

# CAPGEMINI EMPLOYEE SHARE OWNERSHIP PLAN LOCAL SUPPLEMENT FOR HONG KONG



**You have been invited to invest in shares of Capgemini SE in the Capgemini Group employee share ownership plan for 2023: ESOP. You will find below a brief summary of the local offering information and principal tax consequences relating to the offering.**

**For a more complete description of the offering, please refer to the employee brochure provided to you together with this Local Supplement and to the regulations and Key Information Document of the «ESOP Leverage P 2023» compartment of the «ESOP CAPGEMINI» FCPE, available on the intranet site\* dedicated to the Offering. (\* This website has not been reviewed by the Securities and Futures Commission of Hong Kong.) To the extent of any inconsistency between this local supplement and the brochure, this local supplement shall govern.**

## Local Offering Information

### Eligibility

All current employees of Capgemini Hong Kong, in each case subject to a minimum employment condition of three months since January 1, 2022, up to the last day of the revocation period (November 15, 2023), employed for at least one day between November 13, 2023 to November 15, 2023.

### Reservation and Revocation Periods

The reservation period starts on September 15, 2023, and lasts until October 4, 2023 (inclusive). During the reservation period, you will be able to submit your orders to subscribe for units of a compartment named ESOP Leverage P 2023 of an FCPE named ESOP Capgemini, which compartment uses your investment to purchase Capgemini SE shares through an FCPE. During the reservation period you can place an order for maximum 2.5% of your estimated gross salary over 2023. If the amount of your subscription exceeds this, your subscription may automatically be reduced to 2.5% of the estimated gross annual salary that you will receive in 2023.

The revocation period starts on November 13, 2023, and lasts until November 15, 2023 (inclusive). During the revocation period, you may revoke your order in its entirety if you wish. Upon the expiration of the revocation period, outstanding orders become binding and irrevocable. If you have not placed a reservation order during the reservation period, you may subscribe for units in ESOP Leverage P 2023 during the revocation period but only for a reduced amount limited to 0.25% of your 2023 estimated gross annual compensation (base salary for 2023, variable compensation that has been paid in 2023, plus any sales incentives paid to you by October 31, 2023).

## Subscription Price

The subscription price will be set by the CEO of Capgemini SE on or about November 10, 2023. The subscription price will be the volume-weighted average price of the Capgemini SE shares over the 20 trading days preceding the decision of the CEO of Capgemini SE, less a 12.5% discount. The subscription price will be communicated to you on or about November 10, 2023, via postings in your workplace and on the internet site\* dedicated to ESOP. (\* This website has not been reviewed by the Securities and Futures Commission of Hong Kong.)

## Investment Options and Overview of the Leveraged Plan

Only one investment option is available: the Leveraged Plan. Under the Leveraged Plan, you subscribe for units at the subscription price in a compartment named "ESOP Leverage P 2023" of an FCPE named "ESOP Capgemini". FCPEs are known in France as "Fonds Commun de Placement d'Entreprise" and are commonly used in France for the custody of shares held by employee-investors. For each 10% of the price of a share that you contribute, a bank will finance the acquisition of the remaining 90% of the share price. The compartment will apply the cash received from you and the bank to subscribe for shares of Capgemini SE and you will receive units in the compartment representing the subscription for all the shares. The bank will guarantee your contribution in the Leveraged Plan, which is an amount expressed in Euros (the "**personal contribution**").

## Dividends

Any dividends earned on shares held by the compartment (i.e., the shares purchased by you as well as those financed by the bank) will be remitted to the bank that guarantees your personal contribution.

## Redemption

At the end of the 5-year holding period, you will be entitled to redeem your units for a cash amount equal to your personal contribution and a portion of any price increase in the value of the shares purchased by you and financed by the bank measured over the 5-year holding period. Please refer to the Key Information Document of the FCPE that came with your offering materials for more information regarding the Leveraged Plan formula. If you do not redeem your units after the 5-year holding period, then your investment in the Leveraged Plan will be transferred to another FCPE offered within the Capgemini international employee group savings plan, however, the bank guarantee will no longer apply following such transfer requirements.

## Currency and Exchange

Your subscription is in Euros. For purposes of your subscription, the amount of your payment will be in Hong Kong dollars and will be converted by your employer using the exchange rate that will have been communicated to you prior to the revocation period. Any amount you receive in respect of the bank guarantee under the Leveraged Plan is also denominated in Euros. Any variation between the exchange rate communicated to you and the exchange rate in effect on the date of the actual remittance of funds abroad will not affect the amount of your investment.

During the life of your investment, the value of the Capgemini SE shares subscribed through the FCPEs described in this Local Supplement will be affected by fluctuations in the currency exchange rate between the Euro and the Hong Kong dollar. As a result, if the value of the Euro strengthens relative to the Hong Kong dollar, the value of the shares expressed in local currency will increase. On the other hand, if the value of the Euro weakens relative to the Hong Kong dollar, the value of the shares expressed in Hong Kong dollars will decrease.

## Maximum and Minimum Contribution

The total amount that you may invest in the Leveraged Plan cannot exceed 2.5% of your 2023 estimated gross annual compensation. The minimum investment amount is HKD 900.

As indicated above, you may subscribe for units in "ESOP Leverage P 2023" during the revocation period but only for a reduced amount limited to 0.25% of your 2023 estimated gross annual compensation.

## Voting rights

The voting rights attached to your Capgemini SE shares will be exercised on your behalf by the elected members of the supervisory board of the FCPE representing the unitholders.

## Method of Payment

For the purposes of settling the subscription amount on your behalf, your employer will make an advance payment of wages to you. In order to repay your employer for making such advance payment of wages to you for the purposes of first settling the subscription amount on your behalf, your employer will deduct from your wages in equal monthly instalments for no fewer than three months, with each instalment amount not exceeding 25% of your wages due in one wage period in accordance with applicable laws. The first deduction will be made in the month of December 2023.

## Early Exit Events

In consideration of the benefits granted under this offering, your investment must be held for a 5-year period ending on December 19, 2028, except in the case of the following early exit events authorized by law:

- (a) termination of the employment contract
- (b) long-term disability of the employee
- (c) death of the employee.

In these circumstances you (or your personal representatives) would need to request an early redemption as this would not be automatic.

Attention is drawn to the fact that a change of employer, where the new employer is an entity participating to ESOP in a country under the same structure as Hong Kong, i.e. the FCPE's « ESOP Leverage P » compartments, shall not constitute an early exit case. On the other hand, a change of employer, where the employer is an entity participating to ESOP in a country under a different structure, or to a non-participating country, may constitute, upon Capgemini's decision, an early exit case.

Early redemption may also be possible upon Capgemini SE's decision if the legal entity that employs you ceases to be a Capgemini SE subsidiary.

These early exit events are defined by French law and must be interpreted and applied in a manner consistent with French law. You should not conclude that an early exit event is available unless you have described your specific case to your employer and your employer has confirmed that it applies to your situation, upon you providing the requisite supporting documentation.

## Redemption at full term

Once your investment becomes available for redemption you will be informed of this availability and you may request a redemption of your investment in cash or you may continue to hold the value of your investment (but without any further leveraged effect) in a new fund which invests in Capgemini SE shares.

## Labor Law Disclaimer

Your decision whether or not to participate in the ESOP offering is entirely voluntary and personal. Your decision will have no effect, either positive or negative, on your employment with a Capgemini Group Company. Nothing contained in any materials distributed or made available to you in connection with the ESOP offering and your subscription shall confer upon you any right or entitlement in respect of your employment, amounts due to you in respect of your employment or future offerings. Participation in the ESOP offering is separate from and does not form any part of any employment agreement to which you may be a party or the terms of your employment.

## Securities Notices

### **WARNING**

The contents of the offering document (which includes this Local Supplement, the employee brochure and the Key Information Document) have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of the offering document, you should obtain independent professional advice.

No action has been taken in Hong Kong to permit the distribution of the offering document. In particular, the offering document has not been approved by the Securities and Futures Commission in Hong Kong. The offering document may only be distributed to eligible employees of Capgemini SE and the specified Capgemini group companies.

The offering document is distributed on a confidential basis. No right to participate in the offering will be granted to any person other than the person to whom the offering document has been sent. No person in Hong Kong other than the person to whom the offering document is addressed may treat the same as constituting an invitation to him or her to participate.

The offering document may not be reproduced in any form or transmitted to any person other than the person to whom it is addressed.

The offering document was prepared and is issued in Hong Kong by Capgemini SE and/or parties authorised by Capgemini. The relevant parties have taken all reasonable care to ensure that the facts stated in the offering document are true and accurate in all material respects, and accept responsibility accordingly.



## Tax Information for Employees

*This summary sets forth general principles of tax law that are expected to apply to employees chargeable to salaries tax in Hong Kong. The tax consequences summarised below are described in accordance with the tax laws and practice of Hong Kong and certain French tax laws and practice in each case as in force and applicable in December 2022, as well as the treaty entered into between France and Hong Kong for the avoidance of double taxation dated 21 October 2010. In addition to the tax summary set out below, and depending on your circumstances, you may be subject to tax in any other jurisdiction(s) in which you are or become fiscally resident or otherwise taxable.*

*Please note that neither Capgemini SE nor your employer will provide any personal legal advice or tax advice in relation to ESOP CAPGEMINI. For legal or tax or professional advice, you should consult your own tax advisor regarding the tax consequences of subscribing for Capgemini SE shares. This summary is provided for informational purposes and does not constitute legal or tax advice.*

*The tax consequences listed below are described in accordance with certain tax laws and tax practices prevailing in those two jurisdictions, all of which are applicable in May 2023. Such laws and practice may change over time.*

### Upon subscription

#### **I. Will I be required to pay any tax or social security charges at the moment of subscription?**

The difference between the amount you actually pay for the Capgemini SE shares (the "Shares") for which you subscribe (if any) and their open market value at the time of subscription is known as the "share price discount". A share price discount is broadly speaking subject to taxation at progressive salaries tax rates of up to 17% or at a flat rate of 15%, whichever yields the lower amount of aggregate tax, in the tax year in which the shares are allotted to you (i.e., the tax year of subscription).

Because there are restrictions on the disposal of the Shares during the envisaged lock-up period of 5 full years (i.e., from 19 December 2023 to 19 December 2028) from the date on which such units will be issued, the Hong Kong Inland Revenue Department ("IRD") should allow a discount for tax purposes in computing the open market value of the Shares for which you subscribe. Based on a decision of the Board of Review (the Hong Kong tax tribunal of first instance), the IRD should accept an aggregate discount of 25% for a lock-up period of 5 full years (i.e., a 5% discount on the deemed market value of the Shares for each full year of the lock-up period and a discount of 1/12 of 5% for each full month of the lock-up period).

The lock-up period is taken to run from the date on which the Shares for which you subscribe are issued into the FCPE on your behalf and the date on which the lock-up period ends. For tax purposes, the lock-up period will therefore be 5 full years, for an expected open market value discount of 25%.

You will be offered Shares at a discount of 12.5% relative to their reference price; however, since the lock-up period is projected to last 5 full years, such that the taxable market value of the Shares should be 75% of their actual open market value on the date of issue, such taxable value discount on account of the lock-up period should in principle and in general be sufficient to offset the price discount of 12.5% that would otherwise be chargeable to salaries tax in Hong Kong. It would follow that you should not in the ordinary course be taxable in Hong Kong when you subscribe for Shares.

If you exit the plan for any reason before the expiry of the lock-up period, note that the discount on account of the lock-up period would need to be recalculated to take into account the actual duration of the lock-up period. Accordingly, and for example, if you were to exit the plan after only 2 full years of lock-up, the discount on account of lock-up would be reduced to 10% (i.e., 2 x 5). The taxable share price discount would need to be recomputed on that basis. If that recalculation led to a positive share price discount (i.e., the adjusted taxable value of the Shares you receive exceeds the amount you actually paid for them), you would be chargeable to salaries tax on that amount.

#### **II. Will the interest-free advance payment (if any) be taxable?**

In principle, no, provided that the advance is in fact repaid.

## During the life of the Plan

### **III. Will I be required to pay any tax or social security charges on dividends?**

**Under the ESOP offering, pursuant to the swap agreement, for all dividends received by the FCPE an equal amount is paid to the bank. Therefore, you do not benefit from dividends paid, if any, to the FCPE “ESOP CAPGEMINI”.**

#### **(i) Taxation in France**

In the absence of a distribution to employees participating in the Leveraged Plan of dividends received on the Shares, no withholding tax will be levied under the laws of France.

#### **(ii) Taxation in Hong Kong**

Dividends are in the ordinary course not taxable in Hong Kong in the hands of individuals.

### **IV. Will I be required to pay any wealth tax on the units I own?**

No.

### **V. What are my reporting obligations with respect to the subscription, holding and redemption of the FCPE units, as well as the payment of dividends, as applicable?**

You will be required to report any taxable share price discount, if any, to which you are entitled in the year of assessment in which the Shares are issued into the FCPE – i.e., the year of assessment 2022/2023. As noted above, it is unlikely that you will be required to pay any tax, in the ordinary course, upon grant. You will in the ordinary course be exclusively liable for any tax due thereon.

If you exit the FCPE prior to the expiry of the lock-up period, you will need to report any tax liability arising to you as a result of the reduction of the discount on account of the effective lock-up period in the year of assessment of your exit.

Separately, your employer will be required to file an annual employer’s return with the IRD showing the amount of taxable income you have received, if any, in a given year of assessment.

## Upon redemption

### **VI. Will I be required to pay any tax or social security charges when, at the end of the lock-up period (or in the event of an authorized early exit event), I ask the FCPE to redeem my Units for cash?**

#### **(i) Taxation in France**

You will not be subject to income taxes in France on the gain, if any, realized on the redemption of your units.

#### **(ii) Taxation in Hong Kong**

No, capital gains are in the ordinary course not taxable in Hong Kong in the hands of individuals.

### **VII. Tax or social security charges that may be applicable if my assets are transferred from the “ESOP LEVERAGE P 2023” compartment to another compartment, if I do not choose immediately to redeem my investment upon the expiration of the lock-up period.**

You will not be subject to taxes in that occurrence.