amount of €2,750 million, carried out on July 1, 2015, the Company signed a subscription agreement with 12 banks including Crédit Agricole Corporate and Investment Bank and Société Générale on June 29, 2015. Under the terms of the agreement, these banks subscribed to all of the bonds issued by the Company to place them with investors wanting to participate in the issue.

The amount in fees paid to each bank was determined based on its role in the transaction. The Company paid and recognized the following expenses in 2015:

- Fees of €333,281 to Crédit Agricole Corporate and Investment Bank as Joint Lead Bank;
- Fees of €1,530,625 to Société Générale as Global Coordinator and Joint Lead Bank.

Reasons provided by the Company:

This agreement was justified by the fact that “these two banks regularly participate in planning bond issues in France and internationally.”

Agreements and commitments already approved by the Shareholders’ Meeting

Agreements and commitments approved in previous years but not implemented during the year

In addition, we have been informed of the following agreements and commitments approved by the Shareholders’ Meeting in previous years, which remained in force but were not implemented in 2015.

► **Supplementary collective pension scheme for Paul Hermelin (CEO)**

Type:

A supplementary collective defined benefit pension scheme set up by the Company in favor of certain senior executives regarded as having made a significant and lasting contribution to the development of the Capgemini Group. Paul Hermelin has been registered as a beneficiary of this plan since the April 10, 2007 Shareholders’ Meeting.

Purpose and terms and conditions:

On December 13, 2006, the Board of Directors authorized the creation of a collective defined benefit pension scheme in favor of certain senior executives of the Group, enabling them to obtain, upon their retirement, a supplementary pension that may not exceed 40% of their reference earnings. The beneficiary’s total cumulative pension benefits may not exceed 50% of the reference earnings which are capped at 60 times the annual ceiling for social security contributions.

The July 29, 2015 Board of Directors’ Meeting decided to freeze Paul Hermelin’s rights under this supplementary scheme, effective from October 31, 2015, without consideration (hence a change in the Company’s favor).

On December 2, 2015, the Board of Directors took due note that this agreement had been submitted to it to be reexamined.

Paul Hermelin did not receive any remuneration under this agreement in 2015.

Neuilly-sur-Seine and Paris La Défense, February 29, 2016

The Statutory Auditors

PricewaterhouseCoopers Audit

KPMG Audit

Division of KPMG S.A.

Françoise Garnier

Frédéric Quélin

Partner

Partner

4.5

Other financial and accounting information

4.5.1 Five-year financial summary

<i>(in thousand of euros)</i>	2011	2012	2013	2014	2015
I-SHARE CAPITAL AT YEAR-END					
Share capital	1,246,163	1,294,163	1,282,543	1,308,744	1,377,452
Number of common shares outstanding	155,770,362	161,770,362	160,317,818	163,592,949	172,181,500
Maximum number of future shares to be created:	-	-	-	-	-
■ through exercise of equity warrants	6,484,125	5,242,822	5,910,064	6,412,285	3,980,902
■ through conversion fo convertible bonds	26,372,575	16,911,765	5,961,483	5,958,587	5,958,587
II-OPERATIONS AND RESULTS OF THE CURRENT YEAR					
Operating revenue	241,094	230,370	241,145	248,316	311,679
Operating revenue and financial revenue	339,560	763,415	700,839	1,480,875	2,165,823
Income before taxes, amortization and provisions	225,363	189,839	38,404	284,241	224,791
Income tax	2,962	21,562	(11,344)	33,555	29,532
Net income / (losses)	171,563	247,759	164,839	1,161,201	1,156,947
Distributed income	155,770	161,770	176,350	196,312	* 232,445
III-EARNINGS PER SHARE (IN EUROS)					
but before amortization and provisions	1.43	1.04	0.31	1.53	1.13
Net earnings	1.10	1.53	1.03	7.10	6.72
Dividend per share	1.00	1.00	1.03	1.20	* 1.35
IV-EMPLOYEE DATA					
Average number of employee during the year	Cap Gemini S.A. does not have any employees				
Total payroll					
Total benefits					

* Subject to approval by the Combined shareholders' Meeting of May 18, 2016.

4.5.2 Subsidiaries and investments

(in millions of euros)	Capital	Other share-holders' equity*	% interest	Number of shares owned	Book value of shares		Loans & advances granted	Guarantees given	2015 Revenue	Dividends
					Gross	Net				
Subsidiaries										
Capgemini North America Inc	1	6,837	100.00%	982,000	9,132	7,186	1,123	-	-	-
CGS HOLDINGS Ltd	723	1	100.00%	558,777,061	721	721	-	-	-	-
Gemini Consulting Holding Ltd	0	10	100.00%	1,083	23	23	-	-	-	-
Capgemini Oldco Ltd	14	30	100.00%	1,033,938,858	801	801	-	-	-	-
Capgemini AB (Suède)	3	328	100.00%	25,861	387	387	-	9	-	21
Capgemini NV (Benelux)	2	321	100.00%	21,582,376	1,467	996	-	-	-	18
Capgemini Business services BV	16	3	100.00%	35,289	38	38	-	-	-	-
Capgemini Deutschland Holding GmbH	129	4	95.59%	3	629	629	-	12	-	-
Capgemini Consulting Österreich AG	0	2	100.00%	64,311	59	45	2	-	20	-
Capgemini Suisse AG	0	(1)	100.00%	500	45	30	7	77	58	-
Capgemini Polska Sp Z.o.o	4	33	100.00%	129,160	25	25	-	-	190	12
Capgemini Magyarország Kft	0	1	100.00%	1	2	2	0	-	6	-
capgemini Czech Republic s r o	1	1	98.77%	21,255	8	8	2	-	15	-
Capgemini France S.A.S.	89	754	100.00%	5,713,954	1,324	1,324	-	-	7	-
Capgemini Technology Services Maroc	3	7	99.99%	329,996	3	3	-	-	40	2
SOGETI S.A.S.	261	381	100.00%	52,106,876	754	754	-	-	31	-
Capgemini Italia S.p.A.	18	14	100.00%	3,575,000	543	131	10	17	214	-
Capgemini España S.L. (Sociedad Unipersonal)	42	(16)	85.73%	363,217	319	173	-	9	228	-
Capgemini Portugal, Serviços de Consultoria e Informatica, SA	8	5	100.00%	1,698,842	44	19	-	-	28	1
Capgemini Business Services Guatemala S.A.	2	6	99.80%	12,900,034	1	1	-	-	26	-
Capgemini Argentina S.A.	1	2	1.16%	126,369	0	0	-	-	13	-
Capgemini Asia Pacific Pte. Ltd.	109	(40)	100.00%	156,122,611	229	58	12	30	0	-
Capgemini Australia Pty Ltd	128	(106)	100.00%	1,502,342	172	172	8	30	183	-
Capgemini Business Services (India)	0	61	99.90%	4,995	25	25	-	-	102	-
Capgemini Service S.A.S	8	4	100.00%	8,000,000	164	12	-	15	312	-
S.C.I. Paris Etoile	0	5	99.99%	9,999	48	31	-	-	3	2
Immobilière les Fontaines S.A.R.L	3	(6)	99.90%	1,004,628	52	52	-	-	4	-
Capgemini Gouvieux S.A.S.	3	(1)	100.00%	210,000	3	3	-	-	17	-
Capgemini Latin America	468	(0)	100.00%	46,824,750	477	182	24	3	-	-
Capgemini Reinsurance International	20	-	100.00%	10,000	5	5	-	-	10	-
Other French companies	nm	nm	nm	nm	0	0	nm	nm	nm	nm

Investments

As of December 31, 2015, investments held by Cap Gemini S.A. are not material

* Including net income for the year
nm: not material

5

Cap Gemini and its shareholders

5.1

Cap Gemini share capital **226**

5.1.1	Share capital (amount, table of movements and delegations of authority)	226
5.1.2	Financial authorizations	227
5.1.3	Other share equivalents outstanding	228
5.1.4	Employee shareholders	228
5.1.5	Potential dilution resulting from the exercise of all securities granting access to the Company's share capital	230

5.2

Cap Gemini and the stock market **231**

5.3

Current ownership structure **235**

Changes in the ownership structure over the past three years	236
Shareholders' agreements	236

5.4

Share buyback program **237**

5.4.1	Authorization to buy back the Company's shares	237
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5.1 Cap Gemini share capital

5.1.1 Share capital (amount, table of movements and delegations of authority)

AMOUNT OF CAPITAL

At December 31, 2015, the Company's share capital amounted to €1,377,452,000, divided into 172,181,500 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, 2010	155,770,362	1,246,162,896	5,717,402,699
AT DECEMBER 31, 2011	155,770,362	1,246,162,896	5,717,402,699
Share capital increase for cash:			
■ Shares issued reserved for employees	6,000,000	48,000,000	106,560,000
■ Issue costs for shares reserved for employees			(1,068,864)
Allocation to legal reserve			(4,800,000)
AT DECEMBER 31, 2012	161,770,362	1,294,162,896	5,818,093,835
Share capital increase:			
■ Shares issued after the vesting of performance shares	285,000	2,280,000	(6,240)
■ Issue costs for shares, net of taxes			
■ Shares issued following the conversion of OCEANE 2009 bonds	1,188,167	9,505,336	30,892,342
Capital reduction:			
■ Cancellation of treasury shares	(2,925,711)	(23,405,688)	(76,702,738)
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

5.1.2 Financial authorizations

AUTHORIZATIONS GRANTED BY THE COMBINED SHAREHOLDERS' MEETING TO THE BOARD OF DIRECTORS TO ISSUE SHARE CAPITAL

The following table summarizes (pursuant to Article L.225-100 of the French Commercial Code) authorizations still in effect and those that have expired since the last Combined Shareholders' Meeting.

Type of securities	Maximum amount (in euros) ^{(1) (2)}	Authorization date and resolution number	Expiry date	Used during 2015	Amount
a) Ordinary shares paid up by capitalizing additional paid-in capital, reserves, profit or other eligible amounts	€1.5 billion (par value)	05/07/2014/21 st	07/07/2016	No	N/A
b) Ordinary shares and/or securities granting access to the Company's share capital, or granting a right to allocation of debt instruments, with PSR	€500 million (par value) €4.5 billion (issue amount)	05/07/2014/23 rd	07/07/2016	No	N/A
c) Ordinary shares and/or securities granting access to the Company's share capital, or granting a right to allocation of debt instruments, without PSR, public offer	€125 million (par value) €1.25 billion (issue amount)	05/07/2014/24 th	07/07/2016	No	N/A
d) Ordinary shares and/or securities granting access to the Company's share capital, or granting a right to allocation of debt instruments, without PSR, private placement	€125 million (par value) €1.25 billion (issue amount)	05/07/2014/25 th	07/07/2016	Yes	€53.6 million par value
e) Ordinary shares and/or securities granting access to the Company's share capital, or granting a right to allocation of debt instruments without PSR, issue price set by the Board of Directors	€125 million (par value) €1.25 billion (issue amount) 10% of share capital	05/07/2014/26 th	07/07/2016	Yes	N/A
"Greenshoe" option (b) to (e)		05/07/2014/27 th	07/07/2016	No	N/A
f) 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	€125 million (par value) €1.25 billion (issue amount) 10% of share capital	05/07/2014/28 th	07/07/2016	No	N/A
g) Ordinary shares and/or securities granting access to the Company's share capital, or granting a right to allocation of debt instruments, in consideration for shares tendered to a public exchange offer made by the Company	€125 million (par value) €1.25 billion (issue amount) 10% of share capital	05/07/2014/29 th	07/07/2016	No	N/A
Overall limit (b) to (g) including "Greenshoe option"	€500 million (par value) (40% of share capital) €4.5 billion (issue amount)				
Ordinary shares issued within the scope of the international employee share ownership plan:					
h) Members of Group savings plans	€48 million (issue amount) ⁽²⁾	05/07/2014/30 th	07/07/2016	No	N/A
i) Not restricted to members of Group savings plans, but subject to similar conditions	€16 million (issue amount) ⁽²⁾	05/07/2014/31 st	11/07/2015	No	N/A
j) Performance shares	1% of share capital	05/06/2015/9 th	11/06/2016	Yes	€8.5 million (par value)

PSR – Pre-emptive Subscription Rights

(1) Recap of overall limits:

- a maximum par value amount of €500 million and a maximum issue amount of €4.5 billion for all issues with and without pre-emptive subscription rights;
- including a maximum par value amount of €125 million and a maximum issue amount of €1.25 billion for all issues without pre-emptive subscription rights;
- issues performed pursuant to h), i) and j) above are not included in these general limits.

(2) Total share capital issues decided pursuant to h) and i) are capped at a maximum par value amount of €48 million.

USE OF AUTHORIZATIONS DURING 2015

Pursuant to the powers conferred on it by the 25th and 26th resolutions adopted by the Extraordinary Shareholders' Meeting of May 7, 2014 and in connection with the refinancing of the bridge loan secured to finance the acquisition of IGATE, the Board of Directors decided on June 8, 2015 to sub-delegate to the Chairman and Chief Executive Officer of the Company the powers necessary to perform a share capital increase by private placement with cancellation of pre-emptive subscription rights and without a priority subscription period.

On June 9, 2015, using the aforementioned sub-delegation, the Chairman and Chief Executive Officer decided a share capital increase by private placement with cancellation of pre-emptive

subscription rights for a par value amount of €53,600,000, through the issue of 6,700,000 new ordinary shares.

In addition, and pursuant to the authorization granted by the Extraordinary Shareholders' Meeting of May 6, 2015 in the ninth resolution, the Board of Directors' meeting of July 29, 2015 decided the issue of 1,068,550 performance shares to 618 managers and employees of the Group, and 19 members of the Executive Committee including Paul Hermelin.

It is recalled that the Board used the authorizations to perform share capital increases reserved for employees in 2014 (30th and 31st resolutions adopted by the Extraordinary Shareholders' Meeting of May 7, 2014). A €40 million share capital increase was performed on December 18, 2014.

5.1.3 Other share equivalents outstanding**BONDS REDEEMABLE IN CASH AND/OR IN NEW AND/OR EXISTING SHARES (ORNANE)**

On October 18, 2013, Cap Gemini 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*) for a total nominal amount of €400 million and comprising 5,958,587 bonds with a nominal value of €67.13 each, maturing on January 1, 2019 (ORNANE 2013). The terms and conditions of this issue were set out in the prospectus approved by the AMF on October 18, 2013 under reference number n°13-557.

On the exercise by bondholders of their share allotment rights, Cap Gemini may present, at its initiative, either (i) a cash amount up to the nominal value of the bonds and new and/or existing shares thereafter, where applicable, or (ii) only new and/or existing shares.

REDEEMABLE SHARE SUBSCRIPTION OR PURCHASE WARRANTS (BSAAR)

During 2009, 2,999,000 warrants were subscribed by employees and corporate officers of the Group at a price of €3.22 per warrant. This issue was disclosed in a prospectus approved by the AMF on May 14, 2009 under reference number 09-140. The warrants could not be exercised or transferred during a four-year period commencing July 23, 2009, except under the conditions specified in the issue agreement. The warrants are listed and traded on the Euronext Paris market since July 23, 2013 and will be until July 23, 2016.

352,632 warrants remained outstanding at December 31, 2015.

5.1.4 Employee shareholders**SHARE SUBSCRIPTION OR PURCHASE PLANS**

Cap Gemini no longer grants stock options. The last stock option plan expired in June 2013.

PERFORMANCE SHARE GRANT**Performance share grant in 2015**

The Extraordinary Shareholders' Meeting of May 6, 2015 authorized the Board of Directors in its ninth 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 6, 2015. 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 officer of the Company, it being specified that the portion of shares that must be held by him until the

end of his 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 July 29, 2015 decided the issue of 1,068,550 performance shares to 618 managers and employees of the Group, 18 members of the Executive Committee (excluding Paul Hermelin) and Paul Hermelin.

As for the 2012, 2013 and 2014 grant plans, the internal performance condition 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 Cap Gemini share against average performance over a minimum of three years (in line with the period 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 equal:

- ▶ 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 2015 to 2017 compared with a minimum objective of €1,750 million; the maximum number of shares will vest for organic free cash flow generation of more than €2,000 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 Cap Gemini share compared with the average performance measured over an identical three year period of a basket of securities and indexes containing (i) 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 and (ii) the CAC 40 index.

The Board of Directors set at three years the minimum holding period for vested shares following the vesting period 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.

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 2015

No share grants to employees without performance conditions were performed in 2015.

Vesting of performance shares in 2015

Pursuant to the authorization granted by the Extraordinary Shareholders' Meeting of May 24, 2012 in the nineteenth resolution, the Board of Directors granted (i) 1,003,500 shares subject to performance and presence conditions on December 12, 2012 and (ii) 1,209,100 shares subject to performance and presence conditions on February 20, 2013.

These performance shares were granted subject to the following vesting periods:

- ▶ December 12, 2012 grant: 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 French tax residents on January 2, 2015; and
- ▶ February 20, 2013 grant: 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 French tax residents on March 1, 2015.

Since 2010, performance share grants are subject to internal and external performance conditions. These conditions are detailed in the resolution presented to the Combined Shareholders' Meeting authorizing the Board of Directors to grant performance shares.

The internal performance condition for these two share grants 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 Cap Gemini share compared with a basket of comparable companies in our business sector in at least five different countries. These companies were as follows for the two grants: Accenture, Atos, CSC, CGI Group, Cognizant, Infosys, Sopra, Steria and Tieto. No shares vest in respect of the external performance condition if the relative performance of the Cap Gemini 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 tax-resident in France of 383,000 shares in January 2015 and 355,600 shares in March 2015.

It is noted that 1,028 shares vested early to certain beneficiaries of free share plans with performance conditions (1,000 shares) and without performance conditions (28 shares) during 2015 (following death, invalidity, etc.).

INTERNATIONAL EMPLOYEE SHAREHOLDING SYSTEM

The Combined Shareholders' Meetings of May 26, 2011 and May 7, 2014 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.

The international employee shareholding transaction performed in 2014 was subscribed in the amount of 5 million shares directly and indirectly via an Employee Savings Mutual Fund (FCPE) by Group employees from 20 countries.

It is recalled that subscribers to the first employee share ownership plan "ESOP 2009" (which expired on December 16, 2014) had the option of recovering their investment (and in numerous cases reinvesting in the 2014 plan) or leaving their investment in the Group Savings Plan (France only).

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 6.15% of the Company's share capital at December 31, 2015.

5.1.5 Potential dilution resulting from the exercise of all securities granting access to the Company's share capital

If the maximum number of shares were issued at December 31, 2015 in respect of performance and free share grant plans, BSAAR warrants and "ORNANE 2013" bonds, the dilution would be 5.5%.

The dilution in respect of performance and free share grants plans is 2.1%.

5.2

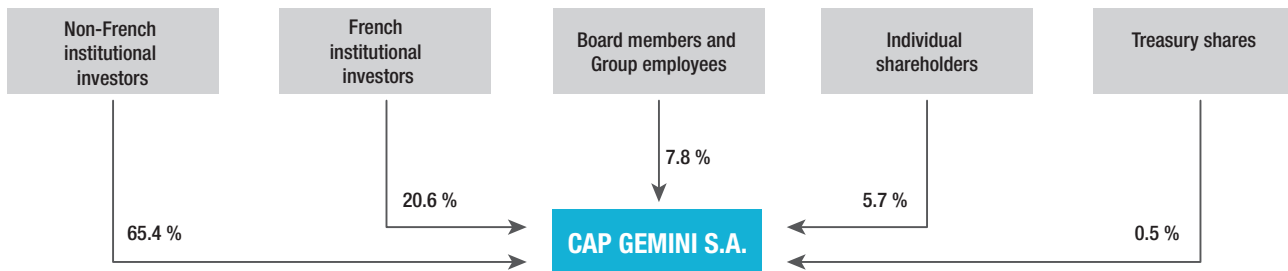
Cap Gemini and the stock market

At December 31, 2015, the share capital of Cap Gemini S.A. comprised 172,181,500 shares (ISIN code: FR0000125338). Cap Gemini shares are listed on the “Euronext Paris” market (compartment A) and are eligible for the SRD deferred settlement system of the Paris Stock Exchange. The increase in the number of shares between 2014 and 2015 is due to the issue of 6,700,000 shares within the framework of IGATE acquisition, the exercise of 1,888,545 redeemable share subscription or purchase warrants (BSAAR), and the early grant of 6 shares due to disability under a free share grant plan.

Cap Gemini shares are in particular 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, 2015, the Cap Gemini share price on “Euronext Paris” increased from €60.12 to €85.60.

CAP GEMINI SHARE OWNERSHIP STRUCTURE AT THE END OF DECEMBER, 2015

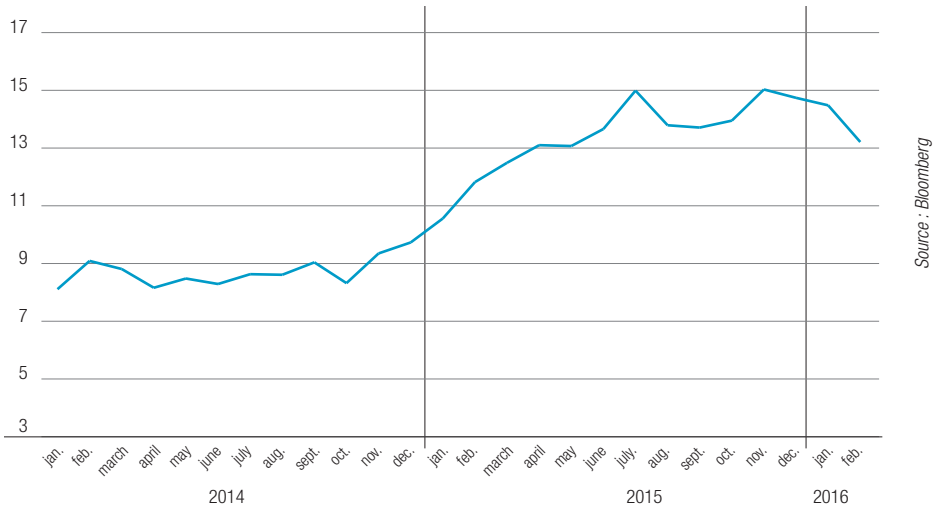
(based on a shareholder survey)



STOCK MARKET CAPITALIZATION

From January 2014 to February 2016

In billions of euros

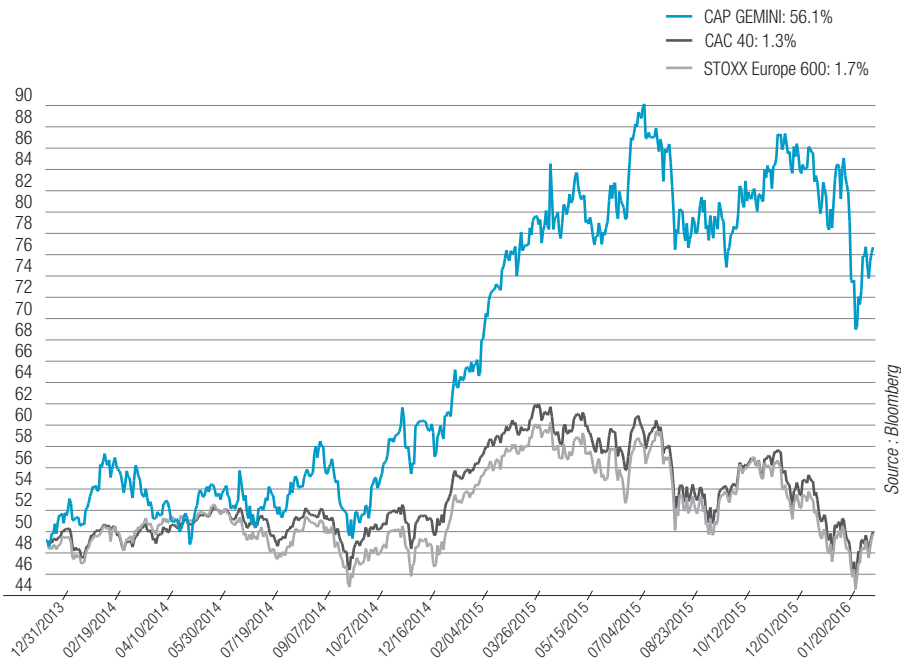


Source : Bloomberg

SHARE PERFORMANCE

From December 31, 2013 to February 29, 2016

In euros

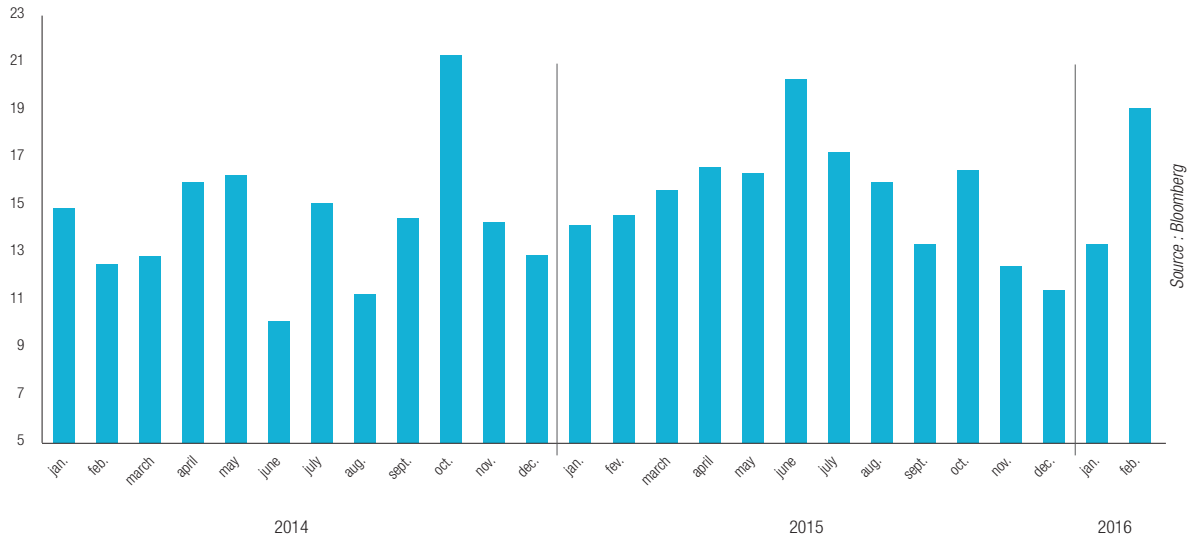


Source : Bloomberg

NUMBER OF TRADES PER MONTH ON NYSE EURONEXT PARIS

From January 2014 to February 2016

In millions of shares



SHARE PRICE AND TRADING VOLUME

The following table presents an analysis of trading in the Company's shares on NYSE Euronext Paris over the last 24 months:

Month	Number of trading days	Share price (in euros)			Trading volume		
		High	Average	Low	Number of shares		Value (millions of euros)
					Total	Average (daily)	
March 14	21	57.240	55.281	53.140	12,856,242	612,202	710.1
April 14	20	54.560	52.436	50.360	15,959,318	797,966	835.3
May 14	21	54.200	51.439	47.790	16,278,356	775,160	834.2
June 14	21	54.680	53.535	51.890	10,110,982	481,475	541.4
July 14	23	55.740	52.462	49.860	15,103,918	656,692	792.8
August 14	21	55.240	53.190	51.010	11,251,170	535,770	597.2
September 14	22	58.960	56.218	53.750	14,461,862	657,357	817.2
October 14	23	56.980	52.105	48.400	21,310,725	926,553	1,104.6
November 14	20	59.380	55.664	51.140	14,276,819	713,841	792.0
December 14	21	61.700	58.990	54.790	12,907,321	614,634	759.0
January 15	21	65.380	60.967	57.030	14,145,906	673,615	863.9
February 15	20	72.400	66.831	63.400	14,582,238	729,112	984.4
March 15	22	78.260	74.810	71.960	15,621,830	710,083	1,167.4
April 15	20	85.770	79.070	75.580	16,616,307	830,815	1,322.6
May 15	20	85.000	80.870	76.230	16,353,988	817,699	1,320.4
June 15	22	83.410	79.490	75.830	20,316,438	923,474	1,605.0
July 15	23	90.800	85.650	79.020	17,255,940	750,258	1,478.1
August 15	21	88.500	83.700	73.380	15,985,302	761,205	1,324.3
September 15	22	81.660	78.900	76.370	13,371,313	607,787	1,055.7
October 15	22	83.370	79.180	73.560	15,485,782	703,899	1,299.4
November 15	21	88.000	82.750	79.750	12,429,827	591,897	1,031.7
December 15	22	88.870	85.630	83.020	11,428,916	519,496	981.4
January 16	20	85.160	81.730	77.620	13,343,731	667,187	1,089.3
February 16	21	85.390	76.020	67.700	19,089,041	909,002	1,430.6

Source: Bloomberg

DIVIDENDS PAID BY CAP GEMINI

Year ended December 31	Dividend distribution			
	In € million	In % of net income	Number of shares	Dividend per share
2011	156	39%	155,770,362	€1.00
2012	162	44%	161,700,362	€1.00
2013	176	40%	160,317,818	€1.10
2014	196	34%	163,592,949	€1.20
2015	232	36%	172,181,500	* €1.35

* Recommended dividend submitted to the Annual Shareholders' Meeting of May 18, 2016.

2016 PROVISIONAL FINANCIAL CALENDAR

2016 First quarter revenues:	April 27, 2016
2016 First half results:	July 27, 2016
2016 Third quarter revenues:	October 26, 2016
2016 Annual results:	February 16, 2017

This provisional calendar is provided for information purposes only and may be subject to subsequent amendments.

5.3

Current ownership structure

At December 31, 2015, the share capital amounted to €1,377,452,000 (compared with €1,308,743,592 at December 31, 2014) following:

- ▶ the exercise of 1,888,545 redeemable share subscription or purchase warrants (BSAAR) during the year;
- ▶ the early grant of 6 shares due to disability under a free share grant plan;
- ▶ the issue of 6,700,000 shares following the share capital increase by private placement with suppression of preferential subscription rights as part of the refinancing of the bridge loan secured to finance the acquisition of IGATE.

The ownership structure at December 31, 2015 is presented below. No shares carry double voting rights. At December 31, 2015, Cap Gemini held 906,107 of its own shares.

At December 31, 2015, there were 13,664 holders of registered shares.

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:

- ▶ the US company, **BlackRock Inc.**⁽¹⁾, acting on behalf of clients and managed funds;
- ▶ **Société Générale**⁽²⁾.

The limited liability company, Amundi Group⁽³⁾, acting on behalf of managed funds, disclosed that it had raised and then reduced its interest above and below the threshold of 5% of the Company's share capital and voting rights on March 4 and 13, 2015 respectively as a result of an acquisition followed by a disposal of Cap Gemini shares on the market and holds 4.99% of the Company's share capital and voting rights on behalf of such funds.

The limited liability company, Amundi, acting on behalf of the Capgemini ESOP FCPE (employee savings mutual fund) which it manages, disclosed that it reduced its interest below the threshold of 5% of the Company's share capital and voting rights on July 1, 2015 and holds 4.97% of the Company's share capital and voting rights⁽⁴⁾.

In accordance with Article 10 of the Company's bylaws, the companies listed below made the following disclosures to the Company during the fiscal year:

- ▶ ALLIANZ disclosed that it had raised its interest above the threshold of 1% of the Company's share capital and voting rights;
- ▶ AVIVA disclosed that it had reduced its interest below the threshold of 2% of the Company's share capital and voting rights;
- ▶ AXA INVESTMENT MANAGERS disclosed that it had raised its interest above the threshold of 1% of the Company's share capital and voting rights;
- ▶ BNP PARIBAS INVESTMENT PARTNERS S.A. disclosed that it had raised its interest above the threshold of 1% of the Company's share capital and voting rights;
- ▶ CAISSE DES DEPOTS ET CONSIGNATIONS disclosed that it had reduced and raised its interest below and above the threshold of 1% of the Company's share capital and voting rights on two occasions. On the most recent occasion, it increased its interest above the 1% threshold;
- ▶ CITIGROUP GLOBAL MARKETS LTD disclosed that it had reduced and raised its interest below and above the threshold of 1% of the Company's share capital and voting rights on seven occasions. On the most recent occasion, it decreased its interest below the 1% threshold;
- ▶ CREDIT SUISSE disclosed that it had reduced and raised its interest below and above the threshold of 1% of the Company's share capital and voting rights on five occasions. On the most recent occasion, it decreased its interest below the 1% threshold;
- ▶ HSBC Holdings plc disclosed that it had reduced its interest below the threshold of 1% of the Company's share capital and voting rights;

Shares held by members of the Board of Directors represent 2.29% of the Company's share capital.

(1) BlackRock's investment is held on behalf of clients, but the investment manager has the discretionary power to exercise the voting rights attached to the shares held, except at the express request of clients to retain control of their voting rights.

(2) This threshold crossing disclosure follows the repeal of the so-called "trading" exception which exempted providers of investment services from including in their threshold crossing disclosures certain agreements or financial instruments considered to have an economic effect similar to the ownership of shares, following the enactment into French law of the revised transparency directive 2013/50/EU by Order no.2015-1576 of December 3, 2015 (e.g. forward purchase with physical settlement).

(3) Held 80% by Crédit Agricole group and 20% by Société Générale group. The limited liability companies, Amundi, Société Générale Gestion, Etoile Gestion, CPR Asset Management and BFT Gestion are management companies controlled by Amundi Group and have a common voting policy. These management companies act independently of Crédit Agricole and Société Générale, in accordance with the conditions laid down in Articles L.233-9 II of the French Commercial Code and Articles 223-12 and 223-12-1 of the AMF General Regulations.

(4) This threshold was crossed as a result of the increase in the total number of the Company's shares and voting rights.

Changes in the ownership structure over the past three years

	At December 31, 2013			At December 31, 2014			At December 31, 2015		
	Number of shares	% share capital	% voting rights	Number of shares	% share capital	% voting rights	Number of shares	% share capital	% voting rights
Serge Kampf	4,650,000	2.9	2.9	4,250,000 ⁽³⁾	2.6	2.6	3,670,000	2.1	2.1
Paul Hermelin	227,048	0.1	0.1	147,048	0.1	0.1	247,048	0.1	0.1
Public ⁽¹⁾ (bearer + registered)	145,189,110	90.6	90.6	148,108,652	90.5	90.5	157,785,099	91.7	91.7
Employee shareholders	10,182,860	6.4	6.4	10,119,071	6.2	6.2	9,573,246	5.6	5.6
Treasury shares ⁽²⁾	68,800	0.0	0.0	968,178	0.6	0.6	906,107	0.5	0.5
Own shares	-	-	-	-	-	-	-	-	-
TOTAL	160,317,818	100	100	163,592,949	100	100	172,181,500	100	100

(1) Including share capital held by managers.

(2) At December 31, 2015, Cap Gemini S.A. held 906,107 of its own shares acquired under the share buy-back program. In accordance with French corporate law, these shares are stripped of voting shares.

(3) Adjusted number of shares given information provided to the Company subsequent to the publication of the 2014 Registration Document.

The Company does not hold any "own shares".

Based on a study of identifiable bearer shares carried out at December 15, 2015, the Company has 36,758 identifiable holders of bearer shares holding at least 50 shares.

No shares carry double voting rights. Each share carries entitlement to one vote irrespective of whether the share is held in registered or bearer form.

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 6, 2015 renewed the authorization granted to the Company to buy back its shares. This authorization was used in 2015 in connection with the liquidity agreement entered into on February 15, 2010 and more generally as part of the continued purchase by the Company of its own shares.

The liquidity agreement seeks to improve the liquidity of the Cap Gemini S.A. share and stabilize the share price. In 2015, a total of 3,637,916 shares were purchased on behalf of Cap Gemini S.A., at an average price of €76.82 per share, representing 2.11% of the share capital at December 31, 2015. During the same period, 3,685,978 Cap Gemini S.A. shares were sold at an average price of €76.78 per share, representing 2.14% of the share capital at December 31, 2015. At the year-end, the liquidity account balance comprised 85,000 treasury shares (0.05% of the share capital) for a total of approximately €14 million.

In addition, the Company continued to purchase its own shares in 2015. Excluding the liquidity contract, the Company held 821,107 of its own shares at December 31, 2015, following the various transactions described below:

- ▶ purchase of 1,412,042 shares representing 0.82% of the share capital at December 31, 2015, at an average price of €75.88 per share;
- ▶ transfer of 739,622 shares to employees under the free share grant plan;
- ▶ transfer of 686,429 shares to holders of redeemable share subscription or purchase warrants (BSAAR) who exercised their Cap Gemini S.A. share allotment rights in 2015.

Trading fees (excluding VAT) and the financial transaction tax totaled €291,001 in 2015.

At December 31, 2015, excluding the liquidity agreement the 821,107 treasury shares representing 0.48% of the Company's share capital were allocated as follows:

- ▶ 468,475 shares for grant or sale to employees and/or corporate officers under free share grant plans, company savings plans or the international employee share ownership plan; and
- ▶ 352,632 shares for grant to holders of securities granting access to the Company's share capital on the exercise of the rights attached to these securities.

Finally, it is noted that no treasury shares were reallocated to a different purpose or cancelled during 2015.

6

Report of the Board of Directors and draft resolutions to be presented at the Combined Shareholders' Meeting of May 18, 2016

6.1	Resolutions presented at the Ordinary Shareholders' Meeting	240	6.4	Glossary and summary table of financial authorizations	273
6.2	Resolutions presented at the Extraordinary Shareholders' Meeting	252	6.5	Statutory auditors' reports	282
6.3	Biographies of the candidates for the Board of Directors	270			

Unofficial translation from French. The English translation is for information purpose only. In case of discrepancies, the French version shall prevail.

This report presents the proposed resolutions submitted to the Combined Shareholders' Meeting by the Board of Directors. It consists of an introduction, a summary table of financial authorizations and a glossary. 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 2015, 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 Cap Gemini for the year ended December 31, 2015 as follows:

- ▶ the Company financial statements of Cap Gemini showing a net profit of €1,156,946,800.03;
- ▶ the consolidated financial statements of Cap Gemini showing net profit for the Group of €1,124 million.

FIRST RESOLUTION

Review and approval of the 2015 Company financial statements

The Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings and after having read:

- ▶ the management report of the Board of Directors;

- ▶ the Chairman's report; and
- ▶ the Statutory Auditors' report on their audit of the Company; approves the Company financial statements for the year ended December 31, 2015, showing net profit for the year of €1,156,946,800.03.

SECOND RESOLUTION

Review and approval of the 2015 consolidated financial statements

The Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings and after having read:

- ▶ the Group management report of the Board of Directors for 2015; and
- ▶ the Statutory Auditors' report on the consolidated financial statements;

approves the consolidated financial statements for the year ended December 31, 2015, showing net profit for the Group of €1,124 million.

PRESENTATION OF THE 3RD RESOLUTION

REGULATED AGREEMENTS AND COMMITMENTS

Overview

In this resolution, we ask you to (i) approve the agreements governed by Article L. 225-38 of the French Commercial Code entered into in 2015, and (ii) take due note of the information concerning agreements and commitments entered into and approved by Shareholders' Meetings in prior years, with continuing effect in 2015, as presented in the statutory auditors' special report (see Section 4.4.5 of 2015 Registration Document).

(I) NEW AGREEMENTS AND COMMITMENTS

The only agreements authorized by the Board of Directors in 2015 and presented for your approval were entered into in the context of the merger acquisition by your Company of the US company IGATE Corporation (hereafter referred to as the "IGATE Acquisition").

For further information on the terms and conditions of the IGATE Acquisition, please refer to the 2015 Registration Document.

a. Financial Advisory Agreement with the investment banking firm Lazard

During its meeting of April 24, 2015, the Board of Directors unanimously authorized the signature by Cap Gemini of a financial advisory agreement with the investment banking firm Lazard (hereinafter "Lazard") (through its French and US respective entities) appointing the latter as exclusive advisor for the IGATE Acquisition. Messrs. Bruno Roger and Phil Laskawy did not participate in this vote due to their positions in the Lazard group.

Therefore, under the terms of the financial advisory agreement signed by Capgemini North America, Inc. with Lazard Frères S.A.S. and Lazard Frères & Co. LLC on April 26, 2015, Lazard particularly undertook, as advisor, to assist the Company with the preparation of reports and analyses, the drafting of the structure and the definition of the transaction terms and conditions, the coordination of audit procedures and the negotiation of the documents necessary to the transaction.

Cap Gemini selected Lazard as advisor considering its involvement with major international groups in numerous "cross-border" transactions. In addition, this investment bank has already accompanied Cap Gemini in several major acquisitions, such as the Kanbay acquisition completed in 2007. This acquisition presented a number of significant similarities with the IGATE acquisition. Kanbay, like IGATE, was a company governed by US law and listed in the United States, providing services primarily in North America with the majority of its employees located in India.

Lazard terms and conditions are in line with standard market practice for this type of contract: commission payable on completion of the transaction equal to the higher of (i) US\$ 10.8 million and (ii) 0.27% of the capitalization subject to the transaction.

Remuneration effectively paid by Capgemini North America, Inc. to Lazard during 2015 totaled US\$ 10.8 million;

The contract was signed by Capgemini North America, Inc., the wholly-owned subsidiary of Cap Gemini which performed the acquisition, and not by Cap Gemini. Nonetheless, the Board of Directors is of the opinion that, as Cap Gemini approved this acquisition together with, as provided in the Board of Directors' Internal Rules of Operation, its main terms and conditions, financing and the choice of advisory bank, it could be considered that the agreement presented the characteristics of a regulated agreement between Cap Gemini SA and Lazard.

b. IGATE Acquisition financing agreements

Bridge loan

During its meeting of May 5, 2015, the Board of Directors unanimously authorized the signature by the Company of a financing agreement in the form of a bridge loan with several banking institutions under which Crédit Agricole S.A. and Société Générale as well as their respective affiliates could be invited to participate, as these two institutions participate regularly in major financing transactions both in and outside France.

Mr. Xavier Musca, Deputy Chief Executive Officer of Crédit Agricole S.A., Mrs. Laurence Dors, Director of Crédit Agricole S.A. and Mr. Yann Delabrière, Director of Société Générale, did not participate in this vote due to their positions in these banks.

Pursuant to this authorization, a bridge loan of US\$ 3,800 million (available for drawn-down in US dollars and/or euros) was signed on May 22, 2015 between Cap Gemini and six credit institutions including Crédit Agricole Corporate and Investment Bank and Société Générale, both of which providing each as lender a final commitment of US\$ 304 million, corresponding each to 8% of the total amount following the syndication phase.

This bridge loan of an initial term of one year, with a one year extension option exercisable at the initiative of your Company, contained standard stipulations for this type of financing.

The bridge loan was cancelled in full at the initiative of your Company on July 9, 2015.

Commission and interest paid to Crédit Agricole Corporate and Investment Bank and Société Générale in respect of this bridge loan were determined based on their commitments and their respective roles in the financing. In 2015, you Company paid:

- ▶ commission of US\$ 966,232 and interest of US\$ 10,407 and €15,628 to Crédit Agricole Corporate and Investment Bank;
- ▶ commission of US\$ 966,232 and interest of US\$ 10,407 and €15,628 to Société Générale.

Underwriting agreement

The Board of Directors' meeting of June 8, 2015 unanimously authorized, with respect to the refinancing of the bridge loan intended to finance the IGATE acquisition, a share capital increase by private placement, pursuant to the powers granted by the 25th and 26th resolutions of the Extraordinary Shareholders' Meeting of May 7, 2014. To this end, it approved

the signature of an underwriting agreement with several financial institutions, in which Crédit Agricole S.A., which is recognized for its expertise in this sector, and one or more of its affiliates were invited to participate, for the purpose, in addition to underwriting the share capital increase, of placing it with institutional investors.

Mr. Xavier Musca, Deputy Chief Executive Officer of Crédit Agricole S.A. and Mrs. Laurence Dors, Director of Crédit Agricole S.A. did not participate in this vote due to their positions in this bank..

Following the private placement performed in the context of the underwriting agreement signed on June 9, 2015 with eight financial institutions, including Crédit Agricole Corporate and Investment Bank, Cap Gemini performed a €506 million share capital increase⁽¹⁾.

This agreement contains standard declarations and guarantees for this type of transaction.

Commission paid to each of the financial institutions reflected their percentage share in the underwriting and their role in the placement.

Under the underwriting agreement, Crédit Agricole Corporate and Investment Bank underwrote 20% of the issue and acted as lead bank and associate bookrunner. In this respect, your Company paid a commission of €1,647,630.

Subscription agreement

The Board of Directors' meeting of June 8, 2015 unanimously authorized your Company to enter into a subscription agreement covering the Cap Gemini S.A. bond issues with banking institutions, under which Crédit Agricole S.A. and Société Générale as well as one or more of their respective affiliates could be invited to a play a role in the placement of the bonds, as these two institutions participate regularly in bond issues both in and outside France.

Mr. Xavier Musca, Deputy Chief Executive Officer of Crédit Agricole S.A., Mrs. Laurence Dors, Director of Crédit Agricole S.A. and Mr. Yann Delabrière, Director of Société Générale, did not participate in this vote due to their positions in these banks.

In accordance with this authorization and in the context of a triple-tranche bond issue performed on July 1, 2015 in the amount of €2,750 million, the Company entered into a subscription agreement on June 29, 2015 with twelve institutions, including Crédit Agricole Corporate and

Investment Bank and Société Générale, under the terms of which these financial institutions subscribed for all the bonds issued by the Company in order to place them with investors wishing to participate in the issue.

This agreement contains standard declarations and guarantees for this type of transaction.

Commission was paid to each financial institution based on its role in this transaction. Accordingly, the Company paid the following amounts during 2015:

- ▶ commission of €333,281 to Crédit Agricole Corporate and Investment Bank, as joint lead manager;
- ▶ commission of €1,530,625 to Société Générale, as global coordinator and joint lead manager.

(II) AGREEMENTS AND COMMITMENTS WITH CONTINUING EFFECT IN 2015:

The registration of Serge Kampf and Paul Hermelin as beneficiaries of the senior executive supplementary pension plan authorized by the Shareholders' Meeting of April 10, 2007, continued during 2015.

During 2015, these corporate officers 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 and decided to freeze the rights of Serge Kampf and Paul Hermelin⁽²⁾ under this defined pension plan with effect from October 31, 2015 (without counterparty for these two beneficiaries) with a favorable impact for the Company, on the grounds that:

- a) defined benefit pension plans have become increasingly costly due to low asset yields and extended life expectancy and economically inefficient; and
- b) the taxation of these plans has increased significantly since their implementation making them inefficient.

For the other Cap Gemini non-corporate officer beneficiaries and for the employees members of Group General Management, the implementation of a new replacement system is planned: this will take the form of a long-term compensation program subject to performance conditions enabling the progressive acquisition of protective savings. Paul Hermelin is not concerned by this program.

THIRD RESOLUTION

Approval of the regulated agreements governed by Article L. 225-38 of the French Commercial Code

The 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 governed

by Article L. 225-38 of the French Commercial Code (*Code de commerce*), approves the agreements entered into during the fiscal year 2015 detailed therein, and takes due note of the information related to the commitments and agreements previously entered into and approved by the Shareholders' Meeting.

(1) €54 million par value.

(2) And those of all other plan beneficiaries.

PRESENTATION OF THE 4TH RESOLUTION

APPROPRIATION OF EARNINGS

Overview

During its meeting of February 17, 2016, the Board of Directors decided to recommend to the next Ordinary Shareholders' Meeting that the dividend be set at €1.35 per share for a total of €232,445,025 based on the number of shares ranking for dividends at December 31, 2015.

Residual distributable profits for the year, *i.e.* €2,373,728,466.07, shall be added to retained earnings.

This dividend of €1.35 for each of the 172,181,500 shares bearing dividend rights on January 1, 2015, 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*). 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 May 30, 2016 and a dividend payment date starting from June 1, 2016.

Pursuant to Article 243 bis of the French Tax Code, the Board of Directors reminds shareholders that dividends paid over the past three fiscal years were as follows: €196,311,538.80 for 2014 (€1.20 per share), €176,349,599.80 for 2013 (€1.10 per share) and €162,055,362 for 2012 (€1 per share). All of these dividends were fully eligible for the 40% tax rebate set out in Article 158.3.2° of the French Tax Code.

FOURTH RESOLUTION

Net income appropriation and dividend distribution

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, 2015 as follows:

■ net profit for the year	€1,156,946,800.03
■ allocation to the legal reserve	€37,099.20
<i>i.e.</i> a balance of:	€1,156,909,700.83
■ retained earnings of previous years:	€1,449,263,790.24
<i>i.e.</i> distributable earnings:	€2,606,173,491.07
■ allocated to: ⁽¹⁾	
payment of a dividend of €1.35 per share:	€232,445,025.00
retained earnings for the balance:	€2,373,728,466.07
giving a total of:	€2,606,173,491.07

⁽¹⁾ The total amount of the distribution is calculated based on the number of shares ranking for dividends at December 31, 2015, *i.e.* 172,181,500 shares, and could therefore change if this number varies between January 1, 2016 and the ex-dividend date.

It should be noted that the dividend, set at €1.35 for each of the 172,181,500 shares bearing dividend rights on January 1, 2015, 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*).

The ex-dividend date will be May 30, 2016 and the dividend will be payable from June 1, 2016. If, at the time of payment of the dividend, the Company holds some of its own shares, the dividend for these shares will be added to retained earnings.

Pursuant to Article 243 bis of the French Tax Code, it is recalled that dividends paid over the past three fiscal years were as follows: €196,311,538.80 for 2014 (€1.20 per share), €176,349,599.80 for 2013 (€1.10 per share), and €162,055,362 for 2012 (€1 per share). All of these dividends were fully eligible for the 40% tax rebate set out in Article 158.3.2° of the French Tax Code.

PRESENTATION OF THE 5TH RESOLUTION

ADVISORY VOTE ON THE COMPONENTS OF COMPENSATION DUE OR AWARDED IN RESPECT OF FISCAL YEAR 2015 TO PAUL HERMELIN, CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Overview

Pursuant to the revised AFEP-MEDEF Code issued in November 2015 with which Cap Gemini complies, the compensation of each executive corporate officer due or awarded in respect of fiscal year 2015 must be presented to the Shareholders' Meeting for an advisory vote. The following table summarizes the 2015 compensation components of Paul Hermelin, subject to shareholder advisory vote pursuant to the "say on pay" policy.

COMPENSATION COMPONENTS DUE OR AWARDED IN RESPECT OF 2015 TO PAUL HERMELIN, CHAIRMAN AND CHIEF EXECUTIVE OFFICER, SUBJECT TO SHAREHOLDER ADVISORY VOTE

	Amount or accounting value subject to vote	Presentation
Fixed compensation	€1,452,000 (paid in 2015)	The gross fixed compensation of €1,452,000 for fiscal year 2015 was approved by the Board of Directors on February 18, 2015 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 compared to 2013 when it was increased by 10% to reflect the change in Mr. 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 changes in and the 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 1.4% per annum. This compensation falls within the average for CAC 40 executives
Annual variable compensation	€1,109,479 (paid in 2016)	<p>During the Board of Directors' meeting of February 17, 2016, 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 2015, 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.</p> <p>V1 component: this component is calculated in accordance with quantifiable criteria and the following respective weightings, all relating to the financial results:</p> <ol style="list-style-type: none"> 1) attainment of the revenue objective: 30% weighting; 2) attainment of the operating margin rate: 30% weighting; 3) attainment of pre-tax net profit: 20% weighting; 4) 2015 Free Cash Flow: 20% weighting. <p>These objectives were assessed with respect to the budgeted objectives set by the Board of Directors' meeting of February 18, 2015. They did not include the impact of the IGATE acquisition and therefore the achievements indicated below have been established accordingly (i.e. excluding as well the impact of this acquisition effective July 1, 2015).</p> <p>Attainment rates for these four objectives were 99.77%, 97.38%, 112.41% and 111.71% respectively, which taking account of the relative weighting of each objective, gives a weighted attainment rate of 103.97%.</p> <p>The Group's historical calculation formula accelerates actual performance upwards and downwards such that:</p> <ul style="list-style-type: none"> ■ if the weighted performance of the above four financial indicators is less than or equal to 70%, the V1 component will be nil; ■ if the weighted performance of the above four financial indicators is greater than or equal to 130%, the V1 component will be equal to twice its theoretical amount. <p>Accordingly, with this formula, a one point variance in the weighted attainment rate increases or decreases the variable component by 3.33%. Therefore, application of the formula to the weighted attainment rate of 103.97% in 2015 results in the multiplication of the theoretical variable component by 113.23%, giving an amount of 968,000/2*1.1323 = €548,039.</p>

Amount or accounting value subject to vote	Presentation																																							
Annual variable compensation	<p>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 four categories: "Acquisitions" for 30%, "Industrialization" for 25%, "Reinforcement of the account centricity culture" for 25% and "Talent enrichment" for 20%.</p> <p>For the first category (Acquisitions-30%), the Board highlighted the successful acquisition of IGATE realized in a very short time frame with operational merger effective as of January 1, 2016. This acquisition, being the biggest realized by the Group in the last 15 years, strengthens its North American operations and brings strong assets such as new logos and a highly leveraged, talented and industrialized organization. Given the size of the operation, its strong matching to Group strategy and its fast and successful closing, the Board considered that the objectives set for this category had been exceeded.</p> <p>For the second category (Industrialization-25%), the Board based its recommendations on objective items and particularly on the margin improvement, through different measures (gross margin, contribution margin % evolution and production costs evolution) which all evolved positively year on year by +0.6 pt (101.3%), +0.32 pt (101.7%) and minus 0.4 pt respectively. Given these achievements, the Board considered that the objectives set for this category have been realized at 96%.</p> <p>For the third category (Account centricity-25%), the Board took into consideration the transition from a significant part of the business to a new accounting model announced during the Group "Rencontres" last October and supported by a transformation program. In addition, the Board considered from a quantitative side the growth performance realized by the strategic accounts in absolute terms vs. the Group actual growth. Considering the sales growth of strategic accounts by 10.4% and of the corresponding revenue of 5.9% compared to Group growth the Board considered that the objectives set for this category have been realized at 120%.</p> <p>For the fourth category (Talent-20%), the Board took into account several indicators such as the movements recorded within TeamOne, the Group transformation body, with 49 movements recorded in 2015 (vs. 43 in 2014) excluding any impact from the IGATE acquisition. This, as well as several external recruits of "Vice-Presidents" (78), the promotion of 120 new Vice-Presidents vs. 112 in 2014 (excluding IGATE promotions), the increase in executive manager turnover and mobility reflected by numerous job transfers in the course of 2015 (which have more than doubled) and the further increase by 4.4 points in the percentage of women promoted VP, following a 5 points improvement the previous year, led the Board to consider that the Talent objectives set have been reached at 100%.</p> <p>The Board approved a weighted performance of 116%, as per the table below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Objective type</th> <th colspan="2">Target</th> <th colspan="2">Proposal</th> </tr> <tr> <th>Computed</th> <th>Qualitative</th> <th>Computed</th> <th>Qualitative</th> </tr> </thead> <tbody> <tr> <td>Industrialisation</td> <td>15</td> <td>10</td> <td>15</td> <td>9</td> </tr> <tr> <td>Account Centricity</td> <td>15</td> <td>10</td> <td>20</td> <td>10</td> </tr> <tr> <td>Acquisitions</td> <td></td> <td>30</td> <td></td> <td>42</td> </tr> <tr> <td>Talents</td> <td>10</td> <td>10</td> <td>11,5</td> <td>8,5</td> </tr> <tr> <td>TOTAL</td> <td>40</td> <td>60</td> <td>46.5</td> <td>69.5</td> </tr> <tr> <td></td> <td>Target</td> <td>100</td> <td>Proposed</td> <td>116</td> </tr> </tbody> </table>	Objective type	Target		Proposal		Computed	Qualitative	Computed	Qualitative	Industrialisation	15	10	15	9	Account Centricity	15	10	20	10	Acquisitions		30		42	Talents	10	10	11,5	8,5	TOTAL	40	60	46.5	69.5		Target	100	Proposed	116
Objective type	Target		Proposal																																					
	Computed	Qualitative	Computed	Qualitative																																				
Industrialisation	15	10	15	9																																				
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Talents	10	10	11,5	8,5																																				
TOTAL	40	60	46.5	69.5																																				
	Target	100	Proposed	116																																				

leading to a variable **V2 calculation of €561.440.**



Amount or
accounting value
subject to vote

Presentation

Accordingly, **variable compensation of €1,109,479** was approved by the Board for 2015, i.e. **76.4% of his fixed compensation for the same year and 114.6% of the theoretical variable compensation**. Total fixed and variable compensation for 2015 is therefore €2,561,479, i.e. 105.8% of the theoretical compensation and may be summarized as follows:

2015 variable compensation calculation for Paul Hermelin

V1: quantitative part based on budgeted financial targets

Indicators	Weight	% of achievement	Weighted
Total Revenue	30%	99.77%	29.93%
Operational Margin %	30%	97.38%	29.22%
Net result before tax	20%	112.41%	22.48%
Organic Free Cash Flow	20%	111.71%	22.34%
Total weighted R/B before flex			103.97%
Total weighted after 70/130 flex			113.2%
Variable V1 on target			484,000
Computed V1			548,039

V2: qualitative part based on 2015 personal objectives

Categories	Weight	Weighted local
Acquisitions	30%	
Industrialisation	25%	116 %
Account centricity	25%	
Talent enrichment	20%	
Variable V2 on target		484,000
Computed V2		561,440
TOTAL 2015 VARIABLE COMPENSATION		1,109,479
<i>As a % of the total variable on target</i>		<i>114.6 %</i>
<i>As a % of fixed compensation</i>		<i>76.4 %</i>

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 at the end of the first quarter of Y+1, or in the present case in March 2016.

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.

**Report of the Board of Directors and draft resolutions to be presented
at the Combined Shareholders' Meeting of May 18, 2016**

6.1 Resolutions presented at the Ordinary Shareholders' Meeting

	Amount or accounting value subject to vote	Presentation
Stock options, performance shares or any other form of long-term compensation	Performance shares €2,266,678 (accounting value)	40,000 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 2015 to 2017. The minimum amount necessary for shares to vest is €1750 million. Above this threshold, shares vest progressively on a straight-line basis, with the maximum grant requiring Organic Free Cash Flow of €2 billion or more. The external performance conditions accounts for 50% of the grant and is based on the comparative performance of the Cap Gemini 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/ CSC/Atos/Tieto/Steria/CGI Group/Infosys and Cognizant) and the CAC 40 index (new since 2014). Accordingly, no shares vest if the relative performance of the Cap Gemini share is less than 90% 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 60% of the initial grant vests. A portion of this allocation has been granted in reward of the successful IGATE acquisition. The number of shares that may vest to the executive corporate officer may not exceed 0.02% of the share capital. Authorized by the Combined Shareholders' Meeting of May 6, 2015 (Ninth resolution) Grant authorized by the Board meeting of July 29, 2015
	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 Paul Hermelin's decision to waive his right to collect attendance fees as a director of Cap Gemini S.A. in respect of 2015 (as both Serge Kampf and he have done for the last six years).
Valuation of benefits in kind	€3,652 Contributions paid	Contributions paid on behalf of Paul Hermelin in respect of unemployment insurance for company managers.

For further information on Paul Hermelin's remuneration policy, including all information items not presented to this Shareholders'

Meeting for vote pursuant to the "say on pay" procedure, please refer to section 2.3 of the 2015 Registration Document.

FIFTH RESOLUTION

Advisory vote on the components of compensation due or awarded in respect of fiscal year 2015 to Paul Hermelin, Chairman and Chief Executive Officer

The Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings, issues a favorable opinion on the components of compensation due

or awarded in respect of fiscal year 2015 to Paul Hermelin, Chairman and Chief Executive Officer, as presented in the Management Report section entitled "Components of compensation due or awarded in respect of fiscal year 2015 to Paul Hermelin, Chairman and Chief Executive Officer, subject to shareholder advisory vote".

PRESENTATION OF THE 6TH RESOLUTION

BOARD OF DIRECTORS ATTENDANCE FEES

Overview

It is recalled that the Shareholders' Meeting of May 6, 2015 authorized the payment of attendance fees to directors of a total maximum amount of €1,000,000 per year, superseding the previous resolution. This allowed the objectives set by the Board of Directors to be attained. Despite the significant increase in the number of Board meetings during 2015 and the large number of meetings held by each of the Committees, the participation rate remained high, including for directors residing outside France. This increase in the total amount of attendance fees allowed the increase to be focused both on the directors not residing in France and on those specifically 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.

Nonetheless, your Board of Directors aims to continue increasing the diversity of its composition. Two draft resolutions presented to this Shareholders' Meeting therefore concern the appointment of two new female directors in order to satisfy this objective. Furthermore, in addition to renewing

the term of office of the director representing employee shareholders, you are asked, from this year, to apply new legislative measures regarding employee representation on the Board, which would result in the appointment of two employee directors by the end of 2016.

Further to the death of Serge Kampf on March 15, 2016, your Board is currently composed of 11 members. Accordingly, assuming the approval of the various governance resolutions by the Shareholders' Meeting, the Board of Directors would increase from 11 to 15 directors by the end of the year (i.e. an increase of more than 33%). In order to take account of this expansion of the Board of Directors' composition, while continuing to involve directors of high quality who are strongly committed, we propose that you increase the total amount of attendance fees.

The 6th resolution therefore asks shareholders to set the maximum amount of annual attendance fees allocated to the Board of Directors at €1,200,000 (i.e. an increase of 20%), applicable until a new Shareholders' Meeting decision. This authorization would supersede that granted by the Shareholders' Meeting of May 6, 2015.

SIXTH RESOLUTION

Board of Directors attendance fees

At the recommendation of the Board of Directors, the Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings, sets the total annual amount of attendance fees allocated to the Board of Directors per fiscal year at €1,200,000.

PRESENTATION OF RESOLUTIONS 7 AND A*

APPOINTMENT OF A DIRECTOR REPRESENTING EMPLOYEES SHAREHOLDERS

Overview

The resolutions 7 and A ask shareholders to renew the term of office of the director representing employee shareholders, expiring at the end of this Shareholders' Meeting. This office is currently held by Mrs. Lucia Sinapi-Thomas.

Pursuant to legislative provisions and Article 11-5) of the Company's bylaws, as the percentage of share capital held by employees of the Company and companies related to it represents over 3% of the Company's share capital (6.15% of the share capital as at December 31, 2015), a director representing employees shareholders must be elected by the Shareholders' Meeting from among two candidates proposed by employees shareholders. One of these candidates, Mrs. Lucia Sinapi-Thomas, was nominated by the Supervisory Board of the various Capgemini FCPE employee savings mutual funds, which represent together 78% of the share capital held by the employees shareholders; the other candidate, Mrs. Tania Castillo-Pérez, was directly elected by all registered employee shareholders.

During its meeting of March 23, 2016, the Board decided to recommend the candidacy of Mrs. Lucia Sinapi-Thomas both in consideration of the fact that Lucia Sinapi-Thomas is presented by the FCPE mutual fund representing the largest number of employee shareholders and holding the greatest percentage of the Company's share capital, and given the high quality of her contribution to the work of the Board of Directors and the Compensation Committee over her current term of office. **Accordingly, the Board approved the seventh resolution and did not approve resolution A.**

As only one directorship representing employee shareholders is available, the candidate obtaining the greatest number of votes will be elected. The director will be appointed for a period of four years, in accordance with the bylaws.

A detailed biography of the two employees shareholders' candidates is presented after the draft resolutions.

* Resolutions 7 and A: pursuant to Article 11-5 of the bylaws, as only one position of director representing employees shareholders is available, the candidate receiving the greatest number of votes will be elected.

SEVENTH RESOLUTION*

Appointment of a director representing employees in accordance with Article 11-5 of the bylaws

The Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings appoints

Lucia Sinapi-Thomas as a director representing employees 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, 2019.

RESOLUTION A*

Appointment of a director representing employees in accordance with Article 11-5 of the bylaws (Resolution not approved by the Board of Directors)

The Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders'

Meetings appoints Tania Castillo-Pérez as a director representing employees 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, 2019.

PRESENTATION OF THE 8TH AND 9TH RESOLUTIONS

APPOINTMENT OF DIRECTORS

Overview

The Board of Directors regularly assesses its composition and the various areas of expertise and experience contributed by its members and identifies the directions to be given in order to ensure the best possible balance with regards to international outlook and the human diversity of the Group employees.

At the proposal of the Ethics & Governance Committee, the Board of Directors agreed, during its meeting of March 23, 2016, the need to increase the financial expertise of the Board and strengthen the Audit Committee. In addition, the Board confirmed the need to continue rejuvenating its composition, increasing the number of female directors and the diversity of profiles and cultures represented.

Accordingly, at the end of a process to identify candidates carried out by the Chairman of the Ethics & Governance Committee, followed by a number of interviews held by several members of the Ethics & Governance Committee, your Board wishes to propose to the Shareholders' Meeting the appointment of Mrs. Siân Herbert-Jones and Mrs. Carole Ferrand for a period of four years (8th and 9th resolutions).

Mrs. Siân Herbert-Jones is currently a director of Air Liquide S.A., where she chairs the Audit and Accounts Committee. An English chartered accountant, Mrs. Herbert-Jones initially worked for 15 years with PricewaterhouseCoopers in its London and then Paris offices, where she was director of Mergers and Acquisitions. She then joined the Sodexo Group, where she spent 21 years, including 15 years as Chief Financial Officer and member of the Executive Committee, before retiring on March 1, 2016. Of British nationality, Mrs. Siân Herbert-Jones would bring strong financial expertise to the Board, as well as her experience with international transactions, particularly in the service sector, while contributing the insight of her Anglo-Saxon culture and improving the diversity of profiles on the Board. Your Board considers that Mrs. Siân Herbert-Jones would qualify as an independent director.

Mrs. Carole Ferrand is Financing Director at Artémis Group. She is a graduate of the École des Hautes Études

Commerciales (class of 1992). Ms. Ferrand 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 in charge of strategic and financial support for certain investments. Mrs. Carole Ferrand would bring to the Board her experience in audit, finance and financial transactions. Your Board considers that Mrs. Carole Ferrand would qualify as an independent director.

A detailed biography of each of the candidates is presented after the draft resolutions.

Should the Cap Gemini Shareholders' Meeting follow the recommendations of the Board of Directors, its composition will increase from 11 to 13 directors, enabling better representation with profiles and expertise that are both diverse and complementary and well adapted to the specific nature of the Company's activities. These appointments will also allow to strengthen the independence of the Board, with a percentage of independent directors increasing to 69%.

Furthermore, female representation on the Board would also be stepped-up, with 6 female directors out of a total of 13 directors on the Board, representing a rate of 46%, perfectly in line with the Company's commitments and obligations. It is recalled that the Copé-Zimmermann Law on the equal representation of men and women on Boards of Directors provides that from the first Shareholders' Meeting held in 2017, the percentage of directors of each sex must not be less than 40%. Companies referring to the AFEP-MEDEF Code, as is the case for your Company, must achieve this objective one year earlier, that is, from Shareholders' Meetings held in 2016.

* Resolutions 7 and A: pursuant to Article 11-5 of the bylaws, as only one position of director representing employees shareholders is available, the candidate receiving the greatest number of votes will be elected.

EIGHTH RESOLUTION

Appointment of Siân Herbert-Jones 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 Siân

Herbert-Jones 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, 2019.

NINTH RESOLUTION

Appointment of Carole Ferrand 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

Carole Ferrand 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, 2019.

PRESENTATION OF 10TH 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 summary table following the draft resolutions.

Shareholders are reminded that last year, the Ordinary Shareholders' Meeting renewed the authorization granted to the Company to buy back its shares, subject to certain conditions. This authorization was used in 2015 in connection with the liquidity agreement entered into with Oddo Corporate Finance on February 15, 2010 and more generally in the active management of its dilution by the Company.

The purpose of the liquidity agreement is to improve the liquidity of the Cap Gemini share and stabilize the share price. At the year-end, the liquidity account presented a balance of 85,000 shares (0.05% of the share capital) and approximately €14 million.

Furthermore, during 2015, outside the liquidity agreement, the Company purchased 1,412,042 shares at an average price of €75.88 and transferred 1,426,051 shares to holders of BSAAR warrants who exercised their Cap Gemini share allotment rights and to employees under the free share grant plan.

At December 31, 2015, the Company held 821,107 of its own shares outside the liquidity agreement.

The new resolution submitted to your 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 that the maximum number of treasury shares held after such purchases may not exceed 10% of the amount of the Company's share capital at any time. The maximum purchase price will be set at €130 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.

The objectives of the buyback program that would be implemented pursuant to this authorization are described in the resolution itself and summarized in the table below.

TENTH RESOLUTION

Authorization of a share buyback program, for a period of 18 months, enabling the Company to buy back its own shares within the limit of a number of shares equal to a maximum of 10% of the share capital, a maximum amount of €2,230 million and a maximum purchase price of €130 per share

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 Cap Gemini 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 €130 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 €2,230 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 7th resolution adopted by the Combined Shareholders' Meeting of May 6, 2015.

6.2

Resolutions presented at the Extraordinary Shareholders' Meeting

We present a series of resolutions aimed at providing the Company with the financial means to develop and implement its strategy, in order to associate all Company stakeholders with its success and particularly shareholders and employees. Your Board of Directors presents below the main characteristics of and reasons behind these resolutions and the uses made in recent years of equivalent resolutions in force. The summary table following the draft resolutions, to which you are invited to refer, is an integral part of this report.

PRESENTATION OF 11TH RESOLUTION

CANCELLATION OF TREASURY SHARES

Overview

It is recalled that the Combined Shareholders' Meeting of May 6, 2015 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.

No treasury shares were cancelled during fiscal year 2015.

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.

ELEVENTH 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 8th resolution adopted by the Combined Shareholders' Meeting of May 6, 2015.

PRESENTATION OF 12TH TO 21ST RESOLUTIONS

FINANCIAL AUTHORIZATIONS AND GRANT OF PERFORMANCE SHARES

Overview

1. Resolutions 12 to 21 are all intended to give the Board of Directors powers to make certain decisions regarding increasing the Company's share capital, by various means and for various reasons, as explained in the summary table that follows the draft resolutions. 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.

In 2015, the Company used this facility to cancel pre-emptive subscription rights in the context of the IGATE acquisition financing. Cap Gemini thus performed 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. More than one hundred of such investors participated in the transaction performed solely on June 9, 2015 after the market close.

Following this private placement, 6,700,000 new shares were issued, representing 4.05% of the Company's share capital prior to the transaction. The subscription price was €75.50 per share, equal to a discount of 2.4% compared with the volume-weighted average price on June 9, 2015. The 25th and 26th resolutions approved by the Combined Shareholders' Meeting of May 7, 2014, equivalent to the 15th and 16th resolutions presented to you to today, were used for the purposes of this issue. The green shoe option was not used.

The cancellation of pre-emptive subscription rights is, in some cases, provided for directly by law: in particular, if you approve the resolution authorizing the Board of Directors to issue performance shares (21st resolution), this, by law, entails automatic waiver by shareholders of their pre-emptive subscription rights in favor of the beneficiaries of these issues

3. These authorizations are subject to limits in terms of 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 introduction. Furthermore, the 12th, 13th, 14th, 15th, 16th, 17th and 18th 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).
4. 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, we wish to continue making the Company's share capital accessible to a large number of employees, in particular through employee stock ownership plans ("ESOP"). The next employee stock ownership plan could be renewed either just after the expiry of the ESOP 2012 (which would require the operation to be launched in September 2017) or just before the 2018 Shareholders' Meeting. Nonetheless, even though it is not envisaged at this stage to make any use of these delegations in 2016, the Company must present the delegations of power to perform a share capital increase reserved for employees this year to the vote of shareholders. Anticipation of the launch of the next employee stock ownership plan will require prior approval of the Autorité des Marchés Financiers based on a valid delegation from the Shareholders' Meeting. In addition, it must be noted that this proposed renewal of authorization is in line with current market practice in Paris, whereby these delegations of powers every two years, at the same time of any decision or delegation of authority enabling a share capital increase for cash – as is the case this year with the 13th to 18th resolutions. We therefore propose to present this year to the Shareholders' Meeting the renewal of the two resolutions delegating to the Board of Directors its authority to issue shares or securities granting access to the share capital reserved for employees of the Company in order to implement a new ESOP tranche.

Should the Board of Directors use a delegation of authority or powers or an authorization granted by the Shareholders' Meeting, it will prepare at the time of its decision, where applicable and in accordance with the law and regulations, an additional report describing the definitive terms and conditions of the transaction and indicating its impact on the position of holders of equity instruments or securities granting access to the share capital, in particular with respect to their share in equity. This report and, where applicable, the statutory auditors' report will be made available to holders of equity instruments and securities granting access to the share capital and brought to the attention of the next Shareholders' Meeting.

For an overview of the use of authorizations previously granted by the Shareholders' Meeting, please refer to section 5.1.2 of 2015 Registration Document page 227.

TWELFTH 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 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 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 21st resolution adopted by the Shareholders' Meeting of May 7, 2014.

THIRTEENTH 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, immediately or in the future

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, on one or more occasions, in France or abroad, in the proportions and at the times it sees fit, with retention of pre-emptive subscription rights, 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), 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 and other securities may be subscribed 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 of authority:
 - the maximum par value amount of immediate and/or future share capital increases that may be carried out under this delegation is set at €550 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 14th, 15th, 16th, 17th and 18th resolutions of this Shareholders' Meeting is set at €550 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 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 €7.5 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 14th, 15th, 16th, 17th and 18th resolutions of this Shareholders' Meeting is set at €7.5 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;
- 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 has 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, securities, whose issue has been decided but have not been subscribed,
 - offer to the public, on the French market or on a foreign market, some or all of the unsubscribed shares or in the case of securities granting access to the share capital, securities,
 - 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, it being stipulated that fractional allotment rights and the corresponding securities will be sold under the conditions set in Article L. 228-6-1 of the French Commercial Code;
- 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 of authority, and in particular to:
- decide the issue of shares and/or securities granting access to the share capital, immediately or in the future,
 - determine the amount of the issue, the issue price and the amount of any premium that may be required on issue,
 - 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 shares 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 on the stock market, at any time or during specified periods, securities issued or to be issued, 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, 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 23rd resolution adopted by the Shareholders' Meeting of May 7, 2014.

FOURTEENTH 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, immediately or in the future

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. 225-135, 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, on one or more occasions, in France or abroad, in the proportions and at the times it sees fit, with cancellation of pre-emptive subscription rights and 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), 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 and other securities may be subscribed 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 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 immediate and/or future share capital increases that may be carried out under this delegation is set at €137 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 13th 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 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 €2.5 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 13th 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^o 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,
 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 of authority, and in particular:
 - 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;
 - decide the issue of shares and/or securities granting access to the share capital, immediately or in the future,
 - determine the amount of the issue, the issue price and the amount of any premium that may be required on issue,
 - 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 shares 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 on the stock market, at any time or during specified periods, securities issued or to be issued, 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, 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 24th and 29th resolutions adopted by the Shareholders' Meeting of May 7, 2014.

FIFTEENTH 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, immediately or in the future

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. 225-135, 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, on one or more occasions, in France or abroad, in the proportions and at the times it sees fit, with cancellation of pre-emptive subscription rights and by way of a private placement governed by Article L. 411-2 II of the French Monetary and Financial Code, 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), 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 and other securities may be subscribed 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 immediate and/or future share capital increases that may be carried out under this delegation is set at €137 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 par value ceiling for share capital increases with cancellation of pre-emptive subscription rights set in paragraph 3 of the 14th resolution of this Shareholders' Meeting and towards the overall ceiling set in paragraph 2 of the 13th 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 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 €2.5 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 14th resolution and the overall ceiling set in paragraph 3 of the 13th 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 resolution;
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 of authority, and in particular:
- decide the issue of shares and/or securities granting access to the share capital, immediately or in the future,
 - determine the amount of the issue, the issue price and the amount of any premium that may be required on issue,
 - 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 shares 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 on the stock market, at any time or during specified periods, securities issued or to be issued, 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, 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 25th resolution adopted by the Shareholders' Meeting of May 7, 2014.

SIXTEENTH 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 with cancellation of pre-emptive subscription rights pursuant to the 14th and 15th 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.

SEVENTEENTH 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 immediately or in the future) with retention or cancellation of pre-emptive subscription rights and with a "green shoe" option, where subscription requests exceed the number of securities on offer

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 13th 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 13th 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 27th resolution adopted by the Shareholders' Meeting of May 7, 2014.

EIGHTEENTH RESOLUTION

Authorization to the Board of Directors, for a period of 26 months, to issue ordinary shares and/or securities granting access to the Company's share capital immediately or in the future, 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), 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 immediate and/or future share capital increases that may be carried out under this authorization is set at €137 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 for share capital increases with cancellation of pre-emptive subscription rights authorized by this Shareholders' Meeting in paragraph 3 of the 14th resolution and towards the overall ceiling set in paragraph 2 of the 13th 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 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 €2.5 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 14th resolution and the overall ceiling set in paragraph 3 of the 13th 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 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 performed 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,
 - 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),
 - 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,
 - duly record completion of each share capital increase and make the corresponding amendments to the bylaws,
 - generally, take all measures and accomplish all formalities for 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 28th resolution adopted by the Shareholders' Meeting of May 7, 2014.

NINETEENTH RESOLUTION

Delegation of powers to the Board of Directors, for a period of twenty-six months, to issue, with cancellation of pre-emptive subscription rights, ordinary shares and/or securities granting access to the Company's share capital, immediately or in the future, to members of Capgemini Group employee savings plans up to a maximum par value amount of €48 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, on one or more occasions, in France or abroad, in the proportions and at the times it sees fit, with cancellation of pre-emptive subscription rights, 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), 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 immediate and/or future share capital increases that may be carried out under this delegation is set at €48 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 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 subscribed for cash, 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 granting access to the share capital 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 shall have full powers to implement this delegation, with the power of sub-delegation to the extent authorized by law, within the aforementioned limits and terms, and in particular:
 - decide the issue of shares and/or securities granting access to the share capital, immediately or in the future,
 - 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 as the case may be) attached to shares or securities granting access to shares 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 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 to be issued, 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 in the amount of shares actually subscribed,
 - where applicable, offset share issue costs against the related premiums and deduct from these issue premiums the amounts necessary to bring the legal reserve to one-tenth of the new share capital after the share capital increases,
 - enter into all agreements and accomplish directly or indirectly via an agent all transactions and formalities, including formalities required following the share capital increases and the corresponding amendments to the bylaws,
 - 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 twenty-six months;
 9. resolves that this delegation supersedes from this date, in the amount of any unused portion, the delegation granted by the 30th resolution adopted by the Shareholders' Meeting of May 7, 2014.

TWENTIETH 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, immediately or in the future, 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 legal and/or tax context can make it inadvisable or difficult to implement employee shareholding schemes directly or through a mutual fund (the active, early retired and retired 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 nineteenth resolution submitted to this Shareholders' Meeting;
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, on one or more occasions, in France or abroad, in the proportions and at the times it sees fit, with cancellation of pre-emptive subscription rights, 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), 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 shareholding 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 shareholder 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 immediate and/or future share capital increases that may be carried out under this delegation is set at €48 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 19th resolution of this Shareholders' Meeting (subject to its approval) or, as the case may be, towards any 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 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 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 19th 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 an 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 19th 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 19th 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.

PRESENTATION OF 21ST RESOLUTION

AUTHORIZATION TO GRANT PERFORMANCE SHARES

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 twenty-first resolution presented to you for vote.

In summary:

The external performance condition is assessed based on the comparative performance of the Cap Gemini share compared with a basket containing at least five comparable companies in our business sector from at least five different countries. No shares vest in respect of the external performance condition if the relative performance of the Cap Gemini share is less than 90% of the average performance of the basket over a three-year period, while 25% of shares vest if this performance is equal to that of the basket and the maximum 50% of shares vest if this performance is 110% or more of that of the basket.

Compared with the previous authorization granted by the Shareholders' Meeting of May 6, 2015, implementation of which is reported on in the Group Management Report presented in the 2015 Registration Document ("Performance share grants", page 228, Section 5.1.4 of the Registration Document), the Board of Directors proposes to extend by one year the minimum vesting period for shares, thereby responding favorably to the request by investors.

It is recalled that in 2015, the assessment period for the external performance condition was already increased from two to three years, in order to have internal and external

performance conditions covering a minimum period of three years.

Should the Board of Directors set a lock-in period for vested shares, this period would not be less than one year.

The internal performance condition is measured by the amount of audited and published organic free cash flow for the three-year cumulative period from January 1, 2016 to December 31, 2018, excluding Group payments to make up the shortfall on its defined benefit pension funds.

The resolution limits to 10% the maximum number of shares that may be granted to the Chairman and Chief Executive Officer and the Deputy Chief Executive Officers, if any, 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 now undertaken at the same calendar periods and will be 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", page 228, Section 5.1.4, of the 2015 Registration Document).

TWENTY-FIRST 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 preemptive 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 paragraph 4 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; in the case of a share capital increase by capitalizing additional paid-in capital, reserves, profits or 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;
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 Deputy Chief Executive 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 beneficiaries 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 half, 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 Cap Gemini 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 Cap Gemini S.A. 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 50% of the Initial Allocation of shares if the relative performance of the Cap Gemini share is at least equal to 110% of the basket,
 - will vary between 25% and 50% of the Initial Allocation if the relative performance of the Cap Gemini share is between 100% and 110% of the average performance of the basket, with an additional 2.5% of shares vesting for each percentage point between these limits,
 - will be equal to 25% of the Initial Allocation of shares if the relative performance of the Cap Gemini share is equal to 100% of the basket,
 - will vary between 15% and 25% of the Initial Allocation if the relative performance of the Cap Gemini share is between 90% and 100% of the average performance of the basket, with an additional 1% of shares vesting for each percentage point between these limits,
 - no shares will vest in respect of shares subject to this external performance condition, if, over the calculation reference period, the performance of the Cap Gemini share is less than 90% of the average performance of the basket of securities measured over the same period,
 - ii. for half, the number of shares of the Initial Allocation, multiplied by the percentage achievement of the chosen internal 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, 2016 to December 31, 2018, 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 €2,400 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 €2,700 million and will vary on a straight-line basis between 15% and half 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),

5. 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;
6. 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;
7. takes due note that the Board of Directors has, pursuant to the law, the power to amend the performance conditions set out in paragraph 4 above by way of a duly reasoned decision made after this decision and before the share allocations;
8. 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 or additional paid-in capital of the Company when the shares ultimately vest, set the dates from which shares bear dividend rights, deduct from available reserves 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;
9. 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 9th resolution adopted by the Shareholders' Meeting of May 6, 2015.

PRESENTATION OF THE 22ND RESOLUTION

AMENDMENT OF ARTICLE 11, PARAGRAPH 3 OF THE BYLAWS

Overview

Shareholders are asked to amend the Company's bylaws to provide for the staggered renewal of the terms of office of directors appointed by Shareholders' Meeting. This will enable the smooth replacement of directors over time, in accordance with the provisions of the AFEP-MEDEF

Corporate Governance Code to which Cap Gemini refers. The implementation of these new provisions of the bylaws could therefore be proposed at Shareholders' Meetings to avoid the renewal on block of your Board of Directors.

6

TWENTY-SECOND RESOLUTION

Amendment of Article 11, paragraph 3) of the bylaws – Board of Directors – Staggered renewal of the Board of Directors

The Shareholders' Meeting, voting in accordance with quorum and majority rules for Extraordinary Shareholders' Meetings, and after having read the Board of Directors' report, resolves to introduce the rolling renewal of members of the Board of Directors and to amend paragraph 3) of Article 11 of the bylaws, "Board of Directors", as follows:

Former wording of Article 11, paragraph 3):

"The length of the terms of office of the directors shall be four years, expiring at the close of the General Shareholders' Meeting held to approve the accounts for the year preceding the expiry of their term.

Any director appointed as a replacement for another director shall only exercise his/her functions for the remaining period of his/her predecessor's term of office."

New wording of Article 11, paragraph 3):

"The length of the terms of office of the directors shall be four years. Directors, other than directors representing employees or employee shareholders appointed in accordance with the law or these bylaws, shall be 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.

The terms of office of directors shall expire at the close of the General Shareholders' Meeting held to approve the accounts for the year preceding the expiry of their term, subject to specific provisions provided for by law or these Bylaws applicable to directors representing employees or employee shareholders.

Any director appointed as a replacement for another director shall only exercise his/her functions for the remaining period of his/her predecessor's term of office."

PRESENTATION OF THE 23RD RESOLUTION**AMENDMENT OF ARTICLE 11 OF THE BYLAWS – WITH THE ADDITION OF A SIXTH PARAGRAPH AND AMENDMENT OF PARAGRAPHS 1) AND 2) ACCORDINGLY****Overview**

Following the adoption of new legal provisions in 2015 regarding employee representation on boards of directors (the Rebsamen Law of August 17, 2015 amending the initial legal provisions of 2013), the Cap Gemini Board of Directors will soon be required to comprise one or more directors representing employees..

The law provides that:

- ▶ the bylaws must be amended during the ordinary shareholders' meeting held in 2017 at the latest and the directors appointed during the six months following the shareholders' meeting amending the bylaws;
- ▶ the number of directors representing employees must be at least two if the Board of Directors comprises 12 members and at least one if it comprises less than 12 members.

Finally, the law proposes different methods for the election of employee directors by employees or their appointment by employee representative bodies.

Your Company meets the criteria set by the Law of 2015 and must therefore amend its bylaws to provide for the number of directors representing employees on your Board of Directors and the method of their appointment, in accordance with the new legal provisions presented above. An amendment to the bylaws is therefore presented to shareholders for approval at the Shareholders' Meeting of May 18, 2016, to enable the appointment of employee directors by the end of 2016, without waiting until the deadline in 2017.

We propose to set the number of employee directors at two and to remove the link between the number of employee directors and the threshold of 12 directors provided in the law, in order to ensure in all situations the international representation of employees on the Board of Directors of your Company, through the appointment of a director by the European Group Council; **the law does not provide for this method of appointment where only one director representing employees is appointed.**

Shareholders are therefore asked to adopt the following methods of appointing employee directors from among the four methods proposed by the law:

- ▶ appointment of a first director by the union body which obtained the most votes at the first round of the union elections organized by the Company and its subsidiaries, as provided by the French Labor Code; and
- ▶ appointment of a second director by the European Group Council (known as the International Works Council in Capgemini Group), the Group's most international employee representative body bringing together representatives of operating companies located in several European countries.

As your Company is a group parent company, the appointment of a director representing employees by the most representative union body in the Company and its subsidiaries ensures the relevant representation of employees in France. The appointment of a second director representing employees by the International Works Council seeks to take account of the international nature of Capgemini Group and to encourage a European representation of employees on the Board of Directors.

Accordingly, at its meeting of March 23, 2016 and after informing the various employee representation bodies including the International Works Council, the Board of Directors, at the recommendation of the Ethics & Governance Committee, decided that only the appointment of two directors representing employees in accordance with the above procedures would achieve relevant representation of employees on your Board while taking account of the global nature of the Capgemini Group.

These two directors must be appointed in the six months following the Shareholders' Meeting, that is, by November 18, 2016.

Certain current provisions of the bylaws, particularly regarding the number of shares that must be held by directors are not intended to apply to directors representing employees and their application will be set aside by new provisions of the bylaws.

Other provisions specific to directors representing employees will be added, particularly regarding the term of office. This will be set at four years from the date of appointment, expiring at the end of the Shareholders' Meeting approving the accounts for the year preceding the expiry of the term of office. This mechanism will enable the terms of office of directors representing employees to be aligned with those of directors appointed by Shareholders' Meetings.

Finally, the addition to the bylaws of Article 11 6) enabling the appointment of employee shareholders requires the amendment of paragraphs 1) and 2) of the same Article 11:

- ▶ paragraph 1) would be amended to clarify that directors representing employees or employee shareholders will not be taken into account in determining whether the maximum threshold of 18 directors has been reached;
- ▶ paragraph 2) would be supplemented to clarify that directors representing employees or employee shareholders are not required to hold 1,000 shares in the same way as other directors.

TWENTY-THIRD RESOLUTION

Amendment of Article 11 of the bylaws – Board of Directors – new paragraph 6) enabling the appointment of directors representing employees and amendment of paragraphs 1) and 2) as a consequence

The Shareholders' Meeting, voting in accordance with quorum and majority rules for Extraordinary Shareholders' Meetings, and having read the Board of Directors' report, and in accordance with the provisions of Articles L. 225-27-1 *et seq.* of the French Commercial Code, resolves to:

- ▶ amend Article 11, paragraphs 1) and 2) of the bylaws, "Board of Directors", as follows:

Former wording of Article 11, paragraphs 1) and 2):

"1) The Company shall have a Board of Directors comprised of a minimum of three and a maximum of eighteen members. Members of the Board of Directors must be individuals.

2) Each director must hold at least one thousand (1,000) Company shares throughout their term of office."

New wording of Article 11, paragraphs 1) and 2):

"1) The Company shall have a Board of Directors comprised of a minimum of three and a maximum of eighteen members and, where appropriate, one or more members representing employees and/or employee shareholders appointed in accordance with the law or these bylaws. Members of the Board of Directors must be individuals.

2) Each director must hold at least one thousand (1,000) Company shares throughout their term of office. This obligation does not apply to directors representing employees or employee shareholders appointed in accordance with the law or these bylaws";

- ▶ amend Article 11 of the bylaws, "Board of Directors", to include a new sixth paragraph on the method of appointing directors representing employees, as follows:

Article 11, paragraph 6):

- ▶ "6) Directors representing employees:

1. The Board of Directors comprises 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.
2. The Board of Directors comprises a second director representing employees appointed by the European Group Council (known as the International Works Council in Capgemini Group).
3. Pursuant to Article 11. 3), the term of office of any director appointed pursuant to Article 11, paragraphs 6.1 or 6.2 is four years, expiring at the close of the Ordinary Shareholders' Meeting held to approve the accounts for the year preceding the expiry of his or her term. It is renewable.
4. The term of office of directors representing employees may be terminated at the close of the Shareholders' Meeting held to approve the accounts for a year during which the application conditions of Article L. 225-27-1-1 of the French Commercial Code cease to be met, or should this article be repealed.
5. Should the office of a director representing employees become vacant for whatever reason, the replacement appointed by the union body which obtained the most votes at the first round of the elections or the European Group Council will take office for the remaining period of the term of office of his/her predecessor. The Board of Directors may validly meet and deliberate until the date of this replacement."

PRESENTATION OF THE 24TH RESOLUTION

POWERS TO CARRY OUT FORMALITIES

Overview

We also recommend that you confer powers to carry out the formalities required under law.

TWENTY-FOURTH 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

Biographies of the candidates
for the Board of Directors

Candidates for the position of director representing employees shareholders (Resolutions 7 and A)

**LUCIA SINAPI-THOMAS**

Date of birth:
January 19, 1964

Nationality:
French

First appointment:
2012

Expiry of term of office:
2020
(General Meeting approving
the 2019 financial statements)

**Number of shares held at
Dec. 31, 2015:**
19,114

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Mrs Lucia Sinapi-Thomas is Executive Director Business Platforms at Capgemini.

She started her career as a tax and business lawyer in 1986, before joining Capgemini in 1992. She has more than 20 years of experience within Capgemini Group, successively as Group Tax Advisor (1992), in charge of Corporate Finance, Treasury and Investors Relations (1999), extended to Risk Management and Insurance (2005), and member of the Group Engagement Board. Mrs Lucia Sinapi-Thomas was Deputy Chief Financial Officer from 2013 until December 31, 2015.

Lucia Sinapi graduated from ESSEC business school (1986) and Paris Law University (1988), was admitted to the Paris bar (1989), and has a financial analyst degree (SFAF 1997).

OFFICES HELD IN 2015 OR CURRENT OFFICES**Principal office**

Executive Director Business Platforms
Until 12/31/2015: Deputy Chief Financial
Officer of:
■ CAP GEMINI S.A.*

Other offices

Director of:

- BUREAU VERITAS*
- DASSAULT AVIATION*

Other offices in Capgemini Group:

Chairman of:

- CAPGEMINI EMPLOYEES WORLDWIDE
S.A.S. (FRANCE)

Director of:

- CAPGEMINI REINSURANCE INTERNATIONAL
S.A. (LUXEMBOURG)
- CAPGEMINI SOGETI DANMARK A/S
(DENMARK)
- SOGETI SVERIGE AB (SWEDEN)
- SOGETI SVERIGE MITT AB (SWEDEN)
- SOGETI NORGE A/S (NORWAY)
- EURIWARE S.A. (UNTIL 07/23/2015)

* Listed company

**TANIA CASTILLO PÉREZ**

Date of birth:
January 22, 1972

Nationality:
Mexican and French

Expiry of term of office:
2020
(General Meeting approving
the 2019 financial statements)

**Number of shares held at
Dec. 31, 2015:** 804

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Mrs Tania Castillo Pérez is Vice President, Human Resources Director of SOGETI at Capgemini.

She started her career in 2005 as management consultant with Atos, before joining Capgemini in 2010. She is Human Resources Director of SOGETI since October 2012, and member of Capgemini Group Corporate Social Responsibility Board.

Tania Castillo Pérez holds a BA in Philosophy from Paris Sorbonne University. She is a graduate from the Institut d'Etudes Politiques de Paris (2001) and the Ecole Nationale d'Administration (2005, Promotion Romain Gary).

OFFICES HELD IN 2015 OR CURRENT OFFICES**Principal office**

Vice President, Global Human Resources
Director of:
■ SOGETI (CAPGEMINI GROUP)

Other offices

N/A

Other offices in Capgemini Group:
N/A

Candidates for the position of directors (Resolutions 8 and 9)



SIÂN HERBERT-JONES

Date of birth:
September 13, 1960

Nationality :
British

Expiry of term of office:
2020
(General Meeting approving
the 2019 financial statements)

Number of shares held:
(as at 29/03/2016) : 0

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Mrs. Siân Herbert-Jones is currently a director of l'Air Liquide S.A., where she chairs the Audit and Accounts Committee.

A British chartered accountant, Mrs. Herbert-Jones initially worked for 15 years with PricewaterhouseCoopers in its London and then Paris offices, where she was Director of Mergers and Acquisitions. She then joined the Sodexo Group, where she spent 21 years, including 15 years as Chief Financial Officer and member of the Executive Committee, before retiring on March 1, 2016.

Of British nationality, Mrs. Siân Herbert-Jones would bring strong financial expertise to the Board, as well as her experience with international transactions, particularly in the service sector, while contributing the insight of her Anglo-Saxon culture and improving the diversity of profiles on the Board.

OFFICES HELD IN 2015 OR CURRENT OFFICES

Principal office

Chief Financial Officer and member of the Executive Committee (until March 1, 2016) of :

- SODEXO GROUP*

Other offices

Director and Chairman of the Audit and Accounts Committee of :

- L'AIR LIQUIDE SA*

All the offices listed below were held within Sodexo Group in 2015 :

Chairman of :

- ETIN S.A.S. (FRANCE) ;
- SODEXO ETINBIS S.A.S. (FRANCE) ;
- SOFINSOD S.A.S. (FRANCE).

Director of :

- SODEXHO AWARDS CO,
- SODEXO JAPAN KABUSHIKI KAISHA LTD,
- SODEXHO MEXICO S.A. DE CV,
- SODEXHO MEXICO SERVICIOS DE PERSONAL S.A. DE CV,
- SODEXO REMOTE SITES THE NETHERLANDS B.V.,
- SODEXO REMOTE SITES EUROPE LTD,
- UNIVERSAL SODEXHO EURASIA LTD,
- SODEXO, INC.,
- SODEXO MANAGEMENT, INC.,
- SODEXO REMOTE SITES USA, INC.,
- SODEXO SERVICES ENTERPRISES LLC,
- UNIVERSAL SODEXHO SERVICES DE VENEZUELA S.A.,
- UNIVERSAL SODEXHO EMPRESA DE SERVICIOS Y CAMPAMENTOS S.A.,
- SODEXO GLOBAL SERVICES UK LTD.

Member of the Management Board of :

- SODEXO EN FRANCE S.A.S. (FRANCE)
- SODEXO ENTREPRISES S.A.S. (FRANCE),
- SODEXO PASS INTERNATIONAL S.A.S. (FRANCE),
- ONE S.A.S. (FRANCE).

Permanent representative of Sofinsod S.A.S. on the Supervisory Board

- ONE SCA (FRANCE).

Other offices held during the last five years

Director of :

- SODEXO REMOTE SITES SUPPORT SERVICES LTD (UNTIL 2011),
- UNIVERSAL SODEXHO KAZAKHSTAN LTD (UNTIL 2011),
- UNIVERSAL SODEXO EUROASIA LTD (UNTIL 2011),
- SODEXO MOTIVATION SOLUTIONS MEXICO S.A. DE CV (UNTIL 2011),
- SODEXO MOTIVATION SOLUTIONS UK LTD (UNTIL 2011).

* Listed company

**CAROLE FERRAND**

Date of birth:
April 2, 1970

Nationality :
French

Expiry of term of office:
2020
(General Meeting approving
the 2019 financial statements)

Number of shares held
(as at 29/03/2016): 0

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Mrs. Carole Ferrand is Financing Director at Artémis Group.

She is a graduate of the École des Hautes Études Commerciales (class of 1992). Ms. Ferrand 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 Secretary General 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 in charge of strategic and financial support for certain investments.

Mrs. Carole Ferrand would bring to the Board her expertise in audit, finance and financial transactions.

OFFICES HELD IN 2015 OR CURRENT OFFICES**Principal office**

Financing Director of :
■ ARTEMIS GROUP

Other offices :

Offices held as representative of Artemis Group :
Director – Member of the Audit Committee of :
■ GROUPE FNAC*

Director of :
■ SEBDO, LE POINT
■ ARTÉMIS 21
■ ÉDITIONS TALLANDIER

Honorary Chairman and Director of:
■ TERRA NOVA (ASSOCIATION CONSTITUTED
UNDER THE FRENCH LAW OF 1901)

Other offices held during the last five years

Director and Chairman of the Board of :
■ SOFICA EUROPACORP

Director of:
■ SOFICA HOICHE ARTOIS IMAGE

* Listed company

6.4

Glossary and summary table of financial authorizations

The purpose of this glossary is to define the terms used in the summary table below.

Term	Definition/Characteristics
Performance shares – Performance criteria	The vesting of performance shares will depend on the attainment of external performance criteria (stock market performance of the Company's share over a 3-year period compared to a basket of securities) and internal performance criteria (organic free cash flow for the period January 1, 2016 to December 31, 2018).
Dividend	Dividends distributed in respect of the last three fiscal years are as follows: <ul style="list-style-type: none"> ■ 2014: €1.20 per share; ■ 2013: €1.10 per share; ■ 2012: €1 per share. All these amounts were eligible for the 40% tax rebate.
Priority subscription rights	In return for the cancellation of PSR*, the Board of Directors may introduce priority subscription rights, which may be pro-rated*. Whenever introduced, such rights enable existing shareholders to subscribe to the proposed issue in proportion to the number of shares they currently hold. However, contrary to PSR*, such priority subscription rights are exercisable within a priority subscription period, currently equal to at least 3 trading sessions (shorter than the period allowed for PSR*) and are not tradable. This priority period cannot be proposed for all issues: in the same way as PSR*, it may be preferable or even necessary not to propose a priority period 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 or the issue is performed on non-French financial markets.
PSR	Acronym for "pre-emptive subscription rights". For a description of pre-emptive subscription rights and details of the reasons behind requests to cancel pre-emptive subscription rights, please refer to the introduction to the presentation of the 12 th to 21 st resolutions, section 2.
Subsidiaries	Companies in which the Company owns, directly or indirectly, over 50% of the share capital.
Issue ceiling with cancellation of PSR	Ceiling of €137 million (par value amount) (i.e. less than 10% of the share capital at December 31, 2015) for share capital increases performed pursuant to the 14 th , 15 th , 16 th and 18 th resolutions, subject to the adoption of the 14 th resolution setting this ceiling.
Overall ceiling	Overall ceiling of €550 million (par value amount) (i.e. less than 40% of the share capital at December 31, 2015) applicable to share capital increases performed pursuant to the 13 th , 14 th , 15 th , 16 th , 17 th and 18 th resolutions, subject to the adoption of the 13 th resolution setting this ceiling. The ceilings set by the 19 th , 20 th and 21 st resolutions do not count towards this overall ceiling.
Private placement	The law authorizes share capital increases with cancellation of pre-emptive subscription rights, up to a maximum of 20% of the share capital per year, by way of offers open exclusively to (i) individuals providing third-party portfolio management investment services, or (ii) qualified investors or a small circle of investors, provided such investors are acting on their own account. The aim is to optimize the Company's access to capital and benefit from the best market conditions, as this financing method is both faster and simpler than a share capital increase by way of a public offer.
Reference price	Weighted 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 savings plan.
Pro-rated (subscription rights)	In some cases, the Board of Directors may grant pro-rated subscription rights in favor of existing shareholders. This means that if subscriptions as of right (i.e. subscriptions by shareholders exercising pre-emptive subscription rights) fail to entirely absorb the share capital increase, the unsubscribed shares would be allocated to the shareholders who made an application for additional shares on a pro-rated basis (over and above the entitlement given by their preemptive rights) in proportion to their subscription rights. The number of shares allocated to each shareholder may not exceed the number of shares applied for by that shareholder.
Securities granting access to the share capital	Securities granting access to the share capital, immediately or in the future, that may be issued comprise: <ul style="list-style-type: none"> ■ in accordance with Article L. 228-92 paragraph 1 of the French Commercial Code, securities consisting of equity instruments of the Company granting access to other equity instruments (issued or to be issued) or debt instruments, or debt instruments granting access to equity instruments of the Company to be issued. In particular they may comprise shares with share subscription warrants attached or bonds convertible, exchangeable or redeemable for shares to be issued, such as OCEANE bonds (bonds convertible/exchangeable into new or existing shares) or bonds with share subscription warrants attached; ■ in accordance with Articles L. 228-93 paragraphs 1 and 3 or L. 228-94 paragraph 2 of the French Commercial Code, securities consisting of equity instruments of the Company granting access to other equity instruments (existing or to be issued) or granting entitlement to the allocation of debt instruments of other companies (including Subsidiaries). They may also comprise debt instruments granting access to equity instruments to be issued by other companies (including Subsidiaries). Securities consisting of debt instruments (e.g. bonds convertible/redeemable for shares to be issued or bonds with share subscription warrants attached) may grant entitlement at any time, during specific periods or at fixed dates to the allocation of new shares. This allocation may be performed by conversion (e.g. bonds convertible into new shares), redemption (e.g. bonds redeemable for new shares), presentation of a warrant (e.g. bonds with share subscription warrants attached) or by any other means, during the term of the loans.

SUMMARY TABLE OF FINANCIAL AUTHORIZATIONS

Terms in this table indentified by an asterisk are defined in the glossary.

N°	Purpose	Term of validity	Possible reasons for use of the delegation of authority
10 th	Authorization of a share buyback program	18 months	<p>Possible goals of share buybacks by your Company:</p> <ul style="list-style-type: none"> ■ Allocation or sale of shares to employees and/or corporate officers (e.g. free share allocations, share purchase options, company or group savings plan) ■ delivery of shares on the exercise of rights attached to securities granting access to the share capital* ■ cancellation of some or all of the shares purchased ■ delivery of shares in connection with acquisitions, mergers, demergers or asset-for-share exchanges ■ market-making in the secondary market or maintenance of the liquidity of the Company's share by an investment services provider under a liquidity agreement that complies with the ethical code recognized by the French Financial Markets Authority (<i>Autorité des marchés financiers</i>, AMF) ■ any transaction that complies with current or future applicable regulations
11 th	Cancellation of treasury shares	26 months	Potentially used to reduce the Company's share capital
12 th	Share capital increase by capitalizing additional paid-in capital, reserves, profits or other amounts	26 months	<ul style="list-style-type: none"> ■ Potentially used to capitalize reserves, profits or additional paid-in capital enabling the share capital to be increased without any new money being contributed ■ The share capital increase will be performed by issuing new shares granted without consideration, by increasing the par value of existing shares or by a combination of both methods
13 th	Increase in the share capital of the Company or another company by issuing, with retention of PSR*, ordinary shares and/ or securities granting access to the share capital*	26 months	Potentially used by the Board of Directors to decide issues

Specific ceiling (par value/nominal amount)	Price or method for determining price	Other information and comments
<ul style="list-style-type: none"> Purchases 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 does not exceed 10% of the shares comprising the Company's share capital at that date (including transactions performed after this Shareholders' Meeting) 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 For liquidity agreements, the 10% limit is calculated after deduction of the number of shares resold during the authorization period Total amount allocated to the share buyback program: €2,230 million 	Maximum purchase price of €130 per share	Authorization may not be used during a public offer for the Company's share capital
<p>Maximum number of shares cancelled may not exceed 10% of the share capital by 24-month period</p> <ul style="list-style-type: none"> €1.5 billion Independent ceiling The Board of Directors decides the amount to be capitalized and the number of new equity instruments to be issued and/or the par value of existing shares Ceiling before any additional amounts issued to preserve the rights of holders of securities granting access to the share capital* or other rights granting access to the share capital 		Authorization may not be used during a public offer for the Company's share capital
<ul style="list-style-type: none"> Share capital: €550 million (i.e. less than 40% of the share capital at December 31, 2015) <ul style="list-style-type: none"> Ceiling included in the Overall Ceiling* Ceiling may be adjusted in the event of a share capital increase by capitalizing additional paid-in capital, reserves, profits or other amounts and allocating free shares Ceiling before any additional amounts issued to preserve the rights of holders of securities granting access to the share capital* or other rights granting access to the share capital Debt instruments (issues of securities granting access to the share capital*): €7.5 billion <ul style="list-style-type: none"> Ceiling included in the maximum ceiling of €7.5 billion 	Price set by the Board of Directors	<ul style="list-style-type: none"> Possible introduction of pro-rated subscription rights* Possible authorization of issues of securities granting access to the share capital of other companies, including subsidiaries Delegation may not be used during a public offer for the Company's share capital

N°	Purpose	Term of validity	Possible reasons for use of the delegation of authority
14 th	Increase in the share capital of the Company or another company by issuing, by way of a public offer with cancellation of PSR*, ordinary shares and/or securities granting access to the share capital*	26 months	<ul style="list-style-type: none"> ■ Potentially used by the Board of Directors to decide and perform issues by way of a public offer with cancellation of PSR ■ Potentially used to issue shares or securities granting access to the share capital* 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. The Board of Directors would be free to set the exchange parity, with the following price rules not applicable
15 th	Increase in the share capital of the Company or another company by issuing, by way of a private placement with cancellation of PSR*, ordinary shares and/or securities granting access to the share capital*	26 months	<ul style="list-style-type: none"> ■ Potentially used by the Board of Directors to decide and perform issues by way of a private placement* with cancellation of PSR ■ Thanks to the flexibility offered by this delegation, used to rapidly access qualified investors as defined by the regulations

Specific ceiling (par value/nominal amount)	Price or method for determining price	Other information and comments
<ul style="list-style-type: none"> ■ Share capital: €137 million (i.e. less than 10% of the share capital at December 31, 2015) <ul style="list-style-type: none"> ■ Ceiling included in the Overall Ceiling* ■ Ceiling included in the Issues ceiling with cancellation of PSR* ■ Ceiling may be adjusted in the event of a share capital increase by capitalizing additional paid-in capital, reserves, profits or other amounts and allocating free shares ■ Ceiling before any additional amounts issued to preserve the rights of holders of securities granting access to the share capital* or other rights granting access to the share capital ■ Debt instruments (issues of securities granting access to the share capital*): €2.5 billion <ul style="list-style-type: none"> ■ Ceiling included in the maximum ceiling of €7.5 billion 	<p>Shares:</p> <ul style="list-style-type: none"> ■ Price set by the Board of Directors, at least equal to the statutory minimum price per share on the day of the issue <p>Securities granting access to the share capital*</p> <ul style="list-style-type: none"> ■ Price set by the Board of Directors, such that, for each share issued as a result of securities granting access to the share capital*, the total amount received by the Company in respect of these securities granting access to the share capital* will be at least equal to the statutory minimum price per share (at the date of issue of the securities granting access to the share capital*) 	<ul style="list-style-type: none"> ■ Possibility for the Board of Directors to introduce priority subscription rights for shareholders ■ Currently, the statutory minimum price is equal to 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) ■ Possible authorization of issues of securities granting access to the share capital of other companies, including subsidiaries ■ Possible authorization of issues of shares or securities granting access to the share capital* to be issued following the issue of securities granting access to the share capital of the Company by Company Subsidiaries* ■ In the case of issues of securities in consideration for securities contributed in connection with a public exchange offer, the Board of Directors may determine the securities to be contributed to the exchange and set the issue conditions, the exchange ratio and the amount of any cash portion to be paid ■ Delegation may not be used during a public offer for the Company's share capital
<ul style="list-style-type: none"> ■ Share capital: €137 million (i.e. less than 10% of the share capital at December 31, 2015) <ul style="list-style-type: none"> ■ May not under any circumstances exceed the ceiling set by law for this type of offer (currently 20% of the share capital per year) ■ Ceiling included in the Overall Ceiling* ■ Ceiling included in the Issues ceiling with cancellation of PSR* ■ Ceiling may be adjusted in the event of a share capital increase by capitalizing additional paid-in capital, reserves, profits or other amounts and allocating free shares ■ Ceiling before any additional amounts issued to preserve the rights of holders of securities granting access to the share capital* or other rights granting access to the share capital ■ Debt instruments (issues of securities granting access to the share capital*): €2.5 billion <ul style="list-style-type: none"> ■ Ceiling included in the maximum ceiling of €7.5 billion ■ Ceiling included in the ceiling stipulated in the 14th resolution 	<p>Price of shares and securities granting access to the share capital* set in the same way as under the 14th resolution</p>	<ul style="list-style-type: none"> ■ Possible authorization of issues of securities granting access to the share capital of other companies, including Subsidiaries* ■ Possible authorization of issues of shares or securities granting access to the share capital* to be issued following the issue of securities granting access to the share capital of the Company by Subsidiaries* ■ Delegation may not be used during a public offer for the Company's share capital

N°	Purpose	Term of validity	Possible reasons for use of the delegation of authority
16 th	Setting the issue price of shares in the context of a share capital increase with cancellation of PSR*	26 months	Potentially used to derogate from the rules setting the minimum issue price for share capital increases with cancellation of PSR* (14 th and 15 th resolutions)
17 th	Increase in the number of shares to be issued in the event of a share capital increase with retention or cancellation of PSR*	26 months	Potentially used to reopen a share capital increase at the same price as the initial issue in the event of over-subscription ("green shoe" option)
18 th	Share capital increase by issuing shares and/or securities granting access to the share capital* in consideration for contributions in kind to the Company of shares or securities granting access to share capital*	26 months	■ Potentially used in connection with acquisitions

Specific ceiling (par value/nominal amount)	Price or method for determining price	Other information and comments
<ul style="list-style-type: none"> 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* Ceiling included in the Overall Ceiling* Ceiling included in the Issues ceiling with cancellation of PSR* Ceiling before any additional amounts issued to preserve the rights of holders of securities granting access to the share capital* or other rights granting access to the share capital 	<p>Shares:</p> <ul style="list-style-type: none"> 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% <p>Securities granting access to the share capital*:</p> <ul style="list-style-type: none"> Price set by the Board of Directors such that the total amount received by the Company in respect of securities granting access to the share capital* will, for each share issued as a consequence of the issue of such securities, be at least equal to the minimum price per share defined above (at the date of issue of the securities granting access to the share capital*) 	<p>Authorization may not be used during a public offer for the Company's share capital (as the 14th and 15th resolutions may not be used during a public offer for the Company's share capital)</p>
<ul style="list-style-type: none"> For each issue, the ceiling is the regulatory limit applicable on the issue date (currently 15% of the initial issue) Share capital ceiling included in the ceiling of the initial issue and the Overall Ceiling* For debt instruments, ceiling included in the maximum ceiling of €7.5 billion 	<p>Same price as the initial issue</p>	<ul style="list-style-type: none"> Delegation may not be used during a public offer for the Company's share capital
<ul style="list-style-type: none"> Share capital: €137 million (i.e. less than 10% of the share capital at December 31, 2015) <ul style="list-style-type: none"> May not under any circumstances exceed the ceiling set by law for this type of offer (currently 10% of the share capital) Ceiling included in the Overall Ceiling* Ceiling included in the Issues ceiling with cancellation of PSR* Ceiling may be adjusted in the event of a share capital increase by capitalizing additional paid-in capital, reserves, profits or other amounts and allocating free shares Ceiling before any additional amounts issued to preserve the rights of holders of securities granting access to the share capital* or other rights granting access to the share capital Debt instruments (issues of securities granting access to the share capital*): €2.5 billion <ul style="list-style-type: none"> Ceiling included in the maximum ceiling of €7.5 billion Ceiling included in the ceiling stipulated in the 14th resolution 	<p>The Board of Directors will rule on the report of the Independent Reporting Accountants, which includes an assessment of the value of the assets contributed</p>	<ul style="list-style-type: none"> As stipulated by law, this authorization cannot be used for consideration provided in connection with a public exchange offer initiated by your Company (see 14th resolution) Authorization may not be used during a public offer for the Company's share capital

N°	Purpose	Term of validity	Possible reasons for use of the delegation of authority
19 th	Share capital increase by issuing shares and/or securities granting access to the share capital* with cancellation of PSR*, reserved for members of savings plans	26 months	Potentially used to develop employee share ownership
20 th	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	18 months	<ul style="list-style-type: none"> ■ Used to develop employee share ownership outside France, due to legal or tax difficulties that could make it difficult to implement such plans directly or through a mutual fund ⁽¹⁾ ■ Used solely in the event of use of the delegation granted by the 19th resolution
21 st	Free share grants to some or all of the employees and corporate officers of the Group	18 months	Potentially used to introduce a scheme to encourage employee share ownership and/or a profit-sharing scheme for corporate officers

(1) This delegation targets the following beneficiary categories: (i) employees of non-French subsidiaries of the Company ("non-French Employees"), (ii) employee shareholding 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 shareholder scheme set-up pursuant to a share capital increase performed under the 19th resolution.

(2) It is noted that the Board of Directors applied a discount of only 15% for the transactions performed in 2009 and 2012 and 12.5% for the transactions performed in 2014.

Specific ceiling (par value/nominal amount)	Price or method for determining price	Other information and comments
<ul style="list-style-type: none"> ■ €48 million (i.e. approximately 3.5% of the share capital at December 31, 2015) ■ Independent ceiling ■ Ceiling may be adjusted in the event of a share capital increase by capitalizing additional paid-in capital, reserves, profits or other amounts and allocating free shares ■ Ceiling before any additional amounts issued to preserve the rights of holders of securities granting access to the share capital* or other rights granting access to the share capital 	<ul style="list-style-type: none"> ■ Price set by the Board of Directors subject to a minimum issue price for the shares or securities granting access to the share capital* of: <ul style="list-style-type: none"> ■ 80% of the Reference Price* ■ 70% of the Reference Price* when the lock-up period under the plan is 10 years or more 	<p>In the United States, the minimum issue price will be at least equal to 85% of the listed price of the Company's share on the Euronext Paris regulated market the day of the decision setting the opening date of the subscription period, subject to compliance with applicable French and US legal and regulatory requirements and the number of shares issued is subject to an issue ceiling of 1.16% of the share capital at December 31, 2015 (i.e. a ceiling of €2 million, included in the €48 million ceiling set for this resolution)</p>
<ul style="list-style-type: none"> ■ €48 million (i.e. approximately 3.5% of the share capital at December 31, 2015) ■ Ceiling included in the ceiling set in the 19th resolution ■ Ceiling may be adjusted in the event of a share capital increase by capitalizing additional paid-in capital, reserves, profits or other amounts and allocating free shares ■ Ceiling before any additional amounts issued to preserve the rights of holders of securities granting access to the share capital* or other rights granting access to the share capital 	<p>Price at least equal to the weighted average listed price of the Company's share over the 20 trading days preceding the decision setting the subscription opening date for the corresponding share capital increase performed pursuant to the 19th resolution, less a 20% discount ⁽²⁾</p>	<p>In the United States, the minimum issue price will be at least equal to 85% of the listed price of the Company's share on the Euronext Paris regulated market the day of the decision setting the opening date of the subscription period, subject to compliance with applicable French and US legal and regulatory requirements and the number of shares issued is subject to an issue ceiling of 1.16% of the share capital at December 31, 2015 (i.e. a ceiling of €2 million, included in the €48 million ceiling set for this resolution)</p>
<ul style="list-style-type: none"> ■ 1% of share capital ("N"), it being stipulated that allocations to the Chairman and Chief Executive Officer and to Deputy Chief Executive Officers will be limited to 10% of N ■ Independent ceiling ■ Ceiling may be adjusted in the event of a share capital increase by capitalizing additional paid-in capital, reserves, profits or other amounts and allocating free shares ■ Ceiling before any additional amounts issued to preserve the rights of holders of securities granting access to the share capital* or other rights granting access to the share capital 		<ul style="list-style-type: none"> ■ Allocated shares will only vest at the end of a vesting period of at least three years and the Board of Directors may introduce a lock-in period from the vesting of the shares ■ Description of performance conditions: refer to the report of the Board of Directors and the draft resolution as well as the glossary at the end of this document ■ Exceptionally, and up to 15% of N, shares may be allocated to employees (excluding members of the general management team (the Executive Committee)) without performance conditions ■ The Board of Directors may decide whether shares granted are existing shares or shares to be issued

6.5

Statutory auditors' reports

**STATUTORY AUDITORS' REPORT ON THE CAPITAL DECREASE BY CANCELATION
OF SHARES BOUGHT BACK BY THE COMPANY**

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.

Combined Shareholders' Meeting of May 18, 2016 – Eleventh resolution

To the Shareholders,

In our capacity as Statutory Auditors of Cap Gemini S.A. 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.

Neuilly-sur-Seine and Paris-La-Défense, March 31, 2016

The Statutory Auditors

PricewaterhouseCoopers Audit

Françoise Garnier

Partner

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

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.

Combined Shareholders' Meeting of May 18, 2016 – Thirteenth to Eighteenth resolutions

To the Shareholders,

In our capacity as Statutory Auditors of Cap Gemini S.A. 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 (thirteenth 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 (fourteenth 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 (fifteenth resolution);it being specified, for all securities to be issued pursuant to the thirteenth, fourteenth and fifteenth 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 which holds directly or indirectly more than half of the Company's share capital or 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. 228-93 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 which holds directly or indirectly more than half of the Company's share capital or 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 which does not directly or indirectly hold more than half of the Company's share capital or 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 sixteenth resolution and within the framework of the delegation of authority covered in the fourteenth and fifteenth 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 (eighteenth resolution).

According to the thirteenth resolution, the aggregate nominal amount of the share capital increases that may be carried out, either immediately or in the future, pursuant to the thirteenth to eighteenth resolutions may not exceed €550 million, it being specified that the aggregate nominal amount of the share capital increases that may be carried out in respect of the fourteenth, fifteenth and eighteenth resolutions may not exceed €137 million. According to the thirteenth resolution, the aggregate nominal amount of debt instruments that may be issued in respect of the thirteenth to eighteenth resolutions may not exceed €7.5 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 seventeenth 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 fourteenth, fifteenth and sixteenth 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 thirteenth and eighteenth 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 fourteenth and fifteenth 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.

Neuilly-sur-Seine and Paris-La-Défense, March 31, 2016

The Statutory Auditors

PricewaterhouseCoopers Audit

KPMG Audit
Division of KPMG S.A.

Françoise Garnier
Partner

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

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.

Combined Shareholders' Meeting of May 18, 2016 – Nineteenth resolution

To the Shareholders,

In our capacity as Statutory Auditors of Cap Gemini S.A. 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 €48 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 26-month period, to set the terms and conditions of this transaction and issue free shares or securities giving access to the share capital in accordance with the limits set forth by Article L. 3332-21 of the French Labor Code 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.

Neuilly-sur-Seine and Paris-La-Défense, March 31, 2016

The Statutory Auditors

PricewaterhouseCoopers Audit

KPMG Audit
Division of KPMG S.A.

Françoise Garnier

Frédéric Quélin

Partner

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

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

Combined Shareholders' Meeting of May 18, 2016 – Twentieth resolution

To the Shareholders,

In our capacity as Statutory Auditors of Cap Gemini S.A. 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 €48 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.

Neuilly-sur-Seine and Paris-La-Défense, March 31, 2016

The Statutory Auditors

PricewaterhouseCoopers Audit

KPMG Audit
Division of KPMG S.A.

Françoise Garnier

Frédéric Quélin

Partner

Partner

STATUTORY AUDITORS' REPORT ON THE AUTHORIZATION TO GRANT FREE SHARES (EXISTING OR TO BE ISSUED) TO EMPLOYEES AND CORPORATE OFFICERS

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.

Combined Shareholders' Meeting of May 18, 2016 – Twenty-first resolution

To the Shareholders,

In our capacity as Statutory Auditors of Cap Gemini S.A. 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.

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.

The Board of Directors' report states that the grant of existing shares or shares to be issued to employees and corporate officers of Cap Gemini S.A. 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.A. will be limited to 10% of the aforementioned amount.

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.

Neuilly-sur-Seine and Paris-La-Défense, March 31, 2016

The Statutory Auditors

PricewaterhouseCoopers Audit

Françoise Garnier

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Frédéric Quélin

Partner

7

Additional Information

7.1

Legal information **290**

7.1.1	Corporate name and head office	290
7.1.2	Legal form and governing law	290
7.1.3	Date of incorporation and term	290
7.1.4	Corporate purpose (Article 3 of the bylaws)	290
7.1.5	Incorporation details	291
7.1.6	Consultation of legal documents	291
7.1.7	Fiscal year	291
7.1.8	Appropriation and distribution of income	291
7.1.9	Shareholders' Meetings	291
7.1.10	Disclosure thresholds	292
7.1.11	Shareholder identification	292
7.1.12	Voting rights	292
7.1.13	Changes in shareholder rights	292
7.1.14	Rights, privileges and restrictions relating to shares	292
7.1.15	Provisions of the bylaws or other provisions that could delay, defer or prevent a change in control	293
7.1.16	Provisions of the bylaws governing administrative and management bodies	293

7.2

Group Management structure **294**

7.3

Persons responsible for the information **295**

7.3.1	Person responsible for financial information	295
7.3.2	Persons responsible for the audit of the financial statements	295
7.3.3	Declaration by the person responsible for the Registration Document	297

7.1 Legal information

7.1.1 Corporate name and head office

Corporate name: Cap Gemini

Head office: 11, rue de Tilsitt, 75017 Paris

7.1.2 Legal form and governing law

The Company is a *société anonyme* (joint stock company) governed by the French Companies Act of July 24, 1966 (Law no. 66-537) and Decree no. 67-236 of March 23, 1967.

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.

(1) Including Local Professional Services under the Sogeti tradename and representing the Group's fourth business.

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.;
- ▶ 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 income

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.

7.1.10 Disclosure thresholds

The Extraordinary Shareholders' Meeting of April 25, 2002 added specific disclosure obligations to the Company's bylaws. The bylaws now state that shareholders are required to notify the Company if their interest in the Company's share capital or voting rights is increased to above or reduced to below 1% or any multiple thereof. The crossing of the threshold must be notified to the Company within fifteen (15) days of the date when the shares causing the threshold to be attained or crossed are registered in the shareholder's account. 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 1%

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 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 disclosure requirements are applicable as for thresholds provided by law.

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

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.

Each share carries entitlement to one vote, including 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 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. In the twenty-second resolution presented to the Combined Shareholders' Meeting of May 18, 2016, the Board of Directors proposes to amend the Company's bylaws to provide for the staggered renewal of the terms of office of directors appointed by Shareholders' Meeting. This will enable the smooth replacement of directors in accordance with the provisions of the AFEP-MEDEF corporate governance code to which Cap Gemini refers.

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. This director is not taken into account in determining the maximum number of directors pursuant to Article L. 225-17 of the French Commercial Code.

Finally, in the twenty-third resolution presented to the Combined Shareholders' Meeting of May 18, 2016, the Board of Directors proposes an amendment to the Company's bylaws to detail the number of directors representing employees on the Board of Directors and the means of their appointment, following the adoption of new legal provisions in 2015 on employee representation on Boards of Directors (the initial 2013 legal provisions were amended by the Rebsamen Law of August 17, 2015).

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 follows:

- ▶ 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 of 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) shares in the Company throughout their term of office.

This obligation to hold is not applicable to directors representing employee shareholders. Subject to the approval of the amendments to the bylaws submitted to the Combined Shareholders' Meeting of May 18, 2016, it is also not intended to apply to directors representing employees.

Majority rules within the Board of Directors

Decisions 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, Serge Kampf, the Board of Directors decided to regroup the functions of Chairman and Chief Executive Officer and appointed the Chief Executive Officer, Paul Hermelin, to the position of Chairman and Chief Executive Officer (for further details 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:

- a Group Executive Board (GEB) with 7 members:

Paul Hermelin	Chairman and Chief Executive Officer
Aiman Ezzat	Chief Financial Officer
Hubert Giraud	Director of People Management and Talent Development
Patrick Nicolet	Director of Group Competitiveness
Thierry Delaporte	Financial Services SBU CEO and Latin America SBU operating control
Salil Parekh	AppsOne SBU CEO, Sogeti and Infrastructure Services SBUs and «Cloud Foundation Services» operating control
Olivier Sevilla	AppsTwo SBU CEO, Capgemini Consulting and Business Services SBUs and "Digital" operating control

- a Group Executive Committee comprising the GEB and 15 additional members:

Jean-Philippe Bol	AppsTwo SBU Deputy CEO
Tim Bridges	Application Services North America BU CEO
Dee Burger	Global Head «Digital»
André Cichowlas	Delivery Director (Production/Methods and Support)
Lanny Cohen	Technologies and Intellectual Property Director
Pierre-Yves Cros	Strategy and Development Director
Cyril Garcia	Capgemini Consulting SBU CEO
Srikanth Iyengar	Global Sales Director
Aruna Jayanthi	Business Services SBU CEO
Srinivas Kandula	India Operations Director
Jean-Baptiste Massignon	General Secretary
Paul Nannetti	Infrastructure Services SBU CEO
Virginie Régis	Marketing and Communications Director
Luc-François Salvador	Asia-Pacific BU Executive Chairman
Hans Van Waayenburg	Sogeti SBU CEO

- and Group directors reporting directly to the Group Chairman and Chief Executive Officer:

Christophe Bonnard	In charge of large accounts – France
Philippe Christelle	Internal Audit and Ethics & Compliance Director
Navin Goel	In charge of large accounts – USA
Christine Hodgson	In charge of large accounts – United Kingdom
Michael Schulte	In charge of large accounts – Germany

7.3

Persons responsible for the information

7.3.1 Person responsible for financial information



Aiman EZZAT

Chief Financial Officer

11, rue de Tilsitt, 75017 PARIS

Tél.: 01 47 54 50 00

7.3.2 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 Mrs. Françoise Garnier

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 GEORGHIU

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.

FEES PAID BY THE GROUP TO THE STATUTORY AUDITORS AND MEMBERS OF THEIR NETWORKS

	KPMG				PwC			
	Amount		%		Amount		%	
<i>in thousands of euros (excluding VAT)</i>	2015	2014	2015	2014	2015	2014	2015	2014
Audit								
Statutory audit, certification of the consolidated and separate financial statements	4,060	2,870	56%	58%	2,781	2,470	59%	75%
▪ Issuer	549	455	8%	9%	632	518	14%	16%
▪ Fully-consolidated subsidiaries	3,511	2,415	48%	49%	2,149	1,952	45%	59%
Other services directly related to the statutory audit engagement ⁽¹⁾	795	425	11%	9%	1,003	39	21%	1%
▪ Issuer	710	42	10%	1%	995	1	21%	0%
▪ Fully-consolidated subsidiaries	85	383	1%	8%	8	38	0%	1%
Sub-total	4,855	3,295	67%	67%	3,784	2,509	80%	76%
Other services								
Legal, tax and employee-related advisory services	130	145	2%	3%	82	102	2%	3%
Other ⁽²⁾	2,252	1,486	31%	30%	858	677	18%	21%
Sub-total	2,382	1,631	33%	33%	940	779	20%	24%
TOTAL	7,237	4,926	100%	100%	4,724	3,288	100%	100%

(1) Fees presented in other services directly related to the statutory audit engagement mainly consist of due diligence procedures performed in respect of acquisitions and financial transactions,

(2) The majority of these fees concern assignments performed at the request of our customers pursuant to the standard ISAE 34-02 and concern the audit of applications and/or processes outsourced to the Group.

7.3.3 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 2015 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, April 6, 2016

Paul Hermelin

Chairman and Chief Executive Officer

8

Cross-reference table

8.1	Information required under Commission Regulation (EC) no.809/2004	300	8.3	Cross-reference table for the Management Report required under Articles L. 225-100 and seq. of the French Commercial Code	302
8.2	Annual Financial Report cross reference table	301			

8.1

Information required under Commission Regulation (EC) no.809/2004

	Page
1 PERSONS RESPONSIBLE	295 and 297
2 STATUTORY AUDITORS	2 and 295
3 SELECTED FINANCIAL INFORMATION	3
4 RISK FACTORS	25, 26 to 31, 162, 173, 181 to 183
5 INFORMATION ABOUT THE ISSUER	
History and development of the Company	6 and 7
Legal information concerning the company	290 to 293
Investments	25 and 163 to 168
6 BUSINESS OVERVIEW	
Principal activities	8 to 12 and 17 to 24
Principal markets	15 to 16 and 146 to 149
The IT services market and competition	15 to 16
7 ORGANIZATIONAL STRUCTURE	
Brief description of the group and position of the issuer	13 to 14
List of significant subsidiaries	192 to 194
8 PROPERTY, PLANT AND EQUIPMENT	13
9 OPERATING AND FINANCIAL REVIEW	130 to 135 and 196 to 198
10 CAPITAL RESOURCES	
Information concerning the issuer's capital resources	198, 155 to 162 and 226 to 230
Explanation of the sources and amounts of, and a description of, the issuer's cash flows	139 and 179 to 180
Borrowing requirements and funding structure and information regarding any restrictions on the use of capital resources	174 to 178 and 190
11 RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES	N/A
12 TREND INFORMATION	135
13 PROFIT FORECASTS OR ESTIMATES	135
14 ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES AND SENIOR MANAGEMENT	2, 34 to 58 and 293 to 294
15 REMUNERATION AND BENEFITS	53 to 54, 59 to 70 and 191
16 BOARD PRACTICES	34 to 37 and 45 to 53
17 EMPLOYEES	
Number of employees	88 to 91, 132 and 189
Employee shareholdings and stock options	67 to 70, 155 to 162, 205 to 209 and 228 to 229
18 MAJOR SHAREHOLDERS	231 and 236
19 RELATED PARTY TRANSACTIONS	13, 54 to 55 and 191

N/A : not applicable

Cross-reference table**8.2 Annual Financial Report cross reference table**

	Page
20 FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	
Historical financial information	1 and 3
Financial statements	136 to 195 and 199 to 219
Auditing of historical annual financial information	195, 219 and 297
Dividend policy	197 to 198, 234 and 291
Legal proceedings and arbitration	29 and 188
21 ADDITIONAL INFORMATION	
Share capital	198 and 226 to 228
Memorandum and articles of association	290 to 293
22 MATERIAL CONTRACTS	19 to 20 and 132 to 134
23 THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF INTEREST	N/A
24 DOCUMENTS ON DISPLAY	290 to 293
25 INFORMATION ON SUBSIDIARIES AND INVESTMENTS	224

N/A : not applicable

8.2**Annual Financial Report cross reference table**

	Page
1 Company financial statements	199 to 218
2 Consolidated financial statements	136 to 194
3 Management Report presented by the Board of Directors of Cap Gemini	302 to 303
4 Declaration by the person responsible for the annual financial report	297
5 Statutory auditors' report on the Company financial statements	219
6 Statutory auditors' report on the consolidated financial statements	195
7 Statutory auditors' special report on regulated agreements and commitments	220 to 222
8 Statutory auditors' fees	218 and 296
9 Report of the Chairman of the Board of Directors on corporate governance, internal control and risk management	34 to 39, 45 to 55, 56 to 58 and 71 to 79
10 Statutory Auditors' report on the report prepared by the Chairman of the Board of Directors	80

N/A : not applicable

8.3

Cross-reference table for the Management Report required under Articles L. 225-100 and seq. of the French Commercial Code

	Page
Situation and activity of the Group in 2015	
Comments on the fiscal year	
Analysis of changes in the business, results and the financial position of the Company and the Group	130 to 135 and 196 to 198
Major events between the year end and the date of preparation of the management report	191 and 218
Developments and outlook for the future	135
Research and development	N/A
Company financial statements	
Balance sheet and Income Statement	199 to 201
Expenses and charges stipulated in Article 223 quater of the French General Tax Code	N/A
Supplier settlement periods	197
Acquisitions of investments or controlling interests during the fiscal year in companies whose registered office is located in France	N/A
Five-year financial summary	223
Subsidiaries and investments	224
Main risk factors	
Risks related to operations	26 to 28
Legal risks	28 to 29
Equity risk	29
Credit and counterparty risk	29
Liquidity risk	29
Financial and market risk	29 to 30
Risks associated with employee-related liabilities	30
Insurance	30 to 31
Governance	
Organization of group management activities	34 to 37
List of offices and duties exercised in companies by corporate officers during the last fiscal year	40 to 44
Compensation and benefits paid to corporate officers during the last fiscal year	53 to 54 and 59 to 70
Commitments given in favor of executive corporate officers	59 to 70
Options and performance shares granted to executive corporate officers	59 to 61, 64 and 67 to 70
2015 compensation of Paul Hermelin Chairman and Chief Executive Officer	61 to 66
Summary of transactions carried out in 2015 by members of the Board of Directors and other senior managers involving Cap Gemini shares	55
Corporate social responsibility	
Information on employees and the social impact of Cap Gemini activities	88 to 107
Key environmental and social indicators	108 to 122

N/A : not applicable

Cross-reference table

8.3 Cross-reference table for the Management Report

Information on the share capital

Changes in the ownership of share capital and voting rights during the last three fiscal years	198, 231 and 235 to 236
Ownership structure and changes during the fiscal year	226
Factors affecting a potential takeover bid	55
Employee shareholding	228 to 229
Crossing of legal thresholds reported to the Company	198
Shareholder agreements concerning the share capital of the Company	236
Buyback by the Company of its own shares	237
Information on share subscription options granted to executive corporate officers and employees	61 to 70 and 228 to 229
Information on free share grants to executive corporate officers and employees	61 to 70 and 228 to 229
Summary schedule of current delegations of authority to increase the share capital and use of these delegations during the fiscal year	227 to 228
Dividends and other revenue distributed during the last three fiscal years	198, 234 to 291
Report of the Chairman of the Board of Directors on Corporate governance, internal Control and risk management.	34 to 39, 45 to 55, 56 to 58 and 71 to 79, 291 to 292

N/A : not applicable

Serge Kampf, founder of the Caggemini Group and a fervent admirer of contemporary artists, passed away on March 15, 2016. As a tribute to him, we have designed a special cover featuring some of the works that he chose with passion for our previous registration documents.

We would like to thank all the artists whose works appear on this cover.

**On the cover,
each row from left to right,
top to bottom:**

Barlow (1994)
Quilici (2006)
Pierre Courtois (1989)
Yolande Ardissonne (1991)
Calman Shemi (2011)
Popov (2004)
Akagi (1995)
Delamonica (2006)
Emard (2010)
Deymonaz (2008)
Machado Rico (2000)

**On the back cover,
each row from left to right,
top to bottom:**

Olivia Boa (2014)
Gaveau (1990)
Max Agostini (1988)
Christian Ferdinand (2009)
Saygin (1992)
Jacques Leonard (2005)
David Ferreira (2013)
David Cintract (2012)
Solnon (1987)
Jean-Pierre Rives (1993)
Conan (1999)
Tzapoff (1998)
Josée Goudard (2001)
Jacques Poirier (1996)
Lisa Tcham (2003)



