Teleperformance
Transforming Passion into Excellence

# 2014 Registration Document

*Annual financial report*

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# Teleperformance

# Registration Document

Including the **Annual financial report**

## Incorporation by reference

In accordance with Article 28 of European Regulation No. 809/2004 of April 29th 2004, the reader is asked to refer to previous Registration Documents for certain information:

### 1. Relating to the 2013 financial year

- the management report, the consolidated accounts as well as the report of the statutory auditors on the accounts, contained in the Registration Document filed on February 28th, 2014 under number D.14-0102;
- the Company accounts for Teleperformance, the analysis of the accounts as well as the report of the statutory auditors on the accounts, contained in the Registration Document filed on February 28th, 2014 under number D.14-0102; and
- the special report of the statutory auditors on regulated agreements and commitments, contained in the Registration Document filed on February 28th, 2014 under number D.14-0102.

### 2. Relating to the 2012 financial year

- the management report, the consolidated accounts as well as the report of the statutory auditors on the accounts, contained in the Registration Document filed on February 28th, 2013 under number D.13-0091;
- the Company accounts for Teleperformance, the analysis of the accounts as well as the report of the statutory auditors on the accounts, contained in the Registration Document filed on February 28th, 2013 under number D.13-0091;
- the special report of the statutory auditors on regulated agreements and commitments, contained in the Registration Document filed on February 28th, 2013 under number D.13-0091.

Information included in these two Registration Documents other than that referred to above may have been replaced or updated by information included in this Registration Document.


AUTORITÉ DES MARCHÉS FINANCIERS AMF

This Registration Document was filed the *Autorité des marchés financiers* on February 27th, 2015, in accordance with Article 212-13 of the AMF's General Regulation.

It may be relied upon within the scope of a financial transaction if supplemented by an information document approved by the AMF. It was drawn up by the issuer and is binding on its signatories.

This document is available online on the websites of Teleperformance (www.teleperformance.com) and the AMF (www.amf-france.org).

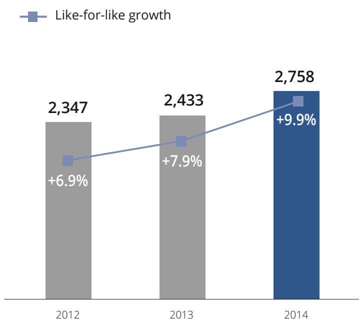
# TELEPERFORMANCE IN 2014

## GROUP PROFILE

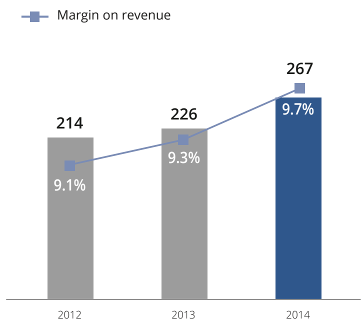
**Teleperformance, world leader in outsourced multichannel customer experience, provides companies worldwide with expert solutions in customer care, technical support, customer acquisition, debt collection, social media and business process outsourcing.**

## KEY FIGURES

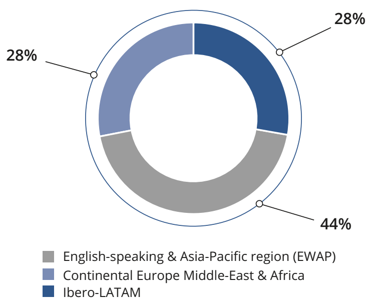
### ▶ Revenue *(in millions of euros)*



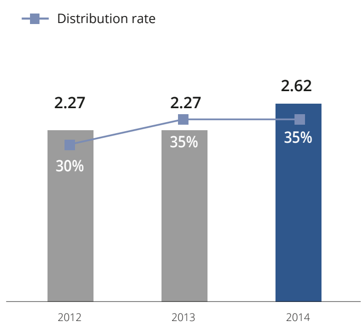

### ▶ Current EBITA *(in millions of euros)*




### ▶ 2014 Revenue by linguistic region




### ▶ Earning per share *(in euros)* and Dividend distribution rate *(%)*




Founded in
**1978**

**182,000**
employees

Operations in
**62 countries**

2014 revenue
**€2.8 billion**

**135,000**
workstations

*This information is provided in various chapters of the Registration Document.*

### *March 2014*

Teleperformance is classified by Gartner among the leaders in its "Magic Quadrant" report for the fourth consecutive year.

### *April 2014*

Teleperformance affirms its expertise in the health sector, by participating in the 11th World Health Conference (WHC) in the United States.

### *June 2014*

Teleperformance strengthens its operations in the British market with the acquisition of City Park Technologies in Glasgow.

### *August 2014*

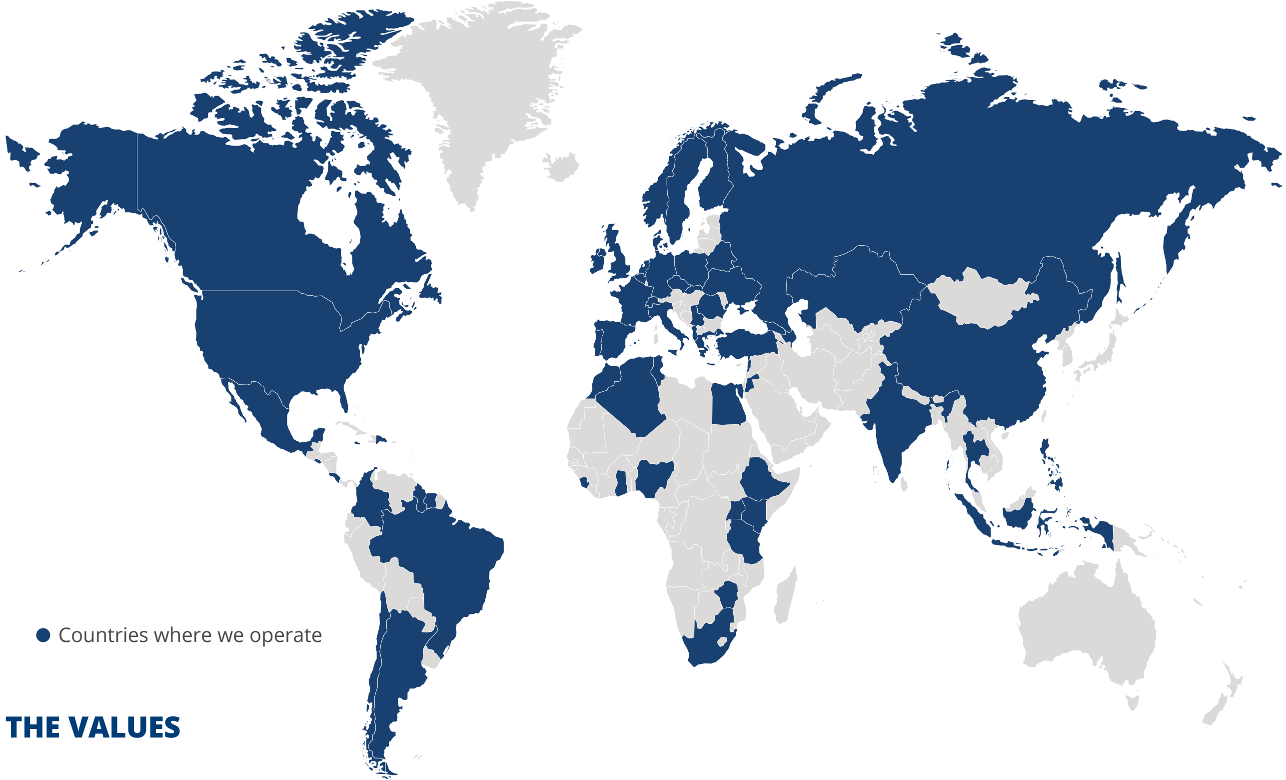
Teleperformance strengthens its operations in the North American market with the acquisition of Aegis USA Inc., a leading actor in client services in the United States, the Philippines and Costa Rica.

## THE MISSION

*"Teleperformance is a company of people at other people's service, helping them find solutions to their daily problems. Every day across five continents, we provide an exceptional customer experience in the millions of interactions generated through "our clients' customers". We bring our unfailing commitment, passion and constant search for excellence to each of these interactions to create opportunities and value for our employees, our clients, our clients' customers and our shareholders."*

## OUR ESTABLISHMENTS

**Present in 62 countries, Teleperformance serves more than 160 markets. As the only global player in the market we use our broad geographical footprint to satisfy our customers. The Group manages programs in 75 languages on behalf of major international companies operating in various industries.**




## THE VALUES

*"The five Teleperformance values are the pillars of our corporate culture, and guarantee the excellence of our services and solutions."*

***Cosmos/Integrity***
***I say what I do & I do what I say***

***Earth/Respect***
***I treat others with kindness and empathy***

***Metal/Professionalism***
***I do things correctly the first time***

***Air/Innovation***
***I create and I improve***

***Fire/Commitment***
***I am passionate and committed***

*September 2014*

Teleperformance affirms its position as world leader with 135,000 workstations, an increase of 20% compared to 2013, and the commencement of business operations in 16 new countries.

*October 2014*

Teleperformance receives the "Best Company to Work For" award in Brazil for the 3rd consecutive year.

*December 2014*

Teleperformance optimizes its financing by issuing a senior debt in the United States (USPP) for US$325 million.

# MESSAGE FROM THE CHAIRMAN

« 2014: Another Year of Record Performance, Improved Positioning and Global Industry Leadership »

**Daniel Julien**
Chairman

Dear shareholders,

I am very happy to highlight our Teleperformance 2014 results for several reasons:

- **Another Record Year of Growth:** Teleperformance set another new revenue record and outperformed the market in like-of-like growth with a +9.9% result driven by organic growth. Our overall results reflect continuing sound management of the business, good overall market conditions and seamlessness in our executive transition plan.
- **A Strategic Move in the USA:** The acquisition of Aegis USA Inc. firmly entrenches us as a top tier USA market player and gives us additional capabilities in several key vertical segments for future growth. This move directly adds US$400 M of revenue plus 20,000 people and significantly bolsters our USA domestic, nearshore and offshore delivery capabilities.
- **Teleperformance is the Most Diversified Worldwide Player** (geo/vertical and channel): Our 182,000 people intend to take full advantage of emerging one-to-one omnichannel customer interaction volumes around the clock and all around this rapidly changing world. As you will see in this report, we are well-prepared to capitalize on these unprecedented opportunities to serve customers' everyday needs with the most robust solutions in the business to ensure security, quality, reliability, scalability and excellent results for our clients.
- **CEO and Leadership Succession Transitions are on Time and on Track:** I am pleased to report our 3 year CEO transition plan with Paulo César Salles Vasques and the overall transition of our new generation of leaders is progressing extremely well in all respects. This means we have a solid top management foundation built so we remain positioned for continuous success for decades to come. Paulo is both a great leader and friend and I thank him for his continued dedication, passion and good results for our Group.

“ a passion for people, success and results excellence ”

- **We Are a Team:** Together, our remarkable journey continues with all of our stakeholders and I thank each of you for your support and your ongoing trust in Teleperformance. We have a clear view of our future and it is filled with exciting possibilities for us. We can, have and will achieve great things together as a diverse and united global family in this new digital world of incredible opportunities.

Daniel Julien

# MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Dear shareholders,

2014 was another remarkable year of progress for Teleperformance as we were successful in substantially extending our number one global industry leadership position. From a financial perspective it was another record year for us with an almost 10% increase in like-for-like revenues over 2013. We also improved our EBITA margins to +9.7% and we have strong overall momentum heading into 2015.

I am really excited to update you on our current operating position as follows.

Teleperformance now employs 182,000 employees around the globe making us one of the largest private sector employers in the world. This represents a strategic operating advantage to our clients and the customers we serve on their behalf. It also means we have a special and very real responsibility to support, nurture and develop our diverse family of Teleperformance people who make a positive difference for us everywhere and every day all around the world. Our core strategy of focusing on our people is not just the right thing to do from a human standpoint, it also produces tangible positive business results as you will see in this report. In short, treating people well and giving them personal and professional development opportunities go hand-in-hand with consistently strong results and allows us to set an appropriate leadership standard for our entire industry to follow. We were also very proud to receive significant recognition in many countries around the world on being a wonderful company to work for from organizations like Great Place to Work® Best Companies and Aon Hewitt's Global Best Employers™.

Teleperformance partners with over 750 clients worldwide. Our clients are some of the most successful, respected and biggest brands on the planet. Today, we serve our clients' customers in over 160 markets from 62 countries in 75 languages. We use sophisticated multichannel delivery models driven by proven best practices and processes and state-of-the-art technologies to deliver great customer experiences. Our world today also means we operate in all major vertical industry segments, across all communications channels and we support all customer interaction applications for both private sector enterprises and local, regional and national governments. Thanks to the trust of our clients over decades, Teleperformance has come a long way from 10 French language workstations in Paris back in 1978!

**Paulo César Salles Vasques**
Chief Executive Officer

Teleperformance interacts with more than 35% of world's population annually. We recognize each time we communicate with a customer our clients' reputations are literally on the line. Last year I mentioned to serve is an honor, a commitment and an art and every interaction is an opportunity for us to create a great customer experience. We are completely committed to make every customer experience a memorable one and this passion helps explain both the long tenure and growing scale of many of our client relationships. In 2014, we handled more than 245 million interactions via digital channels (web and social media) and managed 78 million transactions in our BPO non-interactions programs. In addition, we handled with more than 5 million visa processes by face-to-face interactions. While world continues to change rapidly, we know our one constant job is to ensure our clients' customers choose, use, stay and grow with our clients.

> "create positive differentiation for our clients and brands"

Teleperformance welcomed thousands of new employees to our family in 2014 and we added 25,000 workstations. In addition to our organic growth, we also made targeted strategic acquisitions including the purchase of Aegis USA Inc. This move underscores our commitment to the USA market which represents approximately 50% of the world's current market basket. Now, in addition to being the clear number one overall global industry leader, our Group is one of the very top players in this key market and we are also better positioned in several key vertical segments including Healthcare, Travel and Financial Services. As always, we will continue to carefully look for strategic growth opportunities to continuously strengthen shareholder value and our global value propositions and differentiators.

Teleperformance is setting the industry pace for innovation as evidenced by the dozens of industry awards and top business analyst rankings in all world regions we were recognized with again last year. Our clients and their customers expect, deserve and demand more than “basic vendor services”. Clients select us to add real value to their customer strategies by delivering sustainably higher performance levels for their customer-facing operations. Our Teleperformance Customer Experience Lab (CX Lab) continues to provide highly customized and proprietary insights to our clients in important studies such as consumer interaction preferences by channels, markets vertical segments and generations. Teleperformance stands alone in our field with our own dedicated research company to help our clients improve in critical performance areas such as customer satisfaction, loyalty and growth via advanced predictive data analytics. Solutions like e-Performance and Platinum allow our clients to differentiate themselves across channels and customer segments. Simply said, innovation has been, is and will remain a vital part of daily life for us.

To summarize, we have again achieved strong results and are a healthy, stable Group filled with dedicated and talented people. We are a client centric organization and we are relentless in our pursuit of superb results for all of our stakeholders. I remain totally confident that there are large and unprecedented opportunities ahead for Teleperformance. We have entered the digital multichannel age in the enviable position of indisputable global industry leader and we look forward to soaring to even greater heights each successive year!

Paulo César Salles Vasques

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# Introduction to the Group

# 1.1 Key financial figures

| | 2014 | 2013 | 2012 |
|---|---|---|---|
| **KEY CONSOLIDATED FIGURES** *(in millions of euros)* | | | |
| Revenues | 2,758 | 2,433 | 2,347 |
| *Like-for-like growth (in %)* | *+9.9%* | *+7.9%* | *+6.9%* |
| Current EBITA* | 267 | 226 | 214 |
| *in % of annual revenues* | *9.7%* | *9.3%* | *9.1%* |
| Operating profit | 237 | 196 | 193 |
| *in % of annual revenues* | 8.6% | *8.1%* | *8.2%* |
| Net profit | 152 | 129 | 129 |
| **Net profit – Group share** | 150 | 129 | 127 |
| **DATA PER SHARE** *(in euros)* | | | |
| Basic earnings per share | 2.62 | 2.27 | 2.30 |
| Diluted earnings per share | 2.62 | 2.27 | 2.27 |
| **Dividend per share**** | 0.92 | 0.80 | 0.68 |
| **ASSETS** *(in millions of euros)* | | | |
| **Total non-current assets** | **1,817** | **1,103** | **1,139** |
| *including goodwill* | *1,019* | *674* | *712* |
| **Total current assets** | **1,110** | **788** | **784** |
| **TOTAL ASSETS** | **2,927** | **1,891** | **1,923** |
| **SHAREHOLDERS' EQUITY AND NET FINANCIAL INDEBTEDNESS** *(in millions of euros)* | | | |
| Attributable to equity holders of the parent | 1,595 | 1,392 | 1,377 |
| Non-controlling interests | 5 | 4 | 6 |
| Recognized in equity | 1,600 | 1,396 | 1,383 |
| Net debt | 423 | -87 | -80 |
| **CASH FLOW** *(in millions of euros)* | | | |
| Internally generated funds from operations | 315 | 236 | 229 |
| Cash flow from investing activities | 200 | 190 | 203 |
| Capital expenditure (net) | -157 | -126 | -108 |
| Net free cash flow | 43 | 64 | 95 |

* *Operating income before amortization of acquisition-related intangibles, loss of goodwill value and excluding non-recurring items.*
** *As proposed at the shareholders' meeting held on May 7th, 2015.*

# 1.2 *Company background*

### 1978

The Teleperformance Group was founded in Paris by Daniel Julien, current Chairman of the Group. During the initial years, the Company's principal activity consisted in providing telemarketing services to French clients operating mainly in the media, financial services and insurance industries.

### 1986

The Company became the French market leader and began to expand globally by opening subsidiaries in Belgium and Italy.

### 1988

The Company continued to expand in Europe, with new subsidiaries opened in Spain, Germany, Sweden and the UK.

### 1989

Daniel Julien and Jacques Berrebi joined forces at the head of Rochefortaise Communication, the parent company of Teleperformance International listed on the Paris Stock Exchange. Ten years later, Rochefortaise Communication and Teleperformance International merged to form SR Teleperformance. This company became Teleperformance in 2006.

### 1990

Teleperformance set up its first outsourced customer loyalty centers and carried out its first customer satisfaction surveys.

### 1993

Teleperformance opened its first contact center in the US.

### 1995

Teleperformance became the European market leader and continued to strengthen its position in the following years with new subsidiaries in Switzerland, Norway, Greece, Finland, the Netherlands and Denmark.

### 1996

Teleperformance gained a foothold in Asia with the opening of contact centers in the Philippines, followed by Singapore. The Group thereby became a leading global player in outsourced customer management.

### 1998

Teleperformance began operations in Latin America by acquiring companies in Brazil and Argentina. Four years later, Teleperformance continued its growth through the acquisition of a company in Mexico.

### 2003

The Group shifted its operations focus back on contact centers, gradually selling off its marketing services and health communication operations. In the same year, Teleperformance became the No. 2 global customer experience management provider.

### 2004

The Group continued to expand by moving into Eastern Europe: Poland, Czech Republic and Slovakia, and, two years later, Russia.

### 2007

The Group became the world leader in outsourced customer experience management thanks to the rapid growth of its international operations, both organically and through acquisitions.

### 2008

Teleperformance acquired The Answer Group, a high-level provider of technical support to the US market in the telecommunications, Internet access, cable TV, specialized retail and OEM industries.

### 2009

Teleperformance reorganized its operations in France. The companies Cashperformance, Comunicator, Infomobile, TechCity Solutions France, Teleperformance France, Teleperformance Midi-Aquitaine, Teleperformance Nord and Teleperformance Rhône-Alpes were merged to form Teleperformance France.

### 2010

Teleperformance significantly strengthens its presence in the UK through the acquisition of beCogent, active in particular in the areas of retail, financial services, telecoms and Internet service providers. At the same time, Teleperformance continues its expansion in Latin America: after the acquisition of Teledatos in Colombia in 2009, a company is created in Costa Rica.

### 2011

Teleperformance adopts a Board of Director structure; Daniel Julien becomes Chairman and CEO.

### 2012

Teleperformance opens a new "*high tech-high touch*" multilingual hub in Portugal dedicated to customer experience management, supplementing its network of similar establishments in Athens, Cairo, Maastricht and Istanbul. These multilingual hubs are the cornerstone of the Group's growth strategy in Europe and enable client companies to cover all European markets from a small number of centers. Co-Founder Jacques Berrebi resigned from his position as Board advisor, relinquished almost all of his operating duties within the Group and sold all of his shares in the Company.

### 2013

Teleperformance continues its rapid development at the international level in high-growth markets with the opening of eight new contact centers in Latin America, Portugal and Spain and 6 campuses in the USA and in the Philippines.

On May 30th, 2013, the Board of Directors decided to separate the roles of Chairman of the Board of Directors and Chief Executive Officer, and appointed Daniel Julien as Chairman and Paulo César Salles Vasques as CEO. Teleperformance thus complies with its commitment taken in 2011 with regard to its shareholders.

This new governance structure is supported by a three-year transition period which enables an active and effective transmission of the Founder's 35 years of in-depth knowledge of the Group, the different local situations, the management individualities and of the world markets.

### 2014

In August, Teleperformance reinforces its position as world leader and its presence on the North American market by acquiring the Company Aegis USA Inc., a leader in the management of outsourced contact centers in the US.

The Group extends and diversifies its debt with the introduction in December of a private placement in the United States (USPP) totaling US$325 million.

TLScontact, a subsidiary of Teleperformance specializing in the management of outsourced services to governments, starts in April a contract signed with the Visas and Immigration Department of the British government. Teleperformance strengthens hence its global presence by establishing visa application centers in 15 new countries.

# 1.3 *Operations and Strategy*

## 1.3.1 World leader in outsourced customer experience management

### 1.3.1.1 Outsourced customer experience management

The Group delivers integrated solutions to corporations and administrative bodies worldwide to manage all aspects of the customer-relations cycle on their behalf. Teleperformance provides solutions in particular in the fields of customer relationships (requests for information, subscriptions and signing-up, customer care, etc.), technical support (repair, optimization, etc.), acquisition of customers (sales and marketing actions) and debt collection. Its offer is multichannel-based (telephone, e-mail, chat, face-to-face, etc.) and can be applied to any business sector and in multiple languages.

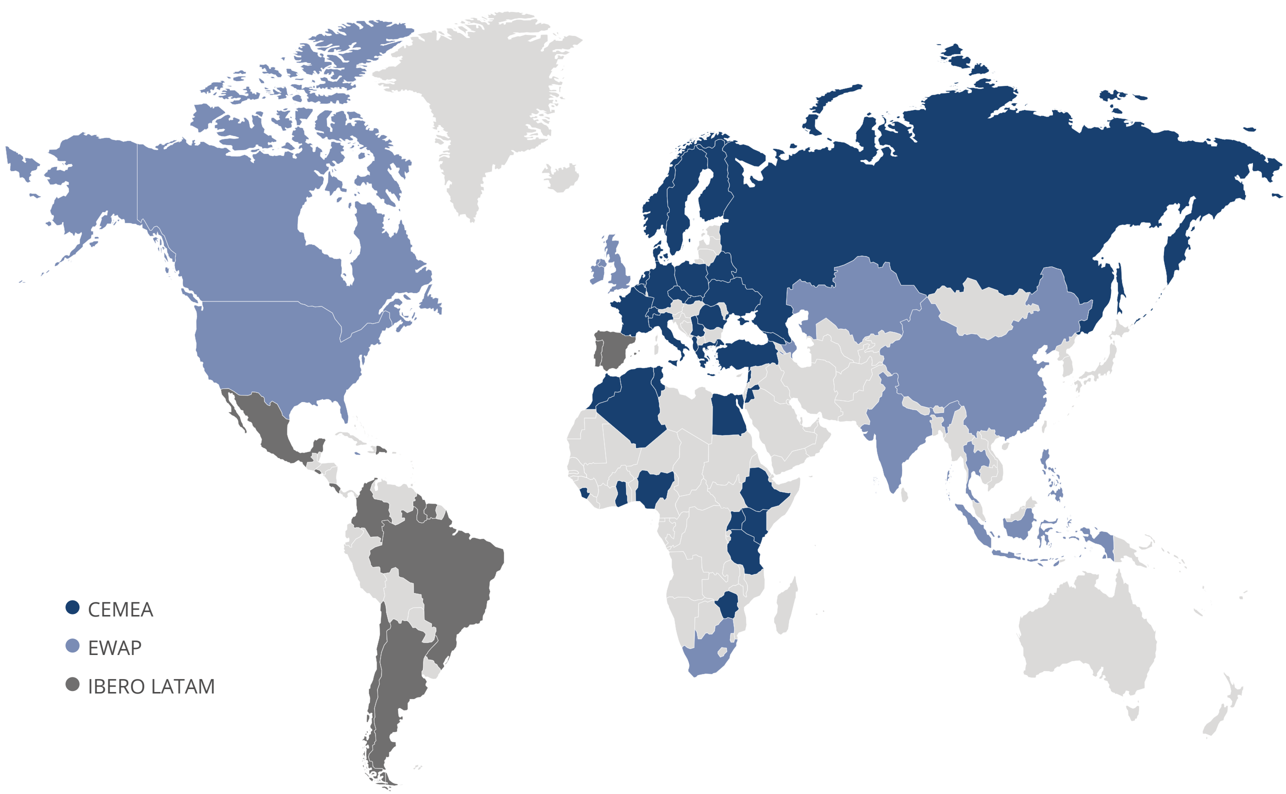
Teleperformance thus offers businesses its know-how in terms of human resource management, management of infrastructures fully dedicated to customer experience as well as high-performance technology ensuring quality, security and reliability. The Group relies on its global network to serve a large number of markets from contact centers based locally or in a neighboring (nearshore) or distant (offshore) country.

### 1.3.1.2 A worldwide presence

Teleperformance's revenue in 2014 was €2.8 billion. The Group today owns approximately 135,000 computer workstations covering more than 160 markets and has nearly 182,000 employees at over 270 contact centers in 62 countries. The Group manages programs in 75 languages and dialects on behalf of major international companies operating in various industries. In its structure as well as in its external information, the Group is divided into three major linguistic regions:

- the English-speaking and Asia-Pacific region (EWAP);
- the Ibero-LATAM region; and
- Continental Europe, Middle-East & Africa (CEMEA).

▶ The Group's operations worldwide as of December 31st, 2014



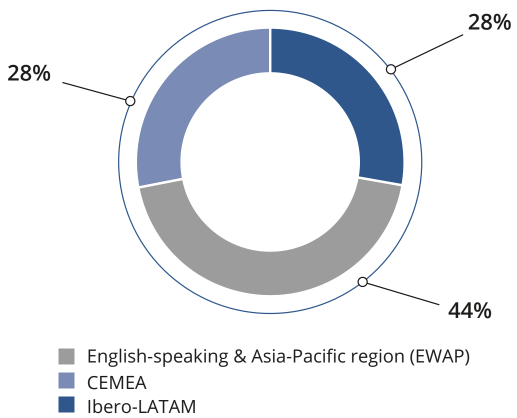
### Breakdown of countries where the Group operates grouped by linguistic region

| English-speaking and Asia-Pacific | Ibero-LATAM | Continental Europe, Middle-East & Africa |
|---|---|---|
| Canada | Argentina | **French-Speaking market** |
| China | Brazil | France |
| Guyana | Chile | Morocco |
| India | Colombia | Tunisia |
| Indonesia | Costa Rica | **Southern Europe** |
| Jamaica | Dominican Rep. | Albania |
| Philippines | El Salvador | Egypt |
| Singapore | Mexico | Greece |
| South Africa | Portugal | Italy |
| United Kingdom | Spain | Lebanon |
| United States | | Rumania |
| | | Turkey |
| | | **Northern & Eastern Europe** |
| | | Belgium |
| | | Czech Republic |
| | | Denmark |
| | | Finland |
| | | Germany |
| | | Netherlands |
| | | Norway |
| | | Poland |
| | | Russia |
| | | Slovakia |
| | | Sweden |
| | | Switzerland |
| | | Ukraine |
| | | **TLScontact and GN Research activities*** |

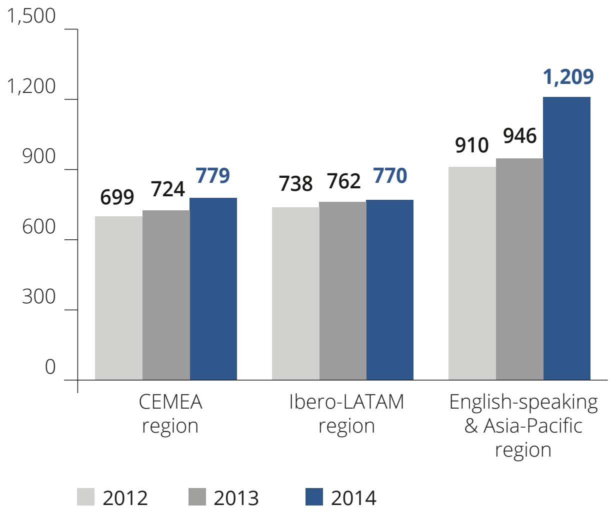
* *Subsidiaries of Teleperformance, TLScontact specializes in the management of the customer experience interacting with public administrations, in particular with respect to the management of visa applications, and GN Research specializes in analytics in the field of customer interactions.*

Teleperformance generates over 70% of its revenue in the English-speaking & Asia-Pacific region and Ibero-LATAM, the most dynamic regions for the Group.

### Breakdown of 2014 revenue by linguistic region (€2,758 million)

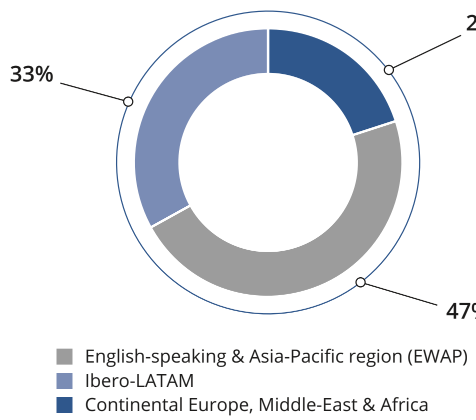



### Breakdown of revenue over the last three years




With nearly 182,000 employees across the Group's three language regions at December 31st, 2014, Teleperformance ranks among the top 150 employers worldwide.

### Breakdown of total workforce at December 31st, 2014 by linguistic region




The Group's workforce is mainly deployed across high-growth strategic markets. The United States, the Philippines, Mexico and Brazil account for 53% of the Group's total workforce at December 31st, 2014.

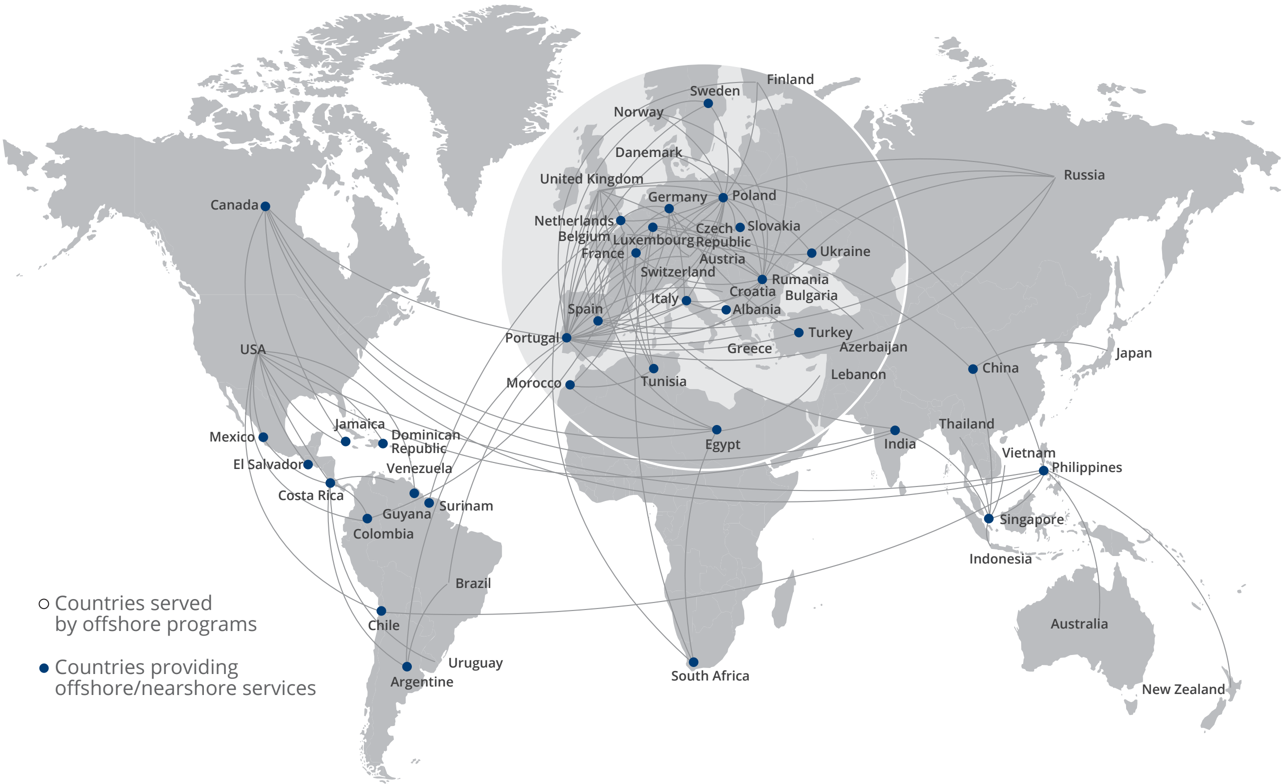
▶ **Total workforce of the top 10 countries of establishment at December 31st, 2014**

| Country | Number of employees |
|---|---:|
| Philippines | 40,080 |
| USA | 26,021 |
| Mexico | 15,972 |
| Brazil | 15,230 |
| Colombia | 9,423 |
| United Kingdom | 8,292 |
| Tunisia | 5,165 |
| Portugal | 4,881 |
| India | 4,381 |
| France | 4,302 |

### 1.3.1.3 A comprehensive domestic and offshore solutions offer made possible by an integrated global network

Teleperformance offers its customers a unique range of customer experience management solutions at the global level thanks to an integrated domestic and offshore operations network, including nearshore, in 33 countries.

The offshore solution is defined as the ability to serve a market from contact centers located in another country, using the language of the country in which the market is located. Teleperformance's offshore solutions mainly service the North-American market from Mexico (nearshore) and the Philippines (offshore), in English and Spanish, and some European markets (nearshore solutions).




Teleperformance's worldwide offer is based on high performance technology characterized by integrated networks on the Group's excellence in terms of human resource management and safety standards.

▶ Breakdown of revenues by program type

| (in % of annual revenues) | 2014 | 2013 | 2012 |
|---|---|---|---|
| Domestic | 66% | 71% | 74% |
| Nearshore/offshore | 34% | 29% | 26% |

The acquisition of Aegis USA Inc. increases the share of offshore activities in the Group's revenue, which reached 34% in 2014. Nearly 60% of Aegis USA Inc. revenue is realized from its contact centers in the Philippines.

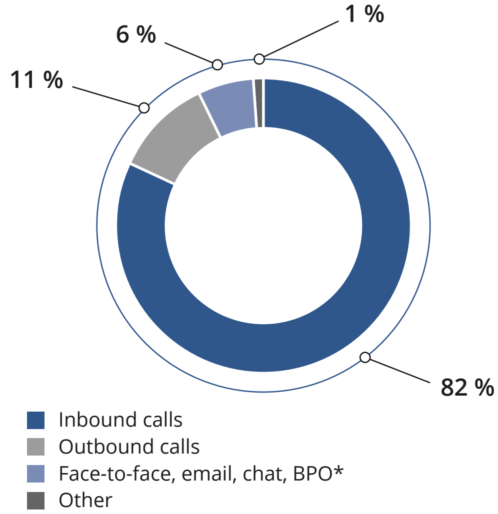
### 1.3.1.4 A balanced operations portfolio

For several years now, changes in specific laws and regulations in favor of consumer protection have led the Group to implement action plans to manage their impact, by developing inbound activities, which currently represent a broad majority of the Group's operations.

The predominance of inbound business in the revenues allows for a certain recurrence in the Group's revenues, taking into account the duration of the contracts tied to inbound activities that is much longer than that of contracts tied to outbound.

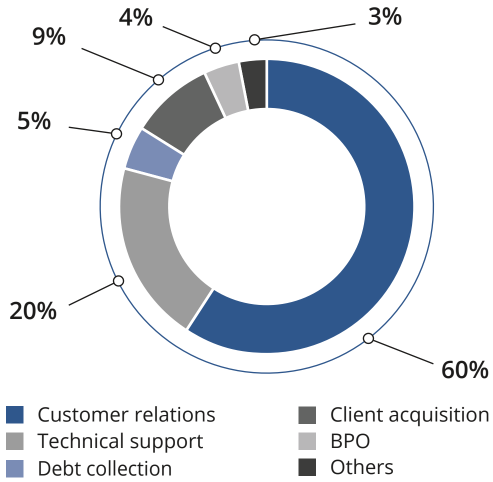
Though still a small portion of the Group's revenues, the share of non-call services (face-to-face, email and chat) grows at a sustained rate.

▶ Breakdown of 2014 revenue by contact type




* excluding contracts combining voice and non-voice services

▶ Breakdown of 2014 revenue by service type




## A diversified client portfolio

With more than 750 clients, Teleperformance has the most diversified portfolio in the sector.

Teleperformance develops offers dedicated to the specific needs of each business sector. The Group is, in particular, well positioned in areas such as public administration, insurance, energy, media, financial services, technology, telecommunications, Internet industries and Pay TV.

**Breakdown of revenues by business sector**

| *(in % of annual revenues)* | **2014** | 2013 | 2012 |
|---|---|---|---|
| Telecommunications, Internet | 29% | 33% | 34% |
| Technology, electronics, media | 14% | 14% | 13% |
| Pay TV | 11% | 14% | 16% |
| Financial services | 10% | 9% | 9% |
| Health and insurance | 7% | 5% | 5% |
| Public sector | 5% | 3% | 3% |
| Travel agencies, hotels, airline | 5% | 4% | 3% |
| Energy | 5% | 4% | 4% |
| Retail, e-commerce | 4% | 4% | 3% |
| Others | 10% | 9% | 10% |
| **TOTAL** | **100%** | **100%** | **100%** |

The development over the last three years of the client portfolio by sector shows considerable diversification, with a marked decrease in the share of traditional sectors such as telecommunications, Internet and pay TV, and the rise of other sectors such as consumer electronics, health and insurance, distribution and travel agencies.

The acquisition of Aegis USA Inc. in 2014 has accelerated this trend of diversification. The Group's telecommunications and Internet sectors of activity represented less than 30% of group turnover at present, while the share of financial services, health, travel agencies and airlines now represents 22%, as against 17% two years prior.

The concentration of the client portfolio tends to decrease. The acquisition of Aegis USA Inc. is accelerating this trend with the acquisition of significant new clients, particularly in the financial services and health sectors.

**Breakdown of client portfolio**

| | **2014** | 2013 | 2012 |
|---|---|---|---|
| Top client | 7% | 7% | 6% |
| Top 5 | 22% | 22% | 23% |
| Top 10 | 34% | 34% | 35% |
| Top 20 | 47% | 48% | 50% |
| Top 50 | 65% | 68% | 70% |
| Top 100 | 79% | 83% | 84% |

### 1.3.1.5 International organization and management

## Organization

The Group is divided into three major linguistic regions: the English-speaking & Asia-Pacific market, the Ibero-LATAM region and the Continental Europe, Middle-East & Africa region. The organization also comprises directors who assume functional responsibilities (finance, development, research and development, information systems) and global duties and who are posted in different regions of the world. All of these executive officers, who are of various nationalities and who are very experienced in their fields of specialization, constitute the Executive Committee, which is chaired by the CEO.

**Management team**

| | |
|---|---|
| **Daniel Julien** | **Chairman of the Board of Directors** |
| **Paulo César Salles Vasques** | **Chief Executive Officer and Chairman of the Executive Committee** |

**The Executive Committee**

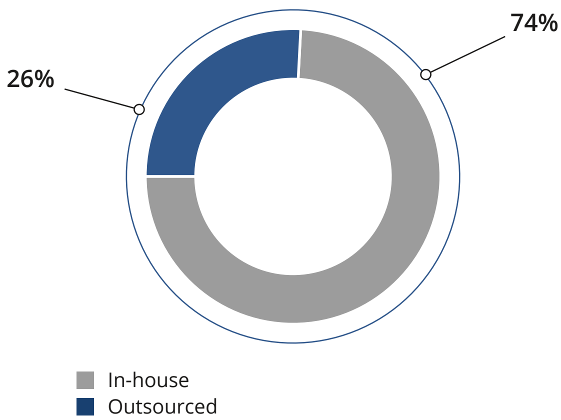
| | |
|---|---|
| Jeff Balagna | Chairman of the English-speaking and Asia-Pacific region |
| Fabricio Coutinho | Chief Research and Development Officer |
| Lyle Hardy | Chief Information Officer |
| Olivier Rigaudy | Chief Financial Officer |
| Yannis Tourcomanis | Chairman of the Continental Europe, Middle-East & Africa region (CEMEA) |
| Alan Truitt | Chief Business Development Officer |
| Brent Welch | Chief Operations Officer |

## 1.3.2 The market and the Group's position

### 1.3.2.1 Definition and outlook of the Group's markets

Customer experience management represents a worldwide market of US$315 billion, outsourced to the tune of 26% (internal and external source – IDC and Kaulkin & Ginsberg).

**Global market outsourcing rate for the management of the client experience (2014)**




*Source IDC Worldwide and Kaulkin & Ginsberg.*

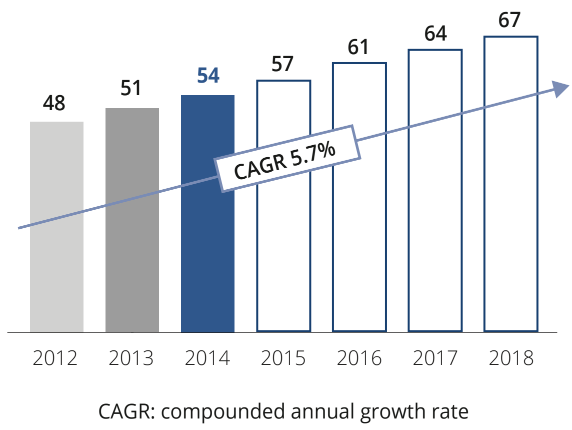
The outsourced market thus represents US$82 billion. It is divided into two market segments: the outsourced market for the management of client interaction on the one hand, and the outsourced market for debt recovery on the other.

The outsourced debt collection market is estimated at US$28 billion (source: Kaulkin & Ginsberg). Teleperformance derives 5% of its revenues from this market.

The outsourced customer interaction market encompasses the fields of customer relations, technical support and customer acquisition. It is worth an estimated US$54 billion and grows by almost 6% on average per year (source: IDC). Teleperformance derives 95% of its revenues from this market.

The growth of this market should be sustained in the future, on one hand by the permanent need for businesses to optimize their costs and improve their customer service by means of first-class management of their outsourced customer experience, and on the other hand through the reliability of solutions henceforth proposed by leaders in the outsourcing market. This is thanks to the maturity of their experience and their dedicated integrated resources.

**Outlook of the outsourced customer interaction management market (2012-2018)**




*Source: IDC Worldwide – May 2014*

The mobile Internet revolution reflected in the rapid development of mobile communication devices, smartphones and tablets, reinforces this outlook for growth. It suggests an increase in cross-brand and inter-consumer interaction and dedicated client services in a large number of domains:

- recreation: books, music, photos, games, information, etc.;
- finance: mobile payment, Internet, credit card;
- tourism: online travel agencies, online check- in, etc.;
- teaching: e-learning, online university, etc.;
- public sector: fully digital (identification, authorization and payment procedures);
- logistics: fully digital (handling, tracking, parcel and goods delivery, claims service);
- health: medical assistance, services offer, management of epidemic outbreaks, etc.;
- distribution: e-commerce, supply chain.

### 1.3.2.2 Group's competitive environment and position

Teleperformance is the world leader in the outsourced customer experience market, which remains highly fragmented. With €2.8 billion in revenue, the Group's global market share is 4%. This increases to 7% if only the management of client interaction is considered, excluding debt recovery.

The Group's worldwide positioning enables it to stay well ahead of its most direct competitors – both American and regional for the most part.

Teleperformance consolidated its leading global position with the acquisition of Aegis USA Inc. in August 2014. By integrating Aegis USA Inc. turnover over 12 months, Teleperformance's revenues reach US$4 billion.

In the US market, which is the biggest contributor (57%) of the global outsourced management of client interaction market, Teleperformance rose to second place following the acquisition of Aegis USA Inc.

| Rank[(1)] | Company | Country |
|---|---|---|
| **1** | **Teleperformance[(2)]** | **France** |
| 2 | Convergys[(3)] | USA |
| 3 | Atento | Spain |
| 4 | EGS | USA |
| 5 | Contax | Brazil |
| 6 | Arvato | German |
| 7 | Sitel | USA |
| 8 | Sykes | USA |
| 9 | Teletech | USA |
| 10 | Alorica[(4)] | USA |

*(1) Based on published or estimated annual turnover in 2014 (based on outlook provided by the companies or calculated from the growth recorded in the first nine months of the year).*
*(2) Acquisition of Aegis USA Inc. finalized in August 2014.*
*(3) Acquisition of Stream by Convergys finalized in January 2014.*
*(4) Including "Agent Services Businesses" activities of West Corporation, whose acquisition was announced in January 2015.*

## 1.3.3 Group's mission statement and strategy

### 1.3.3.1 Mission statement and strategic foundations

Teleperformance is defined as a Group of people at other people's service, to help them find solutions to their daily problems.

To achieve this and develop its business, the Group's strategy rests on the development of its human capital and a culture of customer satisfaction. These two pillars guarantee the quality, security and reliability of the service provided and reflect the Group's five values:

- Integrity;
- Respect;
- Professionalism;
- Innovation;
- Commitment;

The Group's human capital development policy ("People Strategy") is focused on a continuing commitment to excellence in recruitment, the building of team loyalty, the development of talent and ongoing staff training. It aims to engage the responsibility of all team members in achieving the Group's objectives. This policy relies on hands-on management and extensive employee satisfaction surveys. Various initiatives have thus been launched to improve working conditions and employee integration while ensuring the professional and personal fulfillment of employees.

The customer satisfaction culture allows the Group to constantly anticipate the expectations of its partners and to meet them while guaranteeing the highest level of quality and security. This involves:

- the search for innovative solutions (multilingual platforms, e-Performance schemes, etc.);
- the constant development of optimal processes and operational standards (K-sat quality of customer satisfaction indicators, dedicated management of strategic accounts, etc.);
- the development of a high added value differentiated offer (premium solutions, analytics, social networks monitoring, etc.);
- the development of the international footprint to assist local and global clients in their development and reinforce the integrated domestic and offshore solutions offering (close and distant).

This culture is increasingly important to the Group' s strategy today as its markets are experiencing the revolution in mobility that triggers ("new consumer trends", "connected everywhere, every time"), new customer needs and new services in some sectors such as the management of "mobile" health, household equipment, online gaming, etc.).

#### 1.3.3.2 Development strategy

Building on the strength of its numerous competitive advantages, Teleperformance's development strategy aims to take advantage of the numerous growth opportunities in its markets in which it is the world leader.

The Group has three strategic axes:

- geographic development focused on the United States and some emerging countries;
- development of sectorial expertise to diversify its operations portfolio (health, financial services, distribution) in particular with better marketing and commercial resources (R&D, teams, processes);
- development of the multichannel offer (call, chat, e-mail, face-to-face, social networks) to better address the specific features of certain sectors (management of visa applications, e-commerce, etc.) and the challenges presented by the mobile Internet revolution.

This value-creating strategy should allow for sustainable and profitable development of Group's operations, through organic growth and targeted acquisitions.

The Group's acquisitions strategy primarily targets medium-sized companies offering a robust business and financial model and synergies with the Group's client base and business activity. The United States, which represents approximately 57% of the worldwide outsourced customer experience management market, represents the primary target region for these acquisitions.

## 1.3.4 Highlights in 2014

### 1.3.4.1 Acquisitions

Teleperformance acquired Aegis USA Inc. on August 7th, 2014, a leading actor in client services in the United States, the Philippines and Costa Rica. The acquired company has annual revenues of approximately US$400 million and presently has a workforce of more than 20,000 employees. The Company has an extensive portfolio of premium clients in key sectors expanding in the US market: healthcare, financial services, hotels and travel agencies.

This acquisition aligns perfectly with the long-term strategy of the Group: it increases Teleperformance's market share in the US, diversifies its portfolio and creates value for its shareholders, leading to an increase of more than 10% on group earnings per share in 2015.

### 1.3.4.2 Financing

Teleperformance has successfully, and for the first time, issued unsecured senior debt totaling US$325 million. This fund raising was conducted as a private placement in the United States in conjunction with a dozen investors. The funds raised reimburse part of the interim bank debt taken as part of the acquisition of Aegis USA Inc.

This transaction is a significant first step in the diversification of Teleperformance funding sources: It strengthens the financial flexibility of the Group and extends the maturity of its debt.

### 1.3.4.3 Activity and results

The annual objectives have once again been achieved in 2014 with a +9.9% organic growth in revenues and a margin of 9.7%, up 40 basis points compared with the previous year. This performance confirms the appropriateness of the Group's strategic development choices. The published revenue growth of +13.3% includes the integration of Aegis USA Inc., acquired on August 7th, 2014.

The new growth in activity and profitability of the Group in 2014 reflected the following changes:

- sustained growth for the English-speaking & Asia-Pacific regions, in particular, the United States and China, in expanding and profitable sectors
- good performance of certain markets in Europe, such as Greece and Russia, and the positive contribution from the start of contracts signed for the externalized management of visa applications

The net profit (group share) was up 16.4% compared to 2013, to reach €150 million. The diluted earnings per share was €2.62, an increase of 15.4% on 2013.

Having taken into account the acquisition cost of Aegis USA Inc., the Group's financial structure remains solid, with equity of €1,600 million and net debt of €423 million at December 31st, 2014.

### 1.3.4.4 Development and investments

## New sites and increasing production capacity

To support the rapid expansion of its business activities, the Group continued to extend and open sites in 2014, in the three linguistic regions of the Group. The integration of the Company Aegis USA Inc. in August 2014 has also significantly increased the Group's capacities in the Philippines, the United States and Costa Rica.

The Group has opened a total of 8 new contact centers, taken over 15 sites of companies acquired during the year and increased the number of workstations at 10 existing sites. By region:

- two sites were opened in Continental Europe, the Middle-East and Africa – in Poland, to serve the German market, and in Russia;
- in the English-speaking & Asia-Pacific region, the Group has 20 new contact centers – in the United States, the United Kingdom, China and the Philippines. This region is growing steadily and saw the majority of Teleperformance's investment in 2014, in particular with the acquisition of Aegis USA Inc. (12 new sites), and City Park Technologies in the UK (3 new sites);
- in the Ibero-LATAM region, the Group opened a site in Mexico and took over an Aegis USA Inc. site in Costa Rica.

In addition, the contract signed by TLScontact, a subsidiary of Teleperformance, with the Visa and Immigration service of the British government came into effect in April 2014, resulting in the opening of visa application centers in 15 new countries in Europe, the Mediterranean and Africa.

## Capital expenditure

The sustained development of the Group's production capacity resulted in a significant increase in group capital expenditure in 2014 compared to previous years.

*(in € thousands)*

| **2014** | 2013 | 2012 |
|---|---|---|
| 157 | 126 | 108 |

The Group strictly monitors these investments (volume and profitability per project), in particular in terms of follow-up of the rapid development of its activities in very dynamic markets.

The Group intends to continue its development in Asia and the United States in 2015.

## Acquisitions of significant interests and controlling interests

In 2014, Teleperformance finalized the acquisition of Aegis USA Inc. and City Park Technologies.

Furthermore, no new shareholding in excess of 5% of the capital or voting rights and no new direct or indirect controlling interest was acquired in companies having their registered offices in France.

### 1.3.4.5 Awards

In 2014, Teleperformance, once again, received numerous awards from prestigious institutions and reputable independent consultancy firms across the world, both for its leadership and the excellence of its service in its market as well as for its human resource development strategy, innovation capacity, transparency of information issued to shareholders and commitment to social and environmental responsibility.

- The Transparency Award (*Grand Prix de la Transparence*) awarded to Teleperformance for its communication with shareholders for the second consecutive year in the Consumer Services sector category in 2014.
- Teleperformance named by the Gartner firm as leader in its "Gartner Magic Quadrant" report for the fourth consecutive year.
- Teleperformance named by the Everest Group firm as the world leader in the management of outsourced contact centers for the second consecutive year.
- Four 2014 Frost & Sullivan prizes awarded to Teleperformance:
  - Security Practice Visionary Innovation Leadership – North America;
  - Nearshore Outsourcing Services Company of the Year – Latin America;
  - Service Provider of the Year – Asia-Pacific;
  - Green Excellence Award – Latin America.
- 2014 "Great Place to Work®" (GPTW) prize awarded to the following group companies:
  - Teleperformance Mexico Domestic – three prizes awarded at the national level for the Northeast region as well as in the gender equality category;
  - Teleperformance Brazil at national level and in the Information Technology category;
  - Teleperformance Portugal, national award;
  - Teleperformance Salvador for the Central America region.

- 2014 “Global Best Employers™ Program” prize awarded by AON Hewitt to Teleperformance Albania, China, El Salvador, India, Philippines, Portugal, Singapore, Slovakia, Ukraine, USA and Asia-Pacific.
- 2014 “Best in People Management” prize awarded by AON Hewitt & Valor Carreira to Teleperformance Brazil.
- 2014 Social Responsibility prize awarded by the NOA (National Outsourcing Association) to Teleperformance UK.
- Two 2014 prizes awarded by the EOA (European Outsourcing Association) to Teleperformance CEMEA:
  - “European Service Provider of the Year”;
  - “Innovation in Outsourcing in Europe”.
- Teleperformance Czech Republic and Teleperformance Slovakia awarded the CCCA (Czech Contact Center Award) in the Receiving calls category.
- Prize awarded by Client Interaction Solutions Magazine in its “Top 50 Teleservices Agencies” to Teleperformance in the Receiving calls category in the US – domestic market and worldwide (“Overall Global Ranking”).
- Innovation Prize awarded by the NCAA (National Contact Center Association) Teleperformance Benelux for the Fraud Risk Assessment Solution.
- 2014 Teleperformance India receives two awards from Contact Center World:
  - Gold Medal in the category “Best Community Spirit”;
  - Silver Medal in the category “Best Outsourcing Partnership”.
- 2014 prize “Best Large Contact Center” awarded by Contact Center World to Teleperformance Rumania.
- 2014 prize “Respect for Humans” awarded by Kariyer.net to Teleperformance Turkey.
- 2014 prize “Best Services Company in Portugal” awarded by Revisit Exame to Teleperformance Portugal.
- Teleperformance Brazil named in the “150 Best Companies to Work” by Você SA – Exame.

# 1.4 *Real property and facilities*

The premises operated by the companies of the Group are generally leased, as it is the Group’s policy not to hold ownership of the centers in which it operates, save in exceptional cases. The Group owns the following premises:

**English-speaking & Asia-Pacific region:**

- 8,733 sq.m. building located in Shreveport (United States);
- 10,842 sq.m. building located in Fort Lauderdale (United States);
- 12,356 sq.m. building located in Killeen (United States);
- 12,821 sq.m. building located in Dallas (United States).

**Ibero-LATAM region:**

- 2,153 sq.m. building located in Buenos Aires (Argentina);
- 4,330 sq.m. building located in Bogota (Colombia).

**Continental Europe, Middle-East & Africa:**

- 949 sq.m. building located in Lyon (France);
- 4,000 sq.m. building located in Le Mans (France).

The Group has 135,464 workstations and carries out its operations across 274 contact centers established in 62 countries.

In 2014, the Group invested €40 million in facilities build-out services for all of these sites.

# 1.5 *Organization Chart (at December 31st, 2014)*

## 1.5.1 Teleperformance SA and its subsidiaries

The parent company Teleperformance SA carries out a holding activity for its subsidiaries and also performs management, control, support and advisory functions for the Group’s companies and collects fees in this respect.

Moreover, Teleperformance collects a brand royalty charged to all members of the network. note 15 *Relationships with connected firms* in the appendix to the financial report (page 198 of this Registration Document) provides details on the Company’s relationship with its subsidiaries.

The Company is also the Group holding company for the purposes of tax consolidation of French companies of the Group that are more than 95% held.

Detailed information on Teleperformance’s main subsidiaries is summarized in the table of subsidiaries and shareholdings attached to the financial report (pages 204 and 205 of this Registration Document).

## 1.5.2 Operational Organization Chart

**TELEPERFORMANCE SA**

- **English-speaking & Asia-Pacific region**
  - South Africa
  - Canada
  - USA
  - Jamaica
  - China
  - Guyana
  - India
  - Indonesia
  - Philippines
  - Singapore
  - United Kingdom
- **CEMEA region** *(Continental Europe, Middle-East & Africa)*
  - **French-speaking market**
    - France
    - Morocco
    - Tunisia
  - **Southern Europe**
    - Albania
    - Egypt
    - Greece
    - Italy
    - Lebanon
    - Rumania
    - Turkey
  - **Northern & Eastern Europe**
    - Germany
    - Belgium
    - Denmark
    - Finland
    - Norway
    - The Netherlands
    - Poland
    - Czech Republic
    - Russia
    - Slovakia
    - Sweden
    - Switzerland
    - Ukraine
- **Ibero-LATAM region**
  - Argentina
  - Brazil
  - Chile
  - Colombia
  - Costa Rica
  - Mexico
  - Dominican Republic
  - El Salvador
  - Spain
  - Portugal
- **Others**
  - **TLScontact**
    - South Africa
    - Algeria
    - Egypt
    - Kenya
    - Lebanon
    - Nigeria
    - Morocco
    - Mauritius
    - Uganda
    - Sierra Leone
    - Tanzania
    - Tunisia
    - Albania
    - Germany
    - Canada
    - China
    - Indonesia
    - Philippines
    - Thailande
    - Vietnam
    - Armenia
    - Azerbaijan
    - Belarus
    - Spain
    - Georgia
    - France
    - Ireland
    - Italy
    - Kazakhstan
    - Uzbekistan
    - Poland
    - United Kingdom
    - Russia
    - Serbia
    - Switzerland
    - Turkey
    - Ukraine
  - **GN Research**
    - Albania
    - Germany
    - France
    - Italy

The percentage shareholdings are specified on pages 177 to 180 of the appendix to the consolidated financial statements part 6.6. § J. *List of consolidated companies*.

# 1.6 *Risk factors*

## 1.6.1 Financial risk management

The Group is exposed to the following risks:

- credit risk;
- liquidity risk;
- market risk;
- equity risk.

Set out below is information on the Group's exposure to each of the above risks, its objectives, policy and procedures for measuring and managing risk, as well as its share capital and equity management.

Quantitative disclosures appear elsewhere in the consolidated financial statements.

The Board of Directors defines and oversees the Group's risk management framework. Monitoring, measuring and overseeing financial risk is the responsibility of the Group's Finance Department, for the Group and each of the Group companies.

The objective of the Group's risk management policy is to identify and analyze the risks that the Group faces, to set appropriate risk limits and controls, and to manage the risks and ensure that the limits defined are respected. The policy and the risk management systems are reviewed regularly so as to respond to changes in the market and in the Group's activities. Through its training and management rules and procedures, the Group aims to develop a rigorous and constructive control environment in which every employee has a clear understanding of his or her role and duties.

The Internal Audit Department performs both periodic and *ad hoc* reviews of risk management controls and procedures, reporting to the Audit Committee.

All strategic decisions relating to the hedging policy for financial risks are the responsibility of the Group's Finance Department.

### 1.6.1.1 Credit risk

Credit risk is the Group's risk of financial loss in the event that a customer or counterparty to a financial instrument fails to meet his contractual obligations. This risk primarily concerns customer receivables and short-term investments.

#### Customer receivables and other current assets

The Group's exposure to credit risk is mainly influenced by the individual characteristics of the customers. Sales to the principal customer of the Group account for 7.3% of revenues. In addition, sales to telecommunications clients and Internet access providers represent a total of 29% of revenues. No country accounts for over 10% of client receivables with the exception of the United States which represents approximately 40% of total client receivables as of December 31st, 2014.

Credit risk is continuously monitored by the Group's Finance Department, through monthly reports and quarterly Executive Committee meetings.

The Group does not require specific credit guarantees for its customer receivables and other current assets.

The Group determines the level of its impairment losses by estimating losses incurred on customer receivables and other current assets.

#### Guarantees

The Group provides contract performance guarantees at the request of some clients. The guarantees provided are mentioned in note I.4 *Commitments and other contractual obligations* in the Appendix.

### 1.6.1.2 Liquidity risk

Liquidity risk is the risk that the Group would experience difficulty in repaying its liabilities at the due date.

The policy of the Group in respect of its financing is to maintain at all times sufficient liquidity to finance group assets, short-term cash requirements, and its development, both in terms of amount and duration, and at the lowest possible cost.

Over recent years, the Group has implemented a centralized cash management policy when in conformity with local legislation applying to its subsidiaries. Cash pool member companies represent approximately 70% of group revenues.

In those countries where cash pooling is not permitted, short-term cash management is provided by subsidiaries' operational management which generally has access to short-term bank facilities, plus, in some cases, confirmed credit line facilities from the parent company.

All medium- and long-term financing is authorized and overseen by the Group's Finance Department.

The Group obtains its financing in the form of loans and credit lines from credit and financial institutions.

During the 1st half of 2014, the Group renegotiated with eight leading financial institutions the multicurrency syndicated credit facility of €300 million, implemented in June 2012. Thus the original June 2017 deadline was extended to February 2019.

Following the acquisition of Aegis USA Inc. in August 2014, the Group's financial structure has changed significantly. Accordingly, net debt at December 31st, 2014 amounted to €422.7 million compared with total cash (net of debt) of €86.8 million at December 31st, 2013.

It should be Noted that cash to December 31st, 2014 includes €1.7 million net cash held by the subsidiary in Argentina, a country that has implemented regulations restricting the transfer of funds to other countries.

Given the timing of our borrowings and the Group's ability to generate free cash flow, liquidity risk is very low.

Information relating to liquidity risk is provided in note G.4 of the consolidated financial statements *Financial liabilities*.

### 1.6.1.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and the cost of equity instruments, will affect the Group's results or the value of its financial instruments. The objective of managing market risk is to manage and control the market risk exposure, keeping it within acceptable limits, while optimizing returns.

#### Unrealized foreign exchange loss

The Group is exposed in particular to foreign exchange risk on revenues denominated in a currency other than each company's functional currency, which is generally the US dollar.

The Group hedges this risk mainly in respect of changes in exchange rates between the Mexican peso, the Canadian and Australian dollars, the Philippines and Colombian pesos, and the US dollar. These hedging operations are more fully described in note G.5 of the consolidated financial statements *Currency hedging operations*.

The Group is also exposed to this risk on loans denominated in currencies other than the euro, or the operating currency of the entities in question.

Group policy is as follows:

- the Group hedges loans granted to subsidiaries with loans or advances in the same currency and with the same maturities, or with foreign exchange contracts;
- the principal bank loans granted to group companies are denominated in the functional currency of the borrower;
- interest due on borrowings is denominated in the same currency as the cash flows generated by the underlying operations of the Group, primarily the euro, the US dollar and the £ sterling. This provides an economic hedge without resorting to the use of derivatives.

In addition, foreign exchange hedges have been put in place to cover the exchange risk relating to countries outside the euro.

Finally, the Group is exposed to foreign exchange risk when translating foreign subsidiaries' financial statements for consolidation purposes.

As regards the effect of exchange on consolidated group revenues, the table in note G.8 *Exposure to exchange risk due to consolidation* indicates the breakdown of revenue by currency over the previous two financial years.

The impact of changing foreign exchange rates on the Group's revenues, profit before tax and net profit attributable to the Group are indicated in note G.8 of the consolidated financial statements *Exposure to exchange risk due to consolidation*.

#### Sensitivity to interest rate changes

A significant part of the Group's debt, primarily the US private placement of US$325 million, was borrowed at fixed rates and is therefore not subject to rate of exchange risk.

The Group's exposure to a 1% change in interest rates on the basis of current variable-rate net debt at December 31st, 2014 is as follows:

| *in millions of euros* | 12/31/2014 | 12/31/2013 |
|---|---|---|
| Cash and cash equivalents | 216 | 164 |
| Current financial liabilities | -214 | -56 |
| **Net position** | **2** | **108** |
| Impact of a 1% rate change | 0 | 1 |

### 1.6.1.4 Equity risk

The Group limits its exposure to equity risk by investing available cash reserves in short-term liquid investments, certificates of deposit, and in low risk financial instruments such as mutual funds, while choosing high-grade financial institutions and avoiding significant concentration. Group management does not expect any counterparty to default.

Short-term liquid investments at December 31st, 2014 amounted to €7.2 million, principally represented by money market funds classified as "euro monetary" by the French stock exchange regulator, the AMF.

#### Share capital and equity management

The Group's policy on share capital and equity management is to maintain a strong equity base so as to keep the confidence of investors, creditors and the market, and to support future business development. The Group therefore pays close attention to its net indebtedness and the debt/equity ratio.

The gearing ratio is as follows:

| *(in millions of euros)* | **12/31/2014** | 12/31/2013 |
|---|---|---|
| Net cash | -423 | 87 |
| Equity | 1,600 | 1,396 |
| Gearing ratio | 0.26 | -0.06 |

From time to time, the Group may buy back its own shares on the market. Oddo Corporate Finance has acted on its behalf under a liquidity agreement since January 8th, 2007. The agreement complies with the Code of Conduct established by the AFEI (French Association of Investment Firms) as approved by the AMF. The amount of funds committed to this arrangement is €0.5 million. The number of treasury shares held at the end of the year is set out in note F.1 of the consolidated financial statements *Share Capital*.

## 1.6.2 Risks relating to operations

Teleperformance's level of activity is contractually related to that of its clients. A decrease in a client's activity can affect the Group' s activity.

Contractual clauses enable guarantees to be obtained in relation to certain criteria, such as volume, end-user satisfaction, quality of services, IT infrastructure, security systems and feedback provided by employees.

Such criteria may however be amended by the client. The price, which is a determining factor for certain business sectors (such as in telecommunications), or allocation of entrusted volumes are other aspects that can impact the Group's business.

The duration of contracts in the inbound calls activity, which represents most of the Group's turnover, varies between two and five years.

### 1.6.2.1 Business related risks

The outsourced contact center market is fragmented and competitive; however, the number of competitors operating on the worldwide level remains limited (see 1.3.2.2 *Group's competitive environment and position*). In each of the countries where it is established, the Group is faced with strong competition comprising international, national and often local players. These are generally companies specializing in the management of contact centers, or companies offering outsourced general service and develop niche activities that are incorporated in a package offer.

This environment may lead to certain constraints on prices, whether in connection with the award of a new contract or with the renewal of a contract with an existing client. The rise in such constraints in all of the Group's markets could affect its business and profitability.

In order to manage any risk of price constraints while catering for its clients' needs, the Group has developed several strengths to set itself apart from its competitors:

- time-proven management and unmatched credibility;
- Human Resources development strategy that guarantees quality and reliability of service;
- highly customer-oriented culture;
- uniquely integrated network combining domestic and offshore solutions (including nearshore);
- constant innovation strategy aimed at increasing the added value of the Group's offer;
- worldwide presence to accompany the Group's global clients;
- secure process to protect the contractual clauses assigned by our clients (see 1.6.2.5 *Risk related to data security and protection*).

### 1.6.2.2 Risks associated with regulatory and legislative changes

In each country where the Group operates, the contact center business may be subject to specific statutes and regulations in the fields of labor law, competition and company law.

The enactment of any regulation having a restrictive effect on the Group's activity could have an impact on its growth.

For instance, governments and regulatory authorities may adopt regulations aimed at improving customers' protection. This has been the case in numerous countries which adopted regulations giving individuals the option not to receive telemarketing cold calls. Given the nature of the Group's activities nowadays, this risk, which was considered to be a major one in the past, is now much lower.

Indeed, for several years now the Group has implemented action plans to develop its inbound call or email activities aimed at increasing the recurrence of the activity. Indeed, these operations entail the implementation of longer contracts. Representing 82% of turnover, call reception activities are now predominant in the Group (see 1.3.1.4 *A balanced operations portfolio*).

### 1.6.2.3 Risk relating to possible client dependency

Although Teleperformance's business depends on its ability to renew its contracts and to sign new ones with profitable terms, no client of the Group represents more than 7.5% of revenues.

With a portfolio of more than 750 clients, Teleperformance has the most diversified portfolio of the sector. The client portfolio concentration tends to decrease across the last two years (see 1.3.1.4 *A balanced operations portfolio*).

### 1.6.2.4 Risks on clients loyalty

Teleperformance's activity depends on its ability to retain and renew contracts with existing clients and to successfully obtain and negotiate new contracts. This ability is generally assessed in light of various criteria such as quality, security, cost and any item enabling differentiation from competitors. As of December 31st, 2014, the Group's Noted average duration of relationships with clients was between 10 and 12 years according to the focus.

This loyalty is the result of a very client-focused group culture, reflected in the rigorous procedures, a good understanding of client expectations and a very responsive company structure: specific management of strategic accounts, regular activity reports, a marketing research laboratory, regular client satisfaction surveys and detailed implementation of rapid response operational teams.

### 1.6.2.5 Risk relating to data security and protection

#### Securing the technological platform

Teleperformance delivers its services to its clients through a complex technological platform that integrates many aspects of information technology: powerful telephonics, hardware and software.

Almost all of the Group's subsidiaries (90%, representing 98% of work stations) are networked *via* dedicated lines.

The Group ensures that requisite security and insurance cover are applied in the context of its activities.

The Group requests that each subsidiary to adhere to internal data security and protection standards, as well as to international security and quality standards, in particular ISO 27001 and ISO 22301. Lastly, it demands compliance with the PCI Data Security standard in order to guarantee that each subsidiary is able to take appropriate measures to protect data and maintain high levels of quality.

#### Personal data protection

The activity requires subsidiaries of the Group to collect, process and transfer personal information about the Group's contacts, including potential clients and end user clients.

The Group must not only meet its contractual commitments toward its clients, but also more than 300 compliance criteria established by the Group in the field of security and relating to the strict legislation on data protection. Non-compliance with statutory and contractual requirements could lead to adverse consequences for the Group's performance.

Each subsidiary, in its capacity as data processing subcontractor, has implemented operational procedures aimed at:

- adhering to the security policy established by the Group;
- complying with the legislation in force in respect of the collection, processing and transmission of data;
- reducing risk.

The year 2014 was marked by an increase in electronic fraud cases throughout the world, as evidenced by the most significant cases published in the international press. In addition, many other incidents are settled confidentially, in the normal course of business.

Following an incident of fraud that occurred in 2014 in one of the group's centers, one of Teleperformance's clients claimed the company was liable for damages under a contract containing a confidentiality clause. Taking into consideration the available legal analysis and insurance coverage, management is confident that it can resolve this dispute and avoid significant financial loss.

#### 1.6.2.6 Risks relating to Human Resources, employees and executive officers

The quality of the Group's services relies largely on its ability to attract, train, motivate and foster loyalty from the best talent and maintain a level of training aimed at constantly improving its standards.

Moreover, the employee turnover rate is a ratio that is closely and regularly monitored by the Group. It not only impacts hiring and training costs, but also the quality of the services delivered to clients and therefore the operating profit.

The employee turnover in Europe (Continental Europe, Middle-East & Africa) is lower than in countries where economic growth is high and work conditions flexible.

In a sector characterized by high mobility, the Group endeavored to develop its capacity for recruitment (employees, management, etc.) and loyalty-building. These policies deliver significant advantages in its position as market leader and its ability to offer employees an improved working environment, often marked by numerous awards, social advantages, dedicated training and career opportunities within a group with a global presence.

The departure of some executive officers could have a negative impact on the Group's activities and earnings. The Group has thus implemented performance action plans, in May and November 2011, in June 2012, in July 2013 and in February 2014, in order to motivate and retain the best performing executive officers.

Moreover, in case of departure, executive officers are bound by non-compete clauses and undertakings not to hire away employees.

## 1.6.3 General risks

#### 1.6.3.1 Risks relating to growth through acquisition of companies

As part of its outsourced growth strategy, Teleperformance implements all means that enable it to identify targets for acquisition, whether in terms of country synergies, products or jobs, as well as identifying risks associated with these acquisitions.

The goodwill appearing on the Group's balance sheet assets is evaluated every year to determine whether it should be written down. The assumptions made in estimating future earnings and cash flows at the time of these evaluations may not be confirmed by subsequent actual results.

The amount goodwill posted to the balance sheet as of December 31st, 2014 amounts to €1,019 million and represents 34.8% of the total amount of the balance sheet.

During the year ended December 31st, 2014, there was no write down of goodwill recorded.

#### 1.6.3.2 Risks to which the Group is exposed by operating internationally

As part of its development and due to the actual nature of its business, the Group carries out a major portion of its business outside France, particularly in so-called "emerging markets".

Risks inherent to conducting business in these countries, such as social, political and economic instability, late payments or unexpected changes to legislation, can have consequences on the Group's operations and thus affect its results.

On the basis of ratings published at the end of January 2015 by COFACE, which constantly monitors the evolution of emerging countries and releases ratings per country, the Group's concentrations per production zone are as follows:

- 82% of its activity in countries where the environment is considered to be favorable and exhibiting low or acceptable risks;
- 11% of its activity in countries where the environment may include factors of uncertainty; these countries comprise, in particular, Tunisia, El Salvador and Southern European countries;
- 7% of its activity in countries where economic and political outlooks are considered to be very uncertain; these are mostly small countries as well as Russia, Greece, Argentina and Egypt.

#### 1.6.3.3 Other risks

**Suppliers**

Our top five suppliers represent about 17% of Group purchases.

These are mainly temporary agencies, IT hardware and software suppliers and telephone operating companies.

However, we consider our risk to be limited, since for a given service or product we contact several suppliers, all leaders in their market.

### Legal risks

The Group operates in a certain number of countries where failure to comply with applicable domestic legislation could expose the Group to legal action by employees or shareholders.

With respect to the Company and its subsidiaries, there are no special legal regulations or permissions relating to the execution of its activities, except those mentioned above in the section risk associated with business activity.

### Employment risks

Within the normal framework of its business, the Group is involved in a certain number of employment disputes.

In accordance with applicable accounting principles, these disputes are recognized under provisions for risks. They amounted to €9.4 million in 2014 and mainly concerned disputes with former employees, in particular, in Argentina, France and Brazil.

Moreover, the Group has carried out economic restructurings in France in 2009 and in 2010. There is a possibility that the Group carries out new restructurings and reorganizations of its operations in the future.

These restructurings or reorganizations may involve the closing down or merging of contact centers in order to adapt to the needs of an ever-changing market. Although the Group's managers pay particular attention to such operations, they could, nevertheless, affect the Group's relationships with its employees, which could lead to employment disputes, particularly work stoppages, strikes or general disruptions that might negatively impact the Group's image, business, financial position or results.

## 1.6.4 Insurance – Risk leverage

The Group's policy on insurance fulfils objectives relating to harmonization, management centralization and cost optimization of its insurance cover.

In this context, the Group's protection rests on two main insurance programs: the property damage and business interruption insurance policy and the civil liability policy. These insurance policies are taken out with global insurance companies at levels of cover appropriate in view of the Group's exposure to risks intrinsic to its business activity, its claims history and market conditions.

The Group does not have a captive insurer or self-insure against any significant risk.

In the financial year 2014, the amount of insurance premiums totaled €5.1 million.

### 1.6.4.1 Commercial General liability and professional indemnity insurance

This insurance cover was set up and is managed centrally at Group level. By principle, all of the Group's subsidiaries are covered under this insurance policy. The coverage of any new entity is subject to a preliminary study in each case to define the conditions for inclusion in the program.

The terms and conditions of this policy can be adjusted to take into account the evolution of the business activities performed, the insurance market situation and the risks incurred.

### 1.6.4.2 Property damage and business interruption insurance

The Group has set up a property and business interruption insurance program in Europe. The program extends to subsidiaries in other parts of the world whenever this is possible in view of local legislation and the opportunities for optimizing cover.

Subsidiaries not included in the global scheme are insured separately in accordance with applicable local legislation and regulations.

In cooperation with its insurers' engineering departments, Teleperformance organizes site visits for the purpose of assessing the level of risk protection and prevention on each site. Such steps help insurers assess the risks incurred by the Group, and the resulting data constitutes essential information for the purposes of negotiating insurance cover.

### 1.6.4.3 Other risks

The Group is covered by other insurance policies. Depending on the type of risks involved, these policies are taken out either at local level, in accordance with the legislation in force in each country, or at global level in order to optimize insurance costs and the level of coverage required.

Teleperformance has set up a reporting tool that enables it to manage all of the aforementioned insurance policies in a pro-active manner, as described below.

# 1.7 *Legal and arbitration proceedings*

In the ordinary course of its business, the Group is involved or risks being involved in various administrative or court proceedings. Within the scope of some of these proceedings, monetary claims are made or might be made against the Group. These claims are provisioned in accordance with IFRS accounting principles. (various provisions totaling €12.6 million had been booked as of December 31st, 2014). The Group estimates that the provisions booked for the risks, disputes and arbitral proceedings of which it is aware or that are already pending are sufficient so as not to affect the Group's consolidated financial position should we lose the cases.

To the knowledge of the Company, there is not, to date, any other governmental or legal court action or arbitration, apart from what is mentioned in this section and in note I.5 *Litigation* of the consolidated financial statements, nor any court action of which the Company is aware that is pending or threatened, that may have or have had a material impact on the financial position or profitability of the Company or group in the last 12 months.

# Information on the Company and its Share Capital

# 2.1 Information about the Company

## 2.1.1 General information about the Company

### Corporate name

Teleperformance S.A.

### Registration location and number

Paris Trade and Companies Register No. 301 292 702

APE business activity code: 7311Z

### Registered office

21-25, rue Balzac – 75008 Paris – France

Telephone: +33 1 53 83 59 00

### Legal form – applicable law

*Société anonyme* (French public limited company) registered in France governed by French legislation on corporations and, in particular, the provisions of the French Commercial Code.

### Date of incorporation and term

The Company was incorporated on October 9th, 1910. It will expire on October 9th, 2059, except in the event of extension or early dissolution.

### Financial year

From January 1st to December 31st every year.

### Access to legal documents and regulated information

Legal documents relating to the Company are available for review at the Company's registered office (21-25, rue Balzac – 75008 Paris, France).

Permanent and on-going regulated information is available on the Company's website at www.teleperformance.com, section "Investor Relations".

## 2.1.2 Memorandum and articles of association

### 2.1.2.1 Corporate purpose

Under the terms of Article 3 of the articles of association, the Company's purpose in France and abroad is as follows:

1. All industrial, commercial, personalty and realty transactions of all kinds.
2. Publishing and the publication of all documents, books, works, reviews and periodicals of all kinds as well as the direct and indirect promotion, merchandising, advertising and marketing of books, publications and films.
3. All activities as a service provider in the retail or specialized communication and advertising sector.

   Within the scope of this business activity, designing and performing promotional, public relations, marketing, telemarketing and teleservices actions, purchase of advertising space, space brokerage, and the publication and production of audiovisual works.
4. The creation of branch offices and agencies in France and in all countries as well as directly or indirectly participating in any form whatsoever in all operations which may be connected to the above-mentioned objects by creating new companies, subscribing to issues for companies being formed, or purchasing shares of existing companies or in any other way as well as taking of financial interests.
5. Providing advice to third parties and its direct and indirect subsidiaries in financial, commercial, administrative and legal matters.

### 2.1.2.2 Administration and general management of the Company

#### Board of Directors

The Company is managed by a Board of Directors comprising 3 to 18 members, subject to the statutory exception in the event of a merger.

During the course of the Company's existence, directors are appointed, reappointed and dismissed in ordinary shareholders' meeting. They are always eligible for reappointment. As far as possible, reappointment of directors is performed on a rolling basis to ensure that reappointments are regular and scheduled. The internal rules of the Board of Directors set the terms governing how director reappointments are submitted to the annual shareholders' meeting for approval.

The term of office of directors is three years. The ordinary shareholders' meeting may appoint one or several directors for a term of two years, on an exceptional basis, and solely to enable the implementation or continuation of the staggering of directors' appointments.

No more than one third of the serving members of the Board of Directors may be more than 70 years of age. Where such proportion has already been attained, any new director aged over 70 will be automatically deemed to have resigned following the shareholders' meeting which votes on the financial statements for the financial year during which he reached 70 years old.

The Board of Directors' internal regulations set out the number of shares that each director must hold.

In accordance with the law, the members of the Board of Directors and permanent representatives of legal entities must ensure that the Company's shares they hold are registered shares. This obligation also applies to the minor children and spouses of directors, as well as those of the permanent representatives of legal entities.

## Chairman of the Board of Directors

The Board of Directors elects from amongst its members a Chairman who must be an individual, failing which the appointment will be null and void. It will set his/her remuneration.

No one over the age of 76 may be appointed Chairman. If the serving Chairman comes to exceed this age, he will be automatically deemed to have resigned.

The Board of Directors may also appoint a Vice-Chairman responsible for convening and chairing meetings of the Board of Directors if there is no Chairman or if the Chairman is unable to do so.

## Executive management

### Executive management structure

Under the terms of Article 19 of the articles of association, executive management is exercised under the responsibility of either the Chairman of the Board or another individual appointed by the Board of Directors and who has the title of *directeur général* (Chief Executive Officer).

The Board of Directors chooses between these two ways of exercising the executive management.

### Chief Executive Officer

The Chief Executive Officer must be an individual and may be chosen from amongst the directors.

The managing director's term of office is determined by the Board when he is appointed. However, if the Chief Executive Officer is a director, the term of his appointment cannot exceed the term of his appointment as director.

No one over the age of 70 may be appointed as Chief Executive Officer. When the Chief Executive Officer reaches the age limit, he is automatically deemed to have resigned.

The Chief Executive Officer may be removed from office by the Board of Directors at any time. If the removal is decided on unfair grounds, it may give rise to damages, except where the Chief Executive Officer takes over the role of Chairman of the Board.

### Deputy Chief Executive Officer

Upon a proposal by the Chief Executive Officer, whether this duty is carried out by the Chairman of the Board of Directors or by another person, the Board of Directors may appoint one or more individuals responsible for assisting the Chief Executive Officer, with the title of *directeur général délégué* (Deputy Chief Executive Officer).

The Board of Directors may choose the Deputy Chief Executive Officers from amongst the Directors.

The age limit of Deputy Chief Executive Officers is set at 70 years old. When a Deputy Chief Executive Officer reaches this age limit, he is automatically deemed to have resigned.

The Deputy Chief Executive Officers may be dismissed by the Board of Directors at any time, on a proposal by the Chief Executive Officer. If the removal from office is decided on unfair grounds, it may give rise to damages.

### 2.1.2.3 Description of any rights, privileges and restrictions on existing shares and all share classes

## Form of securities

Under the terms of Articles 6 and 10 of the articles of association, all bearer and registered shares, as decided by the shareholder, belong to the same class and unless there are legal or regulatory provisions that in certain cases may require shares to be registered.

Shares are fully negotiable unless legal or regulatory provisions provide otherwise.

Under Article 12 of the articles of association, shares are indivisible with respect to the Company. Joint owners of shares must be represented *vis-à-vis* the Company and at general meetings by only one of them who shall be deemed to be the sole owner, or by a single agent. In the event of a disagreement, the single agent can be designated by a Court on application from the first co-owner to act.

Unless the Company is notified of an agreement to the contrary, beneficial owners (*usufruitiers*) of shares validly represent bare owners (*nu-propriétaires*) *vis-à-vis* the Company. However, the voting right belongs to the beneficial owners in ordinary general meetings and to the bare owners at extraordinary or special general meetings.

The voting right for pledged shares is exercised by the owner and not by the pledgee.

### Voting rights of shareholders

Each shareholder has as many votes as they possess or represent shares. However, a double voting right is granted to all paid up shares for which proof is provided of registration in the name of the same shareholder for at least four years.

The provision concerning double voting rights was introduced in the Company's articles of association by the Extraordinary shareholders' meeting held on June 26th, 1985. Said meeting established a five-year holding period, which was reduced to four years by a resolution of extraordinary shareholders' meeting held on June 17th, 1996.

The double voting right automatically ceases for any share that has been converted into a bearer share or transferred. The new owner recovers the double voting right only once the share has been registered in the shareholder's name for four years; however, the fixed time period is not interrupted and the acquired right is maintained when the transfer is from a registered owner to a registered owner as a result of a succession, a division of community of property between spouses, of donation inter vivos benefitting a spouse or a person with a degree of relationship which entitles them to inherit.

It is stated that the law No. 2014-384 of March 29th, 2014 on reclaiming the real economy modified the provisions of Article L.225-123 of the French Commercial Code and removed the possibility of restricting double voting rights to shareholders of French nationality or European Union Member State nationals. A proposal will be made at the extraordinary shareholders' meeting to be held on May 7th, 2015 to harmonize Article 25 of the articles of association with these new provisions by removing this possibility.

In the event of an increase in share capital by capitalization of reserves, profits or issue premiums, the double voting right is granted, as soon as they are issued, to the registered shares allotted free of charge to a shareholder in proportion to the old shares with respect to which he benefits from this right.

If the Company is merged or split up, the double voting rights can be exercised within the beneficiary company or companies if their articles of association provide for such voting rights.

## 2.1.2.4 General meetings of shareholders

### Convening general meetings

Under the terms of Article 23 of the articles of association, general meetings are convened in accordance with the law. Shareholders who have held registered shares for at least a month when the notice to attend is published are furthermore invited to attend any meeting by ordinary letter or, at their request and cost, by registered letter.

The Company will publish the information and documents required by law in the *Bulletin des annonces légales obligatoires* (legal gazette) and on its website, within the time limits laid down by law.

If a meeting has been unable to deliberate because the required quorum was not reached, the second meeting, and if necessary the second adjourned meeting is convened in the manner and within the time period provided under current regulations. The notice and invitations to attend this second meeting must reproduce the date and the agenda of the first meeting.

### Agenda

The agenda for meetings appears in the notice and invitations to attend. It is drawn up by the party that draws up the invitation to attend.

However, one or more shareholders are entitled to have points or draft resolutions included in the agenda, pursuant to applicable legal and regulatory provisions.

The meeting cannot consider a matter which is not included in the agenda. Nevertheless, it can, in all cases, dismiss one or more directors and replace them.

An agenda for a meeting cannot be modified the second time it is convened.

### Assistance or representation at general meetings

In accordance with legal and regulatory provisions, any shareholder is entitled to attend general meetings and to deliberate in person or by proxy, regardless of the number of shares held, by providing proof of their identity, so long as their shares have been paid-up in full and registered in their name or the name of their intermediary in a share account, in application of the seventh paragraph of Article L.228-1 of the French Commercial Code, on the second business day prior to the meeting at midnight, Paris time, either in the nominative register held by the Company, or in the bearer share accounts held on their behalf by their approved intermediaries.

A shareholder can be represented by another shareholder, by his or her spouse, by his or her civil partner or by any individual or legal entity it chooses. The proxy must provide evidence of his or her authority in this case.

## 2.1.2.5 Earnings

The net income for each financial year, after deducting the Company's overheads and other charges including depreciation, impairment and provisions constitutes the net income or loss for the financial year.

At least one twentieth of net income less any retained losses brought forward shall be deducted from net income and posted to a reserve fund known as "legal reserve". This withdrawal to the legal reserve shall cease to be compulsory when the said reserve reaches an amount equal to one-tenth of share capital. It shall resume if the "legal reserve" falls below this proportion for any reason.

The balance, plus any retained earnings brought forward, constitutes earnings that may be distributed to shareholders by way of dividends.

However, shareholders' general meetings are entitled to appropriate from earnings before dividend distribution any amounts which they deem appropriate, either to be carried forward to the next financial year, or to be posted to one or more general or specific reserve accounts, for which the meeting shall freely determine the appropriation or use.

In addition, general meetings may decide to distribute sums from optional reserves, either to fund or top up a dividend, or to pay out a special dividend. In this case, the general meeting resolution must expressly state the reserve accounts from which the amounts are withdrawn.

Shareholders' meetings, or otherwise the Board of Directors, lay down the dividend terms of payment.

However, dividends must be paid out within a maximum period of nine months after the financial year end. This period can be prolonged by judicial decision.

Shareholders may not be required to reimburse any dividends unless payments of fictitious dividends or fixed or capitalized interests, which are prohibited by law, and provided that the Company establishes that the recipient shareholders were aware of the irregularity of this distribution or could not be ignorant thereof in view of the circumstances.

Dividends which are unclaimed within five years of being paid are time-barred.

Any retained losses, after the general meeting has approved the financial statements, shall be posted to a special reserve asset account, which will remain until they are offset and eventually written off against earnings of future financial years.

The general meeting called to approve the annual financial statements has the power to grant each shareholder the option to receive all or part of the dividend distributed, or any interim dividends, either in cash or in the form of shares.

#### 2.1.2.6 Identification of holders of securities

The Company reserves the right, at any time and subject to incurring a fee, to request from the central custodian any and all information concerning its shareholders or holders of securities conferring immediately or in future the right to vote at general meetings, their identity and address, the number of securities held by each one and any restrictions affecting such securities.

#### 2.1.2.7 Crossing shareholding thresholds

The articles of association do not include any obligation of disclosure in the event of crossing shareholder thresholds, which remains governed by legal and regulatory provisions in force.

#### 2.1.2.8 Changes in share capital, shareholder rights and articles of association

Share capital and shareholder rights can be changed under rules laid down by law given that the Company's articles of association do not provide for any more restrictive specific rules. Similarly, the articles of association are modified under conditions laid down by law.

#### 2.1.2.9 Provisions which have the effect of delaying, deferring or preventing a change in control

There are no special provisions in the articles of association, which have the effect of delaying, deferring or preventing a change in control of the Company.

## 2.1.3 Conversion project of the Company into a European company (SE)

The Board of Directors at its meeting held on November 25th, 2014 has decided to submit to the combined shareholders' meeting to be held on May 7th, 2015 the conversion of the legal form of the Company by adopting the form of a European company (SE).

Under the new form of European company, the Company will be governed by the provisions of Regulation (EC) No. 2157/2001 of the Council of October 8th, 2001 on the status for a European company, the provisions of Directive No. 2001/86/EC of the Council of October 8th, 2001, the provisions of the French Commercial Code on companies in general and European companies in particular and by the articles of association.

Pursuant to the specific provisions applicable to SE, a proposal will be submitted to the combined shareholders' meeting of May 7th, 2015 to amend the articles of association, as follows:

### Corporate name

At the combined shareholders' meeting of May 7th, 2015, a proposal will be submitted to modify the corporate name to "Teleperformance SE" in accordance with the provisions of Article 11 of the Regulation (EC) No. 2157/2001.

### Registered office

A proposal will be submitted to the shareholders' meeting to state that the central administration and registered office of a European company cannot be disassociated, in accordance with the provisions of Article 7 of the Regulation (EC) No. 2157/2001 of October 8th, 2001 and Article L.229-1 paragraph 3 of the French Commercial Code.

### Board of Directors

At the combined shareholders' meeting of May 7th, 2015, a proposal will be submitted to amend paragraph 1 of Article 14 of the articles of association as follows: "The Company is managed by a Board of Directors comprising at least three and no more than eighteen members, subject to the statutory exception in the event of a merger; the members of the Board of Directors may be individuals or legal entities".

A proposal will also be submitted to the general meeting to complete Article 17 of the articles of association to, on the one hand, specify the frequency of Board meetings (at least once per quarter for SEs) and, on the other hand, the categories of transactions which require the express decision of the Board of Directors, in accordance with the provisions of Article 48 of the Regulation (EC) No. 2157/2001 of October 8th, 2001:

"The Board of Directors has the powers and authority as specified under the French Commercial Code. It meets at least once per quarter, to deliberate on the Company's business and future outlook.

The Board of Directors, in particular, but not limited to:

- approves the annual and consolidated financial statements;
- convenes all shareholders' general meetings;
- decides the issue of bonds;
- authorizes regulated agreements;
- authorizes sureties, endorsements and guarantees;
- sets up all committees and defines their missions;
- decides the payment of all interim dividends.

In addition, the Board of Directors expressly pre-authorizes the following transactions:

- approval of the consolidated annual budgets;
- any significant material (commercial, industrial, financial, real estate or other) transactions planned by senior management which do not fall within the scope of declared strategy or are off-budget, including in particular all moveable or immovable investments by external or internal growth, divestiture or internal restructuring operation, when the amount represents more than 20% of the Group's net position as set out in the last consolidated financial statements approved by the Board of Directors;
- conclusion of alliances in whatever form involving a significant proportion of consolidated revenue;
- proposal of dividend payments to the shareholders' meeting."

### General meetings

A proposal will be made to the combined shareholders' meeting of May 7th, 2015 to amend Article 23 of the articles of association to introduce the possibility for one or several shareholders holding together at least 10% of the share capital to request the convening of a shareholders' meeting, in accordance with the provisions of Article 55 of the Regulation (EC) No. 2157/2001 of October 8th, 2001.

In addition, a proposal will be made to modify the provisions of Articles 27 and 28 of the articles of association concerning the majority requirements that apply to ordinary and extraordinary general meetings of shareholders.

Thus, it will be stated that the ordinary general meeting of shareholders shall act by the majority of the votes cast (and not according to the number of votes held by the shareholders present and represented), it being specified that abstention or blank or invalid votes will not be counted in the votes cast.

Similarly, it will be stated that the extraordinary general meeting of shareholders shall act by the two-thirds of votes cast (and not according to the number of votes held by the shareholders present and represented), it being specified that abstention or blank or invalid votes will not be counted in the votes cast.

# 2.2 *Share capital*

## 2.2.1 Amount of issued share capital

As of December 31st, 2014, the Company's share capital amounted to €143,004,225, divided into 57,201,690 fully paid-up shares of the same class, each with a par value of €2.50.

As of December 31st, 2014, these 57,201,690 shares represented 58,022,385 theoretical (or gross) voting rights and 57,959,924 actual (or net) voting rights.

The difference between the number of shares and voting rights results from the existence of double voting rights.

The difference between the number of theoretical (or gross) voting rights and the number of actual (or net) voting rights corresponds to the number of treasury shares.

## 2.2.2 Securities not representing share capital

None.

## 2.2.3 Authorized and non-issued share capital

The following ongoing delegations and authorizations were granted by the combined general meeting held on May 30th, 2013:

| | Date of shareholders' meeting (resolution No.) | Maximum nominal amount *(in euros)* | Duration (expiry) |
|---|---|---|---|
| **ISSUES WITH PREFERENTIAL SUBSCRIPTION RIGHTS FOR SHAREHOLDERS** | | | |
| Capital increase by issue of shares and securities giving access to the share capital, for which the primary security is not a debt instrument, with, maintenance of the shareholder preferential subscription right | May 30th, 2013 (18th) | 40 million | 26 months (July 29th, 2015) |
| **ISSUES RESERVED FOR EMPLOYEES AND, WHERE APPLICABLE, EXECUTIVE DIRECTORS** | | | |
| Shares issued under no consideration to employees and/or executive directors | May 30th, 2013 (21st) | 2% of the share capital* | 38 months (July 29th, 2016) |
| Share issue reserved for members of a company or group savings scheme | May 30th, 2013 (22nd) | 2 million | 26 months (July 29th, 2015) |
| **OTHER ISSUES** | | | |
| Capital increase by capitalization of issue premiums, reserves or profits | May 30th, 2013 (17th) | 142 million | 26 months (July 29th, 2015) |

* *Used in 2013 in respect of 840,000 shares, representing 1.46% of the share capital and in 2014 in respect of 22,500 shares, representing 0.04% of the share capital.*

## 2.2.4 Treasury shares

### 2.2.4.1 Current authorizations

| | Date of shareholders' meeting (resolution No.) | Duration (expiry) | Terms |
|---|---|---|---|
| Share repurchases | May 7th, 2014 (10th) | 18 months (November 6th, 2015) | Maximum purchase price per share: €60<br>Limit of 10% of the total number of shares |
| Cancellation of shares | May 30th, 2013 (16th) | 26 months (July 29th, 2015) | 10% of the total number of shares on date of cancellation decision* |

* *At its meeting held on May 7th, 2014, the Board of Directors decided, on the basis of this authorization, to cancel 58,500 shares held by the Company (i.e., 0.1% of the share capital).*

### 2.2.4.2 Treasury shares

As of December 31st, 2014, the Company held 62,461 treasury shares broken down as follows per objective:

- 8,000 shares in connection with the liquidity contract;
- 54,461 shares allocated to share incentive plans set up in 2013 and 2014.

No shares were held for the purposes of cancellation.

As of February 25th, 2015, the Company held 59,108 treasury shares broken down as follows per objective:

- 4,647 shares in connection with the liquidity contract;
- 54,461 shares allocated to share incentive plans set up in 2013 and 2014.

No shares were held for the purposes of cancellation.

### 2.2.4.3 Treasury shares held by the Group

None.

### 2.2.4.4 Share buy-back program

#### Update on the current buy-back program

The shareholders' meeting of May 7th, 2014 authorized the Company's Board of Directors to purchase its own shares, for an 18-month period, and terminated the previous authorization granted by the combined general meeting held on May 30th, 2013.

Pursuant to said authorization, the Board of Directors of May 7th, 2014 resolved to set up a new share buy-back program limited to 10% of the share capital with a maximum purchase price per share of €60.

The objectives of this share buy-back program are as follows:

- cancel the repurchased shares in accordance with the authorization granted under the 16th resolution of the shareholders' meeting held on May 30th, 2013;
- ensure the coverage of stock option purchase plans and/or bonus share or similar plans for group employees and/or corporate officers as well as all share allocations under a Company or group savings or similar plan in conjunction with employee profit sharing programs and/or any other forms of share issues to group employees and/or corporate officers;
- ensure the coverage of issues of securities giving access to the share capital;
- hold the shares for the purposes of subsequently delivering them as consideration of an exchange or payment in respect of external growth transactions (up to 5% of share capital);
- authorize an investment services provider, acting independently to trade in the Company's shares pursuant to a liquidity contract in compliance with the Code of Ethics approved by the AMF (French financial markets authority);
- in general, carry out any transaction permitted under current regulations.

#### Liquidity contract

On January 8th, 2007, the Company entered into a liquidity contract pursuant to the AMAFI Code of Ethics approved by the AMF (French financial markets authority), managed by Oddo Corporate Finance.

As at December 31st, 2014, assets held in the liquidity account were as follows: 8,000 shares and €2,625,219.05.

#### Share buy-back in connection with other objectives

None.

### ▶ Summary of the purchase and sale transactions on Company's shares during 2014

| | |
|---|---|
| Number of shares purchased | 1,063,414 |
| Average purchase price | €48.71 |
| Number of shares sold during the year | 1,062,414 |
| Average sale price | €48.77 |
| Trading costs | €24,000 (excl. taxes) |
| Number of treasury shares held as of December 31st, 2014 | 62,461 |
| Percentage of share capital held by the Company as of December 31st, 2014 | 0.11% |
| Book value of treasury shares held as of December 31st, 2014* | €1,286,810.20 |
| Market value of treasury shares held as of December 31st, 2014** | €3,524,674.23 |
| Total nominal value of treasury shares as of December 31st, 2014 | €156,152.50 |
| Number of shares canceled over the last 24 months | 58,500 |

** Book value before impairment.*
*** Based on closing price as of December 31st, 2014, i.e. €56.43.*

It is stated that 58,500 treasury shares were cancelled during the financial year 2014. The share capital has thus been reduced from €143,150,475 to €143,004,225.

In addition, 4,000 treasury shares were used during the financial year 2014 for the following purposes:

- 2,000 existing performance shares were definitively acquired on June 1st, 2014;
- 2,000 existing performance shares were definitively acquired on July 30th, 2014.

## New share buy-back program

It will be proposed to the general meeting to be held on May 7th, 2015 to renew the authorization for the Company to buy back its own shares on the following terms:

## Share buy-back program objectives

- ensure the coverage of stock option plans and/or bonus share plans (or similar plans) in favor of Group employees and/or corporate officers, as well as all share allocations under Company or Group savings plans (or similar plans) and profit-sharing schemes and/or all other forms of share allocation to group employees and/or corporate officers;
- ensure the coverage of securities giving right to the share capital pursuant to current regulations;
- retain shares purchased for the purpose of subsequently delivering them as consideration of an exchange or payment in connection with possible external growth transactions; the number of shares purchased for this purpose cannot exceed 5% of the Company's share capital;
- stimulate the secondary market or the liquidity of the Teleperformance share through the activities of an investment services provider under a liquidity contract in compliance with the Code of Ethics of the AMAFI (French financial markets association) as approved by the AMF (French financial markets authority);
- cancel the repurchased shares, pursuant to the authorization to be granted by the May 7th, 2015 combined general meeting under its 14th extraordinary resolution;
- carry out, in general, any transaction permitted under current regulations.

## Terms of repurchases

Shares may be repurchased by trading on the market or otherwise, in particular by buying blocks of securities that may include all securities held under the program (apart from repurchases carried out to ensure market liquidity), as well as by using derivative financial instruments, at any time, except during a tender offer, within the limits that stock market regulations may allow, and with respect to all or part of the shares that may be repurchased, always in compliance with applicable regulations. No sale of put options will be used under the share buy-back program and no derivative instrument will be used for the purpose of stimulating the market through a liquidity contract. In any event, the Company agrees not to increase the volatility of its share price with the use of derivative instruments.

## Maximum proportion of share capital, maximum number and characteristics of the shares and maximum purchase price

The maximum percentage of shares which may be repurchased under the proposed authorization at the May 7th, 2015 shareholders' meeting is 10% of the total number of shares comprising share capital (or 57,201,690 shares as of the date of this Registration Document), it being specified that this limit shall be applied as of the date of purchase, in order to take account of any transactions that increase or reduce share capital occurring during the term of the program. The number of shares taken into account for the calculation of this limit shall be the number of shares purchased less the number of shares sold during the duration of the program in connection with the liquidity objective.

Given that the Company may not hold more than 10% of its share capital, and as the number of treasury shares held on January 31st, 2015 amounted to 59,108 (*i.e.*, 0.1% of the share capital), the maximum number of shares that can be purchased stands at 5,661,061 representing 9.89% of the share capital unless existing treasury shares are transferred or canceled.

The maximum purchase price proposed to the shareholders' meeting to be held on May 7th, 2015 is set at €90 per share. Consequently, the maximum transaction amount is set at €514,815,210 based on a number of shares of 57,201,690.

### Term of the program

In accordance with the resolution which will be submitted for approval to the May 7th, 2015 shareholders' meeting, the share buy-back program will be implemented over a period of 18 months following the date of this meeting expiring on November 6th, 2016.

The Company declares that it complies with the provisions of Article L.225-210 of the French Commercial Code. The Company also agrees to maintain a sufficient float that complies with the thresholds defined by Euronext Paris.

## 2.2.5 Potential share capital

### 2.2.5.1 Securities granting access to the Company's share capital

None

### 2.2.5.2 Stock options

#### Options granted by the Company

None.

#### Options granted by companies controlled by the Company

None.

### 2.2.5.3 Performance shares issued free of charge

Pursuant to the authorizations granted by the combined general meetings dated May 31st, 2011 (37th resolution) and May 30th, 2013 (21st resolution), the Company's Board of Directors has implemented several performance share plans for the benefit of some Group employees and corporate officers.

#### Details of the performance share plans

Incentive shares issued free of charge are subject to a vesting period of two or three years depending on the plans, that runs as from the date the shares are allocated. The granting of these shares is also subject to the beneficiaries continued presence and achievement of performance criteria. Following the vesting period, depending on the actual increase in indicators set by the Board, the beneficiaries acquire definitively, depending of the plans regulations, either all, 75% (which only applies to Plan No. 5 dated July 30th, 2013 described below), 50% or none of the shares granted. The shares definitively vested must be retained by the beneficiaries for a period of two years.

#### Performance shares granted during 2011

**Plan dated July 27th, 2011 (Plan No. 1)**

At its July 27th, 2011 meeting, the Board of Directors decided to introduce a bonus share plan subject to performance criteria, covering a total of 1,099,000 shares, including:

- 929,000 performance shares to 98 employees of the Company and related companies (the "subsidiaries"); and
- 170,000 performance shares to Daniel Julien, Chairman and Chief Executive Officer as of the date of allocation.

The term of the vesting period for this plan is two years.

The Board of Directors has decided that the definitive vesting of these bonus shares shall be subject to the fulfillment of performance criteria linked to growth in consolidated revenue and growth in consolidated EBITA.

In addition, the Board of Directors has decided that Mr. Julien must retain 30% of the total number of shares vested under this plan until expiry of his term of office.

The Board of Directors noted the fulfillment of said performance criteria at its February 26th, 2013 meeting. Accordingly, all shares allocated definitively belong to the beneficiaries who still met the condition of attendance as of July 27th, 2013, the vesting date. A total of 1,050,500 existing shares were transferred to the beneficiaries on this date.

Beneficiaries are required to hold the shares for a two-year retention period (*i.e.* until July 27th, 2015).

### Plan dated November 30th, 2011 (Plan No. 2)

On November 30th, 2011, the Board of Directors decided to implement a performance share plan covering 30,500 shares for the benefit of 10 employees of subsidiaries. The final vesting of these shares is subject to the fulfillment of the aforementioned performance criteria applicable to Plan 1 above.

The term of the vesting period for this plan is two years.

The Board of Directors noted the fulfillment of said performance criteria at its February 26th, 2013 meeting. Accordingly, all shares allocated definitively belong to the beneficiaries who still met the condition of presence as of November 30th, 2013, the vesting date. A total of 23,000 existing shares were transferred to the beneficiaries on this date. Beneficiaries are required to hold the shares for a two-year retention period (*i.e.* until November 30th, 2015).

## Performance shares granted during 2012

### Plan dated May 29th, 2012 (Plan No. 3)

On May 29th, 2012, the Company's Board of Directors decided to introduce a performance share plan involving 2,000 Teleperformance shares allotted to one employee of a subsidiary, with deferred effect as from the effective date of the beneficiary's employment contract, *i.e.* June 1st, 2012. The final vesting of these shares is subject to the fulfillment of performance criteria consisting of the beneficiary's subsidiary achieving budgeted revenues for the 2012 and 2013 financial years. The term of the vesting period for this plan is two years.

The Board of Directors noted the fulfillment of said performance criteria at its February 25th, 2014 meeting. Accordingly, all shares allocated definitively belong to the beneficiary who still met the condition of presence at the vesting date, *i.e.* June 1st, 2014. A total of 2,000 existing shares were transferred to the beneficiary on this date. The beneficiary is required to hold the shares for a two-year retention period (*i.e.* until June 1st, 2016).

### Plan dated July 30th, 2012 (Plan No. 4)

At its July 30th, 2012 meeting, the Board of Directors decided to introduce a performance share plan covering 2,000 Teleperformance shares allotted to an employee of a subsidiary. The term of the vesting period for this plan is two years.

The Board of Directors decided to make the definitive vesting of the allotted shares conditional on the achievement of performance criteria consisting of growth in consolidated revenue and growth in consolidated EBITA, the results of which are not published for reasons of confidentiality.

The Board of Directors noted the fulfillment of said performance criteria at its July 28th, 2014 meeting. Accordingly, all shares allocated definitively belong to the beneficiary who still met the condition of presence at the vesting date, *i.e.* July 30th, 2014. A total of 2,000 existing shares were transferred on this date. The beneficiary is required to hold the shares for an additional two-year period (*i.e.* until July 30th, 2016).

## Performance shares granted during 2013

### Plan dated July 30th, 2013 (Plan No. 5)

At its July 30th, 2013 meeting, the Board of Directors decided to introduce a performance share plan covering a total of 840,000 Teleperformance shares in favor of 126 beneficiaries. The vesting period for this plan is three years, *i.e.* until July 30th, 2016. The retention period is two years, *i.e.* until July 30th, 2018.

The Board of Directors decided to make the definitive vesting of allotted shares conditional on the achievement of performance criteria based on achievement at constant exchange rates of 16.0% growth in consolidated revenues and 27.0% in consolidated EBITA for the period from January 1st, 2013 to December 31st, 2015 and ROCE of 12.5% as of December 31st, 2015 (refer to note C4 to the consolidated financial statements *Share-based payments*).

## Performance shares granted during 2014

### Plan dated February 25th, 2014 (Plan No. 6)

At its February 25th, 2014 meeting, the Board of Directors decided to introduce a performance share plan subject to performance criteria, covering a total of 22,500 Teleperformance shares in favor of one beneficiary. The vesting period for this plan is three years, *i.e.* until February 25th, 2017. The retention period is two years, *i.e.* until February 25th, 2019.

The definitive vesting of shares is subject to performance criteria based on financial targets of a subsidiary of the Group.

### Synthesis of the performance share plans

| | Plan 1 | Plan 2 | Plan 3 | Plan 4 | Plan 5 | Plan 6 |
|---|---|---|---|---|---|---|
| Date of shareholders' meeting | 05/31/2011 | 05/31/2011 | 05/31/2011 | 05/31/2011 | 05/30/2013 | 05/30/2013 |
| Date of Board meeting | 07/27/2011 | 11/30/2011 | 05/29/2012 | 07/30/2012 | 07/30/2013 | 02/25/2014 |
| Grant date | 07/27/2011 | 11/30/2011 | 06/1/2012 | 07/30/2012 | 07/30/2013 | 02/25/2014 |
| Total number of share rights granted | 1,099,000 | 30,500 | 2,000 | 2,000 | 840,000 | 22,500 |
| Total number of beneficiaries | 100 | 10 | 1 | 1 | 126 | 1 |
| of which total number granted to executive directors: | | | | | | |
| ▪ Daniel Julien | 170,000 | - | - | - | - | - |
| ▪ Paulo César Salles Vasques* | n/a | - | - | - | - | - |
| Vesting date | 07/27/2013 | 11/30/2013 | 06/1/2014 | 07/30/2014 | 07/30/2016 | 02/25/2017 |
| End of lock-in period | 07/27/2015 | 11/30/2015 | 06/1/2016 | 07/30/2016 | 07/30/2018 | 02/25/2019 |
| Performance criteria | YES | YES | YES | YES | YES | YES |
| Nature of shares granted | Existing shares | Existing shares | Existing shares | Existing shares | New or existing shares | New or existing shares |
| Total number of share rights cancelled or lapsed | 48,500 | 7,500 | - | - | 127,500 | - |
| Number of shares definitively vested | 1,050,500** | 23,000** | 2,000*** | 2,000*** | - | - |
| Number of rights outstanding | - | - | - | - | 712,500 | 22,500 |

* *Chief Executive Officer since May 30th, 2013.*
** *The Board of Directors at its meeting held on February 26th, 2013 noted that the performance criteria for these plans had been fully met.*
*** *The Board of Directors meetings held on February 25th, 2014 and July 28th, 2014 noted that the performance criteria for these plans had been fully met.*

As at December 31st, 2014, based on all plans there were 735,000 rights to performance shares that may be acquired by beneficiaries (after deducting acquired shares or canceled rights of beneficiaries who have left the Group).

With regard to the plans No. 5 of July 30th, 2013 and No. 6 of February 25th, 2014, the vesting of shares may have no dilutive effect on earnings in respect of existing shares or, in the case of new shares, may lead to the issue of 735,000 new shares, representing a potential maximum share capital increase of €1,837,500, which represents a maximum potential dilution of 1.28%.

#### Performance shares granted to the top ten non-director employees

During 2014 a total of 22,500 performance shares were allocated to one beneficiary who is not a corporate officer of the Company.

#### Performance shares granted by companies that are controlled by the Company

During 2013, Teleperformance Group Inc., wholly-owned subsidiary of Teleperformance SA, implemented a long-term incentive plan based on Teleperformance SA shares to the benefit of two beneficiaries and involving a total of 300,000 shares. The definitive vesting of shares is subject to conditions of attendance and performance criteria similar to those adopted by the Company's Board of Directors for the July 30th, 2013 plan. The terms of this long-term incentive plan are described in section 3.5.2.4 *Grant of stock options and performance shares to executive directors* of the 2014 Registration Document.

## 2.2.6 Changes in share capital over the past five years

| | | Amount | | | Cumulated share capital | |
|---|---|---|---|---|---|---|
| Description | Date | Nominal *(in euros)* | Issue or contribution premium *(in euros)* | Number of new shares issued/ canceled | Shares | In euros |
| Share capital at 12/31/2008 | 12/31/2008 | | | | 56,382,847 | 140,957,117.50 |
| Performance share plan (May 3rd, 2007 plan) | 05/04/2009 | 2.50 | n/a | 20,500 | 56,403,347 | 141,008,367.50 |
| Exercise of stock options | 06/30/2009 | 2.50 | 2,859,682.84 | 192,701 | 56,596,048 | 141,490,120.00 |
| Performance share plan (January 10th, 2008 plan) | 01/11/2010 | 2.50 | n/a | 2,000 | 56,598,048 | 141,495,120.00 |
| Payment of dividend in shares | 07/12/2013 | 2.50 | 19,546,431.84 | 662,142 | 57,260,190 | 143,150,475.00 |
| Cancellation of treasury shares | 05/07/2014 | 2.50 | n/a | -58,500 | 57,201,690 | 143,004,225.00 |

# 2.3 Shareholding

## 2.3.1 Evolution of breakdown of share capital and voting rights

The tables below show the number of shares and corresponding percentages of share capital and voting rights held by the principal known shareholders of Teleperformance SA during the last three financial years. To the Company's knowledge, no material change occurred between December 31st, 2014 and the filing date of this Registration Document.

### 2.3.1.1 Breakdown of share capital and voting rights at December 31st, 2014

| | Share capital | | Theoretical voting rights | | Actual voting rights | |
|---|---|---|---|---|---|---|
| At December 31, 2014 | Number | % | Number | % | Number | % |
| Participanten Dochterfonds (ING) | 3,257,800 | 5.7% | 3,257,800 | 5.6% | 3,257,800 | 5.6% |
| HSBC Global Asset Management | 2,014,200 | 3.5% | 2,014,200 | 3.5% | 2,014,200 | 3.5% |
| Tweedy Brown Company, LLC | 1,962,400 | 3.4% | 1,962,400 | 3.4% | 1,962,400 | 3.4% |
| Acadian Asset Management, LLC | 1,735,000 | 3.0% | 1,735,000 | 3.0% | 1,735,000 | 3.0% |
| Amundi Asset Management | 1,286,400 | 2.2% | 1,286,400 | 2.2% | 1,286,400 | 2.2% |
| Daniel Julien | 825,314 | 1.4% | 1,480,628 | 2.6% | 1,480,628 | 2.6% |
| **Main identified shareholders** | **11,081,114** | **19.4%** | **11,736,428** | **20.2%** | **11,736,428** | **20.2%** |
| Other shareholders (public) | 46,058,115 | 80.5% | 46,223,496 | 79.7% | 46,223,496 | 79.8% |
| Treasury shares | 62,461 | 0.1% | 62,461 | 0.1% | 0 | 0.0% |
| **TOTAL** | **57,201,690** | **100%** | **58,022,385** | **100%** | **57,959,924** | **100%** |

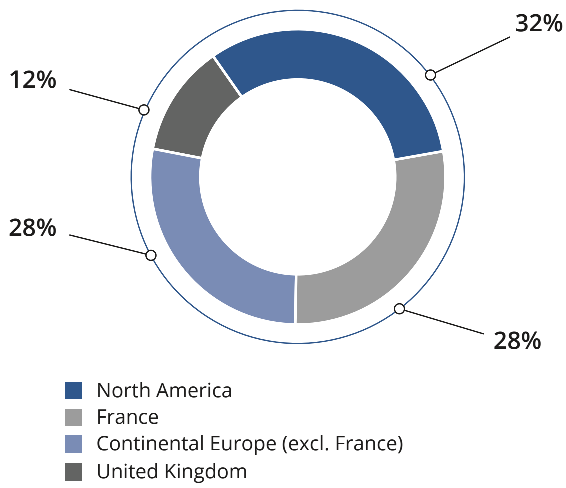
### 2.3.1.2 Changes in the breakdown of share capital and voting rights in the last three years

| | 2014 | | | 2013 | | | 2012 | | |
|---|---|---|---|---|---|---|---|---|---|
| At December 31 | Number of shares | % shares | % actual voting rights | Number of shares | % shares | % actual voting rights | Number of shares | % shares | % actual voting rights |
| Participanten Dochterfonds (ING) | 3,257,800 | 5.7% | 5.6% | 3,268,600 | 5.7% | 5.7% | 3,000,000 | 5.3% | 5.2% |
| HSBC Global Asset Management | 2,014,200 | 3.5% | 3.5% | 1,294,400 | 2.3% | 2.2% | 279,200 | 0.5% | 0.5% |
| Tweedy Brown Company, LLC | 1,962,400 | 3.4% | 3.4% | 2,100,000 | 3.7% | 3.7% | 1,583,600 | 2.8% | 2.7% |
| Acadian Asset Management, LLC | 1,735,000 | 3.0% | 3.0% | 1,817,700 | 3.2% | 3.2% | 1,561,900 | 2.8% | 2.7% |
| Amundi Asset Management | 1,286,400 | 2.2% | 2.2% | 956,100 | 1.7% | 1.6% | 667,900 | 1.2% | 1.2% |
| Gryphon Int. Invt.corp | 1,142,800 | 2.0% | 2.0% | 1,435,134 | 2.5% | 2.5% | 2,490,300 | 4.4% | 4.3% |
| Daniel Julien | 825,314 | 1.4% | 2.6% | 827,314 | 1.4% | 2.6% | 658,314 | 1.2% | 2.1% |
| International Value Advisors, LLC | 0 | 0.0% | 0.0% | 1,802,800 | 3.1% | 3.1% | 4,585,600 | 8.1% | 8.0% |
| **Main identified shareholders** | **12,223,914** | **21.4%** | **22.2%** | **13,502,048** | **23.6%** | **24.4%** | **14,826,814** | **26.2%** | **26.7%** |
| Other shareholders (public) | 44,915,315 | 78.5% | 77.8% | 43,634,181 | 76.2% | 75.6% | 40,549,257 | 71.6% | 73.3% |
| Treasury shares | 62,461 | 0.1% | 0.0% | 123,961 | 0.2% | 0.0% | 1,221,977 | 2.2% | 0.0% |
| **TOTAL** | **57,201,690** | **100%** | **100%** | **57,260,190** | **100%** | **100%** | **56,598,048** | **100%** | **100%** |

To the Company's knowledge, there is no other shareholder that directly or indirectly, acting alone or in concert, holds over 5% of the Company's share capital or voting rights.

With regard to the breakdown of share capital described above, no shareholder, either directly or indirectly, holds the control of the Company within the meaning of Article L.233-3 of the French Commercial Code.

▶ **Geographical breakdown of institutional shareholders at 9/30/2014***




* *Based on a Teleperformance shareholder identity study as of September 30th, 2014, which identified 11,645 shareholders, including 287 institutional investors*

At September 30th, 2014, institutional investors accounted for 86% of the Company' s share capital.

### 2.3.1.3 Company shares held by employees

In accordance with the provisions of Article L.225-102 of the French Commercial Code, as of December 31st, 2014, the employees of the Company and related companies within the meaning of Article L.225-180 of the French Commercial Code hold no share in the share capital of the Company.

### 2.3.1.4 Major changes in the breakdown of share capital

In accordance with Article L.233-13 of the French Commercial Code, and in light of the information received pursuant to Articles L.233-7 and L.233-12 of said Code, the following threshold crossings occurred during the last three financial years:

#### Since the end of the last financial year

None.

#### In 2014

None.

#### In 2013

On May 3rd, 2013, International Value Advisers LCC, acting on behalf of clients and funds under management, declared that on April 30th, 2013 it passed below the 10% shareholding threshold in the Company and held 2,931,258 shares representing the same number of voting rights, *i.e.* 5.18% of share capital and 5.10% of voting rights.

#### In 2012

On March 12th, 2012, International Value Advisors LLC declared that on March 8th, 2012 it passed above the threshold of 10% of share capital and voting rights and held on behalf of clients and funds, 6,100,430 shares representing 10.78% of the share capital and 10.35% of the voting rights in the Company.

On November 19th, 2012, International Value Advisers LLC declared that on November 15th, 2012, it passed below the 10% voting rights threshold and held on behalf of clients and funds, 5,701,848 shares representing 10.07% of the share capital and 9.75% of the voting rights in the Company.

Jacques Berrebi informed the Group on December 18th, 2012 that on January 16th, 2012 he sold his entire holding of Teleperformance SA shares (1,000,900 shares representing 1.8% of the share capital and 3.3% of voting rights) in conjunction with a mandate issued to UBS and disclosed to the market.

## 2.3.2 Shareholders' agreements

To the Company's knowledge, as of the date of this Registration Document, there is no agreement between shareholders of the Company.

## 2.3.3 Change of control of the Company

To the Company's knowledge, no agreement has been entered into that might (i) entail a change of control of the Company if implemented or (ii) restrict a change of control of the Company.

# 2.4 *Stock market listing*

## 2.4.1 Listing references

Teleperformance shares (ISIN code: FR0000051807, Mnemo: RCF) have been listed on the Paris Stock Exchange (Euronext Paris, Compartment A) since January 18th, 2007.

Teleperformance shares are eligible for the deferred settlement service (*service de règlement différé* or SRD) and for share savings plans (*plan d'épargne en actions* or PEA).

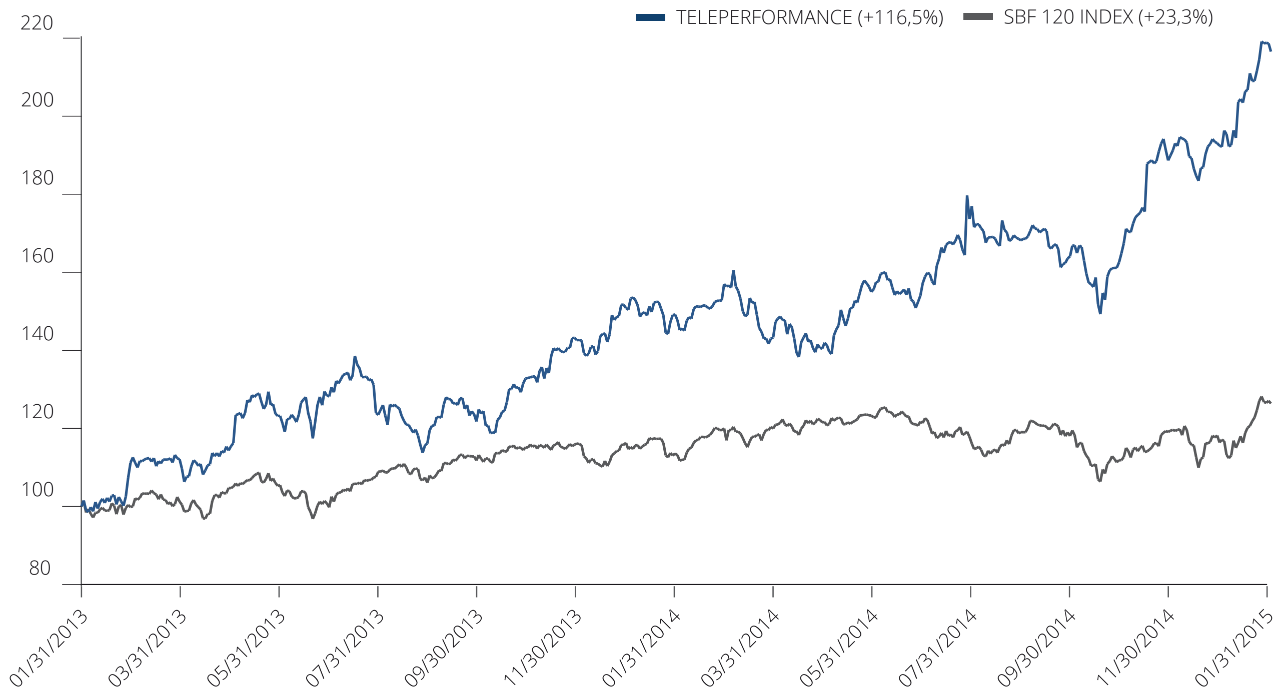
Teleperformance shares are included in the following indexes: SBF 120, Next 150, CAC Mid 60, CAC All Shares, CAC Mid & Small and CAC Support Services.

## 2.4.2 Information on traded volumes and share price movements

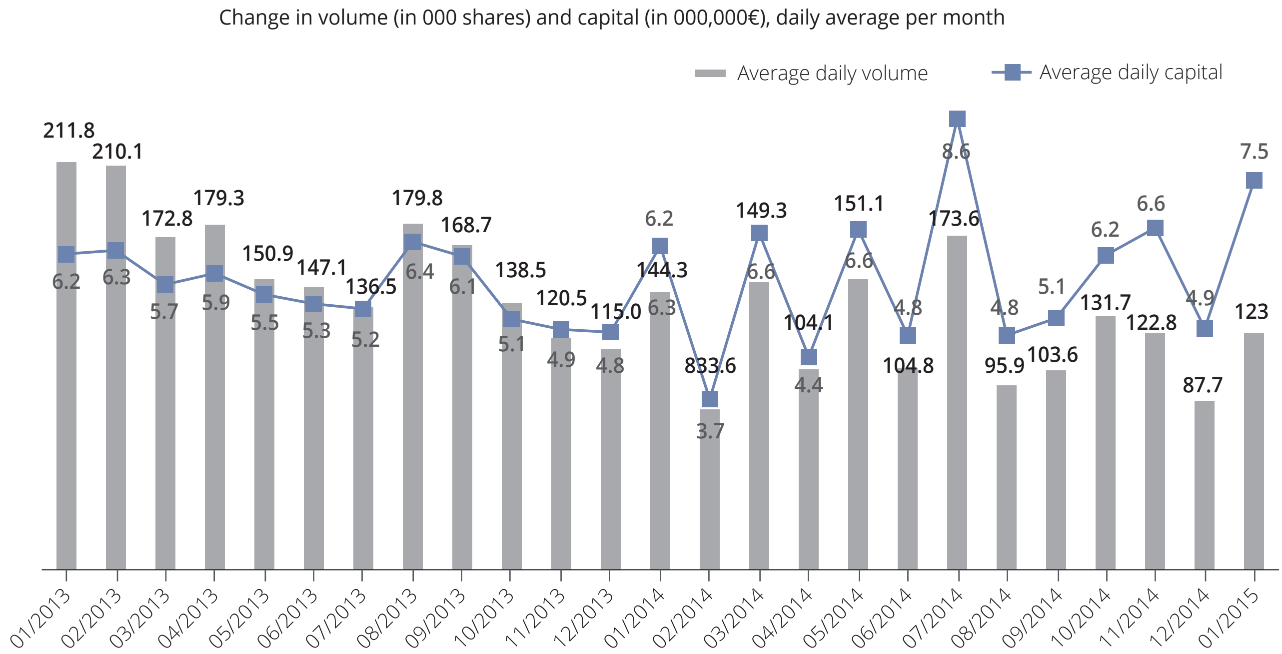
### 2.4.2.1 Monthly evolution of Teleperformance share price over the last 18 months (source: Euronext Paris)

| | Highest price *(in euros)* | Lowest price *(in euros)* | Closing rate *(in euros)* | Number of shares traded | Value traded *(in euros)* | Number of trading sessions |
|---|---|---|---|---|---|---|
| **2013** | | | | | | |
| August | 37.18 | 32.70 | 34.10 | 3,955,415 | 140,883,000 | 22 |
| September | 37.93 | 34.78 | 35.76 | 3,542,906 | 129,148,400 | 21 |
| October | 39.31 | 34.31 | 39.06 | 3,184,671 | 116,414,700 | 23 |
| November | 42.22 | 37.99 | 41.89 | 2,530,954 | 102,545,500 | 21 |
| December | 44.80 | 40.50 | 44.30 | 2,299,368 | 96,690,390 | 20 |
| **2014** | | | | | | |
| January | 45.60 | 40.76 | 43.40 | 2,596,565 | 113,996,800 | 22 |
| February | 46.20 | 42.31 | 46.10 | 1,667,239 | 73,454,990 | 20 |
| March | 47.19 | 41.31 | 42.08 | 3,135,285 | 137,637,800 | 21 |
| April | 44.43 | 40.12 | 41.29 | 2,081,909 | 88,155,530 | 20 |
| May | 46.75 | 40.53 | 45.90 | 3,173,170 | 138,929,400 | 21 |
| June | 47.25 | 43.59 | 44.75 | 2,199,838 | 100,334,900 | 21 |
| July | 53.30 | 44.80 | 51.96 | 3,991,999 | 196,399,600 | 23 |
| August | 51.95 | 48.20 | 49.39 | 2,014,475 | 100,411,100 | 21 |
| September | 51.06 | 47.20 | 48.98 | 2,278,757 | 111,743,800 | 22 |
| October | 50.49 | 42.71 | 50.26 | 3,030,019 | 141,912,500 | 23 |
| November | 57.45 | 49.85 | 56.15 | 2,455,932 | 132,910,900 | 20 |
| December | 57.69 | 53.70 | 56.43 | 1,841,249 | 102,844,100 | 21 |
| **2015** | | | | | | |
| January | 64.79 | 56.23 | 63.59 | 2,582,846 | 156,872,500 | 21 |

### 2.4.2.2 Changes in the Company's adjusted share price over 2 years, as compared to the SBF 120 index




### 2.4.2.3 Adjusted monthly average volumes traded per day



# 2.5 Dividends

## 2.5.1 Dividend pay-out policy

The Board of Directors determines the dividend pay-out policy after review of various criteria including Group and Company earnings and financial situation.

In accordance with the law, unclaimed dividends lapse and are paid over to the State following a five-year period.

## 2.5.2 Dividends paid in respect of the last five financial years

| Dividend for financial year* | Gross dividend per share | Total** | Distribution rate*** |
|---|---|---|---|
| 2009 | €0.33 | €18,676,695.44 | 21% |
| 2010 | €0.33 | €18,677,355.84 | 26% |
| 2011 | €0.46 | €26,035,102.80 | 28% |
| 2012 | €0.68 | €38,486,672.64 | 30% |
| 2013 | €0.80 | €45,808,152.00 | 35% |

* *Paid the following year.*
** *Including unpaid dividends on the Company's treasury stock posted to "Retained earnings".*
*** *calculated on the basis of consolidated net profit.*

Dividends distributed for the last three financial years were eligible for a 40% tax allowance.

It is reminded that the shareholders' meeting held on May 30th, 2013 approved, by its 4th resolution, the option to pay out the 2012 dividend either in cash or in Teleperformance shares. The period during which shareholders were able to opt between dividend pay-out in cash or in shares was extended from June 6th, 2013 to June 21st, 2013 inclusive. Following this period, the dividend pay-out in shares option resulted in the issue of 662,142 new shares each with a par value of €2.50, which increased the share capital by a total nominal amount of €1,655,355.

In addition, the shareholders' meeting of May 7th, 2014 fixed the gross amount of the 2013 dividend at €0.80 per share.

It is stated that the Board of Directors has decided to propose at the general meeting of shareholders of May 7th, 2015 to fix the gross amount of dividend for 2014 at €0.92 per share.

# 2.6 Financial communication

## 2.6.1 Financial communication policy

The Group is committed to maintaining a sustainable and trust-based relationship with all shareholders, including French and foreign individuals and institutional investors. The duties of the Group's investor relations team are to facilitate access to information regarding the Group's earnings, outlook and strategic developments.

To that end, and in order to ensure ongoing clarity and transparency, a number of dedicated documents have been set up and frequent meetings are organized throughout the year with the financial community.

The Group, which has signed the United Nations global charter, is also committed to informing the market of its policy in terms of social and environmental responsibility and has dedicated a whole section of this report (pages 97 to 124) to these topics.

A key feature of 2014 was the Group's continued efforts to improve the quality of its communication to the financial community.

This improvement initiative was recognized in October 2014 in Paris when it received the Transparency Award for the second consecutive year, in the *Consumer Services* category. In November 2014, the *Investor Relations* section of the Group's Internet site was also recognized in the classification of the best company sites in the SBF120 index.

In addition, during the year the Group has significantly developed relations with the French and international financial community, with more than 200 meetings with institutional investors, through road shows and dedicated conferences. Site visits were also organized for investors, such as the visit to a multi-lingual platform located in Lisbon, Portugal, and to a visa application center in Tunis, Tunisia.

## 2.6.2 Dedicated information accessible to all shareholders

The financial information and many dedicated documents are made available online to all shareholders in the *Investor Relations* section of the Teleperformance's website (www.teleperformance.com), which is an extensive database of the Group's financial communication.

This information includes:

- all financial and strategic information provided to the financial markets and Group shareholders: quarterly information, press releases, audio and video recordings and broadcasts of result presentations and conferences on dedicated topics, letters to shareholders (with the first being launched in April 2014);
- all regulated information circulated in compliance with the European Transparency Obligations directive of December 15th, 2004, which includes the Registration Document including the annual financial report and the half-yearly report, filed with the French financial markets authority (*Autorité des marchés financiers*), the articles of association and information concerning corporate governance;
- the documents relating to the general meeting of shareholders (notice of meeting, draft resolutions, ballot paper, meeting brochure).

These documents can be sent by mail, on request or on the Group Internet site, or from the Investor Relations Department by email, telephone or mail.

The legal information (articles of association, minutes of general shareholders' meetings, statutory auditors' reports) can be consulted at the head office.

Furthermore, the Group regularly publishes financial advertising on its results and notices of shareholder general meetings in the national press.

## 2.6.3 Regular meetings with institutional investors and financial analysts

The investor relations team, together with various senior Group executives and in compliance with best practices in communication, regularly holds information meetings with institutional investors and financial analysts, including SRI (*socially responsible investing*) specialists, in France and abroad.

Every quarter, the Group presents its results and/or revenues to the financial community *via*:

- a conference call to present Q1 and Q3 revenues and a conference webcast for H1 results when senior management presents an update of operations during the period and answers questions from investors and analysts;
- a conference held in Paris on release of the annual results, with live streaming and subsequent download facility on the Group' s website.

In addition, numerous meetings are organized throughout the year between Group senior management and the financial community: meetings, telephone conferences, site visits, investor roadshows and thematic conferences on the main financial markets in Europe and the USA.

## 2.6.4 Shareholders' meetings

The annual shareholders' meeting, which took place in 2014 in the Edouard VII conference center in Paris, is a key moment of dialog between the shareholders and the management of the Group for an update on operations during the year. It is also, for the shareholders, the opportunity to play an active role through their vote, in the life of the Group.

Convening of shareholders' meetings, drafting and publication of agendas as well as rules for participation to general meetings are presented in section 2.1.2.4 *Shareholders' meetings*.

The investor relations team is also available to guide shareholders through the various attendance and voting procedures.

## 2.6.5 Registration of securities in the holder's name

Teleperformance offers its shareholders the benefit of direct registration of their securities in their names, which confers the following advantages:

### No management fees

Registered shareholders are fully exempted from custody fees, as well as from the expenses inherent to the day-to-day management of their securities such as conversion into bearer securities, the transfer of securities, changes of legal status (transfers, donations, inheritance, etc.), securities transactions (capital increase, share allotments, etc.) and the payment of dividends.

### Guaranteed personalized information

Registered shareholders are guaranteed personalized information regarding:

- notices to attend general meetings, with systematic dispatch of the meeting notice, single postal voting form and proxy voting form, admission ticket request form and the statutory information documents;
- the management of securities, taxation and the organization of the general meeting.

### Easier access to the shareholders' meeting

All registered shareholders are automatically called to attend the general meeting and are not required to make a prior application for an attendance certificate in order to vote.

In order to convert your securities into direct registered securities, you may use the form available on the Teleperformance website, in the *Investor Relations* section.

More information regarding security registration may be obtained from:

BNP Paribas Securities Services
Corporate Trust Services
Grands moulins de Pantin
9, rue du débarcadère
93761 Pantin cedex - France
Telephone: +33 1 57 43 02 30
Email: paris.bp2s.registered.shareholders@bnpparibas.com

## 2.6.6 Indicative schedule for financial publications

| | |
|---|---|
| Q1 2015 revenues | April 22nd, 2015 |
| Annual general meeting of shareholders | May 7th, 2015 |
| Ex-dividend date | May 19th, 2015 |
| Dividend payment | May 21st, 2015 |
| 2015 half-year result | July 28th, 2015 |
| Q3 2015 revenues | November 12th, 2015 |

## 2.6.7 Contact

Teleperformance
Investor Relations Department
21-25 rue Balzac – 75008 Paris, France
Tel.: +33 1 53 83 59 87
Email: investor@teleperformance.com



# 3 Corporate Governance

# 3.1 Presentation of the Board of Directors

The combined general meeting held on May 31st, 2011 approved the Company's change in governance from a two-level governance structure consisting of a Supervisory Board and a Management Board to a single governance structure consisting of a Board of Directors.

With the aim of ensuring the implementation of proper governance, at its meeting held on May 30th, 2013, the Board of Directors decided to separate the roles of Chairman of the Board and Chief Executive Officer. On the same date, it decided to set up a 3-year handover period between Daniel Julien, Chairman of the Board with an executive role and founder of the Group and Paulo César Salles Vasques, Chief Executive Officer. The Board considered that this governance model was best suited to the upcoming transitional period.

This governance enables a clear distinction to be made between strategic, decision-making and supervisory functions, which fall under the Board's remit, and operational and executive functions, which are the responsibility of senior management. This structure is described in the Report of the Chairman of the Board on the conditions for preparing and organizing the Board's work and on the risk management and internal control procedures described in section 3.3.1.2 of the present Registration Document.

## 3.1.1 Internal regulations

During its deliberations on May 31st, 2011, the Company's Board of Directors adopted its internal rules the purpose of which is to clarify the role and procedures of the Board of Directors, in accordance with the legal and statutory provisions and corporate governance rules applicable to companies whose securities are traded on a regulated market.

The main provisions of these internal rules are described below.

### Composition of the Board of Directors

The Board of Directors consists of at least three and no more than eighteen members, except in the case of the temporary exemption provided for in the event of a merger. The Board members are appointed among natural persons or legal entities who are shareholders by the ordinary meeting of shareholders, which may dismiss them at any time.

The legal entities appointed as Directors to the Board must nominate a permanent representative, who will be subject to the same conditions and obligations as if they were a director in their own name. If the legal entity terminates the term of its permanent representative, it is required to provide for their replacement at the same time. The same applies in the event of the death or resignation of said permanent representative.

Each member of the Board of Directors must hold 1,000 shares. Members of the Board of Directors and the permanent representatives of legal entities are required to register the shares that they hold in the Company in registered form. This obligation also applies to the minor children and spouses of members who are natural persons, as well as to the minor children and spouses of the permanent representatives of legal entity members.

In accordance with the AFEP-MEDEF Corporate Governance Code for listed companies (the "AFEP-MEDEF Code"), the Board of Directors intends to include a majority of independent directors among its members. The classification as an independent director is reviewed by the Board every year, prior to the publication of the Registration Document. The Board adopts resolutions on the recommendation of the Remuneration and Appointments Committee. To classify a director as independent, and prevent the risk of a conflict of interest between this member and executive management, the Company or the Group, the Committee and the Board review this quality in light of the following independence criteria in the AFEP-MEDEF Code:

- not to be an employee or executive director of the Company, or an employee or director of its parent or a company that the latter consolidates, and not having been in such a position for the previous five years;
- not to be an executive director of a company in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive director of the company (currently in office or having held such office for less than five years) is a director;
- not to be a client, supplier, investment or commercial banker that is material to the Company or its Group, or for a significant part of whose business the company or its group accounts;
- not to be related by close family ties to an executive officer;
- not to have been an auditor of the Company within the previous five years;
- not to have been a director of the Company for more than twelve years.

Directors who represent major shareholders who do not have any control in the Company are assumed to be independent if the shareholders they represent do not hold over 10% of the share capital and voting rights. Above this 10% threshold, the Board has to decide on their independence, upon recommendation of the Remuneration and Appointments Committee.

For the purposes of interpreting this paragraph:

- the Group includes the Company and any related company;
- a related company is any company that controls the Company, or any company controlled by the Company;
- control is understood within the meaning of Article L.233-3 of the French Commercial Code;
- an executive director is any person who has been appointed as a member of a corporate body (Management Board, Supervisory Board or Board of Directors) and any person appointed to a Senior Management position.

The Board may consider that a given member who fulfills the above independence criteria should not, however, be classified as independent given their specific situation or that of the Company, and vice versa.

## Term of office

In accordance with the provisions of Article 14 of the articles of association, members of the Board of Directors are appointed for a three-year term, which expires at the closing of the ordinary meeting of shareholders called to approve the financial statements for the year ended and held in the year in which the appointment expires. Directors may be re-elected.

The ordinary meeting of shareholders may appoint one or several directors for a term of two years, on an exceptional basis, and solely to enable the implementation or continuation of the staggering of directors' appointments. The Board of Directors shall seek to propose the appointment or re-appointment of directors to the ordinary meeting of shareholders on a rolling basis, in order to avoid the simultaneous expiry of all of the directors' terms of office.

## Role of the Board of Directors

### Assignments

Pursuant to legal and regulatory provisions, the articles of association and its internal rules, the Board of Directors shall specifically assume the following duties:

- reviewing and determining the guidelines for the Company's business;
- selection of the organization structure of Executive Management: dissociation or uniqueness of the functions of Chairman and CEO;
- authorizing sureties, endorsements and guarantees
- prior authorization of regulated agreements and commitments;
- defining the remuneration policy for executive directors and distribution of directors' fees within the global amount decided by the shareholders' meeting amongst Board members;
- co-opting members of the Board under the conditions determined by the regulations in force;
- appointing and dismissing the Chairman, the Chief Executive Officer, and the Deputy Chief Executive Officers;
- continuous monitoring of the Company's management;
- managing potential conflicts of interest;
- setting up special Committees, for which it shall appoint the members and determine the remit and operating procedures;
- drafting management forecasts;
- approving the annual parent company and consolidated financial statements to be submitted for approval to the ordinary meeting of shareholders;
- convening and setting the agenda for the shareholders' meeting;
- determining the number of performance shares or shares resulting from the exercise of options that executive directors are required to retain until the end of their term of office, in the event of the award of options or performance shares;
- approving the Chairman of the Board's report.

### Executive Management

#### Choice of the members responsible for the executive management of the Company

The Board of Directors shall be free to choose the executive management governance model, and shall decide to entrust the position of Chief Executive Officer either to the Chairman of the Board of Directors or to another person, specifically taking into account:

- the Company's business;
- the workload required by the respective positions of Chairman and Chief Executive Officer;
- the potential existence of Deputy Chief Executive Officers.

The Board of Directors may alter its choice at any time, taking the Company's interests and the demands of the business into account. It may appoint one or several Deputy Chief Executive Officers responsible for assisting the Chairman and CEO or the Chief Executive Officer. The Deputy Chief Executive Officer(s) will be appointed with the agreement of the Chief Executive Officer; the Board of Directors will determine the Deputy Chief Executive Officers' powers and remits together with the Chief Executive Officer.

#### Monitoring of executive management

The Board of Directors oversees and monitors the management exercised by the Chief Executive Officer and, where applicable, by the Deputy Chief Executive Officers, as part of its overall monitoring and verification remit provided for by law. It specifically verifies that the business is steered and that pre-determined strategy is implemented in an appropriate manner by senior management. In this regard, the Board of Directors may ask the Chairman and CEO or the Chief Executive Officer, as applicable, for any additional information on decisions that have been taken and implemented, and have any documents forwarded to it.

#### Determining strategic choices

The Board of Directors determines and approves strategic choices, in view of the Company's interests. As part of this assignment, the Board of Directors specifically deliberates on the following issues, together with senior management, before any decision is taken:

- the strategic options;
- the consolidated annual budgets;
- any material (commercial, industrial, financial, real estate or other) transactions planned by senior management which do not fall within the scope of declared strategy or are off-budget.

  Transactions with a quantifiable financial impact may involve, for instance, real property or other investments through organic growth or acquisitions, real property or other divestments assets or internal restructuring transactions, where the amount involved represents more than 20% of Group equity as shown in the latest consolidated financial statements approved by the Board of Directors;

  Other transactions primarily relate to alliances of any kind that involve a significant portion of consolidated revenues;
- dividend distributions.

In addition, the Board of Directors may offer an opinion to executive management on any issue in which the Group has a general interest.

#### Opinion on the appropriateness of management decisions

The Board of Directors issues an opinion on the appropriateness of the management process, in view of the Company's interests.

As part of this assignment, the Board of Directors:

- introduces internal procedures for the preparation of the financial statements and systems for reporting information to corporate officers;
- approves the parent company and consolidated financial statements;
- decides on whether to renew the appointments of the statutory auditors, in consultation with the Audit Committee, puts forward all candidates for the position of statutory auditor, and ensures that the Company's statutory auditors are independent;
- reviews the information provided to shareholders and the market, as well as the measures implemented to ensure that this information is reliable.

### Directors' rights and obligations

The Board of Directors may perform any checks and controls that it deems appropriate at any time. It may ask the Company to forward to it any documents of any kind that are useful for the performance of its assignment, regardless of whether such documents are issued by the Company or are intended for it. The directors are entitled to have any documents and information forwarded to them, in order to perform this assignment.

This right shall be exercised *via* the Chairman of the Board of Directors; the directors may not personally interfere in the management of the Company or directly request the documents and information required.

The Board of Directors may ask to be assisted or represented by the experts or employees that it chooses. Once the Company has been notified of their names and their appointment as such, these experts and employees will have the same investigative rights as the directors responsible for the assignment in question.

Members of the Board of Directors will be provided with a presentation of the Group's business activities, as well as training regarding the Group's specific accounting, financial and operating features, when they are appointed.

The Board of Directors' internal rules also set out the obligations incumbent on directors, specifically with regard to corporate ethics, confidentiality, conflicts of interest and the possession of insider information.

Members of the Board of Directors and of the Committees, together with any persons attending the meetings of the Board and its Committees are bound by a general confidentiality obligation regarding the discussions of the Board and its Committees, as well as regarding any information of a confidential nature or presented as such by its Chairman.

### Managing conflicts of interest

As part of the management of conflicts of interest, the Board of Directors authorizes regulated agreements and commitments and settles any potential situation of conflict of interest involving common directors within the Group.

### Board meetings

The Board of Directors meets as often as the Company's interests require. It is convened by the Chairman or by the Vice-Chairman, where applicable. If the position of Chairman is vacant, or if the Chairman is prevented from attending, the Board of Directors may be convened on a given agenda by the Chief Executive Officer, the appointed Vice-Chairman, where applicable, or by any director.

Meetings may be held in any location, as indicated in the notice. An attendance register is kept and is signed by the members of the Board of Directors attending the meeting. At least half of the Board members must be physically present for the Board's decisions to be valid.

Decisions are taken by majority vote of the members who are present or represented; each member who is present or represented has one vote, and each member who is present may only hold one proxy. The Chairman of the meeting has the casting vote in the event of a tied vote.

The Board of Directors may invite anyone that it chooses to attend all or part of its meetings. The Board decides whether to hear these speakers individually or collectively.

In accordance with the law (Articles L.225-37 and R.225-21 of the French Commercial Code) and with the Company's articles of association (Article 16), the internal rules may stipulate that members who take part in the meeting *via* videoconference and telecommunications systems will be deemed present for the calculation of the quorum and majority.

### Minutes of proceedings

The Board of Directors' discussions are recorded in minutes that are entered into a special ledger held at the registered office. The minutes shall mention the use of the videoconference and telecommunication systems described in the previous sub-paragraphs, where applicable.

The minutes are signed by the Chairman of the meeting and by at least one member of the Board of Directors; in the event that the Chairman of the meeting is prevented from attending, the minutes are signed by at least two members of the Board of Directors. In addition to the information required by law, these minutes specify the nature of the information provided to members of the Board of Directors, and provide a summary of the discussions, as well as an indication of the manner whereby each of the members present or represented voted on each item in the agenda.

At each Board meeting, the Chairman shall provide each member in attendance with a copy of the minutes of the previous meeting as approved by the Board of Directors.

### Committees

The Board of Directors may decide to set up internal Committees, for which it determines the membership and remits, and which perform their activities under its responsibility. The Board decided to create two permanent specialized committees: The Audit Committee and the Remuneration and Appointments Committee. Each Committee reports to the Board of Directors on its work and informs the Board of any points that it considers problematic or requiring a decision, thereby assisting the Board's discussions. At each Board meeting, the Chairman of each Committee shall provide each Board member in attendance with a report on the Committee's work since the last Board meeting.

The Committees of the Board of Directors do not include any executive directors.

### Assessment

In accordance with the AFEP-MEDEF Code, once a year the Board of Directors will assign one item on its agenda to a discussion of its works and that of its committees. It reviews the membership of the Board, the performance of its assignments and remits, the nature and format of its meetings, the regularity and relevance of the information provided, and the Board's relations with senior management and the Executive Committee, as well as the organization and work of the Committees. In addition, a formal assessment of the Board's work is performed every three years, with the support of the Remuneration and Appointments Committee.

## 3.1.2 Composition of the Board of Directors

In accordance with the recommendations of the AFEP-MEDEF Code, the majority of the members of the Board of Directors are independent directors. The Board of Directors currently consists of 14 members, nine of whom are independent, *i.e.*, 64%.

The Board of Directors met five times in 2014, including a three-day seminar held for the purpose of reviewing operating strategy. The attendance rate at the Board of Directors' meetings was 91% (see table page 67).

### 3.1.2.1 List of directors in office as of December 31st, 2014

| Name | Primary position in the Company | Age | Date of first appointment* and last renewal | Expiry of term of office** | Member of a Committee | Number of shares at 12/31/2014 |
|---|---|---|---|---|---|---|
| Daniel Julien(2) | Chairman of the Board of Directors | 62 | 5/31/2011 | 2015 AGM | - | 825,314 |
| Paulo César Salles Vasques(2) | Director and Chief Executive Officer | 45 | 5/30/2013 | 2016 AGM | - | 65,000 |
| Emily Abrera(1)(2) | Director | 67 | BD 11/27/2012<br>5/30/2013 | 2015 AGM | - | 1,000 |
| Daniel Bergstein(1)(2) | Director | 71 | 5/31/2011 | 2015 AGM | - | 7,500 |
| Alain Boulet(1) | Director | 65 | 5/31/2011<br>5/30/2013 | 2016 AGM | Audit Committee | 1,000 |
| Bernard Canetti(1) | Director | 65 | 5/31/2011<br>5/30/2013 | 2016 AGM | Audit Committee (Chairman) | 1,000 |
| Philippe Dominati | Director | 60 | 5/31/2011 | 2015 AGM | - | 1,000 |
| Philippe Ginestié | Director | 72 | 5/31/2011 | 2015 AGM | Remuneration and Appointments Committee | 2,789 |
| Jean Guez | Director | 69 | 5/31/2011 | 2015 AGM | Audit Committee | 1,000 |
| Robert Paszczak(1)(2) | Director | 64 | 5/31/2011<br>5/30/2013 | 2016 AGM | Remuneration and Appointments Committee (Chairman) | 1,014 |
| Mario Sciacca(1)(2) | Director | 72 | 5/31/2011<br>5/30/2013 | 2016 AGM | Audit Committee | 1,000 |
| Christobel Selecky(1)(2) | Director | 59 | 5/7/2014 | 2017 AGM | - | 1,000 |
| Angela Maria Sierra-Moreno(1)(2) | Director | 60 | 5/7/2014 | 2017 AGM | - | 1,000 |
| Stephen Winningham(1)(2) | Director | 65 | 5/31/2011<br>5/30/2013 | 2016 AGM | Remuneration and Appointments Committee | 1,000 |

* *The date indicated is the date of the first appointment as director following the change in the Company's governance from a structure with a Management Board and a Supervisory Board to a Board of Directors, as adopted by the combined general meeting held on May 31st, 2011.*
** *The Company has adopted a system of staggering directors' appointments, which explains why expiry dates vary depending on the director.*
*(1) Independent director.*
*(2) Non-French director.*

For the sake of good governance, the Board of Directors decided, after due consideration, to separate the roles of Chairman of the Board and Chief Executive Officer at its meeting held on May 30th, 2013. The Board considered that this governance model was best suited to the upcoming transitional period. On this occasion, Daniel Julien was appointed Chairman of the Board, with an executive role, while Paulo César Salles Vasques was appointed Chief Executive Officer.

The renewal of the directorships of Daniel Julien, Philippe Dominati, Daniel Bergstein, Philippe Ginestié, Jean Guez and Emily Abrera will be proposed at the shareholders' meeting to be held on May 7th, 2015.

It is proposed that the directorships of Daniel Julien, Philippe Ginestié, Jean Guez and Emily Abrera be renewed for a period of three years, until the 2018 shareholders' meeting called to approve the financial statements of the preceding year. It is proposed that the directorships of Daniel Bergstein and Philippe Dominati be renewed for a period of two years, until the 2017 shareholders' meeting called to approve the financial statements of the preceding year.

The summary table below outlines the changes in composition of the Board during the previous financial year and up to the date of preparation of this document:

| Director | Nature of change | Effective date | Diversification in the Composition of the Board of Directors |
|---|---|---|---|
| Christobel Selecky | appointment | May 7th, 2014 | diversification of the Board with respect to female gender and nationality |
| Angela Maria Sierra-Moreno | appointment | May 7th, 2014 | diversification of the Board with respect to female gender and nationality |

For the purposes of their appointments, members of the Board of Directors and the executive management are domiciled at the Company's registered office.

### Independent directors

At its meeting held on February 25th, 2014, the Board of Directors took the view, upon recommendation of the Remuneration and Appointments Committee, that Emily Abrera, Daniel Bergstein, Alain Boulet, Bernard Canetti, Robert Paszczak, Mario Sciacca and Stephen Winningham were, and continue to be, independent directors, as defined by the AFEP-MEDEF Code, to which the Company refers, and by the Board's internal rules.

During this meeting, the Board also affirmed the independence of Christobel Selecky and Angela Maria Sierra-Moreno (appointed as directors by the shareholders' meeting held on May 7th, 2014) as proposed by the Remuneration and Appointments Committee.

The Board of Directors, at its meeting held on February 25th, 2015, reviewed the independence of its members and confirmed that the directors continue to satisfy this requirement, noting that Daniel Bergstein, who exceeded the 12-year seniority criteria in September 2014, will lose his status as independent director at the end of the shareholders' meeting of May 7th, 2015. If all directorships are renewed at the shareholders' meeting of May 7th, 2015, the Board will be composed of 8 independent directors out of 14, representing 57% and would therefore continue to satisfy the recommendations of the AFEP-MEDEF Code on this point.

### Family ties

To the Company's knowledge, there are no family ties between the members of the Board of Directors.

### Absence of conviction for fraud, responsibility for a bankruptcy or indictment and/or public sanction

To the Company's knowledge, as of the date of the present Registration Document, none of the following events had occurred during the past five years:

- no member of the Board of Directors or executive management had been convicted of fraud;
- no member of the Board of Directors or executive management had been involved in a bankruptcy, a sequestration of assets or a liquidation procedure;
- no member of the Board of Directors or executive management had been the subject of an indictment or official public sanction by any statutory or regulatory authority; and
- no member of the Board of Directors or executive management had been prevented by a court order from acting in the capacity of a member of an issuer's administrative, management or supervisory body or from being involved in the management or conduct of an issuer's business affairs.

## 3.1.2.2 Biographies of directors in office

### Daniel Julien

*Chairman of the Board of Directors*

French and US nationalities

Daniel Julien was born on December 23rd, 1952, and holds an Economics Degree from Paris X University. In 1978, he founded the Teleperformance telemarketing company in a Paris office with only ten telephone lines, at the age of 25. By 1985, only a few years later, a series of organic growth transactions and acquisitions had boosted Teleperformance to the position of market leader in France. The Group opened subsidiaries in Belgium and Italy the following year. In 1988, the Group continued its European development by adding subsidiaries in Spain, Germany, Sweden and the United Kingdom, and in 1995 it became the European market leader. In 1993, under the leadership of its founder, the Group continued its international expansion by opening a call center in the United States, followed by Asia in 1996 and then Latin America, including Mexico in 2002 and Argentina and Brazil in 2004. The Group founded by Daniel Julien has been the global leader in the customer relations management market since 2007.

Daniel Julien was Chairman of the Management Board of Teleperformance SA and then Chairman and CEO from May 2011 to May 2013. He was appointed Chairman of the Board of Directors on May 30th, 2013, following the separation of the positions of Chairman of the Board and Chief Executive

Officer, in order to comply with the corporate governance recommendations as fully as possible and begin the process of handing over the reins to the next generation. In order to ensure a smooth transition, the Board unanimously asked Daniel Julien to remain fully involved and to retain his executive role at Teleperformance Group Inc. (operational headquarters in the United States) under the same conditions over the next three years. Since the same date, he has an executive role within the Group in addition to his responsibilities and missions due to his office as Chairman of the Board.

Since June 2013, Daniel Julien has been actively passing on to Paulo César Salles Vasques his in-depth knowledge of the Group and the specific features of its regions and management teams, as well as the knowledge of world markets that he has acquired over 35 years. This transition phase is expected to end in mid-2016.

## Paulo César Salles Vasques

*Director and Chief Executive Officer*

Brazilian nationality

Paulo César Salles Vasques was born on November 6th, 1969. He holds a Degree in Chemical Engineering from Mackenzie University in São Paulo, Brazil, and a Postgraduate Degree in Management, with specialization in Marketing, from the Getúlio Vargas Foundation in São Paulo.

Paulo César Salles Vasques has acquired a wealth of experience over 15 years spent in the world of call centers with major companies including Contax S.A (Oi), CSU CardSystem SA, White Martins, Liquid Carbonic, Air Product and Teleperformance.

He joined the Teleperformance Group in 2005 and, as Chief Executive Officer of Teleperformance Brazil, succeeded in building one of the Group's most outstanding operating units in just a few years. Mr. Salles Vasques was appointed a member of Teleperformance SA's Management Board in January 2010. He was appointed director and Chief Executive Officer of Teleperformance SA on May 30th, 2013.

## Emily Abrera

*Director*

Philippine nationality

Emily Abrera was born on August 6th, 1947, and holds a degree in Journalism and Mass Communications at the University of the Philippines. In 1979 Emily Abrera joined the Philippine subsidiary of McCann Erickson, a global advertising communications group, as creative director. She was appointed President in 1992, and became Chairman and Chief Executive Officer of the Company from 1999. Her exemplary management contributed to the agency's success and sustained leadership in a highly competitive environment. After retiring in May 2004, Ms. Abrera served as Chairman of McCann Worldgroup Asia-Pacific from 2008 to 2010, as well as Chairman Emeritus of McCann Worldgroup in the Philippines.

Ms. Abrera is involved in a number of public interest causes which include literacy, children's and women's rights and protection of the environment. She serves as Chairman of the Board of the Philippine Cultural Center since 2006 and the Children's Hour Philippines organization since 2009. She is also a Board member of the Philippine Eagle Foundation, the Philippine Board on Books for Young People and the Philippine Cancer Society.

Emily Abrera was co-opted to the Board of Directors of Teleperformance SA on November 27th, 2012.

## Daniel Bergstein

*Director*

US nationality

Daniel Bergstein was born on May 1st, 1943, and holds a Master's Degree from the City University of New York and a Ph.D. in Law from Brooklyn University (United States). As a partner at the New York office of Paul Hastings law firm, Daniel Bergstein has acquired over 35 years' experience in the field of financial transactions, especially corporate finance and M&A. He is Co-Chairman of the firm's Global Telecommunications and Media Department, which includes around 60 lawyers worldwide. Daniel Bergstein was formerly the Chairman of the firm, which then employed around 200 lawyers. Mr. Bergstein represents issuers, investors and investment banks. He acts as M&A adviser to a large number of telecommunications and e-commerce companies, as well as to public and private media groups.

Daniel Bergstein was appointed to the Supervisory Board of Teleperformance SA in September 2002, and has been a director since May 31st, 2011, following the change in the Company's governance structure adopted by the shareholders' meeting.

## Alain Boulet

*Director and member of the Audit Committee*

French nationality

Alain Boulet was born on June 24th, 1949, and holds a Degree in Psychology from Nanterre University. In 1986, he became the founding Chairman of the ONE agency. He became Chairman of the SR Marketing Services group in 2003. Alain Boulet worked as a web marketing consultant between 2008 and 2012. He was appointed director of Teleperformance SA on May 31st, 2011.

## Bernard Canetti

*Director and Chairman of the Audit Committee*

French nationality

Bernard Canetti was born on May 7th, 1949, and graduated from the ESCP Europe Business School in 1972. Bernard Canetti's career has been focused on publishing and innovation. He was Chief Executive Officer of Éditions Robert Laffont's mail-order business until 1984, when he joined the Guilde Internationale du Disque, which he merged with the Editions Atlas group in 1986. As CEO, then Chairman and CEO, over 25 years he turned the Company into a profitable and powerful group operating in 29 countries and market leader for online and mail-order sales of cultural collections and mass-market textile products. Bernard Canetti founded Xynergy in 2010 and became the Company's Chairman. In 2012, he acquired the "*Centre Européen de Formation*" (European Training Centre), one of the main providers of remote professional training and correspondence courses in France, and became its Chairman.

Bernard Canetti was appointed to the Supervisory Board of Teleperformance SA on June 23rd, 2005, and became a director on May 31st, 2011, following the change in the Company's governance structure adopted by the shareholders' meeting.

## Philippe Dominati

*Director*

French nationality

Philippe Dominati was born on April 12th, 1954, and holds a Degree in Law from Paris II- Assas University and a Degree in Political Science from Metz University.

Philippe Dominati was a Councilor in Paris (8th District) from 1989 to 2001 and a Regional Councilor for Ile-de-France (Paris region) from 1992 to 2004. He has been senator from Paris and a member of the French Finance Commission since September 2004. Philippe Dominati chaired the Senatorial Investigation Committee on the flight of capital and assets from France.

He was appointed to the Supervisory Board of Teleperformance SA in June 1996, and became a director on May 31st, 2011, following the change in the Company's governance structure adopted by the shareholders' meeting.

## Philippe Ginestié

*Director and member of the Remuneration and Appointments Committee*

French nationality

Philippe Ginestié was born on January 1st, 1943, and is a graduate of the HEC Business School, Harvard Business School and Harvard Law School. He also holds a Higher Diploma in Law and a Higher Diploma in Economics from Montpellier University.

From 1967 to 1968, he taught at the law faculty of La Paz (Bolivia). He was a member of the Peat Marwick Mitchell group's legal and tax department from 1969 to 1971. Philippe Ginestié founded the Ginestié legal advisory firm in 1973. In 1982, the firm became Ginestié-Paley-Vincent and then Ginestié-Magellan-Paley-Vincent in 2005. He was the majority shareholder of Dictionnaires Le Robert from 1978 to 1981.

He also specializes in the application of artificial intelligence to contracts. In 2002, he founded Ginerativ, a company that specializes in developing contract and complex contractual framework management systems.

Philippe Ginestié was appointed to the Supervisory Board of Teleperformance SA on June 2nd, 2010, and became a director on May 31st, 2011, following the change in the Company's governance structure adopted by the shareholders' meeting.

## Jean Guez

*Director and member of the Audit Committee*

French nationality

Jean Guez was born on November 25th, 1945, and is a graduate of the Montpellier Business School and the Paris Institute of Corporate Administration. He also holds a Degree in Chartered Accountancy. From October 1967 he worked as a trainee chartered accountant at SETEC (Paris), and then at Peat Marwick Mitchell (KPMG) from December 1968. In 1972, after qualifying as a chartered accountant and statutory auditor, he joined SO.CO.GE.RE as Chief Executive Officer, a position he held until 1982, when he joined Sofintex as a Managing Partner. He then became a partner of the BDO France group in 2000, and then of the Deloitte group in 2006. He is currently a Managing Partner at Conseil CSA.

Jean Guez was appointed to the Supervisory Board of Teleperformance SA on January 29th, 2010, and became a director on May 31st, 2011, following the change in the Company's governance structure adopted by the shareholders' meeting.

## Robert Paszczak

*Director and Chairman of the Remuneration and Appointments Committee*

US nationality

Born on August 10th, 1950, Robert Paszczak received a degree in Finance at Northern Illinois University, (United States) in 1972. Having risen through the ranks in a national commercial finance company, he became Vice-President of the Gary-Wheaton Bank group in 1981, and then became the director of commercial lending in 1982, a position he held until 1991, when he was appointed director of the Gary-Wheaton Corporation. In 1993, following the acquisition of Gary-Wheaton Bank by First National Bank of Chicago, he continued to serve as Vice-President in charge of commercial banking of Gary-Wheaton Bank. Lastly, between 1995 and 2009, following additional mergers, he held successive positions as senior Vice-President at First National Bank of Chicago, American National Bank & Trust Company of Chicago, Bank One Corporation and JP Morgan Chase Bank. He was appointed vice-Chairman of Wheaton Bank & Trust (Wintrust Financial) in March 2010, and became Chairman of the Board in 2013. Robert Paszczak is very involved in charitable organizations.

Robert Paszczak was appointed to the Supervisory Board of Teleperformance SA on June 2nd, 2010, and has been a director since May 31st, 2011, following the change in the Company's governance structure adopted by the shareholders' meeting.

## Mario Sciacca

*Director and member of the Audit Committee*

Italian nationality

Mario Sciacca was born on January 25th, 1943, and is one of the leading European experts in below-the-line marketing (sales promotions, incentive events, direct marketing, web and digital marketing). He began his career organizing conferences and conventions, and in 1970, he joined the E.F. MacDonald group in Dayton (Ohio), which was the global leader in sales promotions at that time. He was appointed Chief Executive Officer of the group's Italian subsidiary in 1972, and then became deputy director and a member of the European Board in 1973. He left E.F. MacDonald in 1978 to take over a small incentives agency, Promoplan. Promoplan became the Italian BTL market leader in five years through organic growth and acquisitions, as well as a major European player. Since the 1980s, Mario Sciacca has been involved in the expansion of professional sales promotion organizations. Since 2000, he has been a Board member of Assocomunicazione, the Italian communications industry association. He became Chairman of Shux Srl, a luxury goods retail website, in 2010.

He has been Vice-Chairman of Next Group SpA and of B2U srl, one of the main Italian operators in the events, sales promotion and customer loyalty market, since January 2011.

Mario Sciacca was appointed to the Supervisory Board of Teleperformance SA on January 29th, 2010, and has been a director since May 31st, 2011, following the change in the Company's governance structure adopted by the shareholders' meeting.

## Christobel Selecky

*Director*

US nationality

Christobel Selecky was born on March 9th, 1955, and holds a Bachelor's Degree in Political Science and Philosophy from the University of Delaware (United States) and a Masters' Degree in Public Relations and Communications from Syracuse University (New York). Ms. Selecky has over 30 years' experience in the healthcare sector as a director, manager and company founder. In 1981, she joined FHP International Corporation, a NASDAQ-listed company that administered managed healthcare plans, operated medical and dental clinics, hospitals, and pharmacies, and sold health and workers compensation insurance. She became the President of FHP's largest business unit, the California Health Plan, with US$2 billion in annual revenues serving more than 1 million Medicare, Medicaid, and Commercial health plan members. In 1996, she became co-founder, Chairman, and Chief Executive Officer of LifeMasters Supported Selfcare Inc., a company that provided outsourced, call center-based disease and care management services as part of health care plans and benefits granted by employers, and by public sector employee retirement schemes, unions and trusts. The Company provided its services to more than 1 million people in the United States. She has been working as an independent consultant since 2010, and provides strategic advice and recommendations to teams of managers and investors involved or seeking to become involved in the healthcare sector at both national and international level.

Deeply involved in the charitable sector, Christobel Selecky is a member of the Board of trustees of United Cerebral Palsy, a US national non-profit organization for people with disabilities, the chair-elect of the Board of Directors of Population Health Alliance, a nonprofit organization promoting public health care activities through advocacy, research and education, and is an Advisory Committee member of URAC, an association promoting health care quality.

Christobel Selecky was appointed director by the shareholders' meeting held on May 7th, 2014.

## Angela Maria Sierra-Moreno

*Director*

Colombian nationality

Angela Maria Sierra-Moreno was born on August 30th, 1954, and holds a Degree in Bacteriology from the Colegio Mayor de Antioquia University (Colombia) and a Masters' Degree in Science from the University of Ohio (United States).

Angela Maria Sierra-Moreno has acquired over 20 years' experience in the customer management field in various business sectors. From 1995 to 2002, Ms. Sierra-Moreno was Vice-President in charge of Services at ACES, where one of her main tasks was to coordinate initiatives aimed at changing the Company's culture, in accordance with its requirements and those of the outside environment.

In 2002, she joined Avianca as Vice-President in charge of Services and Human Resources. In this capacity, she contributed to developing a corporate strategy aimed at setting up a customer-centric organizational structure by designing and implementing processes, tools and mechanisms dedicated to customer service for the Company's global operations. Ms. Sierra-Moreno has been an organizational management consultant since 2010, and advises companies and organizations from various business sectors on customer relationship management, Human Resources, and cultural and organizational change.

Angela Maria Sierra-Moreno was appointed director by the shareholders' meeting held on May 7th, 2014.

## Stephen Winningham

*Director and Member of the Remuneration and Appointments Committee*

US nationality

Stephen Winningham was born on December 1st, 1949, and holds Economics Degrees from the University of Columbia and New York University. He has thirty years of international experience in the banking field. He began his career in the investment banking sector at Citibank, NA, before moving to Drexel Burnham Lambert. He then held management positions at PaineWebber Inc. and Kidder Peabody & Co. in New York, which have since then merged with the UBS Group.

He was managing director of Salomon Brothers-Citigroup from 1996 to 2007, when he was based in New York and Hong Kong. He became managing director of Lloyds Banking in London in 2007, specifically responsible for global finance institutions, and then for key accounts in 2009. Stephen Winningham has been a Managing Director and Co-Head of the Corporate Finance Department at Houlihan Lokey in London since February 2012.

Stephen Winningham was appointed to the Supervisory Board of Teleperformance SA on June 2nd, 2010, and has been a director since May 31st, 2011.

### 3.1.2.3 Other directorships held by current directors

| | Current directorships | Directorships expired within the last five years |
|---|---|---|
| **Daniel Julien** | **Teleperformance Group**<br>▪ *Executive Chairman* of Teleperformance Group Inc. (USA)<br>**Other**<br>▪ *Director* of Frens Inmobiliaria, S.A. de C.V. (Mexico)<br>▪ *Director* of DJ Plus Operadora Inmobiliaria, S. de R.L. de C.V. (Mexico)<br>▪ *Director* of DJ Plus S. de R.L. de C.V. (Mexico) | **Teleperformance Group**<br>▪ *Chairman of the Board of Directors, Chairman of the Supervisory Board and Chief Executive Officer* of Teleperformance SA<br>▪ *Director* of French and overseas subsidiaries of the Teleperformance Group<br>**Other**<br>none |
| **Paulo César Salles Vasques** | **Teleperformance Group**<br>▪ *Chairman* of Teleperformance CRM S.A. (Brazil)<br>▪ *Director* of Teleperformance Group Inc. (USA)<br>▪ *Director* of SPCC, Sao Paulo Contact Center Ltda (Brazil)<br>**Other**<br>none | **Teleperformance Group**<br>▪ *Member of the Management Board* of Teleperformance SA<br>▪ *Director* of Citytech S.A. (Argentina)<br>▪ *Chairman* of SPCC, Sao Paulo Contact Center Ltda (Brazil)<br>**Other**<br>none |
| **Emily Abrera** | **Teleperformance Group**<br>none<br>**Other**<br>▪ *Chairman* of the Foundation for Communication Initiatives (Philippines)<br>▪ *Chairman of the Board* of CCI Asia<br>▪ *Director* of Pioneer Insurance<br>▪ *Director* of Splash Corporation | **Teleperformance Group**<br>none<br>**Other**<br>▪ *President of the Board* of McCann Worldgroup Asia-Pacific Region<br>▪ *Director* of Aboitiz Transport Corporation and Bank of the Philippine Islands (BPI) |
| **Daniel Bergstein** | **Teleperformance Group**<br>▪ *Director* of Teleperformance Group Inc. (USA)<br>**Other**<br>none | **Teleperformance Group**<br>▪ *Chairman of the Supervisory Board* of Teleperformance SA<br>**Other**<br>▪ *Partner* at Paul Hastings LLP (USA)<br>▪ *Director* of Cebridge connections LLC & Towervision Ltd (USA)<br>▪ *Director* of Cequel Data Center LLC (USA)<br>▪ *Director* of Cequel III LLC (USA)<br>▪ *Director* of Foundation Fighting Blindness (USA) |
| **Alain Boulet** | **Teleperformance Group**<br>none<br>**Other**<br>none | **Teleperformance Group**<br>none<br>**Other**<br>none |
| **Bernard Canetti** | **Teleperformance Group**<br>none<br>**Other**<br>▪ *Chairman* of Centre Européen de Formation SAS (France)<br>▪ *Chairman* of Xynergy SAS (France)<br>▪ *Director* of Productions Jacques Canetti and Editions Majestic (France) | **Teleperformance Group**<br>▪ *Member of the Supervisory Board* of Teleperformance SA<br>**Other**<br>▪ *Chairman* of Provea SAS, Éditions Atlas SAS and Éditions Atlas Inc.<br>▪ *Director* of Marathon SAS |
| **Philippe Dominati** | **Teleperformance Group**<br>▪ *Chairman of the Supervisory Board* of Teleperformance France SAS (France)<br>**Other**<br>▪ *Manager* of Isado SARL (France)<br>▪ *Manager* of Trocadéro SCP (France) | **Teleperformance Group**<br>▪ *Member of the Supervisory Board* of Teleperformance SA<br>**Other**<br>▪ *Director* of Akoa, Akoa Interactive, IDCC, Pédagogie du management, Presence + Group, Theolia and Caisse d'Épargne SLE Paris-Ouest |
| **Philippe Ginestié** | **Teleperformance Group**<br>none<br>**Other**<br>▪ *Director* of Cotrafi<br>▪ *Director* of Gontrand Hong Kong (China)<br>▪ *Manager* of Ginerativ EURL (France)<br>▪ *Manager* of SCI Château de Montaren (France)<br>▪ *Joint-manager* of GMG SARL (France) | **Teleperformance Group**<br>▪ *Member of the Supervisory Board* of Teleperformance SA<br>**Other**<br>▪ *Member of the Supervisory Board* of Aurel Leven and NextStage Private Equity<br>▪ *Director* of Dynaction and CG Group |

| | | |
|---|---|---|
| **Jean Guez** | **Teleperformance Group**<br>▪ *Director* of Société Tunisienne de Telemarketing (Tunisia)<br>▪ *Director* of S.M.T. SA (Tunisia)<br>▪ *Director* of SAMAC SA (Morocco)<br>▪ *Director* of LCC (Luxemburg)<br>**Other**<br>▪ *Manager* of Cabinet SCA<br>▪ *Manager* of SCI Anne Pierre<br>▪ *Manager* of SCI Sinimmo | **Teleperformance Group**<br>▪ *Member of the Supervisory Board* of Teleperformance SA<br>**Other**<br>▪ *Director* of Société fiduciaire d'expertise comptable de gestion et de révision |
| **Robert Paszczak** | **Teleperformance Group**<br>none<br>**Other**<br>▪ *Chairman of the Board* of Wheaton Bank and Trust (Wintrust Group) (USA)<br>▪ *Director* of Euclid Beverage (USA) | **Teleperformance Group**<br>▪ *Member of the Supervisory Board* of Teleperformance SA<br>**Other**<br>▪ *Senior Vice-President* of JP Morgan Chase Bank SA |
| **Mario Sciacca** | **Teleperformance Group**<br>none<br>**Other**<br>none | **Teleperformance Group**<br>▪ *Member of the Supervisory Board* of Teleperformance SA<br>**Other**<br>▪ *Vice Chairman* of Jakala group and B2U SRL Milan-Italy<br>▪ *Chairman* of Catiturama Spa, Gala Events Srl, JP Solutions, Shux-LE Srl, Next Spa Rome-Italy and Next Group |
| **Christobel Selecky** | **Teleperformance Group**<br>none<br>**Other**<br>▪ *Director* of American Specialty Health (USA)<br>▪ *Director* of Memorial Care Innovation Fund (USA) | **Teleperformance Group**<br>none<br>**Other**<br>▪ *Director* of LifeMasters Supported Selfcare Inc. (USA)<br>▪ *Member of the Advisory Committee* of Houlihan Lokey (USA) |
| **Angela Maria Sierra-Moreno** | **Teleperformance Group**<br>none<br>**Other**<br>▪ *Director* of LASA SA (Colombia)<br>▪ *Director* of Prestigio (Colombia)<br>▪ *Director* of Dinamica (Colombia) | **Teleperformance Group**<br>none<br>**Other**<br>▪ *Director* of ARCESA |
| **Stephen Winningham** | **Teleperformance Group**<br>none<br>**Other**<br>▪ *Managing Director* of Houlihan Lokey (United Kingdom) | **Teleperformance Group**<br>▪ *Member of the Supervisory Board* of Teleperformance SA<br>**Other**<br>▪ *Managing Director* of Global Communications Group (Citigroup Investment Banking) and Lloyds Banking Group<br>▪ *Director* of Guaranteed Export Finance Corporation Plc, First Securitisation Company Ltd and Lloyds TSB Mtch Ltd |

### 3.1.2.4 Conflicts of interests

To the Company's knowledge, as of the date of this Registration Document, no director or member of the executive management has a conflict of interest between their duties to the Company and/or the Group and their private interests.

To the Company's knowledge, as of the date of this Registration Document, no arrangement or agreement exists with the principal shareholders, customers or suppliers wherein one of the members of the Board of Directors or the executive management has been selected in this capacity.

To the Company's knowledge, as of the date of this Registration Document, no restriction has been accepted by members of the Board of Directors or the executive management concerning the transfer of their holdings in the Company, other than restrictions attached to performance shares granted to them.

### 3.1.2.5 Contracts, service agreements and interests held in Group companies

#### Service agreements or agreements entered into with members of the Board of Directors

The agreements listed below are ordinary agreements concluded on normal terms.

The consulting firm, in which Jean Guez is a partner, entered into a technical assistance agreement with LCC on January 1st, 2010; this agreement was terminated on June 30th, 2012. On July 1st, 2012, a technical assistance agreement was signed with Teleperformance SA. The services provided under this agreement were invoiced for a total of €150,000 excluding tax during the 2014 financial year.

Philippe Ginestié is a partner in a law firm that provides a range of legal services on the Group's behalf. Services were invoiced under this agreement for the amount of €269,515.19, excluding tax, for the 2014 financial year. This amount corresponds to works and services on projects in business law and labor law (except items concerning the remuneration of executive directors). It is also due to invoices addressed at the end of a project and therefore may cover several years. This amount is not material for the legal firm nor to the Company.

Daniel Julien has the following shareholdings:

- a 30% interest in a company that owns a building leased to Merkafon de Mexico S.A. de C.V. (Mexico). The total rental income for said building amounted to US$1,586,738 in 2014 compared to US$1,559,586 in 2013. It is noted that the lease was terminated on January 10, 2015 and the Group will leave the premises definitively on April 30th, 2015;
- a 35% interest in companies that own a building leased to Servicios Hispanic Teleservices S.C. (Mexico). The total rental income for said building amounted to US$564,516 in 2014 compared to US$558,377 in 2013;
- 33.3% and 2% interests in companies that own a building leased to Citytech S.A. (Argentina). The total rental income amounted to US$653,760 in 2014 compared to US$660,100 in 2013. It is noted that the lease was terminated as of December 31, 2014, and the Group now occupies a building it has owned since the end of 2014.

In September 2013, a study commissioned by the Group from an independent real estate valuation firm showed that the aforementioned rent transactions were carried out at below-market prices.

### Loans and guarantees granted to members of the Board of Directors

The Company has not granted any loans or guarantees to members of the Board of Directors or senior management team.

It is noted that Teleperformance Group Inc. granted a loan of US$5 million to Paulo César Salles Vasques under market conditions in 2012, well before his appointment as director and Chief Executive Officer of Teleperformance SA. As of December 31st, 2014, the balance amounted to US$2.5 million and is repayable in 2016 at the latest.

### Interests in Group companies held by members of the Board of Directors

Daniel Julien has (i) a 10% interest in GN Research SA (Luxembourg), (ii) a 7% interest in Hong Kong Asia CRM Ltd (China), and (iii) a 1.17% interest in Costa Rica Contact Center S.A. (Costa Rica).

To the Company's knowledge, no other director has investments or interests in Group companies, either directly or indirectly.

## 3.1.2.6 Assessment of the works of the Board of Directors

In accordance with the recommendations of the AFEP-MEDEF Code, the Board of Directors carries out a formal assessment of its organizational structure and work and that of its Committees on a regular basis, and at least once every three years, with the assistance of the Remuneration and Appointments Committee. The Committee may request that an assessment be carried out by an external consultant on this occasion. A formal assessment of this kind was performed in November 2012, and its conclusions were presented and discussed at the Board of Directors' meeting held on November 28th, 2012. In addition, every year the Board assigns an item on the agenda to a discussion or debate concerning its work.

The conclusions of these assessments and the annual discussions are presented in the Chairman of the Board of Directors' report on the conditions for preparing and organizing the Board of Directors' work and on the risk management and internal control procedures featured in section 3.3 *Chairman of the Board of Directors' report on the conditions for preparing and organizing the Board's works and on the risk management and internal control procedures* of this Registration Document.

# 3.2 *Presentation of the executive management*

On May 30th, 2013, the Board of Directors decided, after due consideration, to separate the roles of Chairman of the Board of Directors and Chief Executive Officer. On the same occasion, it decided to establish a transitional period of three years between the Chairman of the Board, founder of the Group, and the Chief Executive Officer. This governance structure is described in the Report of the Chairman of the Board of Directors on the conditions for preparing and organizing the Board's works and on the risk management and internal control procedures set out in section 3.3. of this Registration Document.

The Chief Executive Officer has been granted full powers to act in the Company's name in all circumstances. He exercises his powers within the scope of the corporate objects and subject to the powers expressly conferred by law on the general meeting of shareholders and the Board of Directors. In addition, the Chief Executive Officer exercises his powers within the limits provided for by the Board of Directors' internal rules, which act as internal organization rules. Therefore, under the terms of the internal rules, the following are subject to prior authorization by the Board:

- strategic options;
- consolidated annual budgets;
- material transactions (commercial, industrial, financial, real estate or other) which do not fall within the scope of declared strategy or are off-budget:
  - transactions with a quantifiable financial impact may involve, for instance, real property or other investments through organic growth or acquisitions, real property or other divestment of assets or internal restructuring transactions, where the amount involved represents more than 20% of Group equity as shown in the latest consolidated financial statements approved by the Board of Directors,
  - other transactions include primarily transactions concerning any form of alliance involving a significant proportion of consolidated revenues;
- dividend distributions.

The Chief Executive Officer represents the Company in its relations with third parties. For the performance of his duties, the Chief Executive Officer is assisted by an Executive Committee comprising the Group's key managers and chaired by the Chief Executive Officer.

As of the date of the present Registration Document, the members of the Executive Committee are:

**Paulo César Salles Vasques**
Chief Executive Officer and Chairman of the Executive Committee

**Jeff Balagna**
Chief Executive Officer of the English-speaking and Asia-Pacific region (EWAP)

**Fabricio Coutinho**
Chief Research and Development Officer

**Lyle Hardy**
Chief Information Officer

**Olivier Rigaudy**
Chief Financial Officer

**Yannis Tourcomanis**
Chief Executive Officer of the Continental Europe, Middle-East and Africa region (CEMEA)

**Alan Truitt**
Chief Business Development Officer

**Brent Welch**
Chief Operations Officer

# 3.3 Report of the Chairman of the Board of Directors on the conditions for preparing and organizing the Board's works and on the risk management and internal control procedures

This report will be presented to the general meeting of shareholders of Teleperformance SA to be held on May 7th, 2015, in accordance with the provisions of Article L.225-37 of the French Commercial Code. Its purpose is to report on:

- references made to a Corporate Governance Code;
- membership of the Board and balanced representation of men and women;
- the conditions for preparing and organizing the works performed by the Board of Directors;
- particular details of shareholder participation in the shareholders' meeting;
- any limits imposed on the powers of the CEO;
- principles and rules decided for remunerations and any benefits granted to corporate officers; and
- the internal control and risk management procedures implemented by the Company.

This report was drawn up with the assistance of senior management, the Legal Department and the Internal Audit Department. The work required for drawing up this report necessarily relied on interviews with the managers of the various departments and on written information feedback (description of organizations and procedures, audit plans etc.). This report was presented to the Audit Committee prior to its approval by the Board of Directors at its meeting held on February 25th, 2015, and sent to the statutory auditors.

All the information included in this report regarding the conditions for preparing and organizing the work performed by the Board of Directors, and the internal control and risk management procedures implemented by the Company and the Teleperformance Group, concerns the financial year ended December 31st, 2014.

## 3.3.1 Conditions for preparing and organizing the works of the Board of Directors – Corporate governance

### 3.3.1.1 Corporate Governance Code

The Company refers to the AFEP-MEDEF Code updated in June 2013 and available on the MEDEF website (www.medef.com). In accordance with Article L.225-37 of the French Commercial Code, the Chairman's report specifies the provisions of the AFEP-MEDEF Code that have been set aside and the reasons therefore. The table below shows recommendations of the Code that have not been applied by the Company, the practices of Teleperformance and their justifications.

| Recommendations of the AFEP-MEDEF Code set aside or not applied | Teleperformance's practices and their justifications |
|---|---|
| **Grant of performance shares (§23.2.4)**<br>Subject performance shares granted to executive directors to the purchase of a specified quantity of shares when granted shares become unlocked. | Given the share lock-in requirement imposed upon executive directors (described in section 3.5.2.4 of the 2014 Registration Document) and the large number of shares already held by Daniel Julien (825,314 shares at December 31st, 2014) and Paulo César Salles Vasques (65,000 shares at December 31st, 2014), the Board of Directors, upon recommendation of the Remuneration and Appointments Committee, deems it unnecessary, when awarding the performance shares granted to executive officers, to require the purchase of a number of shares while such performance shares are available. |
| **Non-compete compensation (§23.2.5)**<br>▪ Non-compete compensation must not exceed a limit of two years' remuneration (fixed + variable).<br>▪ The Board must provide for a stipulation authorizing non-implementation of this agreement when the director leaves. | The Board considers that the two-year period set out in the AFEP-MEDEF recommendations is not appropriate in the particular case of a founder-director, and that the amount of the non-compete compensation must take into account the legitimate interests of the Company and the Group.<br>The Board of Directors, upon recommendation of the Remuneration and Appointments Committee, decided not to challenge the terms governing the non-compete agreement undertaken by Paulo César Salles Vasques before his appointment as CEO and the modification of the AFEP-MEDEF Code of June 2013, and that such a stipulation should thus not be introduced. |

### 3.3.1.2 Governance structure

It is reminded that the combined general meeting held on May 31st, 2011 approved the change of the Company's governance from a dual structure, consisting of a Supervisory Board and a Management Board, to an organizational structure comprised of a Board of Directors.

In the interest of good governance, the Board of Directors, at its meeting of May 30th, 2013, decided to dissociate the positions of Chairman of the Board of Directors and CEO, and to facilitate this process with a transition period between the Group's founder and Chairman and the CEO. The Board considered that this governance model was best suited to the upcoming transitional period. Daniel Julien was appointed Chairman of the Board on this occasion, while Paulo César Salles Vasques was appointed Chief Executive Officer.

This governance method, which is supported by a three-year handover period, enables a clear distinction to be made between strategic, decision-making and supervisory functions, which fall under the Board's remit, and operational and executive functions, which are the responsibility of executive management.

During its discussions and works on the separation of the roles of Chairman and Chief Executive Officer, the Board of Directors unanimously took the view that such a handover period was necessary and indispensable for the Group. The complexity and sophistication of the Group environment and its activities requires that the knowledge and expertise of the Group established by the Chairman in 1978 be actively passed down by its founder. It requested from Daniel Julien to remain fully involved and to act as Executive Chairman. For these reasons, his executive roles at Teleperformance Group Inc. (operational headquarters in the United States) have been maintained under the same conditions over the next three years of the transition. As a result, since June 2013, Daniel Julien has been actively passing on to Paulo César Salles Vasques his in-depth knowledge of the Group and the specific features of its regions and management teams, as well as the knowledge of world markets that he has acquired over 35 years. This stage is expected to end in mid-2016.

As Chairman of the Board of Directors of the Company, Daniel Julien organizes and directs the work of the Board, on which he reports to the general shareholders' meeting. He ensures that the Board operates duly and according to the principles and rules for proper governance. He ensures in particular that the directors are able to fulfill their tasks. In addition to the responsibilities and functions attached to the position of Chairman, Mr. Daniel Julien is not only the cornerstone of the transition but also actively participates in the development of the Group, in particular by guiding strategy for the internal and external growth of the Group.

As a result, all these assignments involve the Chairman in the service of the Group, and his involvement is taken into account when reviewing and determining his remuneration.

The Chief Executive Officer has been granted full powers to act in the Company's name in all circumstances. He exercises his powers within the scope of the corporate objects and subject to the powers expressly conferred by law on the general meeting of shareholders and the Board of Directors. He represents the Company in its relations with third parties. He manages the harmonious integration of entities acquired by the Group, and directs all subsidiaries of the Group with the support of the Executive Committee and the operational teams. In addition, the Chief Executive Officer exercises his powers within the limits provided for by the Board of Directors' internal rules, which act as internal organization rules.

### 3.3.1.3 Operation of the Board of Directors and Committees

#### Composition

The Board of Directors consists of 14 members. Nine of its members are foreign nationals, representing 64%. Of the members of the Board, nine directors (*i.e.*, 64%), Emily Abrera, Daniel Bergstein, Bernard Canetti, Robert Paszczak Mario Sciacca, Stephen Winningham, Alain Boulet, Christobel Selecky and Angela Maria Sierra-Moreno were designated independent directors in 2014, as defined by the internal regulations of the Board and the recommendations of the AFEP-MEDEF Code.

It will be proposed at the shareholders' meeting of May 7th, 2015 to renew the terms of office of Daniel Julien, Philippe Ginestié, Jean Guez and Emily Abrera for a period of three years and the terms of office of Daniel Bergstein and Philippe Dominati for a period of two years.

In addition, the Board conducts an annual review of the independence of its members, upon recommendation of the Remuneration and Appointments Committee, ensuring that independent directors have no business relationship with the Company or another Group company. The Board of Directors endeavors to ensure that at least half of its members meet the definition of independence in the AFEP-MEDEF Code, according to which a member of the Board of Directors is classified as independent "when he or she has no relationship of any kind whatsoever with the corporation, its group or its management that may compromise the exercise of his or her free judgment".

With respect to this definition, the Board of Directors designates as independent or not its members according to a preliminary recommendation submitted by the Remuneration and Appointments Committee tasked with examining the personal situation of the director in question, and based on the criteria for independence set out in paragraph 9.4 of the AFEP-MEDEF Code.

Information on the Company's individual directors, and specifically the list of their offices, is provided in sections 3.1.2.1 *List of directors in office as of December 31st, 2014*, 3.1.2.2 *Biographies of directors in office* and 3.1.2.3 *Other directorships held by current directors* of the Registration Document for the 2014 financial year.

#### Term of office

Directors are appointed for a term of three years, which expires at the closing of the ordinary general meeting of shareholders called to approve the financial statements for the year ended and held in the year in which the appointment expires. The ordinary general meeting may appoint one or several directors for a term of two years, on an exceptional basis, and solely to enable the implementation or continuation of the staggering of directors' appointments.

#### Gender balance

The Board of Directors currently consists of fourteen members, including three women, representing 21%. The Board thus satisfies the legal requirements and the recommendation of the AFEP-MEDEF Code in this respect.

#### Age limit

The number of directors aged 70 or above may not exceed one third of the number of current directors.

The Chairman of the Board of Directors may remain in office up to the age of 76, and the Chief Executive Officer and Deputy Chief Executive Officers may remain in office up to the age of 70.

#### Ownership of shares in the Company

Each member of the Board of Directors must hold at least 1,000 shares in the Company throughout their term of office. Directors are also required:

- to register all the shares in the Company that they hold in their name, and in the name of their minor children and spouse; and
- to declare any transactions involving the Company's shares performed by them or by persons with whom they have close personal ties directly to the AMF (French Financial Markets Authority) within a period of five trading days.

The number of shares held by the directors is set out in section 3.1.2 of the 2014 Registration Document and amounts to the equivalent of more than one year's directors' fees.

#### The Board of Directors' internal rules

The Board of Directors has adopted internal rules that primarily cover the following points:

- the role, operation and resources of the Board of Directors;
- the independence criteria of directors;
- the obligations of directors, especially regarding confidentiality and the management of conflicts of interest;
- the Board of Directors' Committees.

The main provisions of the Board of Directors' internal rules are set out in section 3.1.1. *Internal regulations* of the 2014 Registration Document.

#### Conditions for preparing the works of the Board – confidentiality

Members of the Board of Directors receive all the documents, technical files and information that are appropriate and necessary for them to perform their assignment and prepare their discussions. The Board may ask for any reports, documents and research prepared by the Group prior to any meeting, and may commission any external technical studies at the Company's expense. The annual timetable for the Board of Directors' meetings is forwarded to the directors and the statutory auditors several months in advance.

The Board of Directors is continually informed by its Chairman, by any means, of all material events and transactions relating to the Company. In addition, where the Chairman considers it necessary, the Board of Directors may hear the Group's key officers, in order for them to present their specific area of activity within the Group or the situation of the regional subsidiaries for which they are responsible.

The Board of Directors is a collegiate body; its decisions are binding on all of its members. Directors and any person who attends its meetings are bound by a strict non-disclosure obligation and duty of discretion on information disclosed by the Company, and received during the discussions of the Board and its Committees, and those of a confidential nature, or presented as such by the Chairman of the Board of Directors.

If the Board of Directors is aware of confidential and precise information that is likely to have a material impact on the share price of the Company or of the companies controlled by the Company when it is published, within the meaning of Article L.233-3 of the French Commercial Code, the directors must refrain from disclosing this information to a third party as long as it has not been made public, and refrain from performing any transactions involving the Company's securities.

### Meetings and works of the Board of Directors in 2014

The Board of Directors met five times in 2014, including a three-day seminar held for the purpose of reviewing operating strategy. The directors' attendance rate was 91%. On average, Board meetings lasted between three and four hours.

The Company's statutory auditors were invited to and attended the Board of Directors' meetings called to approve the half-yearly and annual financial statements.

The Group Chief Financial Officer and the Group Chief Legal Officer regularly attend these meetings, primarily to present the financial statements and their reports, to receive any authorizations required and to provide any explanations and information enabling the Board to make decisions knowingly.

Minutes of the Board are drawn up after each Board meeting and submitted for approval to all the members of the Board. They are also circulated to the statutory auditors.

The following table provides a breakdown of individual members' attendance rate in 2014:

| Directors | 02/25/2014 | 05/7/2014 | 06/18/2014 | 07/28/2014 | 11/25/2014 | Total |
|---|---|---|---|---|---|---|
| Daniel Julien | Yes | Yes | Yes | Yes | Yes | 100% |
| Paulo César Salles Vasques | Yes | Yes | Yes | Yes | Yes | 100% |
| Emily Abrera | Yes | Yes | No | Yes | Yes | 80% |
| Daniel Bergstein | Yes | Yes | No | No | Yes | 60%(2) |
| Alain Boulet | Yes | Yes | Yes | Yes | Yes | 100% |
| Bernard Canetti | Yes | Yes | Yes | Yes | Yes | 100% |
| Philippe Dominati | Yes | Yes | Yes | Yes | Yes | 100% |
| Philippe Ginestié | Yes | Yes | No | Yes | Yes | 80% |
| Jean Guez | Yes | Yes | Yes | Yes | Yes | 100% |
| Robert Paszczak | Yes | Yes | Yes | Yes | Yes | 100% |
| Mario Sciacca | Yes | No | Yes | Yes | Yes | 80% |
| Christobel Selecky(1) | n/a | No | Yes | Yes | Yes | 75% |
| Angela Maria Sierra-Moreno(1) | n/a | Yes | Yes | Yes | Yes | 100% |
| Stephen Winningham | Yes | Yes | Yes | Yes | Yes | 100% |
| **ATTENDANCE RATE** | **100%** | **86%** | **79%** | **93%** | **100%** | **91%** |

*(1) Director since May 7th, 2014.*
*(2) Absent for personal reasons and excused.*

In addition to recurring issues relating to the business review, adjustment of annual forecasts, authorizations to be granted and the review of ongoing growth transactions, the Board of Directors specifically decided on the following points during its five meetings:

- preparation and approval of the parent company and consolidated financial statements for the year ended December 31st, 2013, of the management report and the examination of management forecast documents;

- review of directors' independence criteria and re-examination of the independence of directors;
- proposal to appoint Christobel Selecky and Angela Maria Sierra-Moreno as directors and review of their independence;
- allotment of 22,500 performance shares subject to performance criteria;
- convening of the ordinary general meeting of May 7th, 2014, setting of the agenda for the meeting and approval of the reports and resolutions including the advisory votes on remuneration due or granted in connection with financial year 2013 ("say on pay");
- approval of the Chairman of the Board's report on the conditions for preparing and organizing the work of the Board and on the risk management and internal control procedures;
- renewal of the authorization given to the CEO for sureties, endorsements and guarantees;
- review of the fulfillment of performance criteria provided for by the performance incentive share plans of May 29th, 2012 and July 30th, 2012;
- setting of variable remuneration for 2013 for Daniel Julien, Chairman of the Board of Directors, and Paulo César Salles Vasques, CEO;
- implementation of the share repurchase program;
- determination of the directors' fees for the 2013 financial year;
- reduction of share capital by cancellation of treasury shares;
- proposed acquisition of Aegis operations in the United States, the Philippines and Costa Rica;
- examination of the achievement of performance criteria for the July 2013 performance share plan, including the ROCE, in connection with the transforming acquisition of Aegis;
- authorization for the grant of a guarantee;
- examination and approval of the consolidated accounts at June 30th, 2014, the half-yearly financial report and management planning documents;
- modification of the membership of the Remuneration and Appointments Committee;
- setting up of an ethics and compliance Committee;
- self-assessment of the first year of transition between Daniel Julien and Paulo César Salles Vasques;
- 2014 forecasts and 2015 budget;
- issuance of a private placement in the US;
- proposed conversion into a European company;
- annual discussion on the functioning of the Board of Directors;
- discussion of the professional and employment equal treatment policy;
- review of the remuneration structure and elements of the Chairman of the Board of Directors and the CEO in particular in connection with the results of the advisory votes submitted to shareholders at the general meeting held on May 7th, 2014;
- review of the operational running of the Group's activities and internal and external growth prospects for the Group and key initiatives and strategic opportunities.

### The Board of Directors' Committees

The Board is assisted by two Committees in the execution of its duties: the Audit Committee and the Remuneration and Appointments Committee.

The work performed by the Committees, which report on their work after each of their meetings, assists the Board of Directors in its discussions and decision making. The Board Committees work on assignments entrusted to them by the Board. They actively prepare their works and inform the Board of all points which appear to raise an issue or require a decision, thus facilitating its deliberations. They also provide such advice and recommendations to the Board as falls within their remit, but have no power of decision.

### The Audit Committee

Teleperformance's Audit Committee's regulations are based on the report on Audit Committees issued by the AMF working group dated June 14th, 2010.

#### Composition

The Audit Committee is composed of at least three members of the Board of Directors, as chosen by the Board. No executive director sits on this Committee.

The Audit Committee members are appointed for the term of their office as members of the Board of Directors.

The Audit Committee consisted of four members as of the date of this report:

| | |
|---|---|
| Bernard Canetti | Chairman, *independent* |
| Alain Boulet | Member, *independent* |
| Jean Guez | Member |
| Mario Sciacca | Member, *independent* |

In accordance with the recommendations of the AFEP-MEDEF Code, at least two thirds of the Audit Committee's members are independent.

The four members have the specific financial and accounting skills required to perform their duty of due diligence and to accomplish their duties. The skills are characterized by their professional experience, which they have acquired in senior management positions, working for an audit firm or in the capacity of chartered accountant or statutory auditor, as described in section 3.1.2 of the 2014 Registration Document.

#### Responsibilities

The Chairman of the Audit Committee reports to the Board of Directors on all of the Committee's works.

#### Missions

The Audit Committee's overall remit is to monitor issues relating to the preparation and control of financial and accounting information. It prepares the background work for the Board's approval of the annual (parent company and consolidated) financial statements and its review of the half-yearly financial statements, at least two days prior to the relevant Board meeting.

As part of its specific remit, the Committee is primarily responsible for monitoring:

- the financial information preparation process;
- the effectiveness of the internal control and risk management systems;
- the statutory audit of the parent company and consolidated accounts performed by the statutory auditors;
- the independence of the statutory auditors.

The purpose of this statutory assignment is to prepare and facilitate the oversight work of the Board of Directors, anticipate potential problems, identify all risks, notify the Board of those risks and issue appropriate recommendations to the Board.

The Audit Committee manages the process for selecting and reappointing the statutory auditors when their term of office expires.

The Committee may invite anyone that it chooses to take part in some or all of its meetings, and decides whether to hear its invitees individually or as a group.

In practice, the Committee invites the statutory auditors and the Company's Chief Financial Officer to its meetings, as well as the Chief Audit Officer, the Consolidation Director and other members of the financial management team, as and when required.

The Audit Committee may use external experts when circumstances so require, once it has informed the Chairman of the Board or the Board itself.

#### Meetings in 2014

The Audit Committee met four times in 2014; the meetings were attended by all of its members.

Meetings of the Audit Committee were held over two days before the meetings of the Board of Directors to review accounts, in accordance with the recommendations of the AFEP-MEDEF Code.

The statutory auditors attended all four meetings.

| Members | 02/20/2014 | 04/28/2014 | 07/23/2014 | 11/17/2014 | Total attendance |
|---|---|---|---|---|---|
| Alain Boulet | Yes | Yes | Yes | Yes | 100% |
| Bernard Canetti | Yes | Yes | Yes | Yes | 100% |
| Mario Sciacca | Yes | Yes | Yes | Yes | 100% |
| Jean Guez | Yes | Yes | Yes | Yes | 100% |
| **ATTENDANCE RATE** | **100%** | **100%** | **100%** | **100%** | **100%** |

The Audit Committee reviewed the following items in particular in 2014:

- the statutory audit of the parent company and consolidated financial statements performed by the statutory auditors:
  - the Group Chief Financial Officer's presentation of the financial statements. The exposure to financial risks and off balance sheet commitments contained in the annexes of the accounts provided to Committee members,
  - the program of reviews carried out by the statutory auditors, the findings of those reviews and the accounting options selected,
  - the parent company and consolidated financial statements as of December 31st, 2013,
  - the half-yearly summary consolidated financial statements as of June 30th, 2014,
  - the statutory auditors certified without qualification the consolidated financial statements as of December 31st, 2013 and identified no misstatements in the summary consolidated financial statements as of June 30th, 2014;
- the effectiveness of the internal control and risk management systems:
  - review of the draft report of the Chairman of the Board on the work of the Board and internal control,
  - organization of the internal control and risk management procedure based on the Group's management model,
  - review of the internal audit plan for the 2014 financial year,
  - overview of the assignments performed by the Internal Audit Department,
  - presentation of the 2014 internal control self-assessment questionnaires,
  - results and follow-up of the self-assessment questionnaires completed by the subsidiaries,
  - presentation by the Group Treasury Department of the private placement in the US to finance an acquisition;
- the financial information preparation process:
  - point of information by the statutory auditors on the closing procedure of the 2013 financial year;

- the independence of the statutory auditors:
  - delivery to the Committee of the statutory auditors' annual independence declaration in respect of the year ended December 31st, 2013,
  - review of the amount and breakdown of the statutory auditors' fees,
  - the statutory auditors' overview of the prior authorization process for services performed by their network offices.

## The Remuneration and Appointments Committee

### Composition

In accordance with the recommendations of the AFEP-MEDEF Code, the Committee does not include any executive directors and consists mostly of independent directors. It is also chaired by an independent director.

Given the total duration of his directorship, which has exceeded 12 years since September 2014, Daniel Bergstein is no longer designated as independent under the AFEP-MEDEF Code. As a result, the composition of the Committee was amended during the meeting of the Board of Directors of July 28th, 2014 so that it is composed of a majority of independent members and chaired by an independent member in accordance with the AFEP-MEDEF Code.

As of the date of this report, the Remuneration and Appointments Committee is comprised of three members, including two independent members:

| | |
|---|---|
| Robert Paszczak | Chairman, *independent* |
| Philippe Ginestié | Member |
| Stephen Winningham | Member, *independent* |

The Committee can invite anyone that it chooses to take part in some or all of its meetings. The Committee decides whether to hear its invitees individually or as a group. The Committee's meetings take place in the absence of the executive directors, except if the Committee wishes to hear or associated them to the works on selection and appointments.

### Assignments

Under the terms of the internal rules, the Remuneration and Appointments Committee issues opinions and recommendations regarding:

- all the remuneration and benefits awarded to executive directors, including determining the variable portion by assessing the definition of the rules for setting this variable portion and the annual application of these rules;
- the overall policy for granting performance shares, together with the conditions attached to the final vesting of these shares;
- succession plans;
- candidates for membership of the Board of Directors, their status as independent and annual review of such quality in accordance with the criteria defined by the AFEP-MEDEF Code.

### Meetings in 2014

The Remuneration and Appointments Committee met twice in 2014, and the attendance rate was 100%.

| Members | 02/20/2014 | 11/23/2014 | Total |
|---|---|---|---|
| Daniel Bergstein(1) | Yes | n/a | 100% |
| Philippe Ginestié | Yes | Yes | 100% |
| Robert Paszczak(2) | Yes | Yes | 100% |
| Stephen Winningham(3) | n/a | Yes | 100% |
| **ATTENDANCE RATE** | **100%** | **100%** | **100%** |

*(1) Member and Chairman until July 28th, 2014.*
*(2) Chairman since July 28th, 2014.*
*(3) member since July 28th, 2014.*

The Committee's work and discussions focused mainly on the following issues in 2014:

- reviewing the independence of the directors;
- proposal to appoint Christobel Selecky and Angela Maria Sierra-Moreno as directors to be presented to the shareholders' meeting;
- the fixed and variable 2013, 2014 and 2015 remuneration for the executive directors;
- the review of the remuneration structure of executive directors in particular in connection with the results of the advisory votes submitted to shareholders at the general meeting held on May 7th, 2014.

### Assessment of the works performed by the Board of Directors

In accordance with the recommendations of the AFEP-MEDEF Code, the Board of Directors carries out a formal assessment of its organizational structure and work and that of its Committees on a regular basis, and at least once every three years, with the assistance of the Remuneration and Appointments Committee. The Committee may request that an assessment is carried out by an external consultant on this occasion.

This formal assessment was performed in November 2012 on the basis of a questionnaire sent to each of the directors. The conclusions of this assessment were presented and discussed by the Board of Directors at its meeting held on November 28th, 2012. The discussions focused primarily on the membership of the Board, the performance of its assignments and remits, the nature and format of its meetings and the regularity and relevance of the information provided, as well as the organization and work of the Committees. The outcome showed that the directors are, on the whole, satisfied. A few areas for improvement, primarily regarding the presentation of information or the membership of the Board, were suggested.

Moreover, in accordance with the recommendations of the AFEP-MEDEF Code, the Board assigns an item on the agenda to a discussion or debate on its work every year.

A discussion of the Board's work in respect of the 2014 financial year was held at the November 25th, 2014 Board meeting. Following this discussion, the directors collectively expressed their appreciation for the quality and transparency of discussions in the Board and confirmed the importance of the work and contribution of the Committees to the work of the Board. Several potential improvements were suggested in terms of continued diversification of the composition of the Board and disclosure of information.

In addition, a self-assessment of the first year of transition between Daniel Julien and Paulo César Salles Vasques decided unanimously by the Board during the separation of the functions of Chairman and CEO in 2013 was carried out during the meeting of the Board of Directors of July 28th, 2014.

It was concluded that the first year of the three-year transition period was effective and in the best interests of the Teleperformance Group and its stakeholders. Relations between the Chairman and the Chief Executive Officer are excellent and all communication between them has been carried out under the best possible conditions. From an operational point of view during this first year, the Group has an organic growth of 7.5% during the second half of 2013 and an organic growth of 10.3% in the first half of 2014. Furthermore, in addition to ensuring the overall management of the Group and its global daily management, Paulo César Salles Vasques worked closely with Daniel Julien in management evaluations on the ground and the extensive process of identification of local markets in the United States, the Philippines, China, Portugal, Italy, Germany, Netherlands, Dominican Republic, Colombia, Mexico and El Salvador.

### 3.3.1.4 Executive management structure

On May 30th, 2013, the Board of Directors decided to separate the roles of Chairman of the Board of Directors and Chief Executive Officer. The Chief Executive Officer has been granted full powers to act in the Company's name in all circumstances and to represent it in dealings with third parties. He exercises his powers within the scope of the corporate purpose and subject to the powers expressly conferred by law on the general meeting of shareholders and the Board of Directors. In addition, the Chief Executive Officer exercises his powers within the limits provided for by the Board of Directors' internal rules, which act as internal organization rules. Therefore, under the terms of the internal rules, the following are subject to prior authorization by the Board:

- strategic options;
- consolidated annual budgets;
- material transactions (commercial, industrial, financial, real estate or other) which do not fall within the scope of declared strategy or are off-budget:
  - transactions with a quantifiable financial impact may involve, for instance, real property or other investments through organic growth or acquisitions, real property or other divestment of assets or internal restructuring transactions, where the amount involved represents more than 20% of Group equity as shown in the latest consolidated financial statements approved by the Board of Directors,
  - other transactions include primarily transactions concerning any form of alliance involving a significant proportion of consolidated revenues;
- dividend distributions.

### 3.3.1.5 Remuneration policy

#### Remuneration awarded to members of the Board of Directors

The Board of Directors allocates the amount of directors' fees decided by the shareholders' meeting held on May 7th, 2014, which is limited to an overall cap of €600,000 (until further decision) amongst its members, taking into account their membership of the Board and its Committees, the attendance of directors and Committee members at meetings and the remoteness of their geographical location.

For the 2013 financial year, the directors' fees are allocated as follows: in a full year, each director receives a fee with a gross fixed portion of €2,000, or €10,000 if resident abroad, and a gross variable portion of €3,000 for each meeting attended. Every member of the Audit and the Remuneration and Appointments Committees receives a variable fee of a gross amount of €3,000 per meeting, which is paid subject to attendance. The Committee Chairmen receive an annual additional fee for a gross amount of €4,000.

The Board of Directors, at its meeting of November 25th, 2013, decided to set up new allocation rules of directors' fees for the 2014 financial year (paid in 2015).

These new rules are as follows:

Each director receives an annual fixed fee of €20,000 and a variable amount of €5,000 per Board meeting, paid subject to attendance.

Each Committee member receives a variable fee of €2,500 per Committee meeting, subject to attendance. Committee Chairmen receive an annual fixed fee of €5,000.

An increase of €2,500 for participation in a Board or Committee where the member has traveled from a country outside Europe.

The variable portion is greater than the fixed portion, in accordance with the recommendations of the AFEP-MEDEF Code.

The Chairman of the Board of Directors and the Chief Executive Officer do not receive any directors' fees from the Company or any of its subsidiaries.

An individual breakdown of the directors' fees paid during the 2013 and 2014 financial years is provided in section 3.5.1.2 of the 2014 Registration Document.

### Remuneration policy for executive directors

The remuneration policy for executive directors and the remuneration paid to each of them are approved by the Board of Directors upon recommendation of the Remuneration and Appointments Committee, in the absence of the corporate officers concerned. The Board refers to the recommendations of the AFEP-MEDEF Corporate Governance Code in order to determine the remuneration and benefits awarded to executive directors.

The Board endeavors to adjust the remuneration in accordance with the position and duties held and the responsibility assumed. Remuneration must be competitive in order to attract, motivate and retain executive directors and senior executives. In addition, the variable portion must reflect the Group's performance, the results achieved and a number of qualitative criteria. Share-based profit-sharing schemes (performance shares, long-term incentive plan, etc.) are offered with a view to involving these individuals in the Company's long-term value creation, in the same way as for the employees who benefit from these schemes. The remuneration structure for executive directors is reviewed every year by the Board of Directors, based on the work of the Remuneration and Appointments Committee. At that time, the Board of Directors discusses the appropriateness of reviewing fixed remunerations or their structure in light of specific events affecting the Company or its organizational structure.

In any event, the Board of Directors ensures that the core principles of its remuneration policy, as set out in Paragraph 23.1 of the AFEP-MEDEF Code, are followed.

The remuneration of executive directors is described in section 3.5.2 *Remuneration of executive directors* of the 2014 Registration Document.

### 3.3.1.6 Specific conditions relating to the attendance of shareholders at general meetings

The terms and conditions of shareholder participation in general meetings are set out in Chapter 2, section 2.1.2.4 *General meetings of shareholders* of the 2014 Registration Document.

### 3.3.1.7 Factors liable to have an impact in the event of a public offering

In accordance with the provisions of Article L.225-100-3 of the French Commercial Code, the elements below are liable to have an impact in the event of a public offering:

- capital structure: see section 2.3 *Shareholding*;
- restrictions provided for by the articles of association on the exercise of voting rights and share transfers or clauses in agreements brought to the Company's notice in application of Article L.233-11 of the French Commercial Code: None;
- direct or indirect holdings in the Company's capital of which it is aware under Articles L.233-7 and L.233-12 of the French Commercial Code: see section 2.3 *Shareholding*;
- the list of holders of any security providing special rights of control and a description thereof: None (subject to double voting rights described in section 2.1.2.3 *Description of any rights, privileges and restrictions on existing shares and all share classes*);
- the means of control provided for in a putative employee shareholding system when the rights of control are not exercised by the employees: None;
- shareholders' agreements known to the Company that may involve restrictions on share transfers and the exercise of voting rights: see section 2.3.2 *Shareholders' agreements*;
- rules applying to the appointment and replacement of members of the Board of Directors and to amendments to the Company's articles of association: see sections 2.1.2.2 *Administration and general management of the Company* and 2.1.2.8 *Changes in share capital, shareholder rights and articles of association*;

- the powers of the Board of Directors, particularly in relation to share issuance or buyback: see section 2.2.4.1 *Current authorizations* and 2.2.4.4 *Share buy-back program*;
- Company agreements that are modified or terminated by any change of control except where such disclosure, unless required by law, would cause serious detriment to its interests: see section 2.3.3 *Change of control of the Company*;
- agreements providing for compensation to Board members or employees if they resign or are dismissed without real and serious cause or if their employment terminates as the result of a public offering: None.

## 3.3.2 Risk management and internal control procedures

### 3.3.2.1 Choice of reference system

The Group relied on the enhanced edition of the *Reference Framework* drawn up by the AMF (French Financial Markets Authority), which was originally published in January 2007 and revised in July 2010, in order to prepare this section on risk management and internal control procedures.

Accordingly, the *General Risk Management and Internal Control Principles* contained in the *Reference Framework* are set out below, in a summary of the system put in place by the Group. Firstly, the risk management and internal control system are defined and their objectives set out and then the components of the system and the key players involved are explained.

Lastly, the risk management and internal control system relating to accounting and financial information published by the Group is described, taking account of the *Application Guide* of the *Reference Framework*.

The scope of application of internal control procedures and risk management described below includes the parent company and all subsidiaries included in the consolidated accounts. In cases of the inclusion of new entities within this scope, these procedures are deployed systematically and progressively.

### 3.3.2.2 Risk management and internal control definition and objectives

#### Definition of internal control

The Group has adopted the definition of internal control in the AMF *Reference Framework*:

*Internal control consists of a set of resources, behaviors, procedures and actions that contribute to the management of the Group's activities, the effectiveness of its operations and the efficient use of its resources. It should enable it to manage in an appropriate manner any significant risks, be they operational, financial or relating to compliance.*

*The system that has been defined and implemented within Teleperformance, that is, the parent company and all companies included in the consolidated accounts, this allows the Group to ensure in particular:*

- *compliance with laws and regulations;*
- *implementation of the instructions and directions given by the management, following discussions and in agreement with the Board of Directors;*
- *proper functioning of the Group's internal processes, especially those relating to the protection of its assets; and*
- *reliability of financial information.*

*The definition of internal control does not cover all of the initiatives taken by the executive or management bodies, such as defining the Company's strategy, setting objectives, making management decisions, dealing with risks and monitoring performance.*

*Furthermore, internal control cannot provide an absolute guarantee that the Company's objectives will be achieved (...). It cannot, in itself, prevent Company personnel from committing fraud, contravening legal or regulatory provisions, or communicating misleading information outside the Company about its situation.*

#### Internal control and risk management

*Risk management and internal control systems complement each other in controlling the Company's activities.*

*The internal control system relies on the risk management system to identify the main risks that need to be controlled. The risk management system includes controls that are part of the internal control system.*

The risk management system is a component of internal control.

### 3.3.2.3 Risk management and internal control system components

## Introduction

*The main directions for internal control are determined in accordance with the Group's objectives.*

These objectives have been broken down into *7 Fundamental Principles*. These were communicated to the relevant managers and employees in the Group in order that they understand and comply with the general policy of the organization. These include in particular the Group's market positioning, its mission, its values, its management model and its Human Resources and social responsibility policy.

The risk management and internal control systems rely on these elements.

## Control environment and organization

The control environment is a fundamental component of risk management and internal control systems and forms the common basis of the systems.

The control environment relies on values, organization, responsibilities, behaviors, information systems and procedures.

**Teleperformance values**

The internal control system of the Group is based on five core values: *Integrity, Respect, Professionalism, Innovation* and *Commitment*. These values infuse the Group's leadership strategy and form the key value charter for our employees and our subsidiaries.

The Group's values are brought to the attention of all Teleperformance personnel. Teleperformance lays great stress on our managers' ability to live up to these values on a daily basis. We conduct training sessions specifically focused on these values, so that every manager may understand how they translate into actions and decisions.

All senior executives received a Code of Ethics covering Teleperformance's values and principles for respecting diversity in dealings with those third parties with which the Group is involved.

In July 2011, Teleperformance reiterated its adherence to the United Nations Global Compact. This Compact invites businesses to adopt, uphold and apply a series of fundamental values in the areas of human rights, labor, environment and anti-corruption in their zones of influence. To achieve this goal, the Group has circulated internally a specific policy concerning the issue and has set up specific training programs.

**Organization and responsibilities**

The Group is split into three broad linguistic regions: the English-speaking and Asia-Pacific regions, the Ibero-LATAM region, and the Continental Europe, Middle-East & Africa region (CEMEA). Given its specific features, the latter is in turn divided into three distinct sub-regions since the start of 2014. Northern & Eastern Europe, Southern Europe and the French-speaking market.

All of the senior managers and executives of corporate functions, including finance, marketing, development and IT, make up the Executive Committee, which is headed by the CEO.

The Executive Committee's role mainly consists of implementing decisions taken by the Board of Directors and senior management. Among the roles of the Executive Committee is to advise the CEO and oversee the development and monitoring of policies which enable the Group to attain its various objectives, both in terms of global growth, technological decisions, the implementation of identical operating procedures for the entire network, as well as development of Human Resources.

Within the linguistic regions, this organization relies on matrix management structures to establish a direct link across countries, business lines, sales teams and support functions.

The objective is to foster the Group' s expansion, in a uniform fashion, with performance regularly and closely monitored by the Board of Directors.

**Human Resources management**

Human Resources management is a major component of the internal control system, the more so because our business consists of "*people serving people*".

Our Human Resources policy for the 182,000 Teleperformance employees is defined by a constant quest for excellence in recruiting, building employee loyalty, developing talent and enhancing employees' skills. Our aim is to enable everyone to perform their duties well and for the Group to achieve its objectives.

This policy relies on hands-on management and employee satisfaction surveys across the Board. In 2014, these surveys were completed by more than 85,000 employees in 41 countries. This enabled the Group to continue rolling out numerous processes in order to improve working conditions and employee integration while ensuring the professional and personal fulfillment of employees, which serves as a guarantee of a quality service.

This policy led the Group in 2014 to be awarded a certification, in a number of geographical regions, from the international program of best employers by an internationally recognized firm specializing in Human Resources management.

The Group continues to improve the working environment and conditions in its contact centers, and was awarded international quality labels in several countries.

Managers receive training in order to acquire and develop their skills. This ensures that everyone within the Group shares the same values and understands our corporate culture.

Owing to a career development program for Contact Center Advisors, which aims to promote our business and the expertise of senior staff, we are able to identify employees with significant potential and prepare them to take up supervisory and managerial positions within the Company.

The Group also provides high-level online training to allow employees to streamline and improve their expertise and train future managers.

These activities aim to ensure the required level of competence in all areas. They contribute to the development of employees, so that the Group continues to be a rewarding company for them, while giving them the ability to quickly take on a management role in any of its 270 contact centers.

### Information systems

Group Management and the Information Systems Department determine the Group's strategic directions for production tools and information systems for subsidiaries. They ensure that the development of information systems is consistent with Group objectives.

The Group continued to streamline the architecture of systems and technological standards. Within this framework, the Group continued to roll out an integrated contact center management software package (Contact Center Management System – CCMS) in the Group's main entities. This will help to streamline operational processes and provide greater security in the reporting process.

The Information Systems Department also issues directives on security, data protection and business continuity. These directives are based on compliance with international standards, ISO 27001, PCI (Payment Card Industry), HIPAA (Health Insurance Portability and Accountability Act) and the European Data Protection Directive in order to satisfy regulatory requirements specific to each business sector or to obtain the certifications requested by clients.

### Management and industry procedures

The internal control system also depends on subsidiaries implementing TOPS (*Teleperformance Operational Processes and Standards*), BEST (*Baseline Enterprise Standard for Teleperformance*), as well as business standards such as the COPC (*Customer Operations Performance Centers*) standard or the French Customer Contact Center Service standard.

The system is also based on international management standards such as ISO 9001.

The standardization and application of these procedures and standards enable us to make our global network more internally consistent, while providing greater control over our operations.

#### TOPS (*Teleperformance Operational Processes and Standards*)

*TOPS* are a process used to manage daily performance. The TOPS process allows performance and quality to be optimized, while managers are able to dedicate the majority of their working time to their agents. It was designed by the Group to manage its operations in a standardized manner in each subsidiary. It allows for improved quality control.

The *TOPS* process has been deployed in all subsidiaries. These processes can use the Group's integrated software suite for service management (*CCMS*). TOPS provides the Group with a reference framework for all its operations.

#### BEST (*Baseline Enterprise Standard for Teleperformance*)

These standards are guidelines as to quality standards that guarantee a high level of service and performance and proactive management of existing and future programs. *BEST* also reinforce best practice in Human Resources management and projects for all Teleperformance operations worldwide.

#### COPC (*Customer Operations Customer Centers*): a business standard

The *COPC*-2000® standard supplies contact center management teams with the necessary information to improve their operational performance. The COPC certification also provides a model for global performance management linking all business areas of the Company. It also ensures operational consistency by meeting the high performance criteria required by the *COPC* standard.

Our Company develops its own team of Chartered coordinators and *COPC*-certified internal auditors. Teleperformance continues to have its programs and inbound call centers annually certified at subsidiary level worldwide.

#### NF Service Customer Contact Center Standard

The characteristics of the *NF Service Customer Contact Center* certification are based on new European standard NF EN 15838. This certification provides clients with service quality benchmarks and optimizes the management of contact centers. It meets the expectations of consumers and professionals and is a guarantee of the quality, reliability and credibility of the service we provide. It also meets social requirements to enhance expertise in the customer contact business. Our companies in France and Tunisia have been awarded this certification.

#### ISO 9001: a quality management standard

The ISO 9001 standard is applied in all significant subsidiaries of the Group. It provides clients with assurance as to our ability to meet their requirements in terms of quality and to increase client satisfaction in client-supplier relations.

It sets forth what is required in terms of quality assurance systems. The requirements of this standard cover numerous aspects, including employee skills, process management and assessment, monitoring, as well as a constant endeavor to improve quality management systems.

## Information-sharing

The Group has a policy of releasing internally all relevant financial or operating information that enables everyone to perform their job.

Under the responsibility of a dedicated department, key employees can share knowledge, know-how and best practices within the Group *via* intranet. This global knowledge management system encourages those involved to exchange and circulate useful information.

Group information and procedures are also regularly communicated to the managers of all subsidiaries at international seminars or presentations. These rules are also reiterated at company Board meetings. Subsidiary executives are expected to communicate instructions from Group Management to their employees.

The heads of corporate support departments also inform their teams of specialized personnel at meetings and training sessions.

## Risk management system

### Definition

In the operation of its business, the Group is exposed to a variety of risks *that could affect the Company's personnel, assets, environment, objectives or reputation*.

### Risk management objectives

*Risk management* is a lever for anticipating the main potential threats to the Group, whether internal or external, *in order to preserve its value, assets and reputation, help it achieve the objectives it has set itself, ensure that actions taken are consistent with Group values and rally employees in support of a shared vision of key risks*.

### Organizational framework

The risk management system depends on dedicated management tools, procedures and risk managers. All those tools are indicated in the Group management system, *TP Umbrella*.

Group Management is particularly vigilant when preparing and circulating these management tools. These tools enable each subsidiary to implement the measures and procedures necessary to manage our business and prevent risks, with regard to the rules that define Teleperformance's objectives and strategy.

This monitoring process, along with the operating priorities and the management controls to be adopted with respect to the analysis of these risks, is reviewed with all Group managers, meeting together as a group or at the time of Board meetings or management meetings.

### Process

Key risks are identified and analyzed in the section 1.6 *Risk Factors* section of the Registration Document along with the measures that can be used to limit the consequences.

The organization of the risk management system was outlined in a presentation to the Audit Committee in February 2014.

This presentation documents the main risks identified with the help of the Group's management model that aims to reduce those risks, whether the risk is an accounting, financial, Human Resources, technological or sales development risk or a risk that relates to our business sector.

In addition, a formal analysis of the key procedural points for oversight related to the financial information of subsidiaries was again carried out in February 2014. The results of this analysis, as well as related monitoring, were presented during the Audit Committee meetings in April, July and November 2014. These procedures cover the main risks identified as being liable to affect the preparation of the published financial and accounting information. This formal analysis relies on the self-assessment system implemented by each subsidiary as described in section 3.3.2.5 of this report.

### Management

Group management regularly monitors risk management to ensure continued improvement through the introduction of various systems and procedures.

## Control activities

In addition to measures already listed in section 1.6 *Risk factors*, the current paragraph indicated centralized and decentralized activities taken in order to limit the risks liable to affect the achievements of our objectives. Control activities are designed both by the Group's management through centralized control processes and by local management through decentralized control processes.

### Centralized control procedures

The internal control procedures centralized at headquarters level cover areas common to all companies within the Group. These procedures involve finance, legal, IT and sales activities.

#### Financial procedures

The financial procedures relating to the management of financial information are detailed in section 3.3.2.5 of this report.

The Group's policy for managing foreign exchange and interest rate risks, and which is meant to limit these risks, preserve sales margins and control interest charges, is presented in the section 1.6 Risk Factors.

#### Legal procedures

As part of its responsibilities, the legal division of the Group enforces the laws and regulations in effect in countries where the Teleperformance Group operates, through its local network of lawyers. It also has a central role to play in legal monitoring and advising the various entities of the Group.

The Group's Legal Department has for several years implemented a monitoring system for the brands used and registered by companies within the Group, and in particular a system for a worldwide monitoring of our corporate name, our domain names and the Teleperformance brand. The purpose is to be able to contest registrations of brands or other intellectual property rights by competitors and to avoid misuse of these assets, especially on the Internet.

A procedure defining the powers of the subsidiary CEOs to commit their subsidiaries legally vis-à-vis third parties has been implemented under the supervision of the holding company's Legal Department and the Group's senior management.

In a drive to reduce the legal risks inherent in contracts, the Group defined a series of best practices for drafting certain provisions that present a particular risk and for drafting bids in response to requests for proposals. Any departure from these rules requires specific approval. In addition, all global contracts with clients are reviewed by the Group's lawyers before being signed, such that risks are limited and drawn to the attention of management.

Major litigation or litigation risks are monitored directly or coordinated by the Group Chief Legal Officer, who is assisted by a local network of lawyers.

With respect to the protection of personal data, the Group applies a global policy in order to ensure that personal data is collected, processed and transferred within the Group in accordance with applicable legislation.

In 2013, the Group's Legal Department introduced a system to monitor and manage the legal affairs and legal teams of its subsidiaries and holdings throughout the world.

#### IT and security procedures

The Group has streamlined its security technology to reflect best market practices and to introduce the technology contractually required by its clients or the technology required pursuant to applicable regulations. This technology aims to reduce the introduction of malware, protect personal data and detect and prevent intrusions.

The Information Systems Department uses an in-house technological tool to monitor the security directives and action plans implemented each year. The certifications requested by clients also serve as a guarantee that strict control procedures will be applied in order to ensure compliance with security and/or quality standards and processes at all times.

The Group has a dedicated global operational Fraud Prevention and Detection team made up of over 100 professionals who are trained to deal with security issues.

This IT security team implements comprehensive anti-fraud programs for customers throughout the entire business relationship. These programs focus on technological innovation, such as rapid detection of fraud and secure exchange of identifiable personal information between the caller and the customer.

Physical security procedures are also in place in our centers.

#### Sales procedures

To manage its sales processes, Teleperformance has created a set of best practices to follow in order to standardize the approach to managing requests for proposals. Key international RFPs are handled directly by specialized staff.

#### Decentralized procedures

Local internal control procedures are decentralized at the individual subsidiary level, where the management team is responsible for their implementation to prevent risks and comply with local legislation. The team also ensures that these procedures operate smoothly, in accordance with instructions given by senior management, which are reviewed at the meetings of each subsidiary's Board of Directors (or equivalent body).

### Oversight of the internal control system

#### Group senior management

The Executive Committee monitors the internal control system to ensure that the system is relevant and suited to the Group's objectives. The Committee incorporates the Group's support functions and linguistic regions management and is supervised by the Board of Directors.

This includes regular reviews on the part of management and supervisory staff. It falls within the scope of their day-to-day activities and ensures that each organizational process is consistent with the Group's vision and strategy.

#### The role of internal audit

In 2014, audit assignments were carried out in the subsidiaries of the Group or in respect of specific matters by the Internal Audit Department, according to the annual audit plan and priorities set by management during the year. These audits focused primarily on the control procedures implemented at the local level.

As part of its work, the Internal Audit team defines action plans with each subsidiary's management, under the supervision of Group management, to ensure that internal control procedures are continually improved.

## 3.3.2.4 The parties involved in internal control

The risk management and internal control departments form an integral part of the Group's organization.

### The Board of Directors

The Board of Directors is charged with several tasks: it upholds the interests of employees, implements the Company's policy and performs the necessary controls and checks. The Board also represents shareholders.

Pursuant to its duties, the Board of Directors closely monitors the Group's results on a regular basis, and reviews all types of risks relating to its business whether they are financial, commercial, operational, legal or personnel-related risks.

### The Executive Committee and local management

The Executive Committee includes the linguistic region and support managers.

The Executive Committee is responsible for devising and monitoring policies and procedures to enable the Group to achieve its various objectives, and control procedures to make sure that these internal rules, together with all the rules governing the Group's business and corporate activities, are followed.

Guidelines and procedures are communicated to the subsidiaries' local management, who are responsible for carrying them out with the support of regional, operating and support managers.

### The Audit Committee

The Audit Committee, the organization and functions of which are explained in the previous section, is responsible for preparing for the Board of Directors' review.

The Audit Committee actively monitors areas within its remit. Based on the information it receives, this monitoring allows it to intervene at any time deemed necessary or appropriate and may lead it, where it detects warning signals as part of its mission, to discuss the matter with senior management and to convey the appropriate information to the Board.

### The Group Internal Audit Department

The Group is audited internally by a central team that reports to the Group Chief Financial Officer, who is a member of the Executive Committee. The Internal Audit Department also reports to the Audit Committee as part of its duties.

The operating rules of the Internal Audit Department are defined in its charter, which refers to the IFACI (French Audit and Internal Control Institute) professional standards. This charter sets out internal audit guidelines and the manner in which the main corporate bodies involved in monitoring the Group's internal control system operate.

The Internal Audit Department helps develop internal control tools and benchmarks. It carries out the missions included in the annual planning cycle approved by Group Management and reviewed by the Audit Committee. The summary report on the accomplishment and findings of the assignments together with the stage of completion of action plans are presented to the Audit Committee and shared with the auditors.

### Departments and Employees

Each department is involved in internal control by drafting and following policies and procedures designed to meet the

Group's various goals, as well as by ensuring compliance with related control procedures and rules concerning the Group's business and operations.

Each employee is also involved in the internal control process, according to their respective level of expertise and access to information, so as to ensure its effective operation and regular review.

### 3.3.2.5 Description of the risk management and internal control system for published accounting and financial information

This section derives from the *Application Guide for Internal Control Procedures Related to the Accounting and Financial Information Published by the Issuers*, taken from the AMF *Reference Framework*.

Firstly, the accounting and financial risk management and internal control system is defined and described in terms of its scope, then the main information management and preparation processes are described. Information is also provided on how the AMF's *Application Guide* was used with the implementation of a self-assessment system for each subsidiary.

## Definition and scope

The accounting and financial information risk management and internal control system ensures the preparation of reliable information that fulfills legal and regulatory requirements.

The internal accounting and financial control system encompasses the processes used to manage and produce published information as well as the risk management system that could affect these processes, *i.e.* that could affect the reliability, proper transmission and completeness of the information.

Within the scope of preparation of the consolidated financial statements, the internal accounting and financial control process encompasses the parent company and consolidated companies ("the Group" as defined above).

## Management processes in the accounting and financial organization

### Organization and responsibilities

#### General organization

The Finance Department has a corporate practice and an operational practice. These two practices manage the organization of accounting and financial matters within the Group.

#### Corporate and operational practices

Within the corporate practice, dedicated teams of specialists ensure the implementation of accounting and financial management, under the supervision of senior management in the following areas: consolidation and reporting, treasury, internal audit, legal and financial communication.

The consolidation and reporting teams have joined together and are now managed by a single department, which also supervises the accounts of the holding company in Paris.

The Treasury Department processes and centralizes movements of the Group's funds, manages its means of financing and hedges exchange rate and interest rate risks.

The Internal Audit Department reviews the internal control processes inherent in published accounting and financial information.

The department dedicated to investor relations and the market communication system is described below in the paragraph entitled *Financial communication*.

The operational practice includes the regional Chief Financial Officer in charge of the linguistic management regions.

#### Responsibilities

The preparation of the Group's consolidated financial statements is the responsibility of the Group Chief Financial Officer, who relies on the Group's regional and subsidiary Chief Financial Officers, who, along with senior management, are in charge of implementing a finance structure that conforms to Group best practices and that ensures that accounting and financial information is reliable and consistent for the purpose of the financial statements published by the parent company.

### The information system and management tool

The consolidation of accounting information, monthly reports and budgets are managed on a single information system used by all Group subsidiaries.

This Group information system was implemented in order to meet information security and reliability requirements. It enables a detailed monthly financial report to be produced using the Group's model. It also allows a precise analysis of the formation of financial cash flows and of the results by comparing them with the budgets.

The Group information system is continually being updated in line with the Company's requirements in terms of organization and management indicators.

In terms of controls, the objectives of the consolidation and management system are:

- to automatically control the consistency of financial data reported by subsidiaries;

- to accelerate and ensure the reliable processing of reported information; and
- to increase consistency through reporting tables and the production of formatted information.

#### Accounting standards

The Group's accounting standards comply with IFRSs issued by the IASB and adopted by the European Union. These standards are basis for the consolidated accounts since 2005. All consolidated subsidiaries are obliged to apply them.

The Chief Financial Officers of all subsidiaries are made aware of accounting definitions and principles, which are available on the Group consolidation and management system, to ensure that they are applied consistently across the Group and that all financial information complies with such standards. An Accounting Guide setting out the standards applied in the preparation of the consolidated financial statements may be downloaded from the Group intranet site.

The Group Finance Department, with the help of the auditors, keeps itself informed of new IFRSs under development, in order to alert management and anticipate their impact on the Group's accounts.

#### The statutory auditors

The auditors of the parent company carry out a limited review of the consolidated financial statements for the six months ended June 30 and audit the annual parent company and consolidated financial statements ended December 31.

Senior managers must concert with the auditors as they are responsible for the preparation of the financial statements and the implementation of internal accounting and financial control systems.

The auditors took part in all Audit Committee meetings. They informed the Audit Committee of their work on Group procedures and presented the Committee with their conclusions on the financial statements, when they also reported on the key points raised during the audit. The auditors also presented their audit strategy to the Audit Committee.

#### The Audit Committee

Matters related to financial information that were reviewed at Audit Committee meetings in 2014 are described in the section concerning the work of the Board of Directors.

### Process of preparing accounting and financial reporting

#### Operational processes related to the production of accounting and financial information

Group procedures and best practices have been established in respect of the main operational processes used by subsidiaries for the production of accounting and financial information, particularly sales, payroll, purchases and fixed assets, in order to ensure that such entries are monitored and that they comply with the authorization and accounting rules set out in the *Application Guide* of the AMF *Reference Framework*.

#### Use of the Application Guide

The Group uses the *Application Guide* to review internal control procedures for the main processes used to post entries in the accounts by implementing a self-assessment system for each subsidiary.

Self-assessment questionnaires taken from the *Application Guide* and adapted to the Group and its business were completed by all Group managers and Chief Financial Officers. The action plans put in place following this self-assessment were monitored by the Internal Audit Department. The results of the questionnaires and information on the monitoring of action plans were provided to Group Management and presented to the Audit Committee. A selection of the answers to the questionnaires from the main subsidiaries is also checked by those subsidiaries' auditors.

These questionnaires enabled each subsidiary to review its internal financial and accounting information control procedures and to prepare the confirmation letters that were signed by the subsidiaries' directors and transmitted to Group Management.

#### Accounts closing

The process of closing the Group' s accounts involves checks at every information reporting and processing stage, to a schedule set by the Finance Department and communicated to all subsidiaries.

Information forwarded by subsidiaries is inspected by the head office consolidation staff, who eliminate internal transactions, test for consistency and check the items that pose the greatest risk.

The accounts are consolidated at Group level, without any intermediate consolidation stage. The Group' s Finance Department therefore has sole authority to make consolidation entries.

The published consolidated financial statements are prepared by the Finance Department on the basis of the subsidiaries' audited financial statements.

The main accounting options and estimates used by the Group are discussed with the auditors before the accounts are finalized.

#### Approval of the accounts

The subsidiaries' Chief Executive Officers give Group Management a formal commitment, expressed in a letter of representation, that their financial statements present a true and fair view of the subsidiary, that they use the AMF *Reference Framework*, that no fraud has been detected and that all legal and regulatory provisions have been complied with.

Finally, the consolidated financial statements are presented by the Group Chief Financial Officer to the Audit Committee, which examines them in preparation for the meetings and deliberations of the Board of Directors, which reviews and approves them.

**Financial communication**

The Group Finance Department sees that all information is provided in accordance with market requirements, within the legal time frames and under the conditions stipulated by law and regulations in force, thus satisfying market requirements.

Teleperformance applies best market practices in this area. The Group provides shareholders with an extensive database of information on its activities and the latest news *via* its website at www.teleperformance.com.

As a result of this work, Teleperformance was awarded a prize by the jury of the Grand Prix de la Transparence Award in 2014 for the second consecutive year, in recognition of the transparency of its regulated communication. The Group won this prize in the category of Consumer Services.

The Group also organizes regular meetings with the financial community, not only on the occasion of result disclosures, but throughout the year at the major European and US stock exchanges.

February 25th, 2015

The Chairman of the Board of Directors

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

*This is a free translation into English of a report issued in the French language 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 professional auditing standards applicable in France.*

**For the year ended 31 December 2014**

To the Shareholders,

In our capacity as statutory auditors of Teleperformance S.A., and in accordance with article L.225-235 of the French Commercial Code, we hereby report 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 31 December 2014.

It is the Chairman's responsibility to prepare and submit to the Board of Directors, a report on the internal control and risk management procedures implemented by the Company, and containing the other disclosures required by article L.225-37 of the French Commercial Code corporate governance.

It is our responsibility:

- to report to you on the information contained in the Chairman's report with respect of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information; and
- to attest that this report contains the other disclosures required by article L.225-37 of the French Commercial Code, it being specified that we are not responsible for verifying the fairness of these disclosures.

We have performed our work in accordance with professional standards applicable in France.

## Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly in:

- obtaining an understanding of the internal control and risk management procedures for the preparation and processing of financial and accounting information on which the information presented in the Chairman's report, and the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and the existing documentation;
- determining if any significant weakness in internal control procedures relating to the preparation and processing of financial and accounting information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the company's internal control and risk management procedures relating to the preparation and processing of financial and accounting information, contained in the report prepared by the Chairman of the Board of Directors, in accordance with article L.225-37 of the French Commercial Code.

## Other disclosures

We hereby attest that the Chairman of the Board of Directors' report includes the other disclosures required under article L.225-37 of the French Commercial Code.

The statutory auditors

| Paris La Défense, 25 February 2015 | Neuilly-sur-Seine, 25 February 2015 |
|---|---|
| **KPMG Audit IS** | **Deloitte & Associés** |
| **Eric Junières** | **Philippe Battisti** |
| *Partner* | *Partner* |

# 3.5 Remuneration of directors and executive directors

## 3.5.1 Remuneration of directors

### 3.5.1.1 Rules regarding the allocation of directors' fees

The Board of Directors allocates the amount of directors' fees decided by the shareholders' meeting held on May 7th, 2014, which is limited to an overall cap of €600,000, until further decision, amongst its members, taking into account their membership of the Board and its Committees, the attendance of directors and Committee members at meetings and the remoteness of their geographical location.

The total amount of directors' fees was increased from €300,000 to €600,000 at the shareholders' meeting of May 7th, 2014, to attract experienced directors with an international profile so that the composition of the Board of Directors reflects the broad range of specialized areas within the Group and to take into account in particular the appointment of new members to the Board of Directors and their geographical remoteness from the head office.

For the 2013 financial year, the directors' fees are allocated as follows: in a full year, each director receives a fee with a gross fixed portion of €2,000, or €10,000 if resident abroad, and a gross variable portion of €3,000 for each meeting attended. Members of the Audit and the Remuneration and Appointments Committees receives a variable fee of a gross amount of €3,000 per meeting, paid subject to attendance. The Committee Chairmen receive an annual additional fee of a gross amount of €4,000.

The Board of Directors, at its meeting of November 25th, 2013, decided to set up new allocation rules to directors' fees for the 2014 financial year (paid in 2015).

The new rules for allocating directors' fees are as follows:

- each director receives an annual fixed fee of €20,000 and a variable amount of €5,000 per Board meeting, paid subject to attendance;
- each Committee member receives a variable fee of €2,500 per Committee meeting, subject to attendance. Committee Chairmen receive an annual fixed fee of €5,000;
- an increase of €2,500 per attendance at a Board or Committee meeting for directors traveling from a country outside Europe.

The variable portion is greater than the fixed portion, in accordance with the recommendations of the AFEP-MEDEF Code.

The Chairman of the Board of Directors and the Chief Executive Officer do not receive directors' fees.

The gross amount of directors' fees paid in 2013 (in respect of the 2012 financial year) was €235,500 while the amount paid in 2014 (in respect of the 2013 financial year) was €254,000.

### 3.5.1.2 Directors' fees and other remuneration paid to directors

**▶ Table 3 of the AMF Recommendations – Individual breakdown of the amount of directors' fees and other remuneration paid to directors (gross amounts)**

| | Amounts paid in 2013 | Amounts paid in 2014 |
|---|---|---|
| Daniel Julien, *Chairman of the Board of Directors*(1) | | |
| ▪ Directors' fees | n/a | n/a |
| ▪ Other remuneration | see section 3.5.2 | see section 3.5.2 |
| Paulo César Salles Vasques, *director and Chief Executive Officer*(2) | | |
| ▪ Directors' fees | n/a | n/a |
| ▪ Other remuneration | see section 3.5.2 | see section 3.5.2 |
| Emily Abrera, *director*(3) | | |
| ▪ Directors' fees | €5,000 | €22,000 |
| ▪ Other remuneration | - | - |
| Daniel Bergstein, *director* | | |
| ▪ Directors' fees | €26,000 | €35,000 |
| ▪ Other remuneration | - | - |
| Alain Boulet, *director* | | |
| ▪ Directors' fees | €23,000 | €26,000 |
| ▪ Other remuneration | - | - |
| Bernard Canetti, *director* | | |
| ▪ Directors' fees | €30,000 | €30,000 |
| ▪ Other remuneration | - | - |
| Martine Dassault, *director*(4) | | |
| ▪ Directors' fees | €10,500 | - |
| ▪ Other remuneration | - | - |
| Philippe Dominati, *director* | | |
| ▪ Directors' fees | €11,000 | €11,000 |
| ▪ Other remuneration(5) | €76,800 | €76,800 |
| Philippe Ginestié, *director* | | |
| ▪ Directors' fees | €20,000 | €17,000 |
| ▪ Other remuneration | - | - |
| Jean Guez, *director* | | |
| ▪ Directors' fees | €26,000 | €26,000 |
| ▪ Other remuneration | - | - |
| Robert Paszczak, *director* | | |
| ▪ Directors' fees | €28,000 | €31,000 |
| ▪ Other remuneration | - | - |
| Mario Sciacca, *director* | | |
| ▪ Directors' fees | €34,000 | €34,000 |
| ▪ Other remuneration | - | - |
| Christobel Selecky, *director*(6) | | |
| ▪ Directors' fees | - | - |
| ▪ Other remuneration | - | - |
| Angela Maria Sierra-Moreno, *director*(6) | | |
| ▪ Directors' fees | - | - |
| ▪ Other remuneration | - | - |
| Stephen Winningham, *director* | | |
| ▪ Directors' fees | €22,000 | €22,000 |
| ▪ Other remuneration | - | - |

*(1) Chairman of the Board of Directors since May 30th, 2013.*
*(2) Chief Executive Officer and director since May 30th, 2013.*
*(3) Director since November 27th, 2012.*
*(4) Director until October 29th, 2012.*
*(5) Remuneration as Chairman of the Supervisory Board of Teleperformance France SAS.*
*(6) Director since May 7th, 2014.*

## 3.5.2 Remuneration of executive directors

### 3.5.2.1 Remuneration policy for executive directors

The remuneration policy for executive directors and the remuneration paid to each of them are approved by the Board of Directors upon recommendation of the Remuneration and Appointments Committee, in the absence of the corporate officers concerned. The Board refers to the recommendations of the AFEP-MEDEF Code in order to determine the remuneration and benefits awarded to executive directors.

The Board endeavors to adjust the remuneration in accordance with the position and duties held and the responsibility assumed. The remuneration must be competitive in order to attract, motivate and retain executive directors. In addition, the variable portion must reflect the Group's performance, the results achieved and a number of qualitative criteria. Share-based profit-sharing schemes (performance shares, long-term incentive plan, etc.) are offered with a view to involving these individuals in the Company's long-term value creation, in the same way as for the employees who benefit from these schemes.

The remuneration structure of the executive directors is reviewed every year by the Board of Directors, based on the work of the Remuneration and Appointments Committee. At that time, the Board of Directors discusses the appropriateness of reviewing fixed remunerations or their structure in light of specific events affecting the Company or its organizational structure. In any event, the Board of Directors ensures that the core principles of its remuneration policy, as set out in paragraph 23.1 of the AFEP-MEDEF Code, are followed.

### 3.5.2.2 Remuneration paid to executive directors for the 2013 and 2014 financial years

The remuneration paid to the executive directors is determined by the Board of Directors, upon recommendation of the Remuneration and Appointments Committee.

The remuneration of Daniel Julien, Chairman of the Board and Paulo César Salles Vasques, CEO for the 2014 financial year, were determined by the Board of Directors at its meeting on November 25th, 2013. The remuneration for 2015 was approved by the Board at its meeting on November 25th, 2014.

In accordance with the remuneration policy described in paragraph 3.5.2.1 *Remuneration policy for executive directors*, the Board approves an overall maximum amount. This remuneration was paid by the US subsidiary, Teleperformance Group Inc., of which Mr. Julien and Mr. Salles Vasques are executive directors. The individual items comprising these overall amounts are set out below.

### Table 1 of the AMF recommendations – Summary table on remuneration and stock options and shares granted to each executive director (in euros)

| | 2014* | 2013* |
|---|---|---|
| ***Daniel Julien, Chairman of the Board of Directors[(1)]*** | | |
| Remuneration due in connection with the financial year (detailed in Table 2) | 3,998,226 | 3,886,410 |
| Value of multi-year variable remuneration granted during the financial year | n/a | n/a |
| Value of stock options granted during the financial year | n/a | n/a |
| Value of performance shares granted during the financial year (detailed in Table 6) | - | 5,005,500 |
| **TOTAL** | **3,998,226** | **8,891,910** |
| ***Paulo César Salles Vasques, Chief Executive Officer[(2)]*** | | |
| Remuneration due in connection with the financial year (detailed in Table 2) | 2,541,726 | 1,483,701 |
| Value of multi-year variable remuneration granted during the financial year | n/a | n/a |
| Value of stock options granted during the financial year | n/a | n/a |
| Value of performance shares granted during the financial year (detailed in Table 6) | - | 5,005,500 |
| **TOTAL** | **2,541,726** | **6,489,201** |

** Remuneration denominated in a foreign currency for a given year is converted into euros at the average exchange rate for the year.*
*(1) Chairman and CEO from May 31st, 2011 to May 30th, 2013, Chairman of the Board of Directors since May 30th, 2013.*
*(2) Chief Executive Officer since May 30th, 2013.*

### Table 2 of the AMF recommendations – Summary remuneration table (in euros)

| | 2014[(1)] | | 2013[(1)] | |
|---|---|---|---|---|
| | **Amounts due** | **Amounts paid[(2)]** | Amounts due | Amounts paid[(2)] |
| ***Daniel Julien, Chairman of the Board of Directors[(3)]*** | | | | |
| Fixed remuneration | 2,821,670 | 2,994,106 | 2,823,795 | 2,635,542 |
| Annual variable remuneration | 1,128,668 | 1,015,801 | 1,016,566 | 1,129,518 |
| Multi-year variable remuneration | n/a | n/a | n/a | n/a |
| Exceptional remuneration | n/a | n/a | n/a | n/a |
| Directors' fees | n/a | n/a | n/a | n/a |
| Benefit in kind | 47,888 | 47,888 | 46,049 | 46,049 |
| **TOTAL** | **3,998,226** | **4,057,795** | **3,886,410** | **3,811,109** |
| ***Paulo César Salles Vasques, Chief Executive Officer[(4)]*** | | | | |
| Fixed remuneration | 1,787,810 | 1,746,714 | 1,043,675 | 894,579 |
| Variable remuneration | 695,260 | 365,011 | 365,286 | - |
| Multi-year variable remuneration | n/a | n/a | n/a | n/a |
| Exceptional remuneration | n/a | n/a | n/a | n/a |
| Directors' fees | n/a | n/a | n/a | n/a |
| Benefit in kind | 58,656 | 58,656 | 74,740 | 74,740 |
| **TOTAL** | **2,541,726** | **2,170,381** | **1,483,701** | **969,319** |

*(1) Remuneration denominated in a foreign currency for a given year is converted into euros at the average exchange rate for the year.*
*(2) The remuneration paid includes the portion of the remuneration payable in respect of the current financial year and the balance of the remuneration payable in respect of the previous financial year and not paid during that year.*
*(3) Chairman and CEO from May 31st, 2011 to May 30th, 2013. Chairman of the Board of Directors since May 30th, 2013.*
*(4) Chief Executive Officer since May 30th, 2013. Pro rata amounts for 2013.*

## Breakdown of remuneration paid to the executive directors for the 2014 financial year

At its meeting held on November 25th, 2013, based on recommendations of its Remuneration and Appointments Committee, the Board of Directors decided to maintain unchanged the global amounts and the proportion between the fixed and variable parts of the remuneration of 2013 for the 2014 financial year.

### Fixed remuneration

The Board of Directors set the fixed remuneration for the 2014 financial year as follows, upon recommendation of the Remuneration and Appointments Committee:

- regarding Daniel Julien, the Board approved a gross annual amount of US$3.75 million (unchanged since 2013);
- regarding Paulo César Salles Vasques, the Board approved a gross annual amount of US$2.376 million (unchanged since 2013), including a net amount of €100,000 related to his position as CEO of Teleperformance SA and paid by the latter.

### Variable remuneration

Upon recommendation of the Remuneration and Appointments Committee, the Board of Directors set the maximum amount of variable remuneration for the 2014 financial year as follows:

- the maximum variable amount for Daniel Julien was set at US$1,500,000 (unchanged since 2013), subject to the fulfillment of performance criteria;
- the maximum variable amount for Paulo César Salles Vasques was set at US$924,000 (unchanged since 2013) subject to the fulfillment of performance criteria.

The maximum variable amount represents, for Daniel Julien and Paulo César Salles Vasques, 28% of their total remuneration.

The Board of Directors set the quantitative and qualitative performance criteria set out below, which enable calculation of the 2014 variable remuneration. The Board of Directors has introduced a point-based calculation system, in order to determine the full or partial fulfillment of said criteria. The maximum number of points that may be awarded for the various quantitative and qualitative criteria is 80 and 20 points respectively.

### Quantitative criteria

The quantitative criteria, which have an 80-point weighting, relate to the growth rate in revenue and the EBITA, related to the performance achieved by the Group throughout the network and excludes the impact of currency effects for the turnover criterion and excludes non-recurring items with respect to the criterion related to EBITA.

At its meeting held on February 25th, 2015, the Board of Directors reviewed the level of achievement of the quantitative targets and criteria, upon the recommendation of the Remuneration and Appointments Committee, which met on February 23rd, 2015, and concluded that the level achieved was equivalent to 80 points.

The table below sets out the number of points, the targets set by the Board and the level of achievement confirmed by the Board at its February 25th, 2015 meeting.

#### ▶ EBITA margin (excluding non-recurring items)

| Number of points awarded | Target |
|---|---|
| 0 points | less than 9.2% |
| 10 points | Equal to 9.2% and less than 9.3% |
| 20 points | Equal to 9.3% and less than 9.4% |
| 30 points | Equal to 9.4% and less than 9.5% |
| 40 points | greater than 9.5% |

#### ▶ Revenue growth (excluding currency gains and losses)

| Number of points awarded | Target |
|---|---|
| 0 points | less than 2% |
| 10 points | Equal to 2% and less than 3% |
| 20 points | Equal to 3% and less than 4% |
| 30 points | Equal to 4% and less than 5% |
| 40 points | At least 5% |

As to the quantitative criteria, upon recommendation of the Remuneration and Appointments Committee, and following the approval of the financial items by the Audit Committee, the Board of Directors noted that the EBITA margin amounted to 9.7%, *i.e.*, 40 points, while organic revenue growth amounted to 9.9% *i.e.*, 40 points.

The total number of points awarded was therefore 80 out of the 80 points allocated to these quantitative criteria.

### Qualitative criteria

Number of points awarded: 20

The qualitative criteria, which have a 20-point weighting, relate to the successful completion of each stage of the handover between the Chairman of the Board and the Chief Executive Officer. These pre-established qualitative criteria, aimed at motivating and uniting the teams, are not published for reasons of confidentiality.

With regard to these qualitative criteria, the Board, in particular, on the basis of the conclusions of its self-assessment of the first year of transition, made at its meeting held on July 28th, 2014, and on its discussions concerning the supervision and management of operational performance, unanimously approved the smooth and effective transition from Daniel Julien to Paulo César Salles Vasques.

It also considered that the performance of Mr. Julien and Mr. Salles Vasques over 2014 and their personal contribution to the Group's development during this new phase of the transition were very satisfactory.

As a result, the Board noted that, upon recommendation of the Remuneration and Appointments Committee, the maximum number of points, *i.e.* 20 points, was awarded in respect of these qualitative criteria.

Therefore, upon recommendation of the Remuneration and Appointments Committee, the Board of Directors set the amount of variable remuneration payable to Daniel Julien for 2014 at the gross sum of US$1,500,000 equivalent to €1,128,668 and Paulo César Salles Vasques at the gross sum of US$924,000 equivalent to €695,260. These amounts will be paid in March 2015.

#### Benefits in kind

The benefits in kind awarded to Daniel Julien consist in the provision of a company car, participation in a healthcare insurance plan and the matching contribution for 2014 paid as part of the *non-qualified deferred compensation plan* (description follows).

The benefits in kind awarded to Paulo César Salles Vasques comprise a company car and company housing, and the participation in a healthcare insurance scheme.

Daniel Julien and Paulo César Salles Vasques are eligible for the *non-qualified deferred compensation plan* set up by the US subsidiary, Teleperformance Group Inc.. The plan enables them to defer a portion of their remuneration, subject to a cap of US$200,000 per year, at their own discretion. Teleperformance Group Inc. then matches 25% of the amount on completion of the transaction. The deferred amount and the matching contribution can only be paid to them if they leave the Group.

As of December 31st, 2014, Daniel Julien deferred the payment of a sum of US$200,000 and Teleperformance Group Inc. matched that sum to a total of US$50,000. Paulo César Salles Vasques did not defer remuneration under this plan in 2014.

#### Breakdown of remuneration paid to executive directors for 2015

In preparing its recommendations on remuneration for 2015, the Remuneration and Appointments Committee notably discussed the results of the advisory votes cast by the shareholders at the shareholders' meeting of May 7th, 2014. It concluded that the structure of remuneration of executive directors was appropriate to the particular nature of the Group, its governance structure and the transition period.

Upon proposal by the Committee, the Board at its meetings held on November 25th, 2014 and February 25th, 2015, decided to maintain unchanged the breakdown between fixed and variable portions of the remuneration of Mr. Julien and Mr. Salles Vasques.

The Board of Directors also decided to maintain the amount of total remuneration (fixed and maximum variable portion) of Daniel Julien unchanged for 2015.

Regarding the overall remuneration of Paulo César Salles Vasques, the Board decided to increase it to a sum consisting of a gross annual fixed portion of US$2.88 million (compared to US$2.376 million for 2014) and a variable portion of a maximum of US$1.12 million (compared US$924,000 for 2014), particularly in light of the significant increase in the size and complexity of the Group following the acquisitions completed.

The determination of the variable portion is subject to performance conditions based on quantitative criteria (achievement of turnover and EBITA levels) and qualitative criteria (relating, in particular, to the continuing of the transition period between Daniel Julien and Paulo César Salles Vasques). The expected levels of achievement are not made public for reasons of confidentiality.

### 3.5.2.3 Undertakings in favor of executive directors

**▶ Table 11 of the AMF recommendations – Summary of undertakings in favor of the Chairman of the Board of Directors and the Chief Executive Officer**

| Executive director | Employment contract | Additional pension scheme | Payments or benefits due or liable to be due upon termination or change of responsibilities | Payments relating to a non-compete agreement |
|---|---|---|---|---|
| Daniel Julien | No | No | No | Yes |
| Paulo César Salles Vasques | No | No | No | Yes |

### Employment contract

The Chairman and the Chief Executive Officer are not bound to the Company or any of its subsidiaries by an employment contract. Paulo César Salles Vasques' employment contract with Teleperformance Group Inc. was terminated on May 30th, 2013, at the time of his appointment as Chief Executive Officer.

### Additional pension scheme

The Chairman and the Chief Executive Officer do not benefit from any additional pension scheme.

### Payments or benefits due or liable to be due upon termination or change of responsibilities

The Chairman and the Chief Executive Officer are not entitled to any payments or benefits due or liable to be due as a result of termination of their appointment or a change in their responsibilities.

### Payments relating to a non-compete agreement

#### Daniel Julien's non-compete agreement

Daniel Julien is subject to a non-compete agreement, which was entered into in 2006, approved by the general meeting of shareholder's on June 1st, 2006 and amended by decision of the Board of Directors at its May 31st, 2011 and November 30th, 2011 meetings. These amendments were approved by the ordinary general meeting of shareholders on May 29th, 2012. The main features of this agreement are as follows:

- a mutual nine-month notice period in the event of the termination of Mr. Julien's duties within the Group;
- in the event that Mr. Julien's duties are terminated, a non-compete agreement and an undertaking not to hire away any of the Group's senior managers will be entered into, on the understanding that this undertaking is limited to countries where the Group has operations at the time when Mr. Julien's duties are terminated;
- the term of this non-compete and non-solicitation agreement will be set at either two years (with a payment corresponding to 2.5 years' remuneration) or three years (with a payment corresponding to three years' remuneration), at the Board's discretion;
- the payment for the first year has been set at an amount equal to Mr. Julien' s total remuneration, including all the expenses paid during the calendar year prior to the first day of the notice period, minus the amounts withheld and expenses of any kind relating to this payment; this payment will be increased to 150% of said amount for the second year;
- the non-compete agreement will come into force as of the termination of all of Mr. Julien' s duties within the Group and will extend over the next two or three years, at the Board' s discretion.

#### Paulo César Salles Vasques' non-compete agreement

Paulo César Salles Vasques is subject to a non-compete agreement with terms similar to those governing the non-compete clause contained in his employment contract before his appointment as CEO and changes to the AFEP-MEDEF Code of June 2013.

The agreement was authorized by the Board of Directors on November 25th, 2013 and includes commitments on the part of Mr. Salles Vasques regarding confidentiality, non-poaching, non-solicitation and competition. In this regard, Mr. Salles Vasques will refrain from (i) collaborating with, (ii) taking part in, and (iii) investing in a business activity and/or company that competes with the Teleperformance Group in any way, with no restrictions on the country, for a period of two years following his departure.

In the event of departure for any reason whatsoever, Mr. Paulo César Salles Vasques would be entitled to receive an indemnity capped at two years' gross remuneration determined on the basis of either (i) the aggregate annual gross remuneration (fixed + variable) received over the calendar year preceding his departure, or, if higher, (ii) the average annual gross remuneration over the past three years.

This non-compete agreement was approved by the shareholders' meeting of May 7th, 2014.

## 3.5.2.4 Grant of stock options and performance shares to executive directors

### a. Stock subscription or purchase options

**Stock subscription or purchase options granted to or exercised by executive directors during the financial year (information required in Tables 4 and 5 of the AMF recommendations)**

No stock subscription or purchase options were granted to or exercised by Daniel Julien or Paulo César Salles Vasques during the 2014 financial year.

**History of grants of stock options (information required in Table 8 of the AMF recommendations)**

None.

**Stock subscription or purchase options granted or exercised by the top 10 beneficiaries other than corporate directors (information required in Table 9 of the AMF recommendations)**

None.

## b. Performance shares and equivalent schemes

During the 2014 financial year, no performance shares were granted to Daniel Julien or Paulo César Salles Vasques.

### Expiry of lock-in period for performance shares (information required in Table 7 of the AMF Recommendations)

None of the performance shares awarded to Daniel Julien or Paulo César Salles Vasques became available for sale or transfer during the 2014 financial year.

**▶ Table 10 of the AMF recommendations – Overview of the performance share plans granted by Teleperformance SA**

| | Plan 1 | Plan 2 | Plan 3 | Plan 4 | Plan 5 | Plan 6 |
|---|---|---|---|---|---|---|
| Date of shareholders' meeting | 5/31/2011 | 5/31/2011 | 5/31/2011 | 5/31/2011 | 5/30/2013 | 5/30/2013 |
| Date of Board of directors meeting | 7/27/2011 | 11/30/2011 | 5/29/2012 | 7/30/2012 | 7/30/2013 | 2/25/2014 |
| Grant date | 7/27/2011 | 11/30/2011 | 6/1/2012 | 7/30/2012 | 7/30/2013 | 2/25/2014 |
| Total number of share rights granted | 1,099,000 | 30,500 | 2,000 | 2,000 | 840,000 | 22,500 |
| Total number of beneficiaries | 100 | 10 | 1 | 1 | 126 | 1 |
| of which total number granted to executive directors: | | | | | | |
| ▪ Daniel Julien | 170,000(1) | - | - | - | - | - |
| ▪ Paulo César Salles Vasques(2) | n/a | - | - | - | - | - |
| Definitive vesting date | 7/27/2013 | 11/30/2013 | 6/1/2014 | 7/30/2014 | 7/30/2016 | 2/25/2017 |
| End of lock-in period | 7/27/2015 | 11/30/2015 | 6/1/2016 | 7/30/2016 | 7/30/2018 | 2/25/2019 |
| Performance criteria | Yes(3) | Yes(3) | Yes(4) | Yes(4) | Yes | Yes |
| Nature of shares granted | existing shares | existing shares | existing shares | existing shares | new or existing shares | new or existing shares |
| Total number of share rights cancelled or lapsed | 48,500 | 7,500 | - | - | 127,500 | - |
| Number of shares definitively vested | 1,050,500(3) | 23,000(3) | 2,000(4) | 2,000(4) | - | - |
| Number of rights outstanding | - | - | - | - | 712,500 | 22,500 |

*(1) The Board of Directors has decided that Daniel Julien must retain a number of shares equivalent to 30% of the total number of performance shares vested under this plan until the end of his appointment.*
*(2) Chief Executive Officer since May 30th, 2013.*
*(3) Definitive vesting subject to the fulfillment of performance criteria relating to increases in consolidated revenues and consolidated EBITA. The Board of Directors noted the fulfillment of said performance criteria at its February 26th, 2013 meeting. As a result, all the shares allotted have definitely vested to those beneficiaries who still fulfilled the employment condition as of the vesting dates.*
*(4) The Board of Directors at its meetings held on February 25th, 2014 and July 28th, 2014 noted that the performance criteria for these plans had been fully met. The features of these plans are presented in section 2.2.5.3 of the present Registration Document.*

It is noted during the 2013 financial year, the US subsidiary, Teleperformance Group Inc., implemented a long-term incentive plan settled in Teleperformance SA shares and involving the allotment of 150,000 shares each to Daniel Julien and Paulo César Salles Vasques, following approval of the plan by the Board of Directors of Teleperformance SA.

The definitive vesting of the shares is subject to employment and performance conditions that are similar to those approved by the Board of Directors at its meeting held on July 30th, 2013 regarding the allotment of performance shares to the Group's main managers and executives. The performance criteria are based on the achievement of a 16.0% increase in consolidated revenues at constant exchange rates, and a 27% increase in consolidated EBITA over the period between January 1st, 2013 and December 31st, 2015 and a ROCE of 12.5% as of December 31st, 2015. At the end of the three-year vesting period, Teleperformance Group Inc. will be required to purchase a certain amount of shares in order to deliver them to the beneficiaries. This amount will be determined in accordance with the achievement of the aforementioned growth indicators and will amount to 100%, 75%, 50% or 0% of the amount allotted under the incentive plan.

In addition, Mr. Julien and Mr. Salles Vasques will be required to retain, under the registered form, a number of shares equivalent to 30% of the number of shares allotted as part of this long-term incentive plan until the end of their appointment.

## 3.5.3 Remuneration elements due or granted to each executive director of the Company in respect of the 2014 financial year, submitted to the vote of the shareholders

In accordance with the recommendations of the AFEP-MEDEF Code, as amended in June 2013 (paragraph 24.3), to which the Company refers pursuant to Article L.225-37 of the French Commercial Code, the remuneration elements due or awarded to each executive director in respect of the year ended are submitted to the shareholders' vote.

It is then proposed to the shareholders' meeting to be held on May 7th, 2015 to issue a favorable opinion on the remuneration elements due or awarded to Daniel Julien, Chairman of the Board of Directors, and to Paulo César Salles Vasques, Chief Executive Officer, in respect of the year ended December 31st, 2014.

### 3.5.3.1 Remuneration due or granted to Daniel Julien, Chairman of the Board of Directors, in respect of the 2014 financial year

#### ▶ Remuneration elements due or granted in respect of 2014

| | Amounts or book value subject to vote* | Comments |
|---|---|---|
| Fixed remuneration | €2,821,670 | Gross fixed annual remuneration of US$3,750,000 approved by the Board of Directors held on November 25th, 2013 (unchanged since 2013), for his strategic role, his investment and his responsibilities within the Group due to his offices as Chairman of the Board of Directors and CEO of Teleperformance Group Inc. |
| Annual variable remuneration | €1,128,668 | At its meeting held on February 25th, 2015, the Board of Directors, upon recommendation of the Remuneration and Appointments Committee, and after approval by the Audit Committee of financial items, approved the amount of variable remuneration of Daniel Julien for the 2014 financial year as follows:<br>▪ with regard to the quantitative criteria (increase in revenues excluding currency gains and losses, and increase in the EBITA ratio excluding non-recurring items), the number of points awarded was 80 out of the 80 points assigned to these quantitative targets;<br>▪ with regard to the qualitative criteria relating to the progress of the transition period, the number of points awarded was 20 out of the 20 points assigned to this target. The Board unanimously appreciated the efficient progress and smooth transition between the Chairman and the Chief Executive Officer, and in particular Mr. Julien's personal involvement to pass on his know-how and knowledge of the Group. In addition, his capacity to implement the strategy at the Group level and to finalize the acquisitions carried out in 2014 was emphasized.<br>The amount of the 2014 variable remuneration of Daniel Julien has, accordingly, been set at US$1,500,000 i.e., €1,128,668.<br>The performance criteria and their expected and recorded fulfillment levels are set out in section 3.5.2.2 of the 2014 Registration Document. |
| Deferred variable remuneration | n/a | Daniel Julien does not benefit from any deferred variable remuneration. |
| Multi-year variable remuneration | n/a | Daniel Julien does not benefit from any multi-year variable remuneration. |
| Exceptional remuneration | n/a | Daniel Julien does not benefit from any exceptional remuneration. |
| Stock purchase and subscription options, performance shares or other components of long-term remuneration | n/a | No stock purchase or subscription options were granted to Daniel Julien.<br>During the year 2014, no performance shares or equivalent scheme were granted to Daniel Julien by the Company or one of its subsidiaries. |
| Directors' fees | n/a | Daniel Julien does not receive any directors' fees from the Company or its subsidiaries. |
| Benefits in kind | €47,888 | The benefits in kind awarded to Daniel Julien comprise a company car, participation in a healthcare insurance plan and the matching contribution for 2014 paid under the non-qualified deferred compensation plan described in section 3.5.2.2 of the 2014 Registration Document. |

* *Remunerations in foreign currencies are converted into euros at the average annual rate.*

### Remuneration due or granted for 2014 financial year that are or have already been voted upon by the shareholders' meeting under the procedure for regulated agreements and commitments

| | Amounts or book value subject to vote* | Comments |
|---|---|---|
| Termination payments | n/a | Daniel Julien does not benefit from any indemnity or payment in connection with the termination of his position. |
| Non-compete compensation | No payment | As founder of the Group, Daniel Julien is entitled to receive compensation under a non-compete agreement.<br>This non-compete agreement has already been approved by the combined shareholders' meeting held on May 29th, 2012 (5th resolution) and is detailed in section 3.5.2.3 of the 2014 Registration Document. |
| Additional pension scheme | n/a | Daniel Julien does not benefit from any additional pension scheme. |

* *Remunerations in foreign currencies are converted into euros at the average annual rate.*

### 3.5.3.2 Remuneration due or granted to Paulo César Salles Vasques, Chief Executive Officer, in respect of the 2014 financial year

#### ▶ Remuneration elements due or granted in respect of 2014

| | Amounts or book value subject to vote* | Comment |
|---|---|---|
| Fixed remuneration | €1,787,810 | Gross annual fixed remuneration of US$2,376,000 for 2014 approved by the Board of Directors at its meeting held on November 25th, 2013 (unchanged since 2013), including a net amount of €100,000 relating to his position as CEO of Teleperformance SA and paid by the latter. |
| Annual variable remuneration | €695,260 | At its meeting held on February 25th, 2015, the Board of Directors, upon recommendation of the Remuneration and Appointments Committee, and after approval by the Audit Committee of financial items, approved the amount of variable remuneration of Paulo César Salles Vasques for the 2014 financial year as follows:<br>▪ with regard to the quantitative criteria (increase in revenues excluding currency gains and losses, and increase in the EBITA ratio excluding non-recurring items), the number of points awarded was 80 out of the 80 points assigned to these quantitative targets;<br>▪ with regard to the qualitative criteria relating to the progress of the transition period, the number of points awarded was 20 out of the 20 points assigned to this target. The Board unanimously appreciated the efficient progress and smooth transition between the Chairman and the Chief Executive Officer. It also considered the implementation of the knowledge and know-how received from the founder of the group was very satisfying. The quality of the management, the motivation of the teams and the successful implementation of the integration process for new acquisitions were in particular noted.<br>The amount of the 2014 variable remuneration of Paulo César Salles Vasques has, accordingly, been set at US$924,000 i.e., €695,260.<br>The performance criteria and their expected and recorded fulfillment levels are set out in section 3.5.2.2 of the 2014 Registration Document. |
| Deferred variable remuneration | n/a | Paulo César Salles Vasques does not benefit from any deferred variable remuneration. |
| Multi-year variable remuneration | n/a | Paulo César Salles Vasques does not benefit from any multi-year variable remuneration. |
| Exceptional remuneration | n/a | Paulo César Salles Vasques does not benefit from any exceptional remuneration. |
| Stock purchase and subscription options, performance shares or other components of long-term remuneration | n/a | No stock purchase or subscription options were granted to Paulo César Salles Vasques.<br>During the year 2014, no performance shares or equivalent scheme were granted to Paulo César Salles Vasques by the Company or one of its subsidiaries. |
| Directors' fees | n/a | Paulo César Salles Vasques does not receive any directors' fees from the Company or its subsidiaries. |
| Benefits in kind | €58,656 | The benefits in kind awarded to Paulo César Salles Vasques comprise a company car and company housing, and the participation in a healthcare insurance scheme. |

* *Remunerations in foreign currencies are converted into euros at the average annual rate.*

**Remuneration due or granted for 2014 financial year that are or have already been voted upon by the shareholders' meeting under the procedure for regulated agreements and commitments**

| | Amounts or book value subject to vote* | Comments |
|---|---|---|
| Termination payment | n/a | Paulo César Salles Vasques does not benefit from any indemnity or payment in connection with the termination of his position. |
| Non-compete compensation | No payment | Paulo César Salles Vasques, CEO, benefits from a compensation under a non-compete agreement. This non-compete agreement was already approved by the shareholders' meeting held on May 7th, 2014 (4th Resolution) and is detailed in section 3.5.2.3 of the 2014 Registration Document. |
| Additional pension scheme | n/a | Paulo César Salles Vasques does not benefit from any additional pension scheme. |

* *Remunerations in foreign currencies are converted into euros at the average annual rate.*

# 3.6 *Transactions on the Company's shares*

## 3.6.1 Code of Conduct relating to securities transactions

The Company complies with the recommendation issued by the AMF (French Financial Markets Authority) on November 3rd, 2010 and with the AFEP-MEDEF Code. The Board of Directors adopted a Code of Conduct regarding securities transactions at its November 30th, 2011 meeting. This Code strictly prohibits insiders and related persons from using and/or disclosing insider information, and from advising another person to trade in the Company's financial instruments on the basis of insider information.

The Company has appointed a Compliance Officer, whose opinion may be requested prior to any transaction in the Company's securities. A Committee consisting of the following individuals assists the Compliance Officer with their assignment:

| | | |
|---|---|---|
| Maud Junoy | Compliance Officer | Chief Legal Officer |
| Olivier Rigaudy | Committee member | Chief Financial Officer |
| Philippe Ginestié | Committee member | Director |

## 3.6.2 Determination of black-out periods

Transactions involving the purchase or sale of the Company's securities or financial instruments are prohibited during the periods included between the date when senior managers and equivalent persons, as well as any person who has access to insider information on a regular or occasional basis, become aware of specific information regarding the course of business or outlook which could have a material influence on the share price if it were to be made public, and the date when that information is made public.

In addition, transactions are also prohibited during a period of:

- 30 calendar days prior to the publication date (inclusive) of the (parent company and consolidated) annual and half-yearly financial statements; this period expires on the day following publication (at midnight); and
- 15 calendar days prior to the publication date (inclusive) of the quarterly reporting; this period expires on the day following publication (at midnight).

Regarding the sale of performance shares in accordance with the Code of Conduct relating to securities transactions as amended by the Board of Directors on February 25th, 2015, it is strictly forbidden for beneficiaries of performance shares of the Company to transfer their shares following the end of the lock-in period during the blackout periods defined below:

- the period beginning 15 calendar days before the date (inclusive) set for the publication of annual and consolidated financial statements and expiring 5 calendar days after the date of publication (inclusive) of such financial statements;
- the period beginning 15 calendar days before the date (inclusive) set for the half-year consolidated financial statements and the publication of quarterly financial information and expiring 5 calendar days after the date of publication (inclusive) of such financial statements;
- the period beginning when the beneficiary becomes aware of insider information (other than the quarterly financial statements and information referred to above) and expiring 15 calendar days after the date (inclusive) on which this information is made public.

The Company draws up and issues at the beginning of each calendar year a timetable setting out periods during which transactions on Company's securities are prohibited. This timetable also specifies that the indicated periods do not affect the existence of other black-out periods arising as a result of awareness of specific information directly or indirectly relating to the Company, which could have a material impact on the Teleperformance share price if it were to be made public.

## 3.6.3 Prohibition of hedging transactions

In accordance with the recommendations of the AFEP-MEDEF Code and AMF Recommendation No. 2010-07 of November 3rd, 2010, hedging transactions involving the Company's securities are prohibited. The executive directors have given a formal undertaking not to use transactions that hedge their risk on the shares arising from performance shares.

## 3.6.4 Summary of securities transactions performed during the 2014 financial year

Pursuant to Article 223-26 of the AMF General Regulation, a summary statement of securities transactions performed in 2014 and until the filing date of this Registration Document, as reported to the Company and to the AMF, is provided below:

| | Nature | Date | Number of shares | Unit price |
|---|---|---|---|---|
| **Daniel Julien**<br>Chairman of the Board of Directors | Stock loan (lender) | November 7th, 2014 | 2,000 | - |
| **Christobel Selecky**<br>Director | Stock loan (beneficiary) | November 7th, 2014 | 1,000 | - |
| **Angela Maria Sierra-Moreno**<br>Director | Stock loan (beneficiary) | November 7th, 2014 | 1,000 | - |
| **Philippe Dominati**<br>Director | Sale | December 30th, 2014 | 1,134 | €56.41 |

# 3.7 *Regulated agreements and commitments*

## 3.7.1 Regulated agreements and commitments

No new regulated agreements were authorized by the Board of Directors during the 2014 financial year. Pursuant to legal and regulatory provisions, the Board of Directors, at its meeting held on February 25th, 2015, carried out the annual review of the regulated agreements and commitments.

The statutory auditors' special report on regulated agreements and commitments referred to in Articles L.225-38 *et seq.*, and L.225-42-1 *et seq.* of the French Commercial Code is provided in paragraph 3.7.2 *Statutory auditors' special report on regulated agreements and commitments* below.

## 3.7.2 Statutory auditors' special report on regulated agreements and commitments

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

**Shareholders' Meeting held to approve the financial statements for the year ended 31 December 2014**

To the Shareholders,

In our capacity as statutory auditors of your company, we hereby report to you on its regulated agreements and commitments.

The terms of our engagement require us to communicate to you, based on information provided to us, of the principal terms and conditions of those agreements and commitments brought to our attention or which we may have discovered during the course of our audit, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements and commitments, if any. It is your responsibility, under the terms of article R.225-31 of the French Commercial Code, to assess the interest involved in respect of the conclusion of these agreements and commitments for the purpose of approving them.

Our role is also to provide you with the information stipulated in article R.225-31 of the French Commercial Code relating to the implementation during the past year of agreements and commitments previously approved by the Shareholders' Meeting, if any.

We conducted the procedures we deemed necessary in accordance with relevant professional guidelines issued by the French Institute of Auditors relating to this engagement.

### Regulated agreements or commitments submitted for the approval of this shareholders' meeting

**Regulated agreements or commitments authorised during the year**

We hereby inform you that we have not been advised of any agreement or commitment authorized during the year to be submitted to the approval of the Shareholders' Meeting pursuant to article L.225-38 of the French Commercial Code.

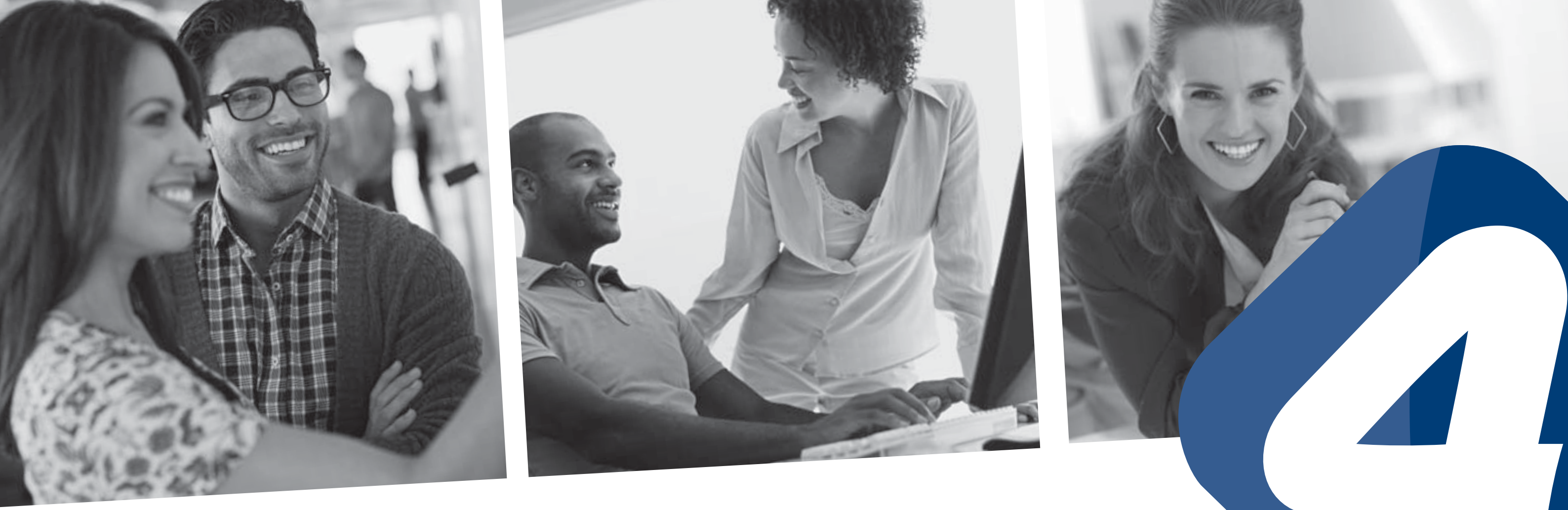
### Regulated agreements or commitments which were approved in prior years by the shareholders in general meeting

We hereby inform you that we have not been advised of any agreement or commitment previously approved by the Shareholders' Meeting which remained in force during the year.

The statutory auditors

Paris La Défense and Neuilly-sur-Seine,
25 February 2015

| | |
|---|---|
| **KPMG Audit IS** | **Deloitte & Associés** |
| **Eric Junières** | **Philippe Battisti** |
| *Partner* | *Partner* |



# 4

# Environmental, Labor and Social Information

# 4.1 Introduction

Pursuant to the provisions of Article L.225-102-1 of the French Commercial Code, as specifically amended by the Article of Act No. 2010-788 of July 12th, 2010 (Grenelle 2 Act), Article 12 of Act No. 2012-387 of March 22nd, 2012 (Warsmann 4 Act), the Decree of April 24th, 2012 and the subsequent Order of May 13th, 2013, the Group must provide information on the measures that have been adopted with regard to the social and environmental consequences of its activity.

The Group has undertaken this endeavor since 2006, first by initiating and leading Citizen of the World, a program of charitable, humanitarian and collective welfare action plans, then in 2008 Citizen of the Planet, with an environmental focus.

By renewing its adherence to the United Nations Global Compact in July 2011, Teleperformance has confirmed its intent to position itself as a player that is conscious of its impact and influence on its surrounding society.

Our business is not industrial and we do not emit any pollution into the air, water or ground, nor do we manufacture transformed products or consume raw materials.

Given the tertiary nature of the Group's business as a service provider of call centers, our issues with regard to social, labor and environmental responsibility are essentially human.

Consequently, we have decided that this chapter on the CSR theme should focus mainly on the human aspects, regarding, on the one hand, our employees and stakeholders and on the other hand, the territorial and social impact of our activity and our actions in favor of communities, territorial development, etc…

The issues listed below have not been dealt with, as they are considered irrelevant at Group level in view of the fact that our activity consists of the provision of services:

- resources dedicated to preventing environmental risks and pollution;
- the amount of provisions and guarantees for environmental risks;
- measures related to noise pollution and any other form of pollution specific to a business activity;
- the use of renewable energies;
- land use;
- measures implemented to preserve or promote biodiversity;
- consumption of raw materials and measures taken to improve efficiency of use;
- prevention, reduction or compensation measures regarding atmospheric, aqueous and terrestrial pollution seriously affecting the environment.

## 4.1.1 Methodology

### Scope and collection of information

The quantitative information provided in sections 4.2.1 *Breakdown of workforce* and 4.2.2 *Changes in workforce* have been collected in the Group's reporting and consolidation tool for all of our subsidiaries in the scope of consolidation (see note J. of the Notes to the Consolidated Financial Statements) except for the following data:

- breakdown of workforce by gender;
- breakdown of workforce by age group.

The breakdowns exclude our United States subsidiaries, as local regulations prohibit us from verifying the data collected.

This data is valid as of December 31st, 2014 and has been audited by KPMG's CSR specialists.

This quantitative data is monitored by the Reporting and Consolidation Department, responsible for checking all data received using a comparative analysis, essentially with last year. The financial departments of each of our subsidiaries enter the information *via* our consolidation tool. We check the data received from the subsidiaries to ensure its coherence and correct it in case of errors. However, the data is not modified once the accounts are closed.

For 2014, the Group only has data for France for electricity consumption and greenhouse gas emissions. However, the Company has started a process to widen this scope for next year.

**Qualitative information** was collected *via* a specific questionnaire sent to the Group's 34 larger subsidiaries, which account for 82.2% of the workforce.

This information does not systematically cover the totality of 2014 nor the totality of the scope of consolidation. Thus, qualitative information was not collected for our subsidiaries with smaller workforces, representing 17.8% of the total workforce, and given the internal logistics, this qualitative data only partially covers the last 45 days of 2014.

### Main indicators

To guarantee the consistency of the information reported, guidelines were introduced and circulated to all Group subsidiaries. These guidelines specify the exact definitions and formulas to use for the feedback of quantitative information. In some cases, a given subsidiary may not monitor a requested indicator internally and therefore cannot provide the relevant information.

Further information on the indicators set out in this report are provided below:

- Year-end workforce

  The year-end workforce includes all persons who had an employment contract and were in salaried employment at the Group's various subsidiaries, together with all temporary employees as of December 31st.

- Average workforce

  The average workforce was calculated by dividing the number of hours scheduled for the year by the normal number of hours worked during that period. The normal number of hours worked is specific to each country, depending on local regulations.

- Training hours

  The number of training hours indicated may have been slightly underestimated, due to the fact that some subsidiaries only monitor the training hours offered to agents. However, given that agents account for around 86% of the workforce and are clearly the main training recipients, this difference is unlikely to be significant.

- Industrial accident frequency index

  Number of accidents resulting in time off work divided by the average employee workforce multiplied by 1,000. The number of industrial accidents does not include accidents that occurred during travel between home and work.

- Rate of absenteeism

  This is the number of hours related to unscheduled absences divided by the number of remunerated production hours and unscheduled absences (not remunerated). Scheduled absences (holiday, maternity leave, training, etc.) are excluded from the calculation. The rate of absenteeism only concerns agents. The rate provided in this report is the weighted average of the absenteeism rates of subsidiaries (depending on their workforce).

- Management

  This encompasses all functions other than those of agents and supervisors.

- Positions eliminated

  These are positions eliminated following a reduction in business.

- Termination

  This concerns terminations due to end of contracts, employee resignations and departures on the employer's initiative for reasons other than economic ones.

- $CO_2$ Emissions

  This data is obtained from electricity consumption in France, using the emission factor from ADEME's carbon database.

## 4.1.2 Adherence to the United Nations Global Compact

Like the more than 12,000 adherents (including 8,285 companies) to this Compact launched in 2000, Teleperformance is committed to adopting, supporting and applying ten universal principles relating to human rights, employment standards, the environment and anti-corruption within its sphere of influence.

The United Nations Global Compact, which is the main global corporate citizenship initiative for companies, aims to promote the social legitimacy of companies and markets. By adhering to the Compact, Teleperformance is demonstrating its conviction that business practices based on universally recognized values contribute to the emergence of a stable, fair and open global market.

In 2014, the Group's Social and Environmental Responsibility Committee addressed the drafting of a global policy on equal opportunities as well as a global policy on personal data protection.

These two new policies complement the work of the Committee, which implemented anti-corruption and environmental policies, as well as a Code of Ethics in 2012 and 2013.

A poster showing the Ten United Nations Global Compact principles is displayed at each facility, once it has been signed by the manager of each new subsidiary, thereby underlining their personal commitment to comply with the Ten Principles and to ensure compliance.

*The Ten Principles of the United Nations Global Compact*

*Human rights*

1. *Businesses should support and respect the protection of internationally proclaimed human rights; and*
2. *make sure that they are not complicit in human rights abuses.*

*Labor*

3. *Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;*
4. *the elimination of all forms of forced and compulsory labor;*
5. *the effective abolition of child labor; and*
6. *the elimination of discrimination in respect of employment and occupation.*

*Environment*

7. *Businesses should support a precautionary approach to environmental challenges;*
8. *undertake initiatives to promote greater environmental responsibility; and*
9. *encourage the development and diffusion of environmentally-friendly technologies.*

*Anti-corruption*

10. *Businesses should work against corruption in all its forms, including extortion and bribery.*

Principles 3, 4 and 6 of the United Nations Global Compact regarding employment law reciprocally correspond to ILO fundamental conventions Nos. 87 and 98, 29 and 105, 100 and 111.

## 4.1.3 Compliance with and promotion of ILO fundamental conventions

In addition to the Group's adherence to the Ten Principles of the United Nations Global Compact, each subsidiary of Teleperformance is strictly compliant with local laws.

In 49 of the countries where Teleperformance is established (*i.e.* 79% of our footprint), the State has ratified the 8 ILO fundamental conventions, converting the fundamental conventions into statutory provisions:

- Nos. 29 and 105: the elimination of all forms of forced or compulsory labor;
- Nos. 138 and 182: the effective abolition of child labor;
- Nos. 87 and 98: the freedom of association and effective recognition of the right to organize and collective bargaining;
- Nos. 100 and 111: equal remuneration and elimination of discrimination in respect of employment and occupation.

Only 13 countries in which Teleperformance has subsidiaries have not ratified all of the fundamental conventions:

- 6 have ratified 100% of the fundamental conventions with the exception of one.Apart from Hong Kong which has not ratified the convention No. 100 on equal remuneration, the 5 other countries (Brazil, Jordan, Lebanon, Morocco and Kenya) have not ratified convention No. 87 on freedom of association.

  However:

  - 4 of these States intend to request the ratification of convention No. 87 and two, Jordan and Morocco, have requested technical cooperation from the International Labour Office to strengthen the capabilities of the employer and worker organizations; the Lebanese government has created a permanent tripartite commission responsible for institutionalizing social dialog in the country and establishing a climate of understanding and cooperation between social partners; as for Kenya, while convention No. 87 has not yet been ratified, there are numerous trade unions federating one and a half million workers;
  - due to legal incompatibility, the Brazilian government is unable to ratify the convention, but Brazilian law guarantees the right to form a trade union free from any government interference.

Notwithstanding this fact, in these six States, Teleperformance promotes dialog with its employees and is in no way opposed to worker representation:

- in Morocco, the ten staff representatives – of whom four are unionized with the UMT (*Union Marocaine du Travail* – Morocco Labor Union) – meet at least once per quarter, and sometimes once a month, with the Human Resources director within the framework of a staff representatives meeting;
- in Lebanon, meetings with staff representatives are held at least once a quarter, and more often if necessary, *via* our partner;
- in Brazil, an annual collective bargaining agreement is signed by the trade unions and management and then submitted to the employees for approval;
- in Kenya and Jordan, our employees are free to join a union.

Finally, our Hong Kong subsidiary is not affected by remuneration inequalities.

- Canada and Mexico have not ratified the convention Nos. 98 (right to organize and collective bargaining) and 138 (regarding the minimum age limit).

  According to the report of the 320th session of the ILO Board of Directors which took place between March 23rd and 27th, 2014:

  - Concerning convention No. 98 (right to organize and collective bargaining):
    - according to the Canadian Employers' Council, the interpretation of convention No. 98 contradicts several important characteristics of the Canadian work relations system, which guarantees balanced relations between the interests of employers, unions and workers. To support the employers and unions in their collective bargaining, the government has allocated, over two years, a million Canadian dollars to broaden the skills of the preventive mediation service, so that more employers and unions can benefit from its services,
    - Mexico's government indicates that amendments have been made to the federal labor law in order to harmonize it with the requirements of the ILO fundamental conventions;
  - With regard to convention No. 138 (minimum age):
    - the Canadian government declares that it is unable to ratify this convention due to legal incompatibility or national circumstances,
    - Mexico has launched several initiatives to abolish child labor: amendments to the Constitution, reform of labor law, creation of a national inter-ministerial commission responsible for the prevention and the abolition of child labor, strengthening of the missions of the Labor Inspectorate, etc. The Mexican government has also requested technical support from the International Labour Organization to facilitate the ratification of the convention No. 138.

      Nonetheless, the minimum age required to be hired by Teleperformance is 16 in Canada and Mexico.

      Furthermore, the dialog with employees at the Teleperformance subsidiaries based in both countries is entirely effective:

    - thus, collective bargaining agreements are signed with our Mexican subsidiaries' staff representatives and trade unions on an annual basis;
    - in Canada, Focus Groups and regular CEO Webcasts ensure open and transparent dialog with all employees.

- Singapore and Thailand have not ratified three of the fundamental conventions:
  - In these two States, these are convention Nos. 111 (discrimination) and 87 (freedom of association):
    - with regard to convention No. 111 (discrimination), the ILO (International Labour Office) stated in the report on its March 2014 Board meeting that the governments of these two countries have amended their national legislation so that it is in line with this principle, and have carried out activities to promote non-discrimination and equality,
    - Singapore is unable to ratify convention No. 87 (freedom of association) for reasons of legal incompatibility but the government of Thailand has requested technical support from the ILO to train civil servants in freedom of association and collective bargaining – a step towards the ratification of convention No. 87 and also the convention No. 98 (right to organize and collective bargaining).

    In addition, Singapore has not ratified convention No. 105 (abolition of forced labor) due to legal obstacles but has established a national action plan to fight trafficking in human beings.

    Nonetheless:

    - we afford high priority to the opinion of our employees: thus, in our Thai subsidiary, the employee satisfaction index (Esat) is noted every month and a meeting is subsequently held to permanently monitor and adapt;
    - our team in Thailand complies strictly with principle No. 6 of the United Nations Global Compact: *The elimination of discrimination in respect of employment and occupation*. Within our Company, for an equivalent position, there are no differences in the treatment of male and female employees: the team at the TLScontact center in Bangkok is made up of 35.7% of men and 64.3% of women.

- China and India have not ratified 4 out of the 8 ILO fundamental conventions.

  These two countries have in common that they have not ratified the conventions on freedom of association and the recognition of the right to collective bargaining (87 and 98):

  - the Indian government cannot ratify these conventions due to legal incompatibilities, but has requested technical support from the International Labour Organization for legal reform and interpretation of laws;
  - for its part, the Chinese government indicates that the active advice and support for social partners are the

source of progress in reinforcing systems of collective bargaining and that the number of people affiliated with a trade union is increasing by around 8% per year. They have requested technical support from the International Labour Organization for advice in drafting policies.

- China has not ratified the conventions regarding forced labor (29 and 105), while India has not ratified the conventions regarding child labor (138 and 182). However:
  - China has approved a seven-year action plan against human trafficking;
  - India is preparing to change its law on child labor dating from 1986 and has requested technical support from the ILO for this purpose.

  Notwithstanding this fact, Teleperformance promotes dialog with its employees in both countries, through the following measures. Thus:
  - the directors of our sites in India encourage employees to come together for cultural or sports activities, and allow them to direct and manage these extraprofessional activities among work colleagues at their entire discretion.

    The consultation of Teleperformance employees in India has not been ignored: thus, personnel representatives sit on three decision-making Committees;
  - there are various programs for collecting the opinions of Teleperformance employees in China, such as Focus Groups and the Human Resources open day, organized monthly. In October 2014, Teleperformance China was awarded the prize of best employer for 2013.

  Finally, our Indian subsidiary does not employ any worker under the age of 16 years.
- Paradoxically, the United States has only ratified 2 of the ILO fundamental conventions, although:
  - federal legislation and practices are mostly compliant with ILO conventions 87 and 98 (freedom of association and the right to organize and collective bargaining);
  - with regard to the fight against discrimination, the EEO law (Equal Employment Opportunity) is one of the most stringent in the world;
  - various federal laws prohibit child and forced labor. In addition, the TVPRA 2013 law (Trafficking Victims Protection Reauthorization Act) signed by the US President in March 2013, reactivated protection measures for victims of human trafficking and vulnerable children.

Further details on our Group's in-house initiatives to promote freedom of association and the effective recognition of collective bargaining rights (conventions 97 and 98), as well as the elimination of discrimination in respect of employment and occupation (conventions 100 and 111) can be found in sections 4.2.8 *Diversity and equal opportunities*, 4.4.1 *The local, economic and social impact of our business*, and 4.2.5 *Labor relations*.

## 4.1.4 Clinton Global Initiative

Established in 2005 by President Bill Clinton, the Clinton Global Initiative (CGI) convenes world leaders to create and implement innovative solutions to the world's most pressing challenges of the planet. According to their website, the annual meetings brought together more than 180 heads of state, 20 Nobel prize laureates and hundreds of leading CEOs, heads of foundations and NGOs, major philanthropists, and members of the media. To date, members of the CGI community have made more than 3,100 commitments to action, which have improved the lives of over 430 million people in more than 180 countries.

Teleperformance makes an annual commitment to the Clinton Global Initiation (CGI) to raise US$1 million in cash, in-kind donations and services until 2016. We are pleased to report that each year Teleperformance has exceeded our annual commitment since the inception of Citizen of the World.

# 4.2 Staff information

## 4.2.1 Breakdown of workforce

The information contained in this section concerns all Group consolidated companies.

### 4.2.1.1 Breakdown of total workforce by age, gender and linguistic region at December 31st, 2014

| | Men | Women | Total | < 25 years old | < 35 years old | < 45 years old | > 45 years old |
|---|---|---|---|---|---|---|---|
| English-speaking and Asia-Pacific region (excl. USA) | 28,362 | 30,981 | 59,343 | 24,641 | 26,082 | 5,767 | 2,853 |
| Ibero-LATAM | 27,568 | 31,725 | 59,293 | 23,872 | 22,600 | 9,441 | 3,380 |
| Continental Europe, Middle-East & Africa | 16,250 | 20,655 | 36,905 | 9,414 | 18,044 | 6,322 | 3,125 |
| Holdings | 30 | 26 | 56 | 2 | 11 | 25 | 18 |
| **Total excluding USA** | **72,210** | **83,387** | **155,597** | **57,929** | **66,737** | **21,555** | **9,376** |
| USA | | | 26,006 | | | | |
| **TOTAL** | | | **181,603** | | | | |

The breakdowns by age and gender exclude our United States subsidiaries, as local regulations prohibit the verification of the data collected.

## 4.2.2 Workforce changes

### 4.2.2.1 Breakdown of average workforce by linguistic region

| | **Workforce 2014** | **Payroll expenses** *(in millions of euros)* | Workforce 2013 | Payroll expenses *(in millions of euros)* |
|---|---|---|---|---|
| English-speaking and Asia-Pacific region* | 60,559 | 789 | 43,422 | 636 |
| Ibero-LATAM region | 52,326 | 506 | 47,396 | 498 |
| Continental Europe, Middle-East & Africa | 28,630 | 573 | 28,763 | 557 |
| Holdings | 52 | 14 | 53 | 25 |
| **TOTAL** | **141,567** | **1,883** | **119,634** | **1,716** |

* *Including 7,860 related to acquisitions in 2014 (pro rata).*

Salaries are determined in accordance with the laws in effect in the countries in which the Group operates.

### 4.2.2.2 Changes in 2014 in the Group's workforce by category

| | Permanent contract | Fixed-term contract | Temporary | Total |
|---|---|---|---|---|
| **AS OF 01/01/2014** | **110,203** | **30,927** | **7,441** | **148,571** |
| Change in scope | 21,322 | 385 | 0 | 21,707 |
| Hiring | 104,315 | 36,235 | 9,409 | 149,959 |
| Positions eliminated | -1,774 | -32 | -99 | -1,905 |
| Transfers | 326 | -784 | 458 | 0 |
| Termination | -91,365 | -37,131 | -8,233 | -136,729 |
| **AS OF 12/31/2014** | **143,027** | **29,600** | **8,976** | **181,603** |

The Group is unable to determine the exact number of disabled employees, given the fact that this information is considered to be discriminatory in some countries, like the United States and Italy.

## 4.2.3 Staff incentive schemes

In 2013, Teleperformance SA set up a voluntary employee profit-sharing agreement enabling employees to share in the profits generated by the Company. This agreement only applies to employees of the Company (and not to other employees of the Group) and was entered into in accordance with the provisions of Articles L.3321-1 to L.3326-2 of the French Labor Code.

By implementing this agreement, the Company asserted its desire to share the additional value created with the beneficiaries and to reward them for their daily combined efforts to promote the Company's success.

The methods used to calculate the profit sharing amounts and determining the allocation criteria are based on economic, business, profitability, and productivity indicators and are totally impartial. As profit shares are unpredictable by nature, the amount allotted to each employee is variable and could be zero.

This agreement is effective for a fixed period of two financial years running from January 1st, 2013 to December 31st, 2014.

## 4.2.4 Work organization

### 4.2.4.1 Organization of working hours

The work of staff employed in call centers and sales and administrative offices is organized in strict compliance with the working time legislation, which varies from country to country.

Group employees work according to different procedures, depending mainly on clients' needs and local preferences, but always in compliance with the applicable statutory and regulatory provisions of each country. Thus, the Group uses both employees under full-time and part-time contracts and also resorts to temporary workers in order to achieve the degree of flexibility required by its business operations, essentially in Continental Europe, Middle-East and Africa.

Consequently, the statutory number of daily and weekly working hours varies considerably from one employee or country to the next.

In fact, the statutory number of weekly working hours ranges from 35 hours in France, 37 hours in Denmark, 40 hours in Indonesia to a maximum of 48 hours in Colombia and in Tunisia.

In the United States, the concept of statutory working hours as defined in France does not exist as such, although the usual practice is 40 hours per week.

### 4.2.4.2 WAHA programs

Teleperformance's WAHA (Work At Home Agents) platform combines the services of highly qualified and effective advisors, a flexible organizational structure, leading-edge communications technology and the strictest security standards in the market.

This service model enables all kinds of applicants to become Contact Center Advisors, regardless of whether they are in remote locations (rural areas), disabled persons (who find it difficult to travel), or persons with a specific profile who do not wish to operate in a traditional call center (seniors, men or women acting as family carriers).

The WAHA training model guarantees that the Contact Center Advisors will be operational before they support each consumer from their home. The management of remote advisors, which is the result of several years of practice, has become particularly effective in creating close ties, developing loyalty to the Company and to the brand, and maintaining a high standard of quality when dealing with contacts.

In France, a successful trial with a client has been in progress for five years, at three facilities: Lyon, Le Mans and recently Villeneuve d'Ascq.

In the United States, our WAHA agents, generally promoted to this function having proven their abilities in a traditional call center, provide services to customers *via* attachments to eight centers: Augusta (Georgia), Columbus (Ohio), Shreveport (Louisiana), Lindon and Sandy (Utah), Fort Lauderdale, Pensacola and Boca Raton (Florida).

As of October 30th, 2014, 633 Teleperformance agents conducted their professional activities within the framework of one of the WAHA (Work At Home Agents) programs.

#### 4.2.4.3 Absenteeism

Given our business activities, which generate a high turnover due to the environment, absenteeism is an indicator that is measured on a daily basis, and is subject to a monthly monitoring process, as well as to a specific assessment for each subsidiary, facility and region. This index is reviewed by each subsidiary at its Board meetings.

The average absenteeism rate was 7.1% (compared to 9.3% last year), with significant disparities depending on the local employment and regulatory environment. The rate was 7.0% in the English-speaking and Asia-Pacific region (EWAP), 7.1% in the Ibero-LATAM region and 7.5% in Continental Europe, Middle-East and Africa (CEMEA).

## 4.2.5 Labor relations

#### 4.2.5.1 Social dialog

### Multiple channels of dialog and communication

Social dialog is established at different levels within the Company and can take different forms according to the standards and customs in the country and the current legislation. Teleperformance has set up a number of initiatives in its subsidiaries that are monitored periodically, at the time of the budget review.

These initiatives include:

- the opportunity for all employees – anonymously or not – to submit any demand they may have directly to their center director during a quarterly "chat";
- in the United States, the 24/7 We Care Helpline enables employees to discuss their concerns on an anonymous basis;
- focus groups between agents and managers in Russia;
- open door meetings for employees in India: weekly meetings between the Executive Chairman and staff, during which employees may express their feelings and make suggestions, discuss their concerns and obtain immediate replies;
- in France, social partners meet monthly for staff representative and works' council meetings.

Regular meetings, most often on a monthly basis, are organized between Management and staff representatives, or where they exist, trade unions.

### Employee satisfaction

A wide-ranging employee satisfaction survey is conducted every year. In 2014, this survey covered 85,215 employees in 41 countries and was aimed at improving working conditions and promoting professional and personal development. Action plans were drawn up and implemented on the basis of the survey.

### Strict compliance with the legislation

Given the practices and legislation specific to each country, less than one third of our subsidiaries have their own collective bargaining agreement. These are essentially our European sites.

If there is no specific agreement, the employment law in the country in question applies and is often supplemented by collective bargaining agreements signed with the staff representatives on an annual basis. These fix the working hours or the notice period in case of resignation, salary increases, vacations and often the duration of maternity/paternity leave, the payment of public holidays and team rotations, etc.

### Setting up of a European Works' Council (EWC)

In 2014, the Teleperformance Group, as an employer of more than 33,000 employees located in 17 countries in the European Economic Area, decided to set up a European Works' Council.

This decision was motivated by the Teleperformance Group's wish to exchange with employees, at a European level, on major topics likely to significantly affect working or employment conditions.

For this, in January 2014, the parent company of the Teleperformance Group launched the process to constitute a special negotiating body with the task of negotiating with Management an agreement defining the operating rules for this Works' Council.

Group management, represented by Olivier Rigaudy, received the 33 special negotiating body members for two plenary meetings on June 12th in Brussels and on October 18th, 2014 in Paris.

In accordance with law, the parties have a duration of three years to come to an agreement concerning the modalities of the said council.

### 4.2.5.2 Community service

These are managed at the local level, depending on the usual practices in effect in each country, and cover four main areas:

#### Health

Most employees of Teleperformance and its subsidiaries benefit from subsidized supplementary health insurance; for example, in Italy, this subsidy covers 80% of the total cost of the supplementary policy.

In parallel, 2/3 of our employees can benefit from pre-agreed or particularly advantageous prices with medical or paramedical service providers: significant reductions at a dermatological clinic in the Philippines, preferential rates for optometrists in Mexico and ophthalmologists in Morocco and in Tunisia, nutritionists in Mexico, at a clinic in Russia, etc.

In the same area, a number of local initiatives on health issues and the importance of taking care of one's health are conducted on a regular basis.

These initiatives, which the Group encourages at global level, are rolled out in accordance with individual cultures and the healthcare issues specific to the various regions in which the Group operates.

For instance, in 2014:

- almost half of our employees were able to benefit from vaccination programs directly in their workplace: against influenza in Sweden, tetanus in Mexico, pneumococcal disease in the Philippines, etc. In some places, vaccination could not be carried out in the workplace, but Teleperformance used its different means of communication to inform and raise awareness among employees. Thus, our Argentina subsidiary organized vaccination awareness campaigns, and our Canadian subsidiary communicated the addresses where vaccinations could be provided free of charge;
- half of employees benefited from various campaigns aimed at raising awareness on the harmful effects of smoking, for example a stand run by an occupational health team in Morocco, and withdrawal tests and anti-smoking campaigns in our infirmary in El Salvador;
- 2/3 of our employees benefited from actions to raise cancer awareness: conferences in Brazil, participation in "Pink October" in France, poster campaign on plasma screens in Morocco.

Healthcare prevention measures sometimes take the form of optional medical checks; for instance, in 2014:

- the employees at our Jamaican center were required to pay only 20% of the actual cost of a cervical cancer screening test that was offered to them twice in 2014;
- our employees in Germany were offered the possibility of having an annual ophthalmological checkup;
- in Greece, our employees were offered free mammograms, etc.

In addition, Teleperformance regularly opens the doors of its facilities to blood transfusion centers, organizing blood donor campaigns, in which our employees enthusiastically participate every year. Thus, three quarters of our employees had the possibility of donating blood directly in their workplace during 2014.

Lastly, a large number of health initiatives are paired with the goal of fostering employee awareness of the importance of maintaining good health through healthy nutrition and physical activity. For instance:

- *Fruit Day* in Switzerland: once a week, the management provides a basket of fresh fruit for the employees;
- our Romanian subsidiary publishes an in-house weekly newsletter, *Get Fit*, which includes features on health, nutrition and sport;
- *Wellness fairs* are organized every quarter in Canada.

#### Extra holidays

One third of Teleperformance employees benefit from extra holidays in addition to the local statutory allowance. The amount of this extra holidays varies in accordance with the corporate agreement specific to each subsidiary; for instance it involves 2-4 additional days in United Kingdom, 4-8 days in Germany, and may amount up to 10 days in China and 25 days in the United States depending on seniority.

#### Subsidized meals

In accordance with local legislation and practice, full or partial meal subsidies, in the form of access to a staff cafeteria and luncheon or food vouchers, are offered to over 50% of employees.

In some countries, such as Morocco and Rumania, this is a statutory requirement; in other countries, such as the United States and Mexico, it is a benefit that Teleperformance offers to its employees.

Lastly, many subsidiaries negotiate reduced rates for their employees, usually with owners of restaurants located near the office. More than two thirds of employees benefited from these reduced restaurant rates in 2014.

#### Preferential rates

Employees at most of our subsidiaries may benefit from negotiated or reduced rates on various services, and sometimes enjoy them free of charge. These reduced rate or free services are offered through the works councils (where they exist) or are directly managed by the HR Department at each subsidiary, sometimes in partnership with our clients.

These can include, for example, agreements with mobile telephone operators in the Netherlands, a 25% reduction on driving school services in Rumania, preferential conditions with banks in Portugal, substantial discounts with clothing retailers in Switzerland, household electrical goods in Colombia, IT equipment in Egypt, and special rates for travel agencies or hotels/travel for employees of our Philippines and Russia subsidiaries, etc.

These preferential rates for employees primarily apply in two priority areas:

**Subsidized cultural activities**

More than half our employees benefit from discounts or free admission to cultural events. Thus, Teleperformance Hellas, in Greece, offers reduced price entry to museums and theaters, for employees and their families. Employees of Teleperformance Mexico benefit from an agreement with a science and technology museum while employees in El Salvador benefit from discounts for concerts, dance shows and theater plays.

Lastly, employees are sometimes invited to sporting events, such as ice hockey competitions in Canada or soccer matches in Italy, etc.

**Encouragement to take up a sport**

In many regions, Teleperformance negotiates preferential rates with sports clubs. Most of our employees can participate in sporting activities at a reduced cost: these reductions are primarily granted by fitness clubs, but also include baseball in Mexico and martial arts in the Philippines.

In China, to encourage employees to take up a physical activity, Teleperformance pays the entire subscription fee for membership of a fitness club.

Elsewhere, the Group promotes friendly sports matches between employees, by subsidizing the creation of in-house company teams (see further details under section 4.4.2.3 *Teleperformance Sport Club*).

## 4.2.6 Health, safety and security

### 4.2.6.1 An appropriate working environment

To guarantee a healthy and pleasant working environment in all our centers, a lay-out guide for the premises has been drawn up at Group level. This guide includes the standards and recommendations covering all areas in our premises: common areas, work areas, training areas, leisure and catering areas (cafeterias, break rooms etc.). The aim is to provide high-quality areas designed for the well-being of employees and complying with building and lay-out safety standards specific to each country.

The layout guide for the centers is supplemented by a guide on employee and infrastructure safety and security. This guide, which was compiled by a team based at the Company headquarters, lays down strict rules of safety and security. This team ensures the proper application of these standards and supports and advises subsidiaries in their center creation and refurbishment projects. It is assisted on the ground by a network of 70 lay-out experts who receive training to assess and measure the conformity to the standards, with numerous webinars throughout the year. All the countries are assessed annually to guarantee constant improvement to centers and develop action plans using a dedicated tool.

The profession of Contact Center Advisor is not physically dangerous. Nonetheless, Teleperformance affords high priority to the provision of suitable equipment to its agents. Part of the guide provides instructions on work position ergonomics: desks, chairs and accessories must meet specific criteria to guarantee comfort and practicality.

### 4.2.6.2 Prevention of occupational hazards

The prevention of occupational hazards is treated with different methods according to local legislation.

All our North African subsidiaries, most of our European subsidiaries and some international subsidiaries have signed agreements with staff representatives on health and safety at work.

These agreements result from regular Committees generally comprising members of the management team and Human Resources Department, staff representatives and, occasionally, trade union representatives.

In the absence of risks relating to our business activities, the Committees primarily deal with general health policies, evacuation procedures, access card issues, building security, paying for the occupational health practitioner, workplace ergonomics, etc.

In some subsidiaries, such as Norway, the health and safety policy is part of initial training and each employee signs a form on evacuation procedures in case of incidents. An *AMU*, equivalent to a Health and Safety Committee meets four times per year to review the work environment, health, safety, risks, etc.

In Denmark, strictly speaking there are no agreements signed with regard to health and safety at work but staff representatives are involved in changes and negotiations for everything concerning the lay-out and environment of the work position.

In other subsidiaries, the country's legislation precisely defines the standards for health and safety in the workplace.

This is the case in Rumania, where the constitutional law introduced in 1991 stipulates the measures to prevent occupational hazards, protect health and safety, eliminate risk factors and sets out the modalities of consultation, information, participation and training of employees.

Similarly, in Brazil, the law NR 17 stipulates the parameters which enable working conditions to be adapted to the psycho-physiological characteristics of employees.

In Italy, the law 81/2005, applied by Teleperformance down to the smallest details, regulates safety at work, risk assessment and health monitoring. It also indicates how to protect and prevent mental and physical health problems in the professional environment and encourages meetings and dialog with staff representatives.

Since 2010, Teleperformance Italy is certified with the British standard BS OHSAS 18001 (British Standard Occupational Health and Safety Assessment Series): model of workplace health and safety management system, in other words prevention of occupational risks.

### 4.2.6.3 Accidents at work

Our working environment is not dangerous. Excluding commuting accidents, most of the rare industrial accidents (1,097 in 2014, i.e. a frequency index of 7.96%) were the result of slips or falls resulting in bruises or fractures.

The Group's business activities do not therefore give rise to material safety risks.

### 4.2.6.4 Occupational illness

For these same reasons, recognized or d eclared occupational illness is extremely rare at Teleperformance. Most declared cases of occupational illness concern hearing problems or cases of musculo-skeletal troubles.

As a preventive measure, some subsidiaries organize training and information initiatives geared towards the profession's potential health risks, for example, information campaigns on workplace ergonomics in Turkey, the Voice Week and Hearing Week organized in Brazil as well as Voice Day in Spain, during which a series of recommendations was issued.

### 4.2.6.5 Stress prevention

The main occupational health challenge in our business is stress prevention. The Group recommends a series of measures to its subsidiaries to promote well-being and minimize agents' stress, based on three themes:

- Passion for you: Health Drive;
- Teleperformance For Fun: Arts Drive;
- Sports Club: Sports Drive.

This is reflected in various initiatives:

- in Brazil, a team of around 15 therapists has been offering shoulder and hand massages to agents directly at their workstations for the past few years;
- massages were also offered to all employees during Q1 2014 in Morocco;
- in Russia, yoga exercises are offered to employees;
- in France, some of our sites are fitted out with quiet rooms, relaxation rooms where mobile telephones are banned so that employees can "unplug" and relax;
- "sleep areas" in the Philippines: our 11 sites offer bunk beds so that our agents can rest.

Other practices focus on the psychological aspect of stress *via*, for example:

- regular work sessions with our employees to transmit advice and best practices concerning stress management;
- in the Philippines, managers are trained in stress management techniques;
- in the United Kingdom, a guide on this theme can be consulted on-line and is a reference for agents.

In the medium term, the Group aims to apply these practices globally and exchange experiences on a wide scale.

### 4.2.6.6 Employee well-being

Teleperformance places a major emphasis on employee well-being, as a result of which the Company receives regular awards from recognized independent institutions and assessment firms.

Thus, for the last six consecutive years, our Portugal and Brazil subsidiaries have had the honor of receiving each year the *Great Place to Work for* Award. This prize also recognized our subsidiaries in India in 2011 and China in 2012. In 2013, the Great Place to Work Institute awarded the *One of the Best Companies to Work for* prize to our Brazil, Portugal, India and Greece subsidiaries. In 2014, two new Teleperformance subsidiaries were awarded: El Salvador and Mexico.

This year, and for the first time, Teleperformance received the *AON Hewitt Best Employer* award for its sites in ten countries. This prize recognizes companies who have won the approval of their employees, who – considered precious assets – work in coherence with the Company's objectives, are rewarded for their efforts and are openly proud to be part of the Company.

A large number of initiatives to promote employee well-being are implemented at all of our centers.

They revolve around three principles: promoting loyalty, encouraging recognition and promoting integration, friendliness and harmony, all of which are major factors of well-being at work.

#### Loyalty

Teleperformance places great emphasis on every employee forming a strong bond with the organization. By promoting values like: communication, respect and consideration, the quality of the service provided to customers, the clarity of procedures, fulfillment and effectiveness, Teleperformance recognizes every employee within its management framework, and increases their feeling of belonging to the Group.

#### Recognition

The organization focuses on maintaining and improving any aspects that enable it to make its employees grateful and satisfied. Every employee is evaluated on a regular basis, informed of how their performance is progressing and of their own targets and successes as defined by our management of daily performance (TOPS) procedures. In regions where the law allows it, rewards are given out as employee incentive and center management tools.

#### Friendliness and cohesion

To cultivate a friendly atmosphere and strengthen team cohesion, our centers frequently organize or take part in in-house and external activities and events.

**Social life at the centers**

Theme days to celebrate events or share moments with colleagues take place regularly in our centers during these events: *Summer Day* in Greece, *best Christmas cake competition* in Germany, a collective breakfast in Italy, the Saint Valentine's celebration in Colombia and Spain, a prediction competition during the World Cup and a musical quiz for the music festival in France, *Happy Friday* in Albania where managers organize buffets with cakes and fruit juice, etc.

Lastly, most of our centers have set up relaxation areas where agents on a break can play foosball, table tennis, billiards, or watch television, play on the Wii, have access to computers with free access to the Internet, relax on sofas, etc.

Other on-site initiatives aim to create ties between family and professional life, like the *Zukunftstag* ("Future Day") in Switzerland, when employees are invited to bring their children to the office to introduce them to their working environment. With the same spirit of opening up working life for a better personal balance, Teleperformance Spain organizes an open day for families in each of its sites during which different activities are offered.

**Off-site social life**

At the initiative and with the support of Teleperformance, our employees also come together for activities outside of work, sometimes with their families. Thus, in August, Teleperformance Colombia organizes *Cometas en familia*, a day dedicated to kite-flying, whereas our Indonesian subsidiary offers family days on a beach in Jakarta. In Italy, a restaurant is hired to organize a Masterchef type competition between employees whereas Teleperformance Portugal organized a barbecue for Saint Martin's Day, bringing together around 1,000 participants in 2014!

Many of these joint activities outside of the Company concern actions for charity or events revolving around sports.

The charitable activities are described in further detail in section 4.4.2.1 *Citizen of the World*, while those relating to the many sporting activities offered by Teleperformance are described in section 4.4.2.3 *Teleperformance Sport Club*.

The driving idea remains colleagues meeting up for a common purpose in the spirit of mutual support.

### 4.2.6.7 Individual safety and security

In terms of individual safety and security, specific initiatives may be adopted in certain countries depending on the circumstances. On the whole, all centers are equipped with secure access and camera surveillance facilities. Where necessary, some centers also have security guards and, in some cases, employee transportation is company organized.

## 4.2.7 Training

Training is a major component in our Human Resources management, especially in our business, which aims to put *people at the service of other people*.

Training at Teleperformance is provided *via* two separate entities:

- TP Academy for the training of Contact Center Advisors;
- TP Institute for the training of managers.

In 2014, 21,408,856 training hours were provided, compared to 16,843,220 in 2013.

### 4.2.7.1 Teleperformance Academy

Locally, training programs intended for Customer Advisors are delivered on recruitment and/or for new customers/ products which require specific skills. In agreement with the client, these training sessions are, on average, of a duration of one week for the simplest operations up to five weeks for the more complex products, requiring broader knowledge of the product.

Agents recruited since 2012 have followed an induction course in Group values and social responsibility.

### 4.2.7.2 Teleperformance Institute

At the central level, the Teleperformance Institute provides all Group management staff (supervisors, platform managers, operational directors, etc.) with e-learning and "face-to-face" training.

In view of its global presence and desire to involve a maximum number of employees, the Group has focused particularly on developing e-learning. Out of concern for greater independence, our e-learning platform has been developed in-house since late 2011, and is available in the main Group languages. Teleperformance employees were able to develop their leadership, communication, time management and project management skills thanks to the e-learning process. 199,442 training hours were provided in 2014.

In 2014, the Teleperformance Institute focused on four areas:

- programs focusing on the Group's operational standards, which promote customer success and the due conduct of their operations;
- the roll-out of the internal training quality standard (improving the training of trainers), and certifying the Group's subsidiaries in terms of the standard;
- a coaching program to improve the skills of our managers in this area and develop a true skills development culture at all levels of the hierarchy;
- more general training programs targeting a wider audience, including Microsoft Office® training and foreign language courses.

### 4.2.7.3 JUMP

JUMP is a development program created to identify and prepare high-potential employees to take on leadership management positions in the Company.

The objective is to prepare employees to become leaders: from agents to supervisors, from supervisors to coordinators and finally, from coordinators to managers.

The JUMP program is based on a training program that offers technical and behavioral training, as well as personal development plans.

JUMP guarantees the recognition of our talents, the quality of our leadership and the best possible use of our training methodologies. The program makes clear to all of our employees what the company expects from them and how they can grow with us.

Teleperformance also offers employees special support and orientation in the development of their career plans.

### 4.2.7.4 External training

Several of our Latin American subsidiaries have signed agreements with universities located in cities where we operate to offer Teleperformance employees, and in some cases members of their families, potentially significant reductions on education costs.

Similar partnership arrangements have also been implemented in the Philippines for IT programming training and discussions are on-going with the ULT (*Université Libre de Tunis*) to create a work-linked training scheme and to cover the cost of studies.

## 4.2.8 Diversity and equal opportunities

The Group's subsidiaries strictly apply all the principles of the United Nations Global Compact, and specifically Principles 1, 2 and 6, which deal with respect for human rights and eliminating discrimination in employment:

1. Businesses should support and respect the protection of internationally proclaimed human rights;
2. Ensure that they are not complicit in human rights abuses; and
6. The elimination of discrimination in respect of employment and occupation.

The guidelines for hiring and promoting employees drawn up by the Group specify:

*"Selection shall be based on work-related factors and shall offer equal opportunities to all candidates, independently of personal characteristics such as race, color, gender, religion, political opinion, nationality, social origin, age, health, union membership or sexual orientation.*

*Furthermore, employees will be selected on the basis of their ability to perform the work, and no distinction, exclusion, or preference based on other criteria shall be acceptable."*

### 4.2.8.1 Measures taken to promote gender equality

All the quantified data presented in this Chapter excludes our subsidiaries in the United States, for which information on employees' gender is not available due to local legislation.

Our Group indiscriminately employs men and women, the latter representing 53.59% of employees on December 31st, 2014.

The Group has introduced a set of procedures and guidelines in order to promote equal treatment for men and women. These measures include:

- gender is not specified in JUMP, Teleperformance's internal hiring process, and therefore cannot influence the recruiting officer;
- salary bands, classification, career opportunities and work schedules are not based on gender;
- Teleperformance affords special importance to gender equality and, to prevent any violation, the annual employee satisfaction survey includes an alert whenever a correlation is detected between the level of satisfaction expressed and the gender of respondents.

This results in a very high proportion of women in management positions: 47.20% at December 31st, 2014, a positive trend compared to December 31st, 2013 (46.04%).

Each subsidiary rolls out additional initiatives geared towards gender relations in accordance with local cultural issues:

In this regard:

- Teleperformance India has set up a Sexual Harassment Complaints Committee comprising staff and NGO representatives; the Committee meets even if there are no complaints, in order to implement preventive measures;
- our Jamaica subsidiary organizes an annual training session for Group executives and managers with the aim of raising awareness of professional gender equality;
- the Teleperformance USA HR Department organizes anti-favoritism webinars, etc.

### 4.2.8.2 Measures taken in favor of employment and integration of disabled workers

The Group employs the disabled and ensures compliance with applicable local legislation on hiring, non-discrimination, workstation layout and access for disabled persons.

A large number of local initiatives are implemented to promote the hiring of disabled workers.

Thus, our subsidiary in El Salvador participates in Job Fairs exclusively reserved for disabled job-seekers.

For its part, Teleperformance Colombia has signed agreements with governmental and private foundations that put us into contact with disabled personnel, essentially amputees and people who move with crutches. Job stations are regularly re-organized in collaboration with the employees concerned.

In the United Kingdom, Teleperformance proactively collaborates with several government agencies and NGOs that represent disabled people returning to work.

In the USA, our job offers are broadcasted on sites that target disabled people and veterans. In parallel, we work with schools for disabled children and other organizations that specialize in employment placement for disabled people.

In Morocco, despite the absence of legislative constraints, as a socially responsible company, Teleperformance Morocco has fixed itself the target of recruiting 5% of disabled workers.

*Handiperformant* is a program created by Teleperformance France so that a disability is not a barrier to professional insertion. This program includes daily support, reorganization of workstations and a true internal policy of raising awareness so that each person's differences and specificities are considered as assets to working better together.

This company conviction was symbolized by an agreement signed in 2006 between Teleperformance France and all the trade unions. It defines three priority working areas:

- a plan for hiring in an ordinary business setting;
- an insertion and training plan;
- a job maintenance plan in the Company, with prevention of risks of adaptation problems.

A national coordinator responsible for disabled personnel is dedicated to this function and in each center, a correspondent is responsible for assuring the relay in order to welcome disabled personnel and assist them with their administrative procedures, both inside and outside the Company.

At December 31st, 2014, the rate of employment of disabled employees within Teleperformance France was 5.08% of its employees.

#### 4.2.8.3 Measures taken to promote the hiring and retention of senior workers

Our sector of activity naturally attracts a young population. This results in a high proportion of students, which is particularly significant in certain regions. For example, our Colombian and Albanian centers recruit respectively 70% and 80% of students.

However, Teleperformance makes sure that the senior age group is not left out. Our employees over 60 years of age benefit from an additional week of vacation in Norway and a similar system is in place in Switzerland. Similarly, Teleperformance Greece participates in specific programs organized by employment agencies to promote the employment of seniors.

#### 4.2.8.4 Anti-discrimination policy

As our business is multilingual by nature, our centers are required to hire people of different nationalities and cultures.

Our companies comply with current legislation concerning non-discrimination; some of our subsidiaries are particularly proactive in this area, such as Teleperformance USA which has employed a diversity manager since the beginning of 2010.

# 4.3 *Environmental information*

## 4.3.1 Global environmental policy

Teleperformance's activity is non-polluting in nature. However, Teleperformance is aware of the responsibility incumbent on each citizen and pursues a policy of minimizing the negative impact of its activity on the environment by acting in a sustainable way so as to ensure that future generations are able to satisfy their own needs.

Citizen of the Planet (COTP), which was launched in 2007 and extended to all the Group's subsidiaries in early 2008, is a global corporate initiative aimed at ensuring that Teleperformance manages its business activities in a responsible and environmentally-friendly way.

Our primary objectives are to reduce energy consumption, paper and packaging waste and travel (air and local) in all of our subsidiaries.

We also attach great importance to promoting global awareness on the part of our employees. They are therefore encouraged to apply a global set of environmentally friendly principles to all aspects of their professional and personal life.

In the welcome guide given to newly employed agents, a chapter is dedicated to the protection of the environment. Advice and information is provided and our new recruits are encouraged to participate in Citizen of the Planet initiatives which vary according to local sensibilities. These initiatives that participate in saving the planet are detailed in section 4.3.2.5 *Environmental management*.

In each employee's everyday life, there are numerous reminders about initiatives to help preserve the environment: "water is a precious asset, save it" posters, electronic signatures encouraging employees to print documents sparingly to limit their environmental impact, etc.

## 4.3.2 Pollution and waste management

### 4.3.2.1 Recycling processes specific to our business

The requirement to be at the cutting edge of technological innovations forces us to renew our installed IT and telephone base, a key resource in our business sector, at frequent intervals.

Teleperformance is committed to recycling this equipment once it is no longer fit for professional use.

Accordingly, Teleperformance's approach to the recycling of obsolete equipment combines ethical and environmental concerns.

#### Computers

Computers no longer fit for professional use are classified in different ways depending on the location of our subsidiaries and the economic and social environments in which they operate:

- some of our subsidiaries entrust them to companies that specialize in eliminating sensitive materials; in some countries, such as Switzerland, recycling *via* a public organization is a statutory requirement for which a certificate is issued;
- others give them to associations, such as Teleperformance Egypt which benefits NGOs in need or Teleperformance Colombia which, in 2014, offered 687 computers and 124 screens to the association "*computadores para educar*";
- some subsidiaries sell them to small companies or their employees. In 2014, our Indonesian subsidiary sold 239 computers for a symbolic price to its employees; this initiative was a great success with our staff members who were able to purchase them for less;
- whereas others opt for a mixed solution: some of the computers are collected by a recycling company while the others go to equip schools, such as in Italy, Russia or Turkey;
- lastly, it is worth noting that some of our subsidiaries have not yet had to deal with this problem: these are the centers that we have set up recently.

Given the sensitive data that they may contain, all of our computers are wiped clean before leaving the Company. In some locations, like Norway or the United States, the hard disks are removed and destroyed.

#### Telephones

In the case of telephones that are no longer fit to be used in call centers:

- most of our subsidiaries entrust them to companies specializing in recovering polluting materials;
- some give them to associations;
- whereas others opt for mixed solutions: telephone terminals are recycled by an authorized recycling company whereas outdated mobile telephones are given to charitable organizations;
- lastly, some of our subsidiaries are not yet concerned by this issue: these are either recently installed centers or subsidiaries that rent telephone equipment from an external company.

### 4.3.2.2 A paperless environment

The whole Company is committed to helping the planet by improving facilities so as to create "sustainable sites" (reducing water and paper consumption and other waste) striving to create "paperless" environments, recycling and incentivizing energy and air quality improvements.

For this purpose, a series of global measures have been implemented worldwide, such as electronic signatures for all Group employees in order to avoid unnecessary printing and thus minimize each employee's carbon footprint.

A number of initiatives introduced by our subsidiaries are globalized, where local legislation permits. For example, the online payslip system introduced in Portugal in 2007, in Turkey in 2008, has now been extended to Italy, Colombia, the Philippines, Brazil and all our locations in Scandinavia. More recently it was implemented in Ukraine, Egypt, El Salvador, The Netherlands, Lebanon and Costa Rica.

Tests are in progress in other regions, including Greece, Russia, Spain and the USA.

### 4.3.2.3 Paper recycling

In general, double-sided printing is applied systematically and, as much as possible, preference is given to purchasing recycled paper.

Most of our subsidiaries recycle paper by installing special containers for this purpose in each department. Waste paper is collected for recycling by a third party service provider.

Initiatives promoting the environment are often coupled with local or environmental charitable programs: in Egypt, paper recycling is carried out by an NGO for the benefit of a local orphanage; in Romania, Teleperformance continues its collaboration with an NGO in the fight against deforestation, and plants a tree for every 10kg of paper collected.

In Russia, to find a favorable interest with employees, the latter are often the first beneficiaries of these practices: plants to make offices more attractive are bought with the profits from the collection of paper.

Specific actions are supplemented by various initiatives aimed at promoting global awareness, such as training the cleaning staff to sort paper for recycling or the installation in every office – even individual ones – of two wastebins, of which one is exclusively reserved for paper.

At a global level, the implementation by our Treasury Department of a paperless exchange transaction confirmation tool now allows reductions in circulated paper thanks to the elimination of faxed confirmations (both internally and with our bank partners); directly linked to our Accounts Department, this system also avoids the need to print receipts and bank statements. Two pilot entities were rolled-out during 2014 and our aim is to standardize this practice by generalizing it to the whole Group by mid-2016.

### 4.3.2.4 Used cartridges

Cartridge recycling is gradually spreading across all Teleperformance sites. At local level, agreements are signed with suppliers or manufacturers for the collection and recycling of all used cartridges.

### 4.3.2.5 Environmental management

Citizen of the Planet is an initiative launched by our Group's founder, Daniel Julien, aimed to ensure that Teleperformance manages its business activities in a responsible and environmentally-friendly way.

The Social and Environmental Responsibility Committee determines our overall environmental policy and checks that the resources are appropriate for achieving the targets set. Meanwhile, the directors of each subsidiary are responsible for implementing and monitoring the environmental policy at the local level. Citizen of the Planet coordinators at each facility are responsible for the feedback of environmental information, which is forwarded to the head office *via* monthly reports.

#### ISO 14001

All our German sites, as well as our Ashby site in the United Kingdom, have obtained ISO 14001 certification. This standard, which relates to environmental management, is based on the principle of continuous improvement of environmental performance through limitation of the Company's carbon footprint.

#### LEED

Our center in Bogota, Colombia complies with the most stringent environmental and sustainable development standards and has obtained LEED (Leadership in Energy and Environmental Design) certification. The LEED certification system, designed by the US Green Building Council, attributes points according to a certain number of criteria: sustainable development, water savings, efficient energy management, materials, air quality, innovative design and regional challenges. Buildings that are awarded this certification are in a position to reduce their energy consumption, their $CO_2$ emissions, their water consumption and their generation of solid waste.

#### French HQE standard

The building in which Teleperformance France is located received the French "NF HQE" high environmental quality certification for occupied commercial buildings for its impact on the environment and its energy consumption.This means that the building is managed in compliance with environmental quality (optimized energy, water and waste management, comfort for the occupants, etc.).

### 4.3.2.6 Noise pollution

Our activity is by nature non-industrial and therefore does not generate noise pollution for neighbors.

## 4.3.3 Sustainable use of resources

Teleperformance invests in on-site environmental quality refinements, alternative transportation and employee education and involvement to encourage them to continue their efforts outside the workplace.

### 4.3.3.1 Promotion of collective transport

Most of our facilities are located in areas that are easily accessible by public transport. For those that do not have one, or to encourage employees to avoid using their personal vehicles, contracts with private transportation companies can be implemented.

A system of regular shuttles is available for employees in our North African subsidiaries, in Jamaica, Italy and Brazil, where Teleperformance has set up a system in which employees are collected by free coaches, linking the different sites and the stations.

In other regions, the collection of employees by a shuttle system is only partially covered: thus, a shuttle system exists for some our subsidiaries in Mexico but only concerns teams working staggered shifts. Similarly, in Costa Rica and El Salvador, it only concerns the night shift teams.

In the absence of shuttle-buses organized by the subsidiary, or in addition to them, some subsidiaries subsidize all or part of their employees' public transportation season tickets. This is the case for our subsidiaries in Brazil, Greece and France.

### 4.3.3.2 Promotion of car-sharing

Car-sharing is widely encouraged, and sometimes even organized by the Company. For instance, car-sharing employees at some of our US sites benefit from reserved parking spaces. After proving its effectiveness in the United States for several years, the system has now been implemented at three sites in the United Kingdom.

Since 2013, a partnership has been established with a car-sharing website in Brazil, which aims to contribute to the urban transport issue by rewarding, with products or services, the collaborative and responsible behavior of people who use car-sharing.

Different types of car-sharing concern around half of our employees.

### 4.3.3.3 Low-energy bulbs

Around half of the subsidiaries surveyed for the purposes of this social, environmental and societal report have installed low-energy light bulbs throughout their sites.

Movement detectors have also been installed at half of our sites, and timers have been installed at one third of them.

### 4.3.3.4 Land use and protection of biodiversity

As Teleperformance's operations do not require the use of natural resources and do not cause pollution, land use and protection of biodiversity are not relevant issues for the Group.

However, Teleperformance is involved in a large number of initiatives aimed at raising global awareness amongst employees about their impact on the environment at the local level. Thus, employees in our Russian subsidiary participate in initiatives to clean their city, quarter by quarter, during the weekend.

### 4.3.3.5 Water consumption

Although Teleperformance is not a major water consumer (non-industrial, our business does not require it), almost half of our subsidiaries have carried out work to limit water consumption in our centers (installation of taps with automatic or infrared shut-off, recovery of rainwater, etc.).

Our employees are made aware of water consumption by posters in the workplace and initiatives such as the promotion of drinking water consumption in Turkey or video clip broadcasts for Summer Day in Greece. Lastly, several charitable activities as part of Citizen of the World aim to raise awareness amongst our employees of the importance of water. For example, in Egypt we participate in the collection of donations for NGOs working to improve access to water in poor villages in that country.

### 4.3.3.6 Energy consumption

In 2014, Teleperformance's energy consumption in France amounted to 6,768,668kWh.

## 4.3.4 Climate change

### 4.3.4.1 Adaptation to the consequences of climate change

Given the map of our installations, we have relatively limited exposure to climate change risks.

However, our subsidiary in the Philippines is located in a region potentially subject to being affected by typhoons. While the main danger concerns rural areas, which are the first to experience mudslides from heavy rain, the teams at Teleperformance Philippines attend conferences and debates organized by government authorities responsible for continuity plans in the event of a disaster.

In 2014, Teleperformance Philippines forged a partnership with the public safety division of the MMDA (Metropolitan Manila Development Authority) to improve Teleperformance's capabilities in the event of a disaster. 50 security guards and facilities personnel attended the two-day Disaster Preparedness Training, which is part of Teleperformance's Business Continuity Plan (BCP). The risk of typhoons, earthquakes, fires and other man-made accidents were discussed.

Lastly, Citizen of the Planet initiatives organized by our Philippines subsidiary, such as tree planting and river clean-up contribute to preventing floods and mudslides.

### 4.3.4.2 Greenhouse gas emissions

Our carbon dioxide emissions in France, calculated based only on our electricity use, for the period from January to December 2014 was 528 metric tons.

While our activity is by nature non-polluting, we have decided to focus our attention on our carbon footprint linked to $CO_2$ emissions.

# 4.4 *Social information*

## 4.4.1 The local, economic and social impact of our business

### 4.4.1.1 Impact on employment and the economy

#### Site location strategy

The choice of site locations primarily corresponds to an employment area approach. As our business generates a high staff turnover rate, it is crucial to have appropriate candidates nearby. This means that our facilities are mainly located in areas:

- that are easy to access *via* a large public transport network; while closeness to an airport is also important for the centers dedicated to offshore business;
- close to universities, as in Argentina and Portugal, which makes hiring appropriate candidates and multilingual employees easier;
- with a high unemployment rate.

#### Local impact

Teleperformance's local impact in terms of employment varies considerably depending on the countries and site locations.

It is very important in some cities or regions where we are one of the primary private-sector employers, such as in the Tucuman province in Argentina: with more than 3,000 employees distributed over three centers, the Group's impact is strong.

This is also the case with our Görlitz subsidiary in Germany: Teleperformance is the second regional employer in this city of 56,000 inhabitants.

Similarly, with nearly 5,000 employees, the economic and social impact of our four Tunisian sites is very important: Teleperformance is one of the primary private-sector employers, with a considerable weight in direct employment.

On a lesser scale, our installation in small or medium-sized towns has a significant impact on the local economy, such as, for example, the municipality of Moss in Norway.

Our Usak subsidiary in Turkey was even recognized as one of the three most important recruiters in the region.

### 4.4.1.2 Social impact

#### Partnerships to promote employment

Teleperformance works in partnership with government employment agencies on a regular basis.

In Germany, we are linked by close cooperation to the regional employment offices: a recruitment day is held in partnership at least once a month.

Teleperformance Albania is the main sponsor for the Employment Exhibition organized by the national employment office.

In Russia, for the last three years, we have built a partnership with the Labor Ministry and signed several cooperation agreements.

In Turkey, we work with the government agency for combating unemployment, which covers social security contributions, transportation costs and lunches for interns returning to work who take part in the program.

In 2014, our subsidiary in Morocco signed a sectorial agreement with the AMRC, Moroccan association for customer relations, which brings together the main historical outsourcers that share common ethical and social values and practices. The members of the AMRC are committed to:

- providing very attractive salary and social conditions;
- providing long-term career paths;
- making considerable investments in initial and continuous training;
- having an acute sense of social responsibility.

#### Links with educational institutions

There are close and regular links between our sites and nearby educational institutions in most of the cities where we operate, especially with higher education institutions.

Many of these partnerships aim to publicize the opportunities offered by the Company and to make hiring easier, *via* Teleperformance's active participation in a number of job forums.

However, a large number of agreements with schools and professional training centers have enabled a more in-depth collaborative process to be implemented, including a scholarship system in Mexico and a virtual campus in Colombia, in partnership with Politecnico Gran Colombiano, which enables agents to follow courses from their workplace.

Teleperformance Philippines has set up a partnership with around forty universities and institutions, enabling, amongst other things, priority for recruitment to candidates from partner institutions, and internship possibilities for students.

Furthermore, there is a large number of social responsibility programs aimed at assisting local communities. Thus, some of our computers which are no longer fit for professional use are given to local schools.



## 4.4.2 Support, partnership and sponsorship initiatives

### 4.4.2.1 Citizen of the World

Citizen of the World (COTW), which was founded in 2006, is a charitable movement launched by Teleperformance in order to help the world's most vulnerable infants and children meet needs basic survival and ultimately reach their individual potential.

Citizen of the World subsequently extended the scope of its initiatives to a broader audience, including the victims of natural disasters throughout the world, the elderly or disabled and cancer research.

As part of the Citizen of the World initiative, Teleperformance donated the equivalent of US$4,097,522 in cash and kind, as well as 2,207 computers in 2014.

#### Aid for natural disaster victims

Over the past eight years, Group employees have donated 222,499 volunteer hours – including 45,048 hours for 2014 alone – to help underprivileged people or victims of natural disasters.

On September 30th, three of our North American sites packed 30,000 food parcels for victims of natural disasters.

Moved by the devastation caused by hurricane Odile that hit Baja California in September 2014, our Teleperformance Mexico employees collected donations to give to the Red Cross; while employees at our Talavera center collected more than 1,000 food items, including water bottles and food cans.

Apart from emergency operations, our subsidiaries regularly partner local or national charity initiatives.

### Aid to the elderly

On October 10th, 2014, for the fundraising initiative for hospitalized elderly people, *Plus de Vie*, Teleperformance France provided seven of its customer relations centers free of charge to register donation pledges from individuals. To ensure the training and supervision of young volunteers who responded to donors on the telephone, as well as the technical organization, 130 Teleperformance France employees volunteered. This major charity campaign enabled more than €540, 000 to be collected to finance a large number of projects aimed at combating pain, encouraging family reunions and improving the reception and comfort of elderly people.

Over the past few years, Teleperformance Philippines has organized the Christmas celebrations at the *Mary Mother of Mercy Home for the Elderly* in San Pedro. Teleperformance's employee volunteers provide games and activities and then share a meal with the residents before giving them presents and donating medical supplies to the institution.

In Colombia, thanks to our *Consiente abuelitos* program, elderly people in need receive hygiene items from our employee volunteers.

### Actions for most vulnerable infants and children

Our commitment. in coordination with local associations and organizations, takes various forms, such as visits and activities in orphanages, pediatric hospitals, collecting donations of toys or clothes, etc.

Among the many initiatives in 2014, our subsidiaries organized or took part in:

- the purchase and distribution of clothes, toys, books and stationery by our Chinese subsidiary for an orphanage;
- most of our Mexican sites took part in the *Paint the Future* initiative: volunteers helped renovate disadvantaged schools;
- in October 2014, over three successive evenings, around twenty employees from our Netherlands subsidiary gave their time for a telephone campaign aimed at former donors to the War Child association;
- Christmas Eve and New Year dinners for hospitalized children and their families in Greece;
- since 2012, Teleperformance Tunisia has sponsored two families *via* the Gammarth and Sousse SOS children's villages association.

### Actions in support of disabled people

A large number of local initiatives are organized to help disabled people. For example:

- we took part in a table tennis tournament with disabled athletes in partnership with a nonprofit association in Greece;
- our subsidiaries in Bangor and Newry (Ulster) raised funds for the Special Olympics project in Ireland; as the first sporting organization in the world dedicated to children and adults with intellectual disabilities, Special Olympics offers people with intellectual disabilities continuing opportunities to develop physical fitness, demonstrate courage, share the same determination to make progress, experience joy and to meet in a festive atmosphere. These sporting encounters also enable them to improve their self-confidence and confirm their independence with a view to better professional integration;
- our Monterrey, Mexico subsidiary took part in a *Juntos Sillaton* initiative and enabled the purchase of three wheelchairs for disabled children.

### Initiatives to combat cancer

Teleperformance is also heavily involved in a number of initiatives in aid of cancer research.

In Egypt, Teleperformance offers the National Cancer Institute all the outsourcing services required for registering pledged donations.

In 2014, Teleperformance supported the cost of participation of employees from our Netherlands subsidiary in the Walk for Women, a race organized by Pink Ribbon International which campaigns for information on breast cancer.

### Other charitable initiatives

Locally, other initiatives are organized for communities in need, for example, in 2014, Teleperformance Greece organized ten clothing and food collections for homeless people whereas Teleperformance Mexico collected no less than 4,939 clothing items for the *Kilo de Ayuda* foundation.

#### 4.4.2.2 For Fun Festival

Teleperformance's "For Fun Festival" is a global initiative that recognizes the most talented people in our company. The aim of this competition is to create a sense of fun and to entertain *via* an international art, dance and music competition that is intended to instill pride in belonging to the Group and promote its cultural diversity.

The "For Fun Festival" is an annual event in which all employees are invited to take part. The best candidates from each country are selected from local qualifying rounds.

More than 6,000 employees from 37 countries produced 1,490 videos, in order to take post in the local qualifying rounds for the 2014 event: 973 of them entered the Music category, 284 entered the Art category, and 233 entered the Dance category.

Six global finalists were selected from a panel of Global Judges, a worldwide committee composed by Teleperformance representatives. Three global finalists were selected from the People's choice, wich enabled friends, family, colleagues and the general public to express their preference for the best performance. The video with the highest number of Facebook votes in each category was selected. 41,170 votes were made on Facebook during the voting period of two weeks.

The top nine global finalists were selected from the global qualifying round for a chance to travel to the Live Finals in Miami in December 2014. Teleperformance covered the cost of travel and accommodation for the finalists. They competed for cash prizes up to US$6,000.

#### 4.4.2.3 Teleperformance Sport Club

Teleperformance Sport Club is a global initiative that encourages employees to share enjoyable moments with their colleagues through practicing a group sport. The program is a worldwide initiative that aims to promote sport as a means for well-being and quality of life.

Our employees at all the subsidiaries are encouraged to practice a sport and to take part in the championships. The aim is to have fun and to entertain *via* activities that bring our employees, their families and their friends together.

In 2014, we had 731 soccer teams throughout the world, 54 volleyball teams, 69 basketball teams, 88 bowling teams and many other teams of sportsmen and women playing tennis, badminton and softball.

## 4.4.3 Subcontractors and suppliers

#### 4.4.3.1 Subcontractors

Owing to its activity as an outsourcer, Teleperformance and its subsidiaries make very limited use of subcontractors.

#### 4.4.3.2 Change in accounts payable – trade

Teleperformance's procurement strategy is geared towards streamlining procurement processes and the continuous improvement of the Company's procurement practices. This commitment involves a constant drive to improve understanding of the Company's procurement strategy and processes on the part of its employees, stakeholders and suppliers.

Teleperformance supports and promotes practices that comply with the ten principles of the United Nations Global Compact relating to human rights, working conditions, the environment and anti-corruption. Teleperformance's procurement strategy advocates the continuous improvement of methods used for verifying compliance with these principles when new suppliers are selected and throughout the duration of the relationship with them, through checks and controls carried out in conjunction with the periodic business reviews.

In addition to the ten United Nations principles, Teleperformance's procurement strategy also promotes the Company's own values: Integrity, Respect, Professionalism, Innovation and Commitment.

These values are fundamental for Teleperformance and underpin all of its relations with employees, consumers, stakeholders and suppliers. Teleperformance's procurement strategy aims to promote these values and ensure compliance with them at every stage of the supplier relationship through proactive communications with suppliers and by incorporating these values into the supplier selection process, the supplier's capacities and the management processes.

## 4.4.4 Fair practices

The Teleperformance Group constantly monitors the practices applied by its employees and subsidiaries to ensure that such practices are exemplary.

Thus, the Teleperformance Group continues to apply within its sphere of influence the Ten Universal Principles of the United Nations, through, in particular, the implementation of targeted policies and its Board of Directors is considering setting up an Ethics and Conformity Committee.

Accordingly, as stated in section 4.1.2 of this report, all the Group's employees and subsidiaries are required to comply with the Ten Principles to which Teleperformance has adhered, and our company has introduced a monitoring process in this regard.

### Application of the Ten Principles of the United Nations Global Compact

Through its Chief Legal Officer, Teleperformance works to respect and implement the Code of Conduct relating to securities transactions, in accordance with the recommendations of the AMF (the French Financial Markets Authority) on the prevention of insider misconduct in listed companies, concerning members of the Board of Directors, and employees when they are shareholders.

The same applies for the anti-corruption policy, implemented in 2012, which applies to all group employees and prohibits all types of corruption (financial, non-financial, favoritism).

In addition, all Teleperformance employees are required to apply a global ethical charter, both in their relationships with suppliers and customers.

On the environment side, Teleperformance continuously improves its policy, implemented in 2013, aiming to respect all worldwide environmental legislation.

During 2014, the Corporate Social Responsibility Committee looked at the question of equal opportunities and non-discrimination and drafted a policy which should apply from 2015 to all Group employees, throughout their professional life, from recruitment to promotion and training. This policy is part of the "People's Company" campaign to improve quality of life at work.

Lastly, and always with the aim of implementing the universal principles, Teleperformance finalized the drafting of a global policy with the aim of protecting all personal data, collected and processed during its activities.

## 4.4.5 Measures taken to promote consumer health and safety

The activity of our subsidiaries leads them to collect, process and transmit nominative personal information on individuals, consumers or prospects of our customers.

On the one hand, with regard to its customers, the Group must respect its contractual commitments, the latter containing most of the time confidentiality clauses.

On the other, the Group is required to respect the extremely strict legislation on personal data protection.

Therefore, each subsidiary, in its capacity as data processing subcontractor, has implemented stringent operational procedures with the aim of complying with the legislation in force in each of our regions with regard to the collection, processing and transmission of data and avoid all unauthorized access.

Lastly, in 2014, Teleperformance finalized the drafting of a global policy to protect all personal data that is collected and treated as part of its activities.

### 4.4.6 Other action in support of human rights

The Teleperformance Group has agreed to abide by the United Nations Global Compact, thus witnessing its intention to adhere to a set of fundamental values, in particular the First and Second Principles:

1. *businesses should support and respect the protection of internationally proclaimed human rights; and*
2. *make sure that they are not complicit in human rights abuses.*

Teleperformance monitors the strict application of these two principles, not only by all of its subsidiaries established in 62 countries, but also by its suppliers and subsidiaries' suppliers.

## 4.5 *Social and environmental issues and targets*

Our stakeholders include our clients, consumers, employees and the shareholders who monitor our operations.

Since 2013, the Group has decided to adopt specific and measurable improvement targets in the area of environmental, labor and social information.

The targets are adapted to the stakeholders and issues concerned.

### 4.5.1 Staff issues and targets

#### 4.5.1.1 Training

The Group attaches particular importance to training, a core component of its operations.

In 2013, 16,843,220 training hours were provided throughout the entire Group. A target increase of 3% had been set for 2013.

→ **This goal was achieved, since 21,408, 856 training hours were provided in 2014, i.e., an increase of 27.11%.**

#### 4.5.1.2 Quality of life at work

- Since 2010, two Group companies, Teleperformance Portugal and Teleperformance Brazil, have had the honor of receiving each year the Great Place to Work award.

  This prize has also recognized our subsidiaries in India in 2011 and China in 2012.

  At that time, the Group stated that its goal would be for at least one company in each of the regions where Teleperformance operates to receive this prestigious award over the next three years.

  In 2013, the Great Place to Work Institute awarded the One of the Best Companies to Work For prize to our Brazil, Portugal, India and Greece subsidiaries.

→ **The target of having a Group company recognized in each of its implantation regions has, therefore, already been attained.**

  In 2014, in addition to Brazil and Portugal which received the award for the fifth consecutive year, two new Teleperformance subsidiaries were recognized: El Salvador and Mexico.

- In 2013, 77,041 employees replied to the annual satisfaction survey.

  The Group was aiming for a 3% increase in that figure.

→ **This goal was largely exceeded in 2014, as 85,215 employees replied to this survey *i.e.* an increase of 10.6%.**

#### 4.5.1.3 Gender equality

Our goal is to maintain an even overall breakdown between men and women.

In 2013, the ratio was 53.93% women to 46.06% men. It remained similar in 2014, namely 53.59% women to 46.41% men.

→ **The equality objective has therefore been achieved.**

## 4.5.2 Social issues and targets

### 4.5.2.1 Citizen of the World

The Group has set itself a target of raising US$1 million per year until 2016.

➔ **This target has been largely exceeded, since over US$4 million in cash donations was collected in 2014 alone.**

## 4.5.3 Environmental issues and targets

### 4.5.3.1 ISO 14001 Certification

In 2011, our Ashby (UK) site obtained ISO 14001 certification; all our German sites obtained ISO 14001 certification in 2013. This standard, the most used of the ISO 14000 series, relates to environmental management and is based on the principle of continuous improvement of environmental performance through the limitation of the Company's carbon footprint.

The goal set out in our 2012 Registration Document was for one company to be certified in each of the regions where the Group operates within a three- year timeframe.

➔ **At this stage, this is the case for two group implantation regions: the English-speaking region and the CEMEA region (Continental Europe, Middle-East & Africa).**

# 4.6 Assurance report by one of the statutory auditors, appointed as independent third party, on the consolidated environmental, labor and social information presented in the management report

*This is a free translation into English of the statutory auditor's report issued in French and it 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.*

**Year ended 31 December 2014**

To the Shareholders,

In our capacity as statutory auditor of Teleperformance S.A., appointed as Independent Third Party, certified by the COFRAC under the accreditation number 3-1049[1], we hereby present to you our report on the consolidated environmental, labour and social information (hereinafter the «CSR Information») for the year ended December 31st, 2014, presented in the management report. This report has been prepared in accordance with Article L.225-102-1 of the French Commercial Code.

### Responsibility of the company

The Board of Directors is responsible for preparing the company's management report including CSR Information in accordance with the provisions of Article R.225-105-1 of the French Commercial Code and with the guidelines used by the company (hereinafter the «Guidelines»), summarized in the management report and available on request from the company's head office.

### Independence and quality control

Our independence is defined by regulations, the French code of ethics governing the audit profession and the provisions of Article L.822-11 of the French Commercial Code. We have also implemented a quality control system comprising documented policies and procedures for ensuring compliance with the codes of ethics, professional auditing standards and applicable law and regulations.

### Responsibility of the statutory auditor

On the basis of our work, it is our responsibility to:

- attest that the required CSR Information is presented in the management report or, in the event that any CSR Information is not presented, that an explanation is provided in accordance with the third paragraph of Article R.225-105 of the French Commercial Code (Statement of completeness of CSR Information);
- express limited assurance that the CSR Information, taken as a whole, is presented fairly, in all material respects, in accordance with the Guidelines (opinion on the fair presentation of the CSR Information).

Our work was performed by a team of approximately five people between October 2014 and February 2015 and took around four weeks. We were assisted by our specialists in corporate social responsibility.

We performed the procedures below in accordance with professional auditing standards applicable in France, with the decree dated 13 May 2013 determining the manner in which the independent third party should carry out his work, and with ISAE 3000[2] concerning our opinion on the fair presentation of CSR Information.

## 1. Statement of completeness of CSR Information

On the basis of interviews with the individuals in charge of the relevant departments, we reviewed the company's sustainable development strategy with respect to the social and environmental impact of its activities and its social commitments and, where applicable, any initiatives or programmes it has implemented as a result.

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 was not disclosed, we verified that the

*(1) Full information available on www.cofrac.fr*

*(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.*

explanations provided complied with the provisions of Article R.225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the consolidation scope, *i.e.* the company, its subsidiaries as defined by Article L.233-1 and the entities it controls as defined by Article L.233-3 of the French Commercial Code, within the limitations set out in the methodological information presented in section 4.1.1 of the chapter related to environmental, labour and social information of the management report.

Based on these procedures and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

## 2. Reasoned opinion on the fairness of the CSR Information

### Nature and scope of the work

We conducted three interviews with the people responsible for preparing the CSR Information in the departments in charge of collecting the information and, where appropriate, with those responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, impartiality and understandability, taking into account best practice, where appropriate;
- verify that a data-collection, compilation, processing and control procedure has been implemented to ensure the completeness and consistency of the Information and review the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and controls according to the nature and importance of the CSR Information with respect to the characteristics of the company, the social and environmental impact of its activities, its sustainable development strategy and best practice.

With regard to the CSR Information that we considered to be the most important[1]:

- at parent entity level and subsidiaries and controlled entities level, we consulted documentary sources and conducted interviews to substantiate the qualitative information (organization, policy, action), we performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and consolidation of the data. We also verified that the data was consistent by cross-checking it with other information in the management report;
- at the entity level for a representative sample of entities selected[2] on the basis of their activity, their contribution to the consolidated indicators, their location and risk analysis, we conducted interviews to verify that the procedures were followed correctly and to identify any undisclosed data, and we performed tests of details, using sampling techniques, in order to verify the calculations made and reconcile the data with the supporting documents. The selected sample represents 16.5% 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 given 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 enable us to provide limited assurance; a higher level of assurance would have required us to carry out more extensive work. Due to the use of sampling techniques and other limitations intrinsic to the operation of information and internal control systems, we cannot completely rule out the possibility that a material irregularity has not been detected.

### Conclusion

Based on our work, we did not identify any material anomalies likely to call into question the fact that the CSR Information, taken as a whole, is presented fairly in accordance with the Guidelines.

Paris La Défense,
24 February 2015

**KPMG Audit**

| **Anne Garans** | **Eric Junières** |
|---|---|
| *Partner*<br>*Climate Change & Sustainability Services* | *Partner* |

(1) *Social indicators: Total Headcount, and breakdown by gender (except USA) and age (except USA), employees movements (hires and departures), number of training hours, number of work accidents, number of disabled employees (in France) and absenteeism.*
*Qualitative informations: Measures implemented to promote employment and integration of disabled people, Policy against discriminations, Occupational health and safety conditions, Organization of social dialogue including information procedures, consultation and negotiation with the employees, The organization of the company to integrate environmental issues and, if appropriate, the assessments and certification process regarding environmental issues, Actions of partnership and sponsorship, Action implemented against corruption, Measures implemented to promote consumers health and safety.*

(2) *Teleperformance USA, Teleperformance UK and Teleperformance France.*

# Comments on the financial year

# 5.1 Review of the Group's financial position and results

The accounting principles used by the Group to prepare its consolidated accounts are described in the notes to the consolidated accounts (page 146 of this Registration Document).

The preparation of financial statements in conformity with IFRS requires making estimates and assumptions which affect the amounts reported in the financial statements, especially with respect to the following items:

- depreciation and amortization rates;
- the calculation of losses on doubtful receivables;
- impairment of intangible assets and goodwill;
- the measurement of provisions and retirement benefits;
- the estimation of the financial liability connected with price adjustments on purchase commitments to minority shareholders;
- the measurement of share-based payments expense;
- provisions for contingencies and expenses;
- the measurement of intangible assets acquired as part of a business combination; and
- deferred taxation.

The estimates are based on information available at the time of preparation of the financial statements, and may be revised in a future period if circumstances change or if new information is available. Actual results may differ from these estimates.

## 5.1.1 Events during the 2014 financial year

On August 7th, 2014, the Group completed the acquisition of Aegis USA Inc., a leading provider of customer service in the United States, the Philippines and Costa Rica, which has an annual turnover of around US$400 million. The amount of the transaction totaled US$631 million, upon which knowing that a price adjustment will be made in the first half of 2015.

This acquisition was financed by credit lines to the value of US$610 million, put in place with the Group's main banks, as follows:

- a loan of US$165 million maturing in July 2017;
- a draw down of €108 million on the multicurrency syndicated credit line of €300 million, maturing in February 2019, for an amount equivalent to US$145 million due to the establishment of a "Cross Currency Interest Swap".

Plus a US private placement (USPP) with nine major financial institutions totaling US$325 million, over seven years for US$160 million and ten years for the remaining US$165 million. Both tranches are repayable at maturity.

In addition, in July 2014, the Group acquired a 100% stake in City Park Technologies, a recognized player in the UK customer services market in many sectors, and which has an annual turnover of about GB£ 17 million.

## 5.1.2 Group revenues in 2014

### 5.1.2.1 Business

Group consolidated revenues came in at €2,758 million, up 13.3% on 2013 based on reported results. This growth includes a positive perimeter effect of €148 million as a result of the consolidation of Aegis US Inc. on August 7th, 2014 and City Park Technologies (CPT) on July 1st, 2014. At constant exchange rates and consolidation the increase was 9.9%, exceeding Group targets.

Exchange rate fluctuation led to a significant €58 million fall in revenue. Most of the currencies in which the Group operates, with the exception of the pound sterling, fell against the euro. The most marked variations were in the Brazilian real, the Argentine peso and the Philippine and Colombian pesos.

The Group experienced buoyant growth across its three geographical regions.

The distribution of revenues per geographical region has changed as follows:

| *(in millions of euros)* | **12/31/2014** | 12/31/2013 | change |
|---|---|---|---|
| English-speaking & Asia-Pacific | 1,209 | 947 | +27.7% |
| Continental Europe, Middle-East & Africa | 779 | 724 | +7.6% |
| Ibero-LATAM | 770 | 762 | +1.0% |
| **TOTAL** | **2,758** | **2,433** | |

▶ Changes in Group revenues *(in %)*

| | Published | Organic* |
|---|---|---|
| 2012 | +10.4% | +6.9% |
| 2013 | +3.7% | +7.9% |
| 2014 | +13.3% | +9.9% |

* *At constant exchange rates and consolidation (like-for-like).*

## English-speaking & Asia-Pacific region

The English-speaking & Asia-Pacific region grew by 12.5% on a like-for-like basis. As a result essentially of the acquisition in the US in August 2014, the published results reported a growth of 27.7%.

This region continues to enjoy a sustained dynamic, with particular growth in the United States where the activity developed around the Group's clients in the Internet and consumer electronics sectors fared particularly well and a large number of contracts were signed with new clients in a wide range of sectors such as financial services, health, on-line travel agencies and specialist distribution.

The UK also recorded remarkable growth, particularly in the public administration, retail and energy sectors. City Park Technologies in Glasgow came on Board on July 1st, 2014.

In Asia-Pacific, business continues to grow at a very healthy rate in China, where the Group is supporting the rapid development of main international accounts, mostly in the consumer electronics sector.

## Ibero-LATAM region

The Ibero-LATAM region recorded 6.8% growth on a like-for-like basis. The growth figure published was 1.0% as a result of the negative exchange rate effect caused by the euro's fall against the Brazilian real and the Argentine and Colombian pesos over the year.

In Brazil, despite a sluggish economic climate, in the second half of the year the Group benefited from the start of new contracts won with existing clients essentially for recently-opened sites in the north of the country.

Good performances in El Salvador and the Dominican Republic are driving growth in the nearshore activities serving the American market.

Portugal recorded the highest growth in the region, bolstered by the success of the multilingual platforms in Lisbon.

## Continental Europe, Middle-East & Africa

Revenue in this region was up by 9.5% on a like-for-like basis, and 7.6% in the published results, with a negative exchange rate effect caused by the fall in the ruble and Swedish krona against the euro.

The rapid development of our subsidiary TLScontact, a specialist in face-to-face services, made an extremely positive contribution to the region's growth.

The Group continues to enjoy a good sales dynamic with its global clients, notably in The Netherlands, Eastern Europe (Russia, Poland and Rumania) and Southern Europe (Greece, Turkey and Egypt). A new contact center in Poland opened at the end of 2014 to serve the German market and is delivering promising results, an illustration of how the Group is continuing to step up its presence with new offshore solutions.

Business in mainland France was down on last year as a result of its difficult profile. In 2014, it represented a mere 4.0% of the Group's total revenue.

### 5.1.2.2 Profitability

Current EBITDA stands at €376 million, up 15.7% on 2013. The current EBITDA margin of 13.6% shows a 0.3 point increase on 2013.

Current EBITA* increased to €267 million in 2014 from €226 million in 2013, an increase of 18.2%. The current EBITA margin stands at 9.7% against 9.3% in 2013, up 0.4 point, in line with group objectives.

The table below shows the amount of operating profit (excl. holdings) generated in each geographic region:

| **Current EBITA margin*** *(in %)* | **2014** | 2013 | 2012 |
|---|---|---|---|
| English-speaking & Asia-Pacific region | 11.2 | 10.0 | 11.3 |
| Ibero-LATAM region | 10.8 | 11.8 | 12.6 |
| Continental Europe, Middle-East & Africa | 2.2 | 1.8 | 0.6 |
| **TOTAL (INCLUDING *HOLDINGS*)** | **9.7** | **9.3** | **9.1** |

* *Operating profit before amortization of intangible assets on acquisitions and non-recurring items.*

The English-speaking market & Asia-Pacific region saw its current EBITA margin increase to 11.2% against 10.0% in 2013. The reasons for the increase include strong growth in business volumes, the integration of Aegis USA's activities, a large part of which are conducted in the Philippines, and a favorable exchange rate effect.

The Ibero-LATAM region delivered a current EBITA margin of 10.8%, which is also high although lower than the 2013 ratio. Current EBITA was €83 million compared to €90 million in 2013, largely due to a difficult currency market with the depreciation of the Brazilian real and the Colombian and Mexican pesos.

With current EBITA standing at €17 million, equating to a margin of 2.2%, which is up on 2013, the Continental Europe & MEA region confirmed the steady, continuous growth in profitability it has experienced in the last three years. In 2014, the Group benefited from a positive mix effect linked to the powerful upswing of TLScontact's activities due to the launch of new contracts.

Operating profit was €237 million against €196 million in 2013. It includes €15 million for amortization of intangible assets, higher than the 2013 figure due to the acquisition of Aegis USA Inc., and the following non-recurring items:

- a €7 million accounting charge with respect to the incentive share plans introduced in 2013;
- €8 million of other non-recurring charges, which include the €4 million in acquisition costs for Aegis USA Inc. and CPT.

The 2014 financial result amounted to a €19 million expense compared to a 2013 expense of €7 million.

The income tax charge amounted to €66 million. The average Group tax rate stood at 30.5% compared to 31.5% in 2013.

The minority holdings' share of the profit was €2 million.

The €150 million net profit (group share) was up 16.3% on the 2013 net profit of €129 million. The diluted earnings per share was €2.62, an increase of 15.4% on 2013.

The Board of Directors will propose to the shareholders' meeting on May 7th, 2015 that it pay a dividend of €0.92 per share for financial year 2014, an increase on the 2013 dividend of €0.80. The proposed dividend equates to a distribution rate of 35%, the same as 2013.

## 5.1.3 Cash flow and capital structure

### Consolidated financial structure as of December 31st, 2014

#### ▶ Long-term capital

| As of December 31st *(in millions of euros)* | **2014** | 2013 | 2012 |
|---|---|---|---|
| Shareholder's equity | 1,600 | 1,396 | 1,383 |
| Non-current financial liabilities | 425 | 21 | 14 |
| Total non-current capital | 2,025 | 1,417 | 1,397 |

#### ▶ Short-term capital

| As of December 31st *(in millions of euros)* | **2014** | 2013 | 2012 |
|---|---|---|---|
| Current financial liabilities | 214 | 56 | 76 |
| Cash and cash equivalents | 216 | 164 | 170 |
| Cash surplus, net of current financial liabilities | 2 | 108 | 94 |

#### ▶ Source and amount of cash flow

| As of December 31st *(in millions of euros)* | **2014** | 2013 | 2012 |
|---|---|---|---|
| Internally generated funds from operations | 315 | 236 | 229 |
| Change in working capital requirements | -115 | -46 | -26 |
| **Cash flow from investing activities** | **200** | **190** | **203** |
| Investment and capital expenditure | -631 | -135 | -114 |
| Proceeds from disposals | 3 | 3 | 2 |
| **Cash flow from investing activities** | **-628** | **-132** | **-112** |
| Change in equity interest in controlled companies | -7 | -11 | -5 |
| Dividends paid/purchases of treasury stock | -46 | -16 | -26 |
| Net change in financial liabilities | 563 | -21 | -39 |
| **Cash flow in financing activities** | **510** | **-48** | **-70** |
| **CHANGE IN CASH AND CASH EQUIVALENTS** | **82** | **10** | **21** |

Cash flow after tax was €315 million compared to €236 million in 2013.

The change in the Group's working capital requirements resulted from usage of €115 million compared to €46 million in 2013. The discontinuation of the factoring program which Aegis USA Inc. operated before it joined the Group in August 2014, increased the working capital requirements by an estimated €50 million.

Net operating investment grew significantly to €157 million (5.7% of revenue) compared to the 2013 figure of €126 million (5.2% of revenue). This investment was made to create and expand contact centers in key markets in the Group's three regions, linked essentially to the start of the contract with the UK government for handling visas and immigration (€20 million).

Financial investment was €471 million and related to the acquisitions of Aegis USA Inc. and City Park Technologies.

Due to an exceptionally high working capital requirements and significant investment in development in 2014, the Group's net free cash flow fell to €43 million from the 2013 figure of €64 million.

After dividend payments of €46 million and inclusion of the €471 million in financial investments, net debt stood at €423 million as of December 31st, 2014.

The Group continues to have an extremely solid financial structure with equity of €1,600 million, very much higher than its net financial debt of €423 million, and a net debt to EBITDA ratio of 1.1 at the end of 2014.

## 5.1.4 Key figures of the main subsidiaries

The key figures of the subsidiaries whose revenues exceeded 10% of the Group's consolidated revenues are presented below:

| Selected financial data | TP USA (in thousands of US$) |
|---|---|
| Non-current assets | 1,023,491 |
| Current assets | 423,104 |
| **Total assets** | **1,446,595** |
| Shareholder's equity | 320,215 |
| Non-current liabilities | 966,983 |
| Current liabilities | 159,397 |
| **Total liabilities** | **1,446,595** |
| Revenues | 890,887 |
| **NET PROFIT/LOSS** | **34,723** |

# 5.2 *Review of the Company's financial position and results*

## 5.2.1 Balance sheet

### 5.2.1.1 Investment and capital expenditure

Teleperformance did not acquire or dispose of any investments in subsidiaries and affiliates in 2014.

Its fixed capital investments of €0.9 million related essentially to the fitting out the building it owns in Lyon and computer equipment for its IT center.

### 5.2.1.2 Financing arrangements

#### Syndicated credit line agreement

In January 2014, the Company renewed its €300 million syndicated credit line agreement for a further five years.

Draw downs under the credit line may be in euros or in US$, and are repayable *in fine* in February 2019.

At December 31st, 2014, an amount of €185 million had been drawn down under the facility, compared with €20 million at December 31st, 2013.

#### Loans granted in 2014

The most significant loan in financial year 2014 was for US$646 million (€532 million) granted to its sub-subsidiary Teleperformance USA principally to finance the US$631 million acquisition in August 2014 of Aegis USA Inc., a major player in the customer services market in the USA, Philippines and Costa Rica.

This loan was financed by bank credit lines and a US private placement (USPP).

Teleperformance also granted a number of other loans totaling €81 million to its subsidiaries to help with their financial management. Essentially these included:

- £ 14.7 million, *i.e.* €18.3 million to its Luxembourg subsidiary TLS Group;
- £ 13.8 million, *i.e.* €17.7 million to its UK subsidiary Teleperformance UK;
- €15.7 million to its Luxembourg subsidiary LCC.

### Information on the borrowing requirements and funding structure of the issuer

To finance the acquisition by its sub-subsidiary Teleperformance USA of Aegis USA Inc., the Company put in place the following credit lines with the Group's main banks:

- a loan of US$165 million expiring July 2017;
- a draw down of €108 million on the multicurrency syndicated credit line of €300 million, maturing in February 2019, for an amount equivalent to US$145 million due to the establishment of a "Cross Currency Interest Swap".

Plus a US private placement (USPP) with nine major financial institutions totaling US$325 million, over seven years for US$160 million and ten years for the remaining US$165 million. Both tranches are repayable at maturity.

Financial debt stood at €821 million as of December 31st, 2014, including €200 million of subsidiaries' cash pooling credit balances.

The Company complies with all of the financial ratios that apply to it.

### 5.2.1.3 Tax result

The overall tax result showed a profit of €6.3 million in 2014. Tax loss carryforward was €43.4 million.

The Company also has a carryback credit of €6.5 million, repayable on April 30th, 2016 at the latest.

### 5.2.1.4 Shareholder's equity

Share capital at December 31st, 2014 consisted of 57,201,690 shares with a par value of €2.50 each, compared to 57,260,190 shares at December 31st, 2013.

### 5.2.1.5 Maturity of trade payables

Pursuant to Article D 441-4 of the French Commercial Code, the table below summarized the breakdown of trade payables by due date as of December 31st, 2014.

| Supplier | Due in 1 month | Overdue + 0 to 30 days | Overdue + 30 to 60 days | *Overdue* + 60 to 90 days | *Overdue* + 90 to 120 days | *Overdue* + 120 days | Total |
|---|---|---|---|---|---|---|---|
| **2014** | | | | | | | |
| Intra-group | 1,232 | 9 | 676 | 11 | | | 1,928 |
| Third party | 419 | 24 | | 1 | | 62 | 506 |
| **TOTAL** | **1,651** | **33** | **676** | **12** | | **62** | **2,434** |
| **2013** | | | | | | | |
| Intra-group | 125 | 7 | 848 | | | 12 | 992 |
| Third party | 93 | | 11 | 13 | | | 117 |
| **TOTAL** | **218** | **7** | **859** | **13** | | **12** | **1,109** |

### 5.2.1.6 Cash

As of December 31st, 2014, the Company held net negative cash including cash pooling current accounts of €62.7 million compared to negative cash of €74.1 million at December 31st, 2013, as set out in the cash-flow statement.

The net €11.4 million improvement in this entry breaks down as follows:

| | |
|---|---|
| Net cash-flow from operating activities | 66.7 |
| Net outflows from transactions in tangible and intangible assets | -0.9 |
| Net outflows from loans | -535.1 |
| Net increase in financial liabilities | 526.4 |
| Dividends paid | -45.7 |
| **TOTAL** | **11.4** |

## 5.2.2 Income

Total revenues amounted to €57.4 million, compared to €51.4 million in 2013, representing an increase of €6.0 million.

Revenues can be broken down as follows:

| | **2014** | 2013 |
|---|---|---|
| Fees received from subsidiaries | 55.3 | 49.2 |
| Other revenue (including real estate leases) | 2.1 | 2.2 |

2014 gross operating profit amounted to €17.8 million, compared to €19.4 million in 2013.

The 2014 financial result amounted to €44.0 million against €23.4 million in 2013. It breaks down as follows:

| | **2014** | 2013 |
|---|---|---|
| Dividends | 43.2 | 40.0 |
| Net interest income | 6.5 | -2.3 |
| Write-offs | -3.8 | |
| Foreign exchange gains and losses, net | 5.1 | 2.3 |
| Provisions against subsidiaries | -7.0 | -16.6 |

The amount recorded under “Provisions against subsidiaries” in 2014 relates to a depreciation of the shares of the Spanish subsidiary in the amount of €7 million.

In 2014, the Company wrote off the €3.8 million receivable it held with its subsidiary Teleperformance France for the brand license and services rendered over the financial year.

Underlying earnings before tax came in at a profit of €61.7 million compared to a profit of €42.8 million in 2013.

After a 2014 income tax charge of € 12.4 million (€7.9 million in 2013), 2014 resulted in a net profit of €49.5 million against a 2013 profit of €34.9 million.

# 5.3 *Trends and Prospects*

## 5.3.1 Prospects

In 2015 Teleperformance will continue its value creation and balanced growth strategy. It expects its revenues to grow by some 7% in 2015, at constant exchange rates and consolidation.

The Group is looking to improve its profitability ratios and will target an EBITA margin (excluding non-recurrent items) of 10.3% of revenue or higher.

## 5.3.2 Risks and uncertainties

The Group’s business is subject to market risks (sensitivity to economic and financial factors), as well as to the political and geopolitical uncertainties related to its global footprint.

A detailed description of these risks is provided in section 1.6. *Risk Factors* of this Registration Document.

# Consolidated Financial Statements

# 6.1 Consolidated Statement of Financial Position

| *(in millions of euros)* | *Notes* | **12/31/2014** | 12/31/2013 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Goodwill | *D* | 1,019 | 674 |
| Other intangible assets | *C.2* | 323 | 78 |
| Property, plant and equipment | *C.1* | 391 | 287 |
| Financial assets | *G.2* | 43 | 33 |
| Deferred tax assets | *E.2* | 41 | 31 |
| **Total non-current assets** | | **1,817** | **1,103** |
| **Current assets** | | | |
| Current income tax receivable | | 37 | 38 |
| Accounts receivable – Trade | *C.3* | 693 | 498 |
| Other current assets | *C.3* | 113 | 73 |
| Other financial assets | *G.2* | 51 | 15 |
| Cash and cash equivalents | *G.4* | 216 | 164 |
| **Total current assets** | | 1,110 | 788 |
| **TOTAL ASSETS** | | **2,927** | **1,891** |

| *(in millions of euros)* | *Notes* | **12/31/2014** | 12/31/2013 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Share capital | *F.1* | 143 | 143 |
| Share premium | | 575 | 576 |
| Translation reserve | | 32 | -65 |
| Other reserves | | 845 | 738 |
| **Equity attributable to owners of the Company** | | **1,595** | **1,392** |
| Non-controlling interests | | 5 | 4 |
| **Total shareholder's equity** | | **1,600** | **1,396** |
| **Non-current liabilities** | | | |
| Provisions | *I.2* | 10 | 9 |
| Financial liabilities | *G.4* | 425 | 21 |
| Deferred tax liabilities | *E.2* | 125 | 37 |
| **Total non-current liabilities** | | **560** | **67** |
| **Current liabilities** | | | |
| Provisions | *I.2* | 43 | 14 |
| Current income tax | | 49 | 23 |
| Accounts payable – trade | *C.9* | 123 | 87 |
| Other current liabilities | *C.9* | 338 | 249 |
| Other financial liabilities | *G.4* | 214 | 56 |
| **Total current liabilities** | | **767** | **429** |
| **TOTAL EQUITY AND LIABILITIES** | | **2,927** | **1,891** |

# 6.2 Consolidated Statement of Income

| *(in millions of euros)* | *Notes* | **2014** | 2013 |
|---|---|---|---|
| **Revenues** | *C.10* | **2,758** | **2,433** |
| Other revenues | *C.10* | 7 | 9 |
| Personnel | | -1,883 | -1,706 |
| External expenses | *C.11* | -493 | -401 |
| Taxes other than income taxes | | -14 | -13 |
| Depreciation and amortization | | -109 | -99 |
| Amortization of intangible assets acquired as part of a business combination | | -15 | -8 |
| Goodwill impairment | | 0 | -3 |
| Share-based payments | *C.4* | -7 | -10 |
| Other operating income and expenses | *C.12* | -7 | -6 |
| **Operating profit** | | **237** | **196** |
| Income from cash and cash equivalents | | 2 | 1 |
| Interest on financial liabilities | | -14 | -9 |
| **Net financing costs** | *G.3* | **-12** | **-8** |
| Other financial income | *G.3* | 47 | 27 |
| Other financial expenses | *G.3* | -54 | -26 |
| **Financial result** | | **-19** | **-7** |
| **Profit before taxes** | | **218** | **189** |
| Income tax | *E.1* | -66 | -60 |
| **Net profit** | | **152** | **129** |
| **Net profit – Group share** | | **150** | **129** |
| Net profit attributable to non-controlling interests | | 2 | 0 |
| **Basic earnings per share** *(in euros)* | *F.3* | **2.62** | **2.27** |
| **Diluted earnings per share** *(in euros)* | *F.3* | **2.62** | **2.27** |

# 6.3 Consolidated Statement of Comprehensive Income

| *(in millions of euros)* | **2014** | 2013 |
|---|---|---|
| **NET PROFIT** | **152** | **129** |
| **May not be reclassified to profit or loss in a subsequent period** | | |
| **May be reclassified to profit or loss in a subsequent period** | | |
| Net gains (losses) on foreign exchange hedges (before tax) | -8 | -5 |
| Income tax on net gains (losses) on foreign exchange hedges | 3 | 2 |
| Translation differences | 97 | -82 |
| **Directly in equity** | 92 | **-85** |
| **TOTAL COMPREHENSIVE INCOME** | **244** | **44** |
| Group share | 242 | 44 |
| Attributable to non-controlling interests | 2 | |

# 6.4 Consolidated Statement of Cash Flows

| *(in millions of euros)* | *Notes* | **2014** | 2013 |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Net profit – Group share | | 150 | 129 |
| Net profit attributable to non-controlling interests | | 2 | 0 |
| Income tax expense | | 66 | 60 |
| Expenses (income) without effect on Cash | *H.1* | 150 | 118 |
| Income tax paid | *H.2* | -53 | -71 |
| ***Internally generated funds from operations*** | | ***315*** | ***236*** |
| ***Change in working capital requirements*** | *H.3* | ***-115*** | ***-46*** |
| **Net cash flow from operating activities** | | **200** | **190** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Acquisition of intangible assets and property, plant and equipment | | -160 | -127 |
| Loans and advances made | | -1 | -8 |
| Proceeds from disposals of intangible assets and property, plant and equipment | | 3 | 1 |
| Repayments of loans | | 1 | 2 |
| Acquisitions of subsidiaries | *H.4* | -471 | |
| **Net cash flow from investing activities** | | **-628** | **-132** |
| **NET CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| Acquisition/disposal of treasury shares | | | 1 |
| Changes in ownership interest in controlled entities | | -7 | -11 |
| Dividends paid to parent company shareholders | | -46 | -17 |
| Increase in financial liabilities | | 918 | 72 |
| Repayment of financial liabilities | | -355 | -93 |
| **Net cash flow from financing activities** | | **510** | **-48** |
| ***Change in cash and cash equivalents*** | | ***82*** | ***10*** |
| *Effect of exchange rates on cash held* | | -28 | -10 |
| **Net cash at January 1st** | *H.5* | **160** | **160** |
| **Cash at end of financial year** | *H.5* | **214** | **160** |

# 6.5 Consolidated Statement of Changes in Equity

| | Group share | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| *(in millions of euros)* | Share capital | Share premium | Translation reserve | Retained earnings | Impact of financial hedging instruments | Actuarial gains/ losses on employee benefits | Equity attributable to owners of the Company | Attributable to non-controlling interests | Total |
| **AT DECEMBER 31ST, 2012** | **142** | **556** | **17** | **661** | **1** | **0** | **1,377** | **6** | **1,383** |
| Translation differences from foreign operations | | | -82 | | | | **-82** | | **-82** |
| Net profit | | | | 129 | | | **129** | | **129** |
| Net loss on cash flow hedges (after tax) | | | | | -3 | | **-3** | | **-3** |
| **TOTAL RECOGNIZED INCOME AND EXPENSE** | **0** | **0** | **-82** | **129** | **-3** | **0** | **44** | **0** | **44** |
| Issue of share capital | 1 | 20 | | | | | **21** | 1 | **22** |
| Commitments for the purchase of non-controlling interests | | | | -20 | | | **-20** | -3 | **-23** |
| Fair value of incentive plan share awards | | | | 7 | | | **7** | | **7** |
| Treasury shares | | | | 1 | | | **1** | | **1** |
| Dividends (€0.68 per share) | | | | -38 | | | **-38** | | **-38** |
| **AT DECEMBER 31ST, 2013** | **143** | **576** | **-65** | **740** | **-2** | **0** | **1,392** | **4** | **1,396** |
| Translation differences from foreign operations | | | 97 | | | | **97** | | **97** |
| Net profit | | | | 150 | | | **150** | 2 | **152** |
| Net loss on cash flow hedges (after tax) | | | | | -5 | | **-5** | | **-5** |
| **TOTAL RECOGNIZED INCOME AND EXPENSE** | **0** | **0** | **97** | **150** | **-5** | **0** | **242** | **2** | **244** |
| Reduction in share capital | | -1 | | | | | **-1** | | **-1** |
| Fair value of incentive plan share awards | | | | 7 | | | **7** | | **7** |
| Treasury shares | | | | 1 | | | **1** | | **1** |
| Dividends (€0.80 per share) | | | | -46 | | | **-46** | -1 | **-47** |
| **AT DECEMBER 31ST, 2014** | **143** | **575** | **32** | **852** | **-7** | **0** | **1,595** | **5** | **1,600** |

*Translation differences from converting the financial statements of foreign subsidiaries before January 1st, 2004 were reclassified as reserves in accordance with the option available under IFRS 1 on transition to IFRS.*

# 6.6 Notes to the Consolidated Financial Statements

## CONTENTS OF THE NOTES TO THE CONSOLIDATED COMPANY FINANCIAL STATEMENTS

# Events during the 2014 financial year

On August 7th, 2014, the Group completed the acquisition of Aegis USA Inc., a leading provider of customer service in the United States, the Philippines and Costa Rica, which has an annual turnover of about US$400 million. The amount of the transaction totaled US$631 million, upon which knowing that a price adjustment will be made in the 1st half of 2015 (see note B.2).

The acquisition required the establishment of a specific funding that is explained in note G.4 *Financial liabilities*.

In addition, in July 2014, the Group acquired a 100% stake in City Park Technologies, a recognized player in the UK customer services market in many sectors, and which has a turnover of about £17 million.

# A. General accounting principles

## NOTE A.1 Reporting entity

Teleperformance ("the Company") is a company domiciled in France.

The Company's consolidated financial statements for the year ended December 31st, 2014 include the Company and its subsidiaries, together referred to as "*the Group*".

The financial statements were approved by the Board of Directors on February 26th, 2015, and will be submitted to the shareholders' meeting to be held on May 7th, 2015.

All financial information presented in euro has been rounded to the nearest million.

## NOTE A.2 Basis of preparation

The consolidated financial statements for the year ended December 31st, 2014 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union as of the reporting date, and comply with the presentation requirements of Revised IAS 1 as amended.

The following standards, amendments and interpretations:

- standards covering consolidation IFRS 10, IFRS 11, IFRS 12;
- the effect of amendments to IFRS 10, IFRS 11 and IFRS 12 on IAS 27 and IAS 28;
- amendments to IAS 32 on the offsetting of financial assets and financial liabilities;
- amendment to IAS 36 on the information required on the recovery value of non-financial assets;
- amendments to IAS 39 on the novation of derivatives and maintenance of hedge accounting.

did not have a significant impact on the consolidated financial statements.

The Group has not elected to anticipate the application of the IFRIC 21 interpretation on taxes applied in advance.

This interpretation will be mandatory from January 1st, 2015.

The Group does not expect any material impact on the financial statements due to its adoption.

With the exception of the new standards, amendments and interpretations listed above, the accounting policies applied by the Group in the consolidated financial statements are identical to those used in the consolidated financial statements for the year ended December 31st, 2013.

The financial statements are prepared on the historical cost basis except for the following assets and liabilities measured at fair value: derivative financial instruments, financial instruments held for trading, financial instruments classified as available for sale.

Non-current assets and disposal groups held for sale are stated at the lower of carrying value and fair value less costs to sell.

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial statements.

### Estimates

The preparation of financial statements in conformity with IFRS requires making estimates and assumptions which affect the amounts reported in the financial statements, especially with respect to the following items:

- depreciation and amortization rates;
- the calculation of losses on doubtful receivables;
- impairment of intangible assets and goodwill;
- the measurement of provisions and retirement benefits;
- the estimation of the financial liability connected with price adjustments on purchase commitments to minority shareholders;
- the measurement of share-based payments expense;
- provisions for contingencies and expenses;
- the measurement of intangible assets acquired as part of a business combination;
- deferred taxation.

The estimates are based on information available at the time of preparation of the financial statements, and may be revised in a future period if circumstances change or if new information is available. Actual results may differ from these estimates.

## NOTE A.3 Financial instruments

A financial instrument is recognized if the Group becomes a party to the instrument's contractual provisions. Financial assets are derecognized if the Group's contractual rights to cash flows from financial assets expire or if the Group transfers the financial asset to a third party without retaining control or nearly all the risks and benefits. Financial liabilities are derecognized if the Group's contractually specified obligations expire or have been paid off or canceled.

## NOTE A.4 Impairment

### Non-financial assets

Non-financial assets of the Group (non-current assets) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

### Financial assets

A financial asset is considered to be impaired if there is objective evidence that one or more events have had a negative effect on the asset's estimated future cash flows.

The impairment loss of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate of financial assets.

An impairment test is performed individually on each significant financial asset. Other assets are tested in groups with similar credit risks.

Impairment losses are recognized in the statement of income.

## NOTE A.5 Determination of fair values

Certain accounting policies and disclosures require determining the fair value of financial and non-financial assets and liabilities. Fair values are determined for purposes of measurement or disclosure according to the following methods. Additional information about assumptions used in determining fair value is disclosed, where necessary, in the specific notes for the asset or liability involved.

The fair value hierarchy is made up of three levels:

Level 1: unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (*i.e.* as prices) or indirectly (*i.e.* derived from prices).

Level 3: unobservable inputs for the asset or liability.

### Property, plant and equipment

The fair value of property, plant and equipment that is recognized following a business combination, mostly buildings, is based on market value. The market value of a building is the estimated amount which would be obtained from the sale of the asset under normal conditions between a buyer and a seller at the measurement date.

### Intangible fixed assets

The fair value of patents and brand names acquired during a business combination is based on the discounted present value of estimated royalties avoided through the acquisition of the patent or brand name. The fair value of other intangible assets is based on the present value of the cash flows expected from their use or on the market value of the assets.

The fair value of customer relationships acquired during a business combination is based on the multi-period excess earnings method, under which the asset is measured at the amount of estimated cash flows net of a reasonable return allocated to other assets.

### Customer receivables and other current assets

The fair value of "Accounts receivable – Trade and Other current assets" is estimated as the present value of future cash flows discounted at the market rate of interest at the reporting date.

### Derivatives

The fair value of forward currency contracts is based on their quoted market price when available. If no quoted market price is available, the fair value is estimated by discounting to the present value the difference between the contractual forward price and the current forward price on the residual term of the contract, by using an interest rate based on the money market.

The fair value of interest rate swaps is based on estimations provided by the banks and corresponds to the estimated amount that the Group would receive or pay to terminate the swap at the reporting date, taking into account current interest rates and counterparty risk.

### Non-derivative financial liabilities

The fair value, which is determined for disclosure purposes, is based on the present value of future cash flows generated by principal and interest repayments, discounted at the market interest rate at the reporting date.

For finance lease agreements, the market interest rate is determined from similar lease agreements.

### Share-based payments

The fair value of incentive plan shares awarded to employees is measured using principally the market price of the share at the grant date, the expected dividends and the post-vesting retention period. The service and performance conditions necessary for vesting are not considered when determining fair value, as these are not market conditions.

## NOTE A.6 Glossary

EBITA (or Current EBITA): (Earnings Before Interest Taxes and Amortization): Operating income before amortization of acquisition-related intangibles, loss of goodwill value and excluding non-recurring items.

ROCE: rate of Return On Capital Employed calculated using the NOPAT/Capital Employed formula.

NOPAT: Operating profit excluding non-recurring items times the effective rate of taxation.

Capital Employed: signifies goodwill, intangible assets and property, plant and equipment, items of working capital.

Non-recurring items: restructuring costs, costs related to bonus share plans, costs related to subsidiary closures, company acquisition costs, etc.

# B. Scope of consolidation

## NOTE B.1 Accounting policies and methods

### NOTE B.1.1 Basis of consolidation

#### Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the relationship of the Company with the entity exposes it or entitles it to a variable return and may influence this return due to the power it exerts on the entity.

In assessing control, potential voting rights that presently are exercisable or convertible are taken into account.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

#### Coenterprises

The Company is not a party to any coenterprise.

#### Associates

The Company holds no entity in which the Group has significant influence, but not control, over the financial and operating policies.

#### Transactions eliminated in the consolidated financial statements

Balances, any unrealized gains and losses, and income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

### NOTE B.1.2 Foreign currencies

#### Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into euros at the foreign exchange rate at that date. Foreign exchange differences arising on translation are recognized as income or expenses. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the exchange rate at the date the fair value was determined.

#### Financial statements of foreign operations

The functional currency of a foreign operation outside the euro zone is in general its local currency except in certain cases where most of its financial flows are realized with reference to another currency.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into euros using the exchange rate at the closing date.

The income and expenses of foreign operations are translated into euros using the average foreign exchange rate of the period, unless the exchange rate has fluctuated significantly. Foreign exchange differences resulting from translations are recognized in the translation reserve, as a separate equity component.

The Company has no foreign operations in any country defined by the IASB as a hyperinflationary economy.

#### Net investment in foreign operations

Foreign exchange differences arising from the translation of a net investment in foreign operations and of related hedges are recognized in the translation reserve. They are recognized as income on disposal of the foreign operations.

### NOTE B.1.3 Business combinations

Following changes to standards IFRS 3 and IAS 27 in 2008, the Group modified its accounting for business combinations and purchases of and purchase commitments on non-controlling interests for acquisitions after December 31st, 2009.

Thus, since January 1st, 2010, the Group has applied the revised IFRS 3 prospectively. The Group may thus decide whether to recognize in the statement of financial position each business combination according to the two options outlined by the standard:

- Measurement of non-controlling interests as the proportionate interest in identifiable assets and liabilities;
- Measurement of non-controlling interests at fair value (the full goodwill method).

The Group has applied the valuation of minority interests in proportion to the identifiable assets and liabilities for acquisitions completed since 2010.

Should the Group give a put option to minority shareholders at the time that control is transferred; a financial liability is recognized for the actual value of the commitment, with an equivalent reduction in equity. Subsequent changes in fair value of the liability are recognized directly in equity.

Since 2010, costs related to acquisition, other than those concerning the issue of debt or equity that the Group incurs in connection with a business combination, are expensed as incurred.

## NOTE B.2 Change in scope of consolidation

On August 7th, 2014, the Group completed the acquisition of 100% of the shares of Aegis USA Inc., a leading provider of customer services in the United States, the Philippines and Costa Rica. The Group has over 19,000 employees in 12 centers across the three countries. The Company has an extensive portfolio of premium clients in key sectors expanding in the US market.

This acquisition is consolidated as of August 7th, 2014.

The purchase price was paid in cash to the amount of US$631 million. A downward adjustment of the purchase price, estimated at US$26 million at December 31st, was recorded and should be recoverable in the 1st half of 2015. The acquisition agreement provides for an adjustment related to net financial indebtedness and working capital needs as finalized at the date of acquisition. The costs of the acquisition were recognized in other operating expenses for a total of €3.1 million.

The table below shows the best estimate, at the date of approval of the financial statements, of the fair values assigned to the identifiable assets and liabilities of Aegis USA Inc. on the acquisition date.

| *(in millions of US$)* | **Provisional fair values at 8/7/2014** |
|---|---|
| **ASSETS** | |
| **Non-current assets** | |
| Intangible fixed assets | 303 |
| Property, plant and equipment | 47 |
| Non-current assets | 7 |
| **Total non-current assets** | **357** |
| **Current assets** | |
| Accounts receivable – Trade | 55 |
| Other current assets | 16 |
| Cash and cash equivalents | 26 |
| **Total current assets** | **97** |
| **TOTAL ASSETS** | **454** |
| | |
| **LIABILITIES** | |
| **Non-current liabilities** | |
| Deferred tax liabilities | 106 |
| **Total non-current liabilities** | **106** |
| **Current liabilities** | |
| Accounts payable – trade | 8 |
| Other current liabilities | 86 |
| **Total current liabilities** | **94** |
| **TOTAL LIABILITIES** | **200** |
| **FULLY ACQUIRED NET ASSETS** | **254** |
| **PURCHASE PRICE** | **605** |
| **PROVISIONAL GOODWILL** | **351** |

The Group is currently evaluating the assets and liabilities of the acquired company and has initially estimated at US$300 million the value of the "customer relationships", which led to the recognition of an intangible asset for that amount and a deferred tax liability of US$113 million. The outcome is a preliminary goodwill of US$351 million, which will be fixed in the coming months.

This goodwill is mainly founded in the expected business synergies, this acquisition will strengthen the Group's positioning in the US market and in key expanding sectors (finance, health, etc.)

A contingent liability of US$36 million, related to tax risks identified during the acquisition process, was also recognized in the statement of financial position during the consolidation of companies with an offsetting asset of the same amount, these risks being covered by a liability guarantee (see note I.4).

The contribution of Aegis USA Inc. to net profit of the Group in 2014 is as follows:

| *(in millions of US$)* | **07/08/2014-12/31/2014** |
|---|---|
| Revenues | 176 |
| Operating profit | 23 |
| Net income | 16 |

Full-year 2014 revenue totaled approximately US$400 million and income before taxes, approximately US$54 million.

In addition, in July 2014, the Group acquired a 100% stake in City Park Technologies, a recognized player in the UK market. The amount of goodwill relating to this acquisition was €14.5 million at December 31st, 2014.

The liability guarantees received in connection with such acquisitions are described in note I.4 *Guarantees and other contractual obligations*.

# C. Operational activity

## NOTE C.1 Property, plant and equipment

### Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (see accounting policy, note A.4 *Impairment*).

Cost includes the asset's directly attributable acquisition costs.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

### Leased assets

Leases in terms of which the Group assumes the prospect of gaining new scientific or technical knowledge and understanding, is recognized in the substantially all the risks and rewards of ownership statement of income as an expense when incurred are classified as finance leases.

Any other lease agreement is an operating lease. Such leased assets are not recognized on the Group's statement of financial position.

The Company has no real estate held under a finance lease agreement.

### Subsequent costs

The Group recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred, if it is probable that the future economic benefits of the item will flow to the Group and the cost of the item can be measured reliably.

All costs of routine repairs and maintenance are recognized in the statement of income as an expense when incurred.

### Amortization

Depreciation is charged to the statement of income on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment, from the time it is ready for use. The leased assets are depreciated over their useful lives unless the duration of the lease is less than this period. In this case, the latter is used.

The estimated useful lives are as follows:

| | |
|---|---|
| Buildings: | 20 to 25 years |
| Office and IT equipment: | 3 to 5 years |
| Other: | 3 to 10 years |

Depreciation methods, useful lives and residual values are reviewed at the end of each period.

Land is not depreciated.

The breakdown of property, plant and equipment is as follows:

| Gross | Land & buildings | Telephone & IT equipment | Other | In progress | Total |
|---|---|---|---|---|---|
| **AT DECEMBER 31ST, 2012** | **232** | **391** | **150** | **9** | **782** |
| Transfer | 5 | | -1 | -9 | -5 |
| Increase | 39 | 45 | 26 | 8 | 118 |
| Decrease | -2 | -25 | -5 | | -32 |
| Translation differences | -17 | -24 | -12 | | -53 |
| **AT DECEMBER 31ST, 2013** | **257** | **387** | **158** | **8** | **810** |
| Change in consolidation scope | 20 | 12 | 3 | 2 | 37 |
| Transfer | -2 | 4 | 5 | -8 | -1 |
| Increase | 44 | 55 | 29 | 15 | 143 |
| Decrease | -10 | -38 | -11 | -1 | -60 |
| Translation differences | 19 | 28 | 10 | 1 | 58 |
| **AT DECEMBER 31ST, 2014** | **328** | **448** | **194** | **17** | **987** |

| Accumulated depreciation | Land & buildings | Telephone & IT equipment | Other | In progress | Total |
|---|---|---|---|---|---|
| **AT DECEMBER 31ST, 2012** | **-117** | **-300** | **-90** | | **-507** |
| Transfer | 1 | 3 | | | 4 |
| Expense | -24 | -44 | -16 | | -84 |
| Decrease | 2 | 25 | 4 | | 31 |
| Translation differences | 8 | 18 | 7 | | 33 |
| **AT DECEMBER 31ST, 2013** | **-130** | **-298** | **-95** | | **-523** |
| Transfer | 4 | | -3 | | 1 |
| Expense | -28 | -48 | -19 | | -95 |
| Decrease | 10 | 37 | 10 | | 57 |
| Translation differences | -9 | -20 | -7 | | -36 |
| **AT DECEMBER 31ST, 2014** | **-153** | **-329** | **-114** | | **-596** |

| Net amount | Land & buildings | Telephone & IT equipment | Other | In progress | Total |
|---|---|---|---|---|---|
| **At December 31st, 2012** | 115 | 91 | 60 | 9 | **275** |
| **At December 31st, 2013** | 127 | 89 | 63 | 8 | **287** |
| **AT DECEMBER 31ST, 2014** | **175** | **119** | **80** | **17** | **391** |

"Other" comprises principally office equipment and furniture, and motor vehicles. No impairment loss has been recorded on these assets.

The Group relies only to a minor extent on finance lease financing and, in consequence, the disclosure of the amount of fixed assets held under finance leases is not significant.

## NOTE C.2 Other intangible assets

They mainly include:

- brand names and customer relationships measured and recorded in the context of business combinations;
- software acquired by the Group with a finite useful life, which is recognized at their cost less accumulated depreciation and accumulated impairment losses (see accounting policy described in note A.4 *Impairment*).

Expenditure relating to internally generated brands is recognized as an expense when incurred.

### Subsequent expenditure

Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in the statement of income as an expense when incurred.

### Amortization

Amortization is charged to the statement of income on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Other intangible assets are amortized from the date they are available for use. The estimated useful lives are as follows:

| | |
|---|---|
| Software: | 3 to 5 years |
| Patents and licenses: | 10 years |
| Brand names: | 3 to 10 years |
| Customer relationships: | 9 to 15 years |

The breakdown of other intangible assets is as follows:

| Gross | Software | Intangible assets acquired as part of a business combination | Other | Total |
|---|---|---|---|---|
| **AT DECEMBER 31ST, 2012** | **108** | **100** | **3** | **211** |
| Transfer | -2 | | | -2 |
| Increase | 17 | | | 17 |
| Decrease | -3 | | | -3 |
| Translation differences | -5 | -5 | | -10 |
| **AT DECEMBER 31ST, 2013** | **115** | **95** | **3** | **213** |
| Change in consolidation scope | 3 | 226 | | 229 |
| Transfer | -4 | | -1 | -5 |
| Increase | 19 | | 1 | 20 |
| Decrease | | | | 0 |
| Translation differences | 5 | 28 | | 33 |
| **AT DECEMBER 31ST, 2014** | **138** | **349** | **3** | **490** |

| Accumulated amortization and impairment | Software | Intangible assets acquired as part of a business combination | Other | Total |
|---|---|---|---|---|
| **AT DECEMBER 31ST, 2012** | **-84** | **-37** | **-2** | **-123** |
| Transfer | 2 | | | 2 |
| Expense | -15 | -8 | | -23 |
| Decrease | 3 | | | 3 |
| Translation differences | 4 | 2 | | 6 |
| **AT DECEMBER 31ST, 2013** | **-90** | **-43** | **-2** | **-135** |
| Transfer | 4 | 1 | | 5 |
| Expense | -14 | -15 | | -29 |
| Decrease | | | | 0 |
| Translation differences | -4 | -4 | | -8 |
| **AT DECEMBER 31ST, 2014** | **-104** | **-61** | **-2** | **-167** |

| Net amount of: | Software | Intangible assets acquired as part of a business combination | Other | Total |
|---|---|---|---|---|
| **At December 31st, 2012** | 24 | 63 | 1 | 88 |
| **At December 31st, 2013** | 25 | 52 | 1 | 78 |
| **AT DECEMBER 31ST, 2014** | **34** | **288** | **1** | **323** |

At December 31st, 2014, acquisition-related intangible assets related to brands, valued at €1.1 million and "customer relations", valued at €286.7 million, of which €240.5 million is related to the acquisition of Aegis USA Inc. (see note B.2 *Change in scope of consolidation*).

Other intangible assets mainly represent patents and licenses.

## NOTE C.3 Accounts receivable – Trade and Other current assets

"Accounts receivable – Trade" and "Other current assets" are initially recognized at fair value, then at amortized cost less any impairment losses at each reporting date.

| | 12/31/2014 | | | 12/31/2013 |
|---|---|---|---|---|
| | Gross | Write-downs | Net | Net |
| Accounts receivable – Trade | 702 | -9 | 693 | 498 |
| Other receivables | 32 | -1 | 31 | 19 |
| Advances and receivables on non-current assets | 40 | | 40 | 25 |
| Advances and receivables on fixed assets | 3 | | 3 | 3 |
| Prepayments | 39 | | 39 | 26 |
| **TOTAL** | **816** | **-10** | **806** | **571** |

### ▶ Accounts receivable – Trade is analyzed by geographical region as follows

| | 12/31/2014 | 12/31/2013 |
|---|---|---|
| English-speaking & APAC | 378 | 208 |
| Ibero-LATAM | 138 | 124 |
| Continental Europe & MEA | 177 | 166 |
| Holdings | 0 | 0 |
| **TOTAL** | **693** | **498** |

### ▶ The payment schedule of trade receivables is as follows

| | 12/31/2014 | 12/31/2013 |
|---|---|---|
| Not yet due | 526 | 419 |
| Overdue < 30 days | 73 | 59 |
| Overdue < 60 days | 39 | 10 |
| Overdue < 90 days | 26 | 4 |
| Overdue< 120 days | 20 | 4 |
| Overdue > 120 days | 9 | 2 |
| **TOTAL** | **693** | **498** |

### Factoring arrangements:

In the case of a factoring arrangement: the receivables are sold without recourse, subject to the following principal conditions:

- that they comply with the eligibility conditions set out in the agreement;
- that they are not subject to reasonable dispute by the customer;
- and that in the event of non-payment by the customer, the Group respects the procedures set out in the insurance policy.

The Group and a number of its subsidiaries use factoring arrangements which comply with criteria for derecognition. The amounts totaled €17.8 million and €21.8 million at December 31st, 2014 and 2013, respectively.

Under the agreement, the Group retains the credit control and receipt functions in respect of the sold receivables on behalf of the factor.

## NOTE C.4 Share-based payments

The Group has implemented plans providing for performance shares issued free of charge for employees and directors of the Group which enter into effect during the financial year.

The fair value of the incentive plan shares, measured on the grant date by an independent actuary, is recognized as personnel expense over the vesting period with a corresponding increase in equity.

The amount recognized as an expense is adjusted at each reporting date to reflect the actual number of incentive plan shares that are expected to vest, so that, when vesting occurs, total expense and equity instruments correspond to the actual number of shares vesting in the Group personnel and company officers.

### Incentive plan shares

Under the authorization given at the shareholders' meeting of May 30th, 2013 on the setting of a maximum amount of 2% of the share capital of the Company at the date of the shareholders' meeting, the Board of Directors' meetings of July 30th, 2013 and February 25th, 2014 approved the award of 862,500 free incentive plan shares to Group personnel. The Board of Directors' meeting of July 30th, 2013 also approved the setting-up of a long-term incentive plan for company officers, with the award of 300,000 free performance shares, according to the same structure as the plan outlined above.

The two plans have identical conditions for vesting, as follows:

| | 07/30/2013 plan | 02/25/2014 plan |
|---|---|---|
| Date of Board meeting allocating the awards | 07/30/2013 | 02/25/2014 |
| Vesting period | 07/31/2013 to 07/30/2016 | 02/26/2014 to 02/25/2017 |
| Grant date | 08/02/2013 | 02/25/2014 |
| Number of share awards* | 1,140,000 | 22,500 |
| Number of share awards cancelled in 2013 | -127,500 | |
| Number of share awards outstanding at 12/31/2014 | 1,012,500 | 22,500 |
| Fair value of a bonus share at the grant date | €33.37 | €40.80 |
| * including company officers | 300,000 | 0 |

Vesting of the share awards is conditional on the beneficiaries remaining with the Group until at least the end of the vesting period and on meeting the following performance conditions relating to the financial years between 2013 and 2015.

Thus:

Each beneficiary may acquire the full amount of its share award if all of the following conditions are met:

The increase in revenues is equal to or above 16% AND the increase in EBITA* is equal to or above 27% AND ROCE* is equal to or above 12.5%.

Each beneficiary may acquire 75% of its share award if all of the ROCE* is greater than or equal to 12.5% AND one of the following conditions is met:

- the increase in revenues is equal to or above 14.4% and less than 16% and the increase in EBITA* is equal to or above 24.3%; OR
- the increase in revenues is equal to or above 14.4% and the increase in EBITA* is equal to or above 24.3% and less than 27%.

Each beneficiary may acquire 50% of its share award if all of the ROCE* is greater than or equal to 12.5% AND one of the following two conditions is met:

- the increase in revenues is equal to or above 12.8% and less than 14.4% and the increase in EBITA is *equal to or above 21.6%; OR
- the increase in revenues is equal to or above 12.8% and the increase in EBITA* is equal to or above 21.6% and less than 24.3%.

* *See note A.6 Glossary.*

All beneficiaries lose the full amount of their free share award in the event of any of the three following cases: the increase in revenues is less than 12.8% OR the increase in EBITA* is less than 21.6% OR the ROCE* is less than 12.5%.

Based on the probability of achieving the above objectives, a charge of €7.0 million was recorded in 2014 as against €4.9 million in 2013.

Under the authorization given at the shareholders' meeting of May 31st, 2011 on the setting of a maximum amount of 2% of the share capital of the Company at the date of the shareholders' meeting, the Board of Directors' meetings of July 27 and November 30th, 2011, May 29 and July 30th, 2012 approved the award of 1,131,500 incentive plan shares to employees and directors of the Group, of which 2,000 were still outstanding at December 31st, 2013 and were assigned on reaching their maturity on July 30th, 2014.

There was no expense recognized in 2014 in respect of these plans, compared with €5.2 million in 2013.

## NOTE C.5 Short-term benefits

Liabilities for short-term benefits are measured on an undiscounted basis and recognized when the corresponding service is rendered.

A provision is recognized for the amount the Group expects to pay under incentive plans and short-term cash bonuses if the Group has a present legal or constructive obligation to make such payments as a result of past services by an employee and if the obligation can be reliably estimated.

## NOTE C.6 Termination payments

Termination payments are recognized as costs when the Group is clearly engaged in a formalized and detailed termination program before the expected date of retirement and from which it cannot withdraw. Termination payments for voluntary redundancies are recognized if the Group has offered an incentive to encourage voluntary redundancies, if it is probable that such an offer will be accepted and if the number of individuals accepting the offer can be reliably estimated.

## NOTE C.7 Employee benefits – Defined contribution plans

Obligations for contributions to defined contribution plans are recognized as an expense when incurred.

Expenses relating thereto totaled €7.8 million in the 2014 financial year as against €7.3 million in 2013.

## NOTE C.8 Other long-term benefits

There are no other long-term service benefits other than those relating to post employment benefits which are outlined in note I.3 *Post employment benefits: defined benefit plans*.

## NOTE C.9 Accounts payable – Trade and Other current liabilities

"Accounts payable – Trade" and "Other current liabilities" are recognized initially at fair value, and subsequently at amortized cost.

| | 12/31/2014 | 12/31/2013 |
|---|---|---|
| Accounts payable – trade | 123 | 87 |
| Other payables | 121 | 101 |
| Taxes payable | 56 | 49 |
| Accruals | 109 | 74 |
| Other operating liabilities | 52 | 25 |
| **TOTAL** | **461** | **336** |

Other operating payables at December 31st, 2014 include, for €22.1 million, fair value liability of derivative financial instruments for currency hedging.

## NOTE C.10 Income

### Revenues

Income arising from services is measured at the fair value of the consideration received or receivable taking into account trade discounts or other discounts granted by the Company.

In most cases, the consideration is in the form of cash or cash equivalent, and the amount of income arising from ordinary activity is the amount, in cash or cash equivalent, received or receivable.

This income is recognized in the statement of income in proportion to the stage of completion of the transaction at the reporting date.

For contracts where billing is based on the time spent, income is estimated based on the actual billable time.

For contracts where billing is based on call volumes handled, number of workstations or staff allocated, income is estimated based on the billable volume.

For some contracts, our service consists in selling our clients' products (insurance, banking cards, etc.) Income is only recognized only when it is definitively acquired.

Revenue subject to quantitative targets is recognized only when the target is reached.

Revenue subject to qualitative objectives is recognized only when the customer has recognized the achievement of stated targets.

2014 consolidated revenue amounted to €2,758 million, for an increase, on published data, of 13.3% compared to 2013.

For constant scope and exchange rate, the increase was 9.9%.

### Other operating revenues

"Other operating income" mainly consists of government grants that are presented in the balance sheet under "Other receivables" when there is a reasonable certainty that they will be received and the Group complies with the conditions covering these grants. Grants which offset costs incurred by the Group are recognized in the income statement in the period in which the expenses are incurred. Grants that cover all or part of the cost of an asset are recognized in the income statement at the same rate as its depreciation.

Following the adoption in France, in 2012, of the Tax Credit Act for Competitiveness and Employment (CICE), the Group has opted to recognize this item as "Other operating income".

In 2014, grants amounted to €7.5 million as against €9.0 million in 2013. They include the CICE, at €3.4 million in 2014, compared to €2.6 million in 2013.

## NOTE C.11 External expenses

They consist mainly of rents and maintenance costs, the costs of telephone communications, rentals, insurance premiums, travel expenses and reception, and fees.

### Operating lease payments

Payments made under operating leases are recognized in the statement of income on a straight-line basis over the term of the lease agreement. As a result, the benefits received, if any (such as rent deductible over time) are recognized in income over that period.

In general, the Group is rarely the owner of its call centers and has very little need for lease financing contracts. Thus, in terms of real estate, most call centers are subject to operating leases and related liabilities are presented in note I.4 *Guarantees and other contractual obligations*.

| | **2014** | 2013 |
|---|---|---|
| Building rents and charges | 153 | 134 |
| Telecommunications | 76 | 63 |
| Hire and maintenance of equipment | 52 | 46 |
| Fees | 26 | 23 |
| Travel and entertainment | 37 | 33 |
| Consumables | 11 | 11 |
| Other | 138 | 91 |
| **TOTAL** | **493** | **401** |

## NOTE C.12 Other operating income and expenses

This item includes unusual items and records their occurrence and amount. It mainly includes capital gains and losses on disposals of tangible or intangible assets, certain restructuring costs or costs related to departures, some major litigation, the costs of acquisition and company closures, etc.

| | **2014** | 2013 |
|---|---|---|
| Other operating income | | 2 |
| Other operating expenses | -7 | -8 |
| **TOTAL** | **-7** | **-6** |

"Other operating income and expenses" in 2014 primarily included costs of acquiring Aegis USA Inc. and CPT for a total of €3.6 million as well as restructuring costs, while in 2013 they mainly included restructuring costs in Argentina and Chile as well as costs related to the closure of our activities in Belgium.

## NOTE C.13 Segment reporting

An operating segment is a component of an entity:

- which engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with other components of the same entity;
- whose operating results are reviewed regularly by the entity's chief operating decision maker in order to allocate resources and assess its performance; and
- for which discrete financial information is available.

Segments may be aggregated when they have similar economic characteristics.

The Group's activity, as monitored by the CEO, is built around three major management areas:

- the English-speaking & Asia-Pacific region, which includes activities in the following countries: Canada, USA, United Kingdom, South Africa, China, Indonesia, India, Philippines, Singapore, Jamaica and Guyana;
- the Ibero-LATAM region, which includes activities in the following countries: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Mexico, Spain and Portugal;
- the Continental Europe & MEA region, which covers the businesses in the EMEA region, with the exception of the United Kingdom, Spain and Portugal, but including the TLS and GN Research sub-groups.

Inter-segment sales are negligible and are made under arm's length conditions.

Segment information is reported in respect of the Group's geographical segments, as set out below:

Inter-segment operations are not significant and are not identified separately.

| 2014 | English-speaking & APAC | Ibero-LATAM | Cont. Europe & MEA | Holdings | TOTAL |
|---|---|---|---|---|---|
| **Revenues** | **1,209** | **770** | **779** | | **2,758** |
| **Operating profit** | **121** | **77** | **17** | **22** | **237** |
| Capital expenditure | 59 | 48 | 52 | 1 | **160** |
| Depreciation and amortization | 54 | 40 | 29 | 1 | **124** |

| 2013 | English-speaking & APAC | Ibero-LATAM | Cont. Europe & MEA | Holdings | TOTAL |
|---|---|---|---|---|---|
| **Revenues** | **947** | **762** | **724** | | **2,433** |
| **Operating profit** | **91** | **81** | **11** | **13** | **196** |
| Capital expenditure | 46 | 51 | 30 | 0 | **127** |
| Depreciation and amortization | 43 | 39 | 24 | 1 | **107** |
| Goodwill impairment | | 3 | | | **3** |

# D. Goodwill

## NOTE D.1 Accounting policies and methods

In business combinations, goodwill is calculated in the manner outlined in note B.1.3 *Business combinations*.

### Impairment

The recoverable value of goodwill is estimated at each reporting date. Goodwill is measured at cost less accumulated impairment losses. It is allocated to cash-generating units (CGUs) or groups of cash-generating units, and is not subject to amortization but is tested for impairment at least annually.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit "CGU" or groups of CGUs exceed its recoverable amount. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit or loss.

An impairment loss recognized in respect of a CGU (or group of units) is first allocated to a reduction in the carrying amount of any goodwill associated with the CGU (or group of units), then to a reduction in the carrying amount of other assets in the unit (or group of units) in the following order:

- goodwill;
- then tangible and intangible fixed assets at their prorata carrying amount.

The recoverable amount of an asset or CGU is the higher of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows net of tax are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Discount rates are after income tax rates applied to cash flows after income tax. Their use necessitates the determination of recoverable values identical to those that would have been obtained using pre-tax rates to cash flow without tax effect.

The Group determines its discount rate by taking into account the average of the risk-free rate with a maturity of between 20 and 30 years observed over 12 months, the market risk premium, the weekly average Teleperformance beta over 2 years (given the absence of comparable companies). The risk-free rate and the risk premium are specific to each major geographical area of operations.

An impairment loss in respect of goodwill may not be reversed.

## NOTE D.2 Change in Goodwill

Changes in goodwill for the years 2013 and 2014 are detailed below:

| Goodwill | Gross | Impairment | Net amount |
|---|---|---|---|
| **At December 31st, 2012** | **735** | **-23** | **712** |
| Increase/Expense | | -3 | -3 |
| Translation differences | -37 | 2 | -35 |
| **At December 31st, 2013** | **698** | **-24** | **674** |
| Change in consolidation scope | 276 | | 276 |
| Translation differences | 69 | | 69 |
| **AT DECEMBER 31ST, 2014** | **1,043** | **-24** | **1,019** |

## NOTE D.3 Distribution of goodwill by main cash-generating units or groups of cash-generating units (hereinafter called CGU):

Subsidiaries are consolidated to form a CGU in the following cases:

- there are significant inter-relationships formed by the existence of the same customers with common cash flows;
- existence of close ties of certain subsidiaries with their offshore production units;
- presence in the same geographical region, with a similar economic context and common management.

At December 31st, 2014, the principal CGUs were determined to be as follows:

### North America CGU

This CGU is formed by the contact center subsidiaries located in the USA and Canada, and the offshore subsidiaries in India, the Philippines, Jamaica and Guyana.

### Nearshore CGU

This CGU is formed by the contact center subsidiaries located in Mexico, Costa Rica, El Salvador and the Dominican Republic.

### Central Europe CGU

This CGU is formed by the businesses of companies situated in Germany, the Benelux countries, Switzerland and the Netherlands.

### United Kingdom CGU

This CGU is formed by the business in the United Kingdom and the offshore subsidiary in South Africa.

It should be noted that it includes the goodwill of €14.5 million recognized during the acquisition of City Park Technologies in July 2014.

### FSM ("French Speaking Market") CGU

This CGU group is formed by the French subsidiaries with contact center businesses and the production subsidiaries in Tunisia and Morocco. These companies were brought together during 2008 under common management and a single brand name. The effect of the French "competitiveness" tax credit was included in the determination of the recoverable amount of the CGU, for €49.2 million. Excluding this would have given a recoverable amount inferior by €8.0 million to the carrying amount of the CGU's net assets, resulting in an impairment charge of an equivalent amount.

### FHCS (ex Aegis) CGU

Following the acquisition of Aegis USA Inc. in August 2014, a provisional goodwill of €289.4 million was recorded in the balance sheet at December 31st, 2014. As indicated in note B.2 *Change in scope of consolidation*, the Company is currently evaluating acquired assets and liabilities. The inclusion of Aegis USA Inc. activities in the activities of the Group could eventually lead to further consolidation of this CGU with one or more other group CGUs.

### Other CGU

Other CGUs or CGU groups represent individually less than 4.0% of total goodwill.

The following schedule sets out the allocation of goodwill for the principal CGUs. Goodwill was tested for impairment by the Group at December 31st, 2014 as follows:

| | Goodwill | | | | Discount rate | |
|---|---|---|---|---|---|---|
| | **12/31/2014** | **of which impairment** | 12/31/2013 | of which impairment | **2014** | 2013 |
| FHCS (ex Aegis) | 289 | 0 | | | | |
| North America | 286 | 16 | 254 | 16 | 7.6% | 7.8% |
| Nearshore | 123 | 0 | 116 | 0 | 11.0% | 11.4% |
| Central Europe | 93 | 0 | 93 | 0 | 6.5% | 6.9% |
| United Kingdom | 77 | 0 | 58 | 0 | 7.6% | 7.9% |
| FSM | 53 | 0 | 53 | 0 | 6.9% | 7.4% |
| Other | 98 | 8 | 100 | 8 | | |
| **TOTAL** | **1,019** | **24** | **674** | **24** | | |

## NOTE D.4 Determination of the recoverable value of the CGUs

The recoverable value of CGUs is represented by their value in use.

The Group has not used any other measurement methods, for example, that of fair value less costs to sell.

Initial minimum recoverable amounts are determined by geographical region, calculated on the basis of the present value of estimated future cash flows for the next five years. The cash flows of the first year are based on the following year's budget approved by management. Future cash flows are founded on an assumption of zero growth and improved profitability for the next four years, and retaining growth equal to the rate of inflation. These flows are discounted by taking into account the determined WACC for each geographical area.

Reasonableness checks are made between the rates of the ROCE (see note A.6 *Glossary*) and the WACC.

When the recoverable amount thus determined is:

- greater than the carrying amount of assets being tested, no further work is performed, unless there are particular circumstances;
- lower than the carrying amount of assets being tested, future cash flows for the next five years are based on forecasts prepared by CGU management and agreed by Group management on the basis of their knowledge of their business sector, future growth possibilities, and their risk profile. The calculation of terminal values uses the cash flows of the fifth year with the assumption that perpetual future growth will be equal to inflation.

An impairment loss is recognized when the recoverable amount of a CGU, determined as set out above, is less than its carrying amount.

The recoverable amounts of the principal CGUs with sensitivities in this respect at December 31st, 2014 are as follows:

| | **Recoverable value 2014** |
|---|---|
| North America | 967 |
| Nearshore | 376 |
| Central Europe | 172 |
| FSM | 99 |

## NOTE D.5 Sensitivity analysis

When, following the work described above, it appears that a CGU has recoverable value close to its carrying amount, sensitivity analyses of the discount rate and the rate of return are used to calculate terminal value.

In 2014, further analysis in this respect was conducted on the Central Europe and FSM CGUs.

| | **Goodwill** | |
|---|---|---|
| | **2014** | 2013 |
| Central Europe | 93 | 93 |
| FSM (*"French Speaking Market"*) | 53 | 53 |

The table below sets out the impact of increases of 100 and 200 basis points in the discount rate combined with a reduction of 100 and 200 basis points in the rate of profitability used in the calculation of the terminal value for these CGUs.

The rate of profitability used in the calculation of the terminal value for these CGUs in Central Europe and the FSM reflects the past experience for these CGUs and appears reasonable in the light of the Group's forecasts as of the reporting date. The amounts in the table show the difference between the recoverable and the carrying amounts of each CGU, limited to the carrying amount of its goodwill. A negative amount therefore indicates a potential impairment loss.

| **Central Europe** | | **Rate of profitability terminal value** | | |
|---|---|---|---|---|
| | | Used | -100pt | -200pt |
| **WACC** | Used | 38 | 13 | -13 |
| | +100pt | 7 | -13 | -33 |
| | +200pt | -15 | -31 | -48 |

| **FSM** | | **Rate of profitability terminal value** | | |
|---|---|---|---|---|
| | | Used | -100pt | -200pt |
| **WACC** | Used | 41 | 19 | -4 |
| | +100pt | 21 | 3 | -15 |
| | +200pt | 7 | -8 | -23 |

# E. Income tax

## NOTE E.1 Income tax

Income tax expenses reported in the income statement include both current tax and deferred tax unless they relate to items recognized directly as equity; in this case they are recognized directly as equity.

Levy on the added value of companies (CVAE) and certain taxes abroad such as the Italian IRAP come within the scope of the IAS 12 standard and are therefore recognized as a tax expense.

As a result, payable tax includes:

- the estimated amount of tax due on the taxable income for a given period (determined using tax rates that have been adopted or substantively adopted at the balance sheet date);
- any adjustment of the amount of tax payable in respect of previous years;
- the CVAE, the IRAP, etc.

Income tax expense recognized in 2014 amounted to €66.5 million against €59.5 million in 2013 and is analyzed below:

| | 2014 | 2013 |
|---|---|---|
| **Consolidated net profit** | **152** | **129** |
| Current tax expense | 77 | 64 |
| Deferred tax expense (credit) | -11 | -4 |
| **Profit before taxes** | **218** | **189** |
| Standard rate of tax in France | 34.43% | 34.43% |
| **Expected tax expense** | **-75** | **-65** |
| CVAE | -3 | -2 |
| IRES/IRAP | -2 | -1 |
| Tax on dividends | -1 | |
| Effect of foreign jurisdictions tax rates | 18 | 15 |
| Other permanent differences and other items | -8 | 1 |
| Unrecognized deferred tax assets | 5 | -8 |
| **TOTAL** | **-66** | **-60** |

## NOTE E.2 Deferred tax

Deferred tax is calculated and recognized using the liability method, providing for all temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets and liabilities are measured using the tax rate that is expected to apply in the period when the asset is realized and the liability settled, according to tax laws that have been enacted or substantially enacted at the closing date.

Deferred tax assets and liabilities are netted by tax entity for presentation in the statement of financial position.

A deferred tax asset is recognized only to the extent that it is likely that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

| | Deferred tax assets | Deferred tax liabilities | Net | Of which related to tax losses |
|---|---|---|---|---|
| **AT DECEMBER 31ST, 2012** | **36** | **47** | **-11** | **25** |
| Recognized in income | | -4 | 4 | |
| Recognized in equity | 1 | | 1 | |
| Translation differences | -1 | -1 | 0 | |
| Offset of deferred tax assets and liabilities | -5 | -5 | 0 | |
| **AT DECEMBER 31ST, 2013** | **31** | **37** | **-6** | **21** |
| Change in scope | 5 | 85 | -80 | |
| Recognized in income | 12 | 2 | 10 | |
| Recognized in equity | 3 | | 3 | |
| Translation differences | 1 | 12 | -11 | |
| Offset of deferred tax assets and liabilities | -11 | -11 | 0 | |
| **AT DECEMBER 31ST, 2014** | **41** | **125** | **-84** | **20** |

Deferred tax liabilities related to intangible assets recognized as part of business combinations amounted to €105.8 million at December 31st, 2014 (€16.6 million at December 31st, 2013) following the acquisition of Aegis USA Inc.

Deferred tax assets amounted to €41.3 million at December 31st, 2014 against €31.2 million at December 31st, 2013 and relate to tax losses of €20.1 million carried forward.

Deferred tax assets on tax loss, of €17.6 million at December 31st, 2014 (€18.1 million at December 31st, 2013), which may be carried forward were not recognized since their recovery was not considered certain.

The Group has tax losses of approximately €125 million, of which €81 million have no expiry date and €17 million expire after more than 15 years.

# F. Equity and earnings per share

## NOTE F.1 Share capital

Share capital at December 31st, 2014 was €143,004,225 consisting of 57,201,690 shares, with a nominal value of €2.50 each, fully paid-up.

| | **12/31/2014** | 12/31/2013 |
|---|---|---|
| Number of shares issued and fully paid up | 57,201,690 | 57,260,190 |
| of which treasury shares | 62,461 | 123,961 |
| Dividends distributed in respect of the year (in millions of euros)* | 52.6** | 45.8 |
| Dividend per share *(in euros)* | 0.92** | 0.80 |

** Based on the number of shares at December 31st, 2014.*
*** As proposed to the shareholders' meeting of May 7th, 2015.*

Teleperformance effected a reduction in its share capital of €146,250 in 2014, which corresponds to the cancellation of 58,500 shares.

## NOTE F.2 Treasury shares

Repurchased shares are classified as treasury shares and shown as a deduction from total equity. On disposal, the proceeds, net of transaction costs and income tax, are recognized in equity.

The Group holds, at December 31st, 2014, 62,461 treasury shares, of which 8,000 were acquired under the liquidity contract and 54,461 were acquired to provide for the performance share plans for a total of €0.5 million and €0.8 million, respectively. These carrying amounts are shown as deductions from equity.

## NOTE F.3 Earnings per share

The Group reports both basic and diluted earnings per ordinary share. Basic earnings per share is calculated by dividing the net profit attributable to holders of ordinary shares by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares.

Net profit per diluted share is determined by adjusting the net profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding by the effects of all potentially diluting ordinary shares. These include convertible bonds, stock options and performance shares granted to employees when the required performance criteria are achieved at the end of the financial year.

| | **2014** | 2013 |
|---|---|---|
| **Net profit – group share** | **150** | **129** |
| Weighted average number of shares used to calculate basic earnings per share | 57,160,583 | 56,774,885 |
| Dilutive effect of bonus shares | 0 | 3,517 |
| Weighted average number of shares used to calculate diluted earnings per share | 57,160,583 | 56,778,402 |
| **Basic earnings per share** *(in euros)* | **2.62** | **2.27** |
| **Diluted earnings per share** *(in euros)* | **2.62** | **2.27** |

### ▶ Weighted average number of shares used to calculate basic and diluted earnings per share

| | **2014** | 2013 |
|---|---|---|
| Ordinary shares in issue at January 1st | 57,260,190 | 56,598,048 |
| Treasury shares | -99,607 | -135,186 |
| Shares issued in year | | 312,023 |
| **TOTAL** | **57,160,583** | **56,774,885** |

# G. Financial assets and liabilities

## NOTE G.1 Accounting policies and methods

### Note G.1.1 Financial assets

Current and non-current financial assets comprise the following:

- Loans and receivables are measured at amortized cost: this category mainly includes advances to staff as well as deposits paid in particular in the context of commercial leases on leased premises. On initial recognition, these loans and other receivables are stated at fair value plus directly attributable costs; at each reporting date, these assets are measured at amortized cost;
- Derivative financial instruments used to hedge exposure to foreign exchange and interest rate risks, measured at fair value at each reporting date.

### Note G.1.2 Financial liabilities

Non-current financial liabilities include capital borrowing transactions with banks or financial institutions as well as debts to certain non-controlling interests.

Current financial liabilities include the nature of operations as above but whose settlement is expected within one year.

Borrowings are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost, with any difference between cost and redemption value being recognized in profit or loss over the period of the borrowings on an effective interest rate basis.

Debt issuance costs are initially recorded as a reduction of the corresponding loans. They are taken into account in calculating the effective interest rate and are recorded in the income statement over the life of the loan.

### Note G.1.3 Cash and cash equivalents

Cash and cash equivalents comprise cash balances, demand deposits and investments in mutual funds made with a short-term objective, measured at fair value, with changes in fair value recognized in the statement of income.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows, but are classified in the statement of financial position as "Other current financial liabilities".

### Note G.1.4 Financial income and expenses

Financial income comprises interest receivable on funds invested, dividend income, fair value increases in financial assets at fair value through profit or loss and foreign exchange gains.

Profits on hedging instruments covering revenues are recognized in net operating profit. Interest income is recognized in profit or loss as it accrues, using the effective interest rate method. Dividends are recognized as soon as the Group acquires the right to receive the payment, *i.e.*, in the case of listed shares, on the ex-dividend date.

Financial expenses comprise interest payable on borrowings, the effect of de-discounting of provisions, foreign exchange losses, decreases in fair value of financial assets at fair value through profit or loss, impairment losses recognized in respect of financial assets.

All costs related to borrowings are recognized in profit or loss using the effective interest rate method.

### NOTE G.1.5 Derivatives

The Group uses derivative financial instruments to reduce its exposure to foreign exchange and interest rate risks arising from its activities. From time to time, the Group may use derivative financial instruments, contracted with high-grade financial institutions to reduce counterparty risk.

Fair value hedging financial instruments related to financial borrowings are recognized as financial liabilities.

The financial instruments used to hedge other transactions are recorded in other current assets and current or non-current liabilities, depending on their maturity and accounting classification. They are measured at fair value at the date of transaction. Changes in the fair value of the instruments are recognized in profit or loss, unless qualifying as a cash flow hedge.

The Group applies hedge accounting when the hedging relationship has been identified, formalized and documented from its inception, and that it has been shown to be effective.

The accounting treatment of these financial instruments depends on the category into which they fall:

- cash flow hedges: the effective portion is recognized as offsetting equity. The amounts recognized in equity are reclassified to profit or loss when the hedged items affect profit or loss, either in operating profit when they concern the cover of a commercial transaction or in financial income or expense when they cover a financial operation.

  The ineffective portion of changes in fair value of cash flow hedges is recognized in profit or loss as financial income or expense;
- fair value hedges: they are recognized in financial income.

## NOTE G.2 Financial assets

Warranties granted in the context of an acquisition: when the guarantee covers a specific asset or liability of the target on the date of the business combination, it must be recognized separately from goodwill and measured on the same basis as the item which constitutes the eventual payment.

| | Current | Non-current | Total 12/31/2014 | Total 12/31/2013 |
|---|---|---|---|---|
| Loans | 7 | 6 | 13 | 11 |
| Derivative financial instruments | 4 | | 4 | 5 |
| Guarantee deposits | 13 | 37 | 50 | 33 |
| Liability guarantee | 29 | | 29 | |
| **GROSS FINANCIAL ASSETS** | **53** | **43** | **96** | **49** |
| Impairment | -2 | | -2 | -1 |
| Carrying amount | 51 | 43 | 65 | 48 |

The amount stated in the liability guarantee, €29 million (US$36 million) is related to the acquisition of Aegis USA Inc. (see note B.2 *Change in scope of consolidation*).

## NOTE G.3 Financial result

| | 2014 | 2013 |
|---|---|---|
| **Income from cash and cash equivalents** | **2** | **1** |
| Other interest expense | -14 | -9 |
| **Financing costs, gross** | **-14** | **-9** |
| Foreign exchange gains and losses, net | 3 | 1 |
| Change in fair value of derivative financial instruments | -10 | 0 |
| **FINANCIAL RESULT** | **-19** | **-7** |

## NOTE G.4 Financial liabilities

The acquisition of Aegis USA Inc. by the Group on August 7th, 2014 was funded to the amount of US$610 million using banking credit lines, established with the Group's major banks, as follows:

- a bridging loan of US$300 million for a period of 18 months;
- a loan of US$165 million maturing in July 2017;
- a drawdown of €108 million on the multi-currency syndicated credit line of €300 million, maturing in February 2019, for an amount equivalent to US$145 million due to the establishment of a "Cross Currency Interest Swap".

On December 9th, 2014, the bridging loan of US$300 million was replaced by a US private placement (USPP) with nine major financial institutions for a total of US$325 million; tranche A of 7 years with a fixed rate of 3.64% for US$160 million and tranche B of 10 years with a fixed rate of 3.98% for US$165 million. Both tranches are repayable at maturity.

The issuance costs of this loan amounted to €1.5 million and are considered over the term of the loan.

As noted above, of the €300 million available to the Group in the syndicated multi-currency credit facility (€, US$), €108 million was used to finance Aegis USA Inc. The balance available at December 31st, 2014 is €115 million, €77 million having been used to fund operations and the acquisition of City Park Technologies.

### Net financial indebtedness: Schedule of debt maturities

| | Total 2014 | Current | Non-current* | 12/31/2013 | Current | Non-current |
|---|---|---|---|---|---|---|
| Loans from financial institutions and "USPP" | 602 | 196 | 406 | 34 | 32 | 2 |
| Bank overdrafts | 2 | 2 | | 4 | 4 | |
| Finance lease liabilities | 2 | 1 | 1 | 2 | 1 | 1 |
| Other borrowings and financial liabilities | 5 | 4 | 1 | 13 | 12 | 1 |
| *Cross Currency Interest* on loan | 11 | 11 | | 0 | | |
| Due to minority shareholders | 17 | 0 | 17 | 24 | 7 | 17 |
| **Total financial liabilities** | **639** | **214** | **425** | **77** | **56** | **21** |
| Marketable securities | 7 | 7 | | 59 | 59 | |
| Cash and bank | 209 | 209 | | 105 | 105 | |
| **Total cash and cash equivalents** | **216** | **216** | | **164** | **164** | |
| **NET DEBT** | **423** | **-2** | **425** | **-87** | **-108** | **21** |

* *Due after five years: €268 million.*

The Group relies only to a minor extent on finance lease financing and, in consequence, the amount of its finance lease liabilities is not significant (€2.3 million and €2.5 million at December 31st, 2014 and December 31st, 2013, respectively).

The amounts due to minority shareholders concern the estimated residual amount owing in respect of 2013 share purchases.

## Loans from financial institutions

### ▶ Schedule of loans by principal currency and type of interest rate

| | Total | € | US$ | CAD | TRY | COP | ARS | Other |
|---|---|---|---|---|---|---|---|---|
| **TYPE OF INTEREST RATE** | | | | | | | | |
| ▪ fixed | 272 | | 266 | | 1 | | 3 | 2 |
| ▪ floating | 330 | 185 | 136 | 6 | | 3 | | |
| **TOTAL 2014** | **602** | **185** | **402** | **6** | **1** | **3** | **3** | **2** |
| **TYPE OF INTEREST RATE** | | | | | | | | |
| ▪ fixed | 3 | | | | 1 | | 1 | 1 |
| ▪ floating | 31 | 20 | 2 | 4 | | 4 | | 1 |
| **TOTAL 2013** | **34** | **20** | **2** | **4** | **1** | **4** | **1** | **2** |

### ▶ Schedule of loan categories

| | **12/31/2014** | Available | Total credit line | Amount in currency at 12/31/2014 | | Rate | Maturity | Financial covenant |
|---|---|---|---|---|---|---|---|---|
| **CREDIT LINES** | | | | | | | | |
| Teleperformance SA | 185 | 115 | 300 | 185 | € | Euribor + 1.10% | 02/2019 | Yes |
| | | | | | US$ | Libor + 1.50% | | |
| MMCC Solutions Canada | 6 | | 6 | 9 | CAD | Bank's prime rate +1% | 01/2015 | Yes |
| **Total** | **191** | **115** | **306** | | | | | |
| **SECURED BANK LOANS** | | | | | | | | |
| Teleperformance SA | 135 | | | 165 | US$ | Libor $ +1.10% | 07/2017 | Yes |
| Teleperformance SA (USPP) | 132 | | | 160 | US$ | 3.64% | 12/2021 | Yes |
| Teleperformance SA (USPP) | 135 | | | 165 | US$ | 3.98% | 12/2024 | Yes |
| Teledatos | 1 | | | 1,507 | COP | DTF +0.8% to 2.8% | 11/2015 | No |
| Citytech | 3 | | | 30 | ARS | 5.52% to 9.9% | 03/2017 | No |
| TLScontact Maroc | 1 | | | 11 | MAD | 6.25% | 11/2016 | No |
| **Total** | **407** | | | | | | | |
| **UNSECURED BANK LOANS** | | | | | | | | |
| TP Chile | 1 | | | 704 | CLP | 6.6% to 7.32% | 04/2015 | No |
| Teledatos | 2 | | | 4,574 | COP | DTF +0.85% to 4.20% | 12/2015 | No |
| Metis | 1 | | | 3 | TRY | 0.78% to 1.15% | 09/2016 | No |
| **Total** | **4** | | | | | | | |
| **TOTAL** | **602** | **115** | **306** | | | | | |

### Covenants

The following financial liabilities:

- multi-currency syndicated loan (€, US$) €300 million;
- loan of US$165 million, contracts;
- US private placement with nine major financial institutions for a total of US$325 million;

are all subject to the same financial agreements which are:

- Consolidated net debt/EBITDA < 2.0;
- Consolidated net debt/Consolidated net equity < 0.7.

These agreements were complied with at December 31st, 2014.

### Sensitivity to interest rate changes

As indicated above, a significant part of the Group's debt, primarily the US private placement of US$325 million, was borrowed at fixed rates and is therefore not subject to rate of exchange risk.

The Group's exposure to a change of 1% in interest rates, based on the amount of current net variable rate debt at December 31st is set out as follows:

| | **12/31/2014** | 12/31/2013 |
|---|---|---|
| Cash and cash equivalents | 216 | 164 |
| Current financial liabilities | - 214 | -56 |
| **NET POSITION** | **2** | **108** |
| Impact of a 1% rate change | 0 | 1 |

## NOTE G.5 Foreign exchange hedging operations

Revenues and operating expenses of Group companies are denominated principally in the currency of each country concerned. However, the Group is exposed to foreign exchange risk in certain subsidiaries where revenues are denominated in a currency other than the functional currency.

To cover these exchange risks, hedge contracts are entered into on the following principal currencies:

- the US dollar and the Mexican peso;
- the Australian dollar, the Canadian dollar, the Philippine peso and the US dollar.

The policy of the Group is cover its highly probable forecast transactions denominated in foreign currency, usually up to 12 months ahead. The Group uses forward exchange contracts and plain vanilla foreign exchange options.

In addition, currency hedges are in place to cover the exchange risk between currencies managed within the cash pooling and the euro (in particular the US dollar and the Mexican peso) as well as certain loans between Teleperformance SA and its subsidiaries.

The principal derivative financial instruments in place at the year-end are as follows:

| Derivative financial instrument | Notional amount in currency | Notional amount in euros at 12/31/2014 | Fair value in euros at 12/31/2014 | Recognized in equity | **Recognized in 2014 income** |
|---|---|---|---|---|---|
| **HEDGE OF 2014 US$/MXN TRANSACTIONS** | | | | | |
| Forward US$ sales | 30 | 25 | -2 | | -2 |
| **HEDGE OF 2014 US$/PHP TRANSACTIONS** | | | | | |
| Forward PHP purchases | 1,637 | 30 | 0 | | 0 |
| **HEDGE OF 2014 AUD/US$ TRANSACTIONS** | | | | | |
| Forward AUD sales | 21 | 14 | 1 | | 1 |
| Forward AUD purchase* | 3 | 2 | 0 | | 0 |
| **HEDGE OF FORECAST 2015 US$/PHP TRANSACTIONS** | | | | | |
| *Put & call* PHP – options | 3,225 | 59 | 0 | 0 | 0 |
| Forward PHP purchases | 8,551 | 157 | -2 | -2 | 0 |
| Sales of PHP options* | 2,475 | 45 | 0 | | 0 |
| Purchases of PHP options* | 1,350 | 25 | 0 | | 0 |
| **HEDGE OF FORECAST 2015 US$/MXN TRANSACTIONS** | | | | | |
| *Put & call* US$ – options | 45 | 37 | -2 | -2 | |
| Forward US$ sales | 57 | 47 | -4 | -4 | 0 |
| Sales of US$ options* | 25 | 21 | -1 | | -1 |
| **HEDGE OF FORECAST 2015 COP/EUR TRANSACTIONS** | | | | | |
| Forward € sales | 7 | 7 | -1 | -1 | 0 |
| **HEDGE OF FORECAST 2015 COP/US$ TRANSACTIONS** | | | | | |
| Forward US$ sales | 12 | 10 | -2 | - | 0 |
| **HEDGE OF FORECAST 2015 EUR/TND TRANSACTIONS** | | | | | |
| Forward TND purchases | 64 | 28 | 0 | 0 | 0 |
| **HEDGES OF INTRA-GROUP LOANS** | | | | | |
| ▪ in GB£ | 30 | 39 | -1 | | -1 |
| ▪ in US$ | 10 | 8 | -1 | | -1 |
| **CASH POOLING HEDGES** | | | | | |
| ▪ in MXN | 1,420 | 79 | -1 | | -1 |
| ▪ in US$ | 115 | 95 | 1 | | 1 |
| *Cross Currency Interest Swap* EUR/US$ | *145* | *119* | *-11* | | *-11* |

* *Not eligible for hedge accounting*

| Derivative financial instrument | Notional amount in currency | Notional amount in euros at 12/31/2013 | Fair value in euros at 12/31/2013 | Recognized in equity | Recognized in 2013 income |
|---|---|---|---|---|---|
| Hedge of forecast 2014 US$/MXN transactions | | | | | |
| *Put & call* US$ – options | 38 | 28 | 0 | 0 | 0 |
| Forward US$ sales | 58 | 42 | 0 | 0 | 0 |
| Sales of US$ options* | 20 | 15 | 0 | 0 | 0 |
| **HEDGE OF FORECAST 2014 US$/PHP TRANSACTIONS** | | | | | |
| *Put & call* PHP – options | 1,980 | 32 | 0 | 0 | 0 |
| Forward PHP purchases | 5,651 | 92 | -1 | -2 | 1 |
| PHP put sales* | 1,130 | 18 | 0 | 0 | 0 |
| **HEDGE OF FORECAST 2014 COP/EUR TRANSACTIONS** | | | | | |
| Forward € sales | 28 | 28 | -1 | -1 | 0 |
| **HEDGE OF FORECAST 2014 COP/US$ TRANSACTIONS** | | | | | |
| Forward US$ sales | 20 | 15 | 0 | 0 | 0 |
| **HEDGE OF FORECAST 2014 INR/US$ TRANSACTIONS** | | | | | |
| *Put & call* INR – options | 280 | 3 | 0 | 0 | 0 |
| Forward INR purchases | 775 | 9 | 0 | 0 | 0 |
| PHP put sales* | 190 | 2 | 0 | 0 | 0 |
| **HEDGE OF FORECAST 2014 AUD/US$ TRANSACTIONS** | | | | | |
| *Put & call* AUD – options | 13 | 8 | 0 | 0 | 0 |
| Forward AUD sales | 27 | 18 | 1 | 1 | 0 |
| Sales of AUD options* | 10 | 6 | 0 | 0 | 0 |
| Purchases of AUD options* | 1 | 1 | 0 | 0 | 0 |
| **HEDGE OF 2013 AUD/US$ TRANSACTIONS** | | | | | |
| Forward AUD sales | 9 | 6 | 0 | 0 | 0 |
| Forward AUD purchases | 7 | 5 | 0 | 0 | 0 |
| **HEDGE OF 2013 PHP/US$ TRANSACTIONS** | | | | | |
| Forward PHP purchases | 585 | 10 | 0 | 0 | 0 |
| **HEDGE OF 2013 US$/MXN TRANSACTIONS** | | | | | |
| Forward US$ sales | 34 | 25 | 1 | 0 | 1 |
| **HEDGE OF FORECAST 2014 EUR/TND TRANSACTIONS** | | | | | |
| Forward TND purchases | 42 | 19 | 0 | 0 | 0 |
| **HEDGES OF INTRA-GROUP LOANS** | | | | | |
| ▪ in BRL | 13 | 4 | 1 | 0 | 1 |
| ▪ in US$ | 9 | 7 | 0 | 0 | 0 |
| **CASH POOLING HEDGES** | | | | | |
| ▪ in MXN | 1,130 | 63 | -1 | | -1 |
| ▪ in US$ | 101 | 73 | -1 | | -1 |

* *Not eligible for hedge accounting.*

At December 31st, 2014, the fair value of derivatives amounted to -€29.1 million (against -€1.1 million at December 31st, 2013) of which €4.4 million is presented in other financial assets, €22.1 million in "Other current liabilities" and €11.4 million in "Other financial liabilities", these being related to the financing of the acquisition of Aegis USA Inc. (see note G.4).

Counterparty credit risk (Credit value adjustment – CVA) and own credit risk (Debt value adjustment – DVA) are included in the fair values of hedging instruments, but the amounts are not significant.

## NOTE G.6 Carrying amount and fair value of financial assets and liabilities by category

The following tables show the carrying amounts of assets and liabilities and their fair value, by level of hierarchy:

| | Accounting category | | | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|---|
| 12/31/2014 | Financial instruments at the DoS by income | Derivatives | Loans and advances | Financial liabilities at amortized cost | Total | Lev 1 | Lev 2 | Lev 3 | Total |
| **FINANCIAL INSTRUMENTS ASSETS** | | | | | | | | | |
| **I – Financial assets at fair value** | **7** | **4** | **0** | **0** | **11** | **7** | **4** | **0** | **11** |
| Exchange rate hedging | | 4 | | | **4** | | 4 | | **4** |
| Marketable securities | 7 | | | | **7** | 7 | | | **7** |
| **II – Financial assets at amortized cost** | **0** | **0** | **1,104** | **0** | **1,104** | **209** | **895** | **0** | **1,104** |
| Loans | | | 10 | | **10** | | 10 | | **10** |
| Guarantee deposits | | | 50 | | **50** | | 50 | | **50** |
| Liability guarantee | | | 29 | | **29** | | 29 | | **29** |
| Accounts receivable – Trade | | | 693 | | **693** | | 693 | | **693** |
| Other assets | | | 113 | | **113** | | 113 | | **113** |
| Cash and bank | | | 209 | | **209** | 209 | | | **209** |
| **FINANCIAL INSTRUMENTS LIABILITIES** | | | | | | | | | |
| **I – Financial liabilities at fair value** | **0** | **33** | **0** | **0** | **33** | **0** | **33** | **0** | **33** |
| *Cross Currency Interest Swap* on loan | | 11 | | | **11** | | 11 | | **11** |
| Exchange rate hedging | | 22 | | | **22** | | 22 | | **22** |
| **II – Financial liabilities at amortized cost** | **0** | **0** | **2** | **1,070** | **1,072** | | | | **1,072** |
| Loans from financial institutions and "USPP" | | | | 602 | **602** | | 602 | | **602** |
| Finance lease liabilities | | | | 2 | **2** | | 2 | | **2** |
| Other borrowings and financial liabilities | | | | 5 | **5** | | 5 | | **5** |
| Bank overdrafts | | | 2 | | **2** | 2 | | | **2** |
| Change in accounts payable – trade | | | | 123 | **123** | | 123 | | **123** |
| Other liabilities | | | | 338 | **338** | | 338 | | **338** |

| 12/31/2013 | Accounting category | | | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Financial instruments at the DoS by income | Derivatives | Loans and advances | Financial liabilities at amortized cost | Total | Lev 1 | Lev 2 | Lev 3 | Total |
| **FINANCIAL INSTRUMENTS ASSETS** | | | | | | | | | |
| **I – Financial assets at fair value** | **59** | **5** | **0** | **0** | **64** | **59** | **5** | **0** | **64** |
| Exchange rate hedging | | 5 | | | **5** | | 5 | | **5** |
| Marketable securities | 59 | | | | **59** | 59 | | | **59** |
| **II – Financial assets at amortized cost** | **0** | **0** | **720** | **0** | **720** | **105** | **615** | **0** | **720** |
| Loans | | | 11 | | **11** | | 11 | | **11** |
| Guarantee deposits | | | 33 | | **33** | | 33 | | **33** |
| Accounts receivable – Trade | | | 498 | | **498** | | 498 | | **498** |
| Other assets | | | 73 | | **73** | | 73 | | **73** |
| Cash and bank | | | 105 | | 105 | 105 | | | 105 |
| **FINANCIAL INSTRUMENTS LIABILITIES** | | | | | | | | | |
| **I – Financial liabilities at fair value** | **0** | **6** | **0** | **0** | **6** | **0** | **6** | **0** | **6** |
| Exchange rate hedging | | 6 | | | **6** | | 6 | | **6** |
| **II – Financial liabilities at amortized cost** | **0** | **0** | **4** | **379** | **383** | | | | **383** |
| Loans from financial institutions | | | | 34 | **34** | | 34 | | **34** |
| Finance lease liabilities | | | | 2 | **2** | | 2 | | **2** |
| Other borrowings and financial liabilities | | | | 7 | **7** | | 7 | | **7** |
| Bank overdrafts | | | 4 | | **4** | 4 | | | **4** |
| Change in accounts payable – trade | | | | 87 | **87** | | 87 | | **87** |
| Other liabilities | | | | 249 | **249** | | 249 | | **249** |

There were no transfers between the different levels of fair value for assets and liabilities measured using this method.

Payables to minority shareholders amounting to €17.2 million at December 31st, 2014 (€23.8 million at December 31st, 2013) are evaluated by applying the formula in the contract.

## NOTE G.7 Financial risk management

The Group is exposed to the following risks:

- credit risk;
- liquidity risk;
- market risk;
- equity risk.

Set out below is information on the Group's exposure to each of the above risks, its objectives, policy and procedures for measuring and managing risk, as well as its share capital and equity management.

Quantitative disclosures appear elsewhere in the consolidated financial statements.

The Board of Directors defines and oversees the Group's risk management framework. Monitoring, measuring and overseeing financial risk is the responsibility of the Group's Finance Department, for the Group and each of the Group companies.

The objective of the Group's risk management policy is to identify and analyze the risks that the Group faces, to set appropriate risk limits and controls, and to manage the risks and ensure that the limits defined are respected. The policy and the risk management systems are reviewed regularly so as to respond to changes in the market and in the Group's activities. Through its training and management rules and procedures, the Group aims to develop a rigorous and constructive control environment in which every employee has a clear understanding of his or her role and duties.

The Internal Audit Department performs both periodic and *ad hoc* reviews of risk management controls and procedures, reporting to the Audit Committee.

All strategic decisions relating to the hedging policy for financial risks are the responsibility of the Group's Finance Department.

## NOTE G.7.1 Credit risk

Credit risk is the Group's risk of financial loss in the event that a customer or counterparty to a financial instrument fails to meet his contractual obligations. This risk primarily concerns customer receivables and short-term investments.

### Customer receivables and other current assets

The Group's exposure to credit risk is mainly influenced by the individual characteristics of the customers. Sales to the principal customer of the Group account for 7.3% of revenues. In addition, sales to telecommunications clients and Internet access providers represent a total of 29.0% of revenues. No country accounts for over 10% of client receivables with the exception of the United States which represents approximately 40% of total client receivables as of December 31st, 2014.

Credit risk is continuously monitored by the Group's Finance Department, through monthly reports and quarterly Executive Committee meetings.

The Group does not require specific credit guarantees for its customer receivables and other current assets.

The Group determines the level of its impairment losses by estimating losses incurred on customer receivables and other current assets.

### Guarantees

The Group provides contract performance guarantees at the request of some clients. The guarantees provided are mentioned in note I.4 *Commitments and other contractual obligations* in the Annex.

## NOTE G.7.2 Liquidity risk

Liquidity risk is the risk that the Group would experience difficulty in repaying its liabilities at the due date.

The policy of the Group in respect of its financing is to maintain at all times sufficient liquidity to finance Group assets, short-term cash requirements, and its development, both in terms of amount and duration, and at the lowest possible cost.

Over recent years, the Group has implemented a centralized cash management policy when in conformity with local legislation applying to its subsidiaries. Cash pool member companies represent approximately 70% of Group revenues.

In those countries where cash pooling is not permitted, short-term cash management is provided by subsidiaries' operational management which generally has access to short-term bank facilities, plus, in some cases, confirmed credit line facilities from the parent company.

All medium- and long-term financing is authorized and overseen by the Group's Finance Department.

The Group obtains its financing in the form of loans and credit lines from credit and financial institutions.

During the 1st half of 2014, the Group renegotiated with eight leading financial institutions the multicurrency syndicated credit facility of €300 million, implemented in June 2012. Thus the original June 2017 deadline was extended to February 2019.

Following the acquisition of Aegis USA Inc. in August 2014, the Group's financial structure has changed significantly. Accordingly, net debt at December 31st, 2014 amounted to €422.7 million compared with total cash (net of debt) of €86.8 million at December 31st, 2013.

It should be noted that cash to December 31st, 2014 includes €1.7 million net cash held by the subsidiary in Argentina, a country that has implemented regulations restricting the transfer of funds to other countries.

Given the timing of our borrowings and the Group's ability to generate free cash flow, liquidity risk is very low.

Information relating to liquidity risk is provided in note G.4 *Financial liabilities*.

## NOTE G.7.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and the cost of equity instruments, will affect the Group's results or the value of its financial instruments. The objective of managing market risk is to manage and control the market risk exposure, keeping it within acceptable limits, while optimizing returns.

### Foreign exchange risk

The Group is exposed in particular to foreign exchange risk on revenues denominated in a currency other than each company's functional currency, which is generally the US dollar.

The Group hedges this risk mainly in respect of changes in exchange rates between the Mexican peso, the Canadian and Australian dollars, the Philippines and Colombian pesos, and the US dollar. These hedging operations are more fully described in note G.5 *Currency hedging operations*.

The Group is also exposed to this risk on loans denominated in currencies other than the euro, or the operating currency of the entities in question.

Group policy is as follows:

- the Group hedges loans granted to subsidiaries with loans or advances in the same currency and with the same maturities, or with foreign exchange contracts;
- the principal bank loans granted to Group companies are denominated in the functional currency of the borrower;
- interest due on borrowings is denominated in the same currency as the cash flows generated by the underlying operations of the Group, primarily the euro, the US dollar and the £ sterling. This provides an economic hedge without resorting to the use of derivatives.

In addition, foreign exchange hedges have been put in place to cover the exchange risk relating to countries outside the euro.

Finally, the Group is exposed to foreign exchange risk when translating foreign subsidiaries' financial statements for consolidation purposes.

As regards the effect of exchange on consolidated Group revenues, the table in note G.8 *Exposure to exchange risk from translation of foreign subsidiaries' financial statements on consolidation* indicates the breakdown of revenue by currency over the previous two financial years.

The impact of changing foreign exchange rates on the Group's revenues, profit before tax and net profit attributable to the Group are indicated in note G.8 *Exposure to exchange risk due to consolidation*.

### Sensitivity to interest rate changes

See note G.4 *Financial liabilities* in this annex.

## NOTE G.7.4 Equity risk

The Group limits its exposure to equity risk by investing available cash reserves in short-term liquid investments, certificates of deposit, and in low risk financial instruments such as mutual funds, while choosing high-grade financial institutions and avoiding significant concentration. Group management does not expect any counterparty to default.

Short-term liquid investments at December 31st, 2014 amounted to €7.2 million, principally represented by money market funds classified as "euro monetary" by the French stock exchange regulator, the AMF.

### Share capital and equity management

The Group's policy on share capital and equity management is to maintain a strong equity base so as to keep the confidence of investors, creditors and the market, and to support future business development. The Group therefore pays close attention to its net indebtedness and the debt/equity ratio.

The gearing ratio is as follows:

| *(in millions of euros)* | **12/31/2014** | 12/31/2013 |
|---|---|---|
| Net debt (Cash) | 423 | -87 |
| Recognized in equity | 1,600 | 1,396 |
| Gearing ratio | 0.26 | -0.06 |

From time to time, the Group may buy back its own shares on the market. Oddo Corporate Finance has acted on its behalf under a liquidity agreement since January 8th, 2007. The agreement complies with the Code of Conduct established by the AFEI (French Association of Investment Firms) as approved by the AMF. The amount of funds committed to this arrangement is €0.5 million. The number of treasury shares held at the end of the year is set out in note F.1 *Share Capital*.

## NOTE G.8 Exposure to exchange risk due to consolidation

The analysis of Group revenues by principal currency in 2013 and 2012 is set out in the following schedule:

| | 2014 | | 2013 | |
|---|---|---|---|---|
| **Revenues** | **Amount** | **%** | Amount | % |
| Euro | 699 | 25.3% | 663 | 27.3% |
| US dollar | 1,071 | 38.8% | 863 | 35.5% |
| Brazilian real | 191 | 6.9% | 207 | 8.5% |
| Mexican peso | 95 | 3.4% | 99 | 4.1% |
| Pound sterling | 263 | 9.5% | 179 | 7.4% |
| Colombian peso | 98 | 3.6% | 106 | 4.4% |
| Argentine peso | 46 | 1.7% | 50 | 2.1% |
| Other | 295 | 10.7% | 266 | 10.9% |
| **TOTAL** | **2,758** | **100%** | **2,433** | **100%** |

### Sensitivity of Group profit before tax to a change of 1% in the exchange rate of the euro compared with other currencies:

The Group estimates that an increase or decrease of 1% in the exchange rate of the euro compared with other currencies would have impacted 2014 profit before tax and equity by approximately €1.9 million and €7.1 million, respectively.

At December 31st, 2014, the Group's exposure to foreign exchange risk is summarized as follows:

### Effect of changes in foreign exchange rates

The effect of changes in foreign exchange rates on statement of income line items is as follows:

| | **2014** | 2013 at 2014 rates | 2013 |
|---|---|---|---|
| Revenues | 2,758 | 2,381 | 2,433 |
| Operating profit | 237 | 192 | 196 |
| Financial result | -19 | -6 | -7 |
| **NET INCOME** | **152** | **128** | **129** |
| Net profit – group share | 150 | 126 | 129 |

At December 31st, 2014, the Group's exposure to foreign exchange risk is summarized as follows:

| **12/31/2014** | Assets | Liabilities | Net position before hedging | Net position after hedging |
|---|---|---|---|---|
| Euro | 602 | 811 | -209 | -210 |
| US$ | 1,445 | 255 | 1,190 | 1,165 |
| BRL | 102 | 24 | 78 | 78 |
| MXN | 121 | 15 | 106 | 105 |
| GB£ | 192 | 47 | 145 | 145 |
| COP | 85 | 16 | 69 | 69 |
| PHP | 121 | 41 | 80 | 77 |
| Other | 259 | 89 | 170 | 171 |
| **TOTAL** | **2,927** | **1,298** | **1,629** | **1,600** |

| | Assets | Liabilities | Net position before hedging | Net position after hedging |
|---|---|---|---|---|
| **12/31/2013** | | | | |
| Euro | 585 | 230 | 355 | 355 |
| US$ | 618 | 90 | 528 | 527 |
| BRL | 95 | 23 | 72 | 73 |
| MXN | 108 | 19 | 89 | 88 |
| GB£ | 131 | 21 | 110 | 110 |
| COP | 94 | 19 | 75 | 75 |
| Other | 260 | 93 | 167 | 167 |
| **TOTAL** | **1,891** | **495** | **1,396** | **1,395** |

## NOTE G.9 Foreign currencies

| | | 2014 average rate | 12/31/2014 closing rate | 2013 average rate | 12/31/2013 closing rate |
|---|---|---|---|---|---|
| **EUROPE** | | | | | |
| £ sterling | United Kingdom | 0.81 | 0.78 | 0.85 | 0.83 |
| **THE AMERICAS AND ASIA** | | | | | |
| Brazilian real | Brazil | 3.12 | 3.22 | 2.87 | 3.26 |
| Canadian dollar | Canada | 1.47 | 1.41 | 1.37 | 1.47 |
| US dollar | USA | 1.33 | 1.21 | 1.33 | 1.38 |
| Mexican peso | Mexico | 17.66 | 17.87 | 16.96 | 18.07 |
| Philippine peso | Philippines | 59.00 | 54.44 | 56.41 | 61.29 |

It should be noted that the income statement for Aegis USA Inc. was included in the consolidated accounts for the period from August 7th to December 31st, 2014, and the average rate used for conversion of the US dollar and Philippine peso is 1.27 and 56.64 respectively.

# H. Cash flows

## NOTE H.1 Expenses (income) without effect on Cash

| | **2014** | 2013 |
|---|---|---|
| Depreciation, amortization and impairment losses on fixed assets | 124 | 107 |
| Goodwill impairment | 0 | 3 |
| Change in provisions | 3 | 1 |
| Unrealized gains and losses on financial instruments | 16 | 0 |
| Share-based payments | 7 | 7 |
| **TOTAL** | **150** | **118** |

## NOTE H.2 Income tax paid

The change in the income tax paid between 2013 and 2014 is mainly due to repayment of a carry-back receivable of €10.7 million in France.

## NOTE H.3 Change in working capital requirements

| | 2014 | 2013 |
|---|---|---|
| Change in accounts receivable – trade | -117 | -45 |
| Change in accounts payable – trade | 12 | -2 |
| Other | -10 | 1 |
| **TOTAL** | **-115** | **-46** |

A significant part of the increase in trade receivables is due to the discontinuation of the factoring program which Aegis USA Inc. was using prior to its acquisition by the Group (over €50 million).

## NOTE H.4 Acquisitions of subsidiaries

This mainly concerns the acquisition of Aegis USA Inc., for €456.0 million, composed of an acquisition price of €475.1 million less €19.1 million cash acquired, with the acquisition of City Park Technologies comprising the balance.

## NOTE H.5 Cash presented in the Consolidated Statement of Cash Flows:

| | Total 2014 | Total 2013 |
|---|---|---|
| Bank overdrafts | -2 | -4 |
| Marketable securities | 7 | 59 |
| Cash and bank | 209 | 105 |
| **CASH AND CASH EQUIVALENTS** | **214** | **160** |

# I. Provisions, litigation, commitments and other contractual obligations

## NOTE I.1 Accounting policies and methods

A provision is recognized in the balance sheet when the Group is legally or implicitly obligated as a result of a past event, so that such an obligation may be evaluated in a reliable manner and that it is probable that expenditure will be required to settle the obligation. The amount recognized as a provision should be the best estimate of this expenditure and be updated when the effect of the time value is significant.

Regarding the provisions related to post-employment benefits and more particularly to defined benefit plans, which constitute the majority of provisions for costs recorded by the Group, the following principles apply:

The net obligation of the Group is evaluated separately for each plan by estimating the amount of future benefits allocated to employees in return for services rendered by the reporting date. This amount is discounted and reduced by the fair value of plan assets, where applicable. The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating to the terms of the Group's obligations. The obligation is measured using the projected unit credit method.

Actuarial gains and losses are recognized in "Directly in equity".

## NOTE I.2 Change in provisions

| | 12/31/2013 | Increases | Reversals utilized | Reversals unutilized | Translation differences | Other | **12/31/2014** |
|---|---|---|---|---|---|---|---|
| **NON-CURRENT** | | | | | | | |
| Provisions for retirement benefits | 8 | 2 | | | | | 10 |
| Provisions for other expenses | 1 | | | | | -1 | 0 |
| **Total** | **9** | **2** | **0** | **0** | **0** | **-1** | **10** |
| **CURRENT** | | | | | | | |
| Provisions for risks | 12 | 33 | -2 | -2 | 2 | -1 | 42 |
| Provisions for other expenses | 2 | 1 | -2 | | | | 1 |
| **Total** | **14** | **34** | **-4** | **-2** | **2** | **-1** | **43** |
| **TOTAL** | **23** | **36** | **-4** | **-2** | **2** | **-2** | **53** |

| | 12/31/2012 | Increases | Reversals utilized | Reversals unutilized | Translation differences | Other | 12/31/2013 |
|---|---|---|---|---|---|---|---|
| **NON-CURRENT** | | | | | | | |
| Provisions for retirement benefits | 6 | 1 | | | | 1 | 8 |
| Provisions for other expenses | 1 | | | | | | 1 |
| **Total** | **7** | **1** | **0** | **0** | **0** | **1** | **9** |
| **CURRENT** | | | | | | | |
| Provisions for risks | 13 | 4 | -2 | -2 | -1 | | 12 |
| Provisions for other expenses | 2 | 1 | -1 | | | | 2 |
| **Total** | **15** | **5** | **-3** | **-2** | **-1** | **0** | **14** |
| **TOTAL** | **22** | **6** | **-3** | **-2** | **-1** | **1** | **23** |

Provisions for risks at December 31st, 2014 include contingent liabilities of €29.4 million (US$36 million) related to tax risks observed in the process of acquisition (see note B.2 *Change in scope of consolidation*).

They also include other risks that amount to €12.6 million, including personnel-related risks for €9.4 million, principally concerning lawsuits with former employees, particularly in Argentina, France and Brazil.

Due to ongoing legal procedures for most of these disputes, there is uncertainty as to their settlement date.

Following an incident of fraud that occurred in 2014 in one of the group's centers, one of Teleperformance's clients claimed the company was liable for damages under a contract containing a confidentiality clause. Taking into consideration the available legal analysis and insurance coverage, management is confident that it can resolve this dispute and avoid significant financial loss. Consequently, there was no provision recorded in the financial statements at December 31, 2014.

## NOTE I.3 Post employment benefits: defined benefit plans

These mainly concern:

- the employee retirement benefits regime in force in France;
- defined benefit pension plans established in Norway, Greece, the Philippines, El Salvador and some Mexican entities.

Commitments related to retirement benefits in France are assessed taking into account the following actuarial assumptions:

| | 2014 | 2013 |
|---|---|---|
| Discount rate | 1.6% | 3.0% |
| Rate of annual increase in remuneration | 2.5% | 2.5% |
| Rate of employer social charges | 42%/45% | 42%/45% |

Other liabilities are individually not significant and are evaluated by actuaries taking into account local specificities.

### ▶ Change in the actuarial liability over 2013 and 2014

| | France | Other countries | Total |
|---|---|---|---|
| **Debt at 12/31/2012** | **4** | **2** | **6** |
| 2013 Expenses | 1 | | 1 |
| Directly in equity | | 1 | 1 |
| **Debt at 12/31/2013** | **5** | **3** | **8** |
| 2014 Expenses | 1 | 1 | 2 |
| Directly in equity | | | 0 |
| **Debt at 12/31/2014** | **6** | **4** | **10** |

Debt at December 31st, 2014 presented in "Change in other accounts" mainly concerns our subsidiaries in the Philippines, Greece and El Salvador, to the amount of €0.9 million, €0.8 million and €0.8 million, respectively.

The amount of debt on the balance sheet, corresponding to the reduced benefit obligation less the fair value of plan assets was:

- €4.5 million at December 31st, 2010;
- €4.6 million at December 31st, 2011;
- €5.4 million at December 31st, 2012;
- €7.8 million at December 31st, 2013;
- €9.8 million at December 31st, 2014.

### ▶ Analysis of plan assets

| | 12/31/2014 | 12/31/2013 |
|---|---|---|
| **Actuarial obligation** | **13** | **12** |
| *Equities* | 7.2% | 6.8% |
| *Alternative investments* | 4.0% | 3.5% |
| *Bonds* | 15.3% | 17.0% |
| *Money market* | 23.5% | 22.0% |
| *Hold to maturity bonds* | 32.6% | 35.2% |
| *Real estate* | 14.2% | 14.3% |
| Other | 3.3% | 1.1% |
| **Plan asset** | **3** | **4** |
| **Debt on Balance Sheet** | **10** | **8** |

The liability for retirement benefits does not include any amounts in respect of company officers.

## NOTE I.4 Guarantees and other contractual obligations

### Warranties given by the Group

Under an 8-year service contract awarded in July 2007 by a UK client to our subsidiary, Teleperformance Limited, Teleperformance was requested by the client to provide a first demand guarantee, duly given on July 23rd, 2007, for a maximum of £1.8 million, covering amounts which Teleperformance Limited may owe in relation to the service contract.

Under a Board resolution dated December 21st, 2011, Teleperformance has given a performance guarantee to a customer, Research In Motion (RIM), in respect of a commercial contract effective from December 23rd, 2011 with a number of Group subsidiaries. The maximum amount covered by the guarantee is the greater of (i) €15 million and (ii) the total amount of sums paid or payable by RIM to the subsidiaries concerned during the 12-month period prior to the loss event. This ceiling does not apply should the loss be caused by infringement of RIM's intellectual property rights, death or injury, damage to property, or breach of confidentiality. The guarantee will stay in force while any obligation of a subsidiary has not been extinguished.

In accordance with the authorization granted by the Board of Directors at its meeting of July 30th, 2013, Teleperformance SA issued a performance guarantee to Apple Inc. relating to the obligations of certain subsidiaries as part of the conclusion of a commercial contract. The guarantee was granted for the duration of the commercial contract. The maximum amount covered by the guarantee is the greater of (i) US$60 million and (ii) the total amount of sums paid by Apple to the subsidiaries concerned during the 12-month period prior to the loss event.

Under a Board resolution dated November 25th, 2013, Teleperformance has given a performance guarantee to the Secretary of State for the Home Department of the United Kingdom covering the duration of a commercial contract entered into with a Group subsidiary. The maximum amount covered by the guarantee is £60 million.

The Board of Directors, at its meeting on November 25th, 2013, authorized Teleperformance SA to grant, in relation to Barclays Bank PLC, a performance guarantee with respect to the obligations of its subsidiary TP Portugal as part of a commercial contract. The guarantee was signed in 2014 and will remain in force for the duration of the contract.

### Liability guarantees received in connection with share acquisitions:

Contracts for the acquisition of Aegis USA Inc. and City Park Technologies contain liability guarantee clauses to compensate the buyer for any preceding liability not revealed during the acquisition.

The duration of each of these commitments is generally eighteen months to three years from the date of completion of the share purchase, except in the case of tax-related liabilities. In this case, the duration of the commitment corresponds to the date required by applicable legislation.

These commitments are guaranteed either:

- by sums set aside with a banking institution and released in full, excepting a request for payment, for a period of three years;
- by a bank guarantee on first demand of a leading bank and expiring after eighteen months, excepting a request for payment.

### Assets secured against financial liabilities

Assets pledged as collateral for borrowings relate to assets for €3.3 million at the end of 2014.

### Breakdown of contractual obligations recognized by maturity

| | **Total 12/31/2014** | Under 6 months | Over 6 months | Total 2015 | 2016 to 2019 | After |
|---|---|---|---|---|---|---|
| Loans from financial institutions | 602 | 195* | 1 | 196 | 13 | 268 |
| Bank overdrafts | 2 | 2 | | 2 | | |
| Finance lease liabilities | 2 | | 1 | 1 | 1 | |
| Other borrowings and financial liabilities | 16 | 15 | | 15 | 1 | |
| Due to minority shareholders | 17 | | | 0 | 17 | |

* *Including €185 million drawn down on the revolving credit line of €300 million in force until February 3rd, 2019.*

| | Total 12/31/2013 | Under 6 months | Over 6 months | Total 2014 | 2015 to 2018 | After |
|---|---|---|---|---|---|---|
| Loans from financial institutions | 34 | 8 | 24* | 32 | 2 | |
| Bank overdrafts | 4 | 4 | | 4 | | |
| Finance lease liabilities | 2 | | 1 | 1 | 1 | |
| Other borrowings and financial liabilities | 14 | 7 | 5 | 12 | 2 | |
| Due to minority shareholders | 24 | 7 | 0 | 7 | 17 | |

* *Including €20 million drawn down on the revolving credit line of €300 million in force until June 29th, 2017.*

### Breakdown of unrecognized lease commitments by maturity

| | **Total 12/31/2014** | Under 6 months | Over 6 months | Total 2015 | 2015 to 2018 | After |
|---|---|---|---|---|---|---|
| Operating leases | 424 | 54 | 52 | 106 | 249 | 69 |

| | Total 12/31/2013 | Under 6 months | Over 6 months | Total 2014 | 2015 to 2018 | After |
|---|---|---|---|---|---|---|
| Operating leases | 410 | 51 | 47 | 98 | 236 | 76 |

## NOTE I.5 Litigation

As a result of the normal course of business, Teleperformance and its subsidiaries are party to a number of judicial, administrative or arbitration proceedings. The risk of loss from such proceedings is provided for when the loss is probable and can be reliably quantified. The amount provided at December 31st, 2014 is €12.6 million.

# J. Related parties

## NOTE J.1 Description of transactions with Group subsidiaries

Brand name royalties and technical assistance fees are paid to the parent company by the subsidiaries. Loans are made to certain subsidiaries, there are cash-pooling transactions, and dividends are distributed to the parent by the subsidiaries.

## NOTE J.2 Description of relationships between the parent company and the related parties

There are no other transactions with related parties that are significant and/or entered into at conditions that are not at arms' length.

## NOTE J.3 Remuneration of company officers (Executive Committee)

Remuneration of company officers in respect of 2014 and 2013 is summarized as follows:

| Remuneration | 2014 | 2013 |
|---|---|---|
| Short-term benefits | 13 | 11 |
| Post employment benefits | 0 | 4 |
| Termination payments | 1 | 0 |
| Share-based payments[1] | 0 | 16 |
| **TOTAL** | **14** | **31** |

*(1) The indicated amount corresponds to the incentive plan share's fair value vested by the Executive Committee members on July 27th, 2013.*

During 2012, a Group subsidiary made a loan of US$5 million to a company officer of the Group, at arms' length conditions. The loan amounted to US$2.5 million at December 31st, 2014 and is repayable in 2016 at the latest.

The Group has obtained non-compete agreements from its principal officers. As for the two corporate officers, the commitment covers a term:

- which could last two to three years for Mr. Julien provided that he fulfills a 9 months' notice period; this commitment could amount to 2 and a half to 3 years' remuneration;
- of two years for Mr. Salles Vasques and could amount up to two years' remuneration.

# K. Events after the reporting period

None.

## L. List of consolidated companies

| Consolidated companies | | % interest | % control |
|---|---|---|---|
| **Parent company** | **Teleperformance** | 100 | 100 |
| **CONTACT CENTERS** | | | |
| Continental Europe & MEA | | | |
| ***Albania*** | CC Albania Sh.p.K | 100 | 100 |
| | Albania Marketing Services Sh.p.K | 67 | 100 |
| | Service 800 Albania Sh.p.K | 100 | 100 |
| ***Germany*** | Teleperformance Support Services GmbH | 100 | 100 |
| | Teleperformance Germany S.a.r.l & Co. KG | 100 | 100 |
| | GN Research Germany GmbH | 67 | 100 |
| ***Austria*** | Teleperformance Unternehmensberatung GmbH | 100 | 100 |
| ***Belgium*** | Société Européenne de Telemarketing | 100 | 100 |
| | Techmar Europe | 100 | 100 |
| ***Denmark*** | Teleperformance Denmark | 100 | 100 |
| ***Egypt*** | Service 800 Egypt | 86 | 86 |
| ***Finland*** | Teleperformance Finland | 100 | 100 |
| ***France*** | Teleperformance France | 100 | 100 |
| | GN Research France SAS | 64 | 95 |
| | Teleperformance Europe Middle-East and Africa | 100 | 100 |
| | TP Intermédiation | 100 | 100 |
| ***Greece*** | Ypiresia 800 | 100 | 100 |
| | Direct Response Service SA | 100 | 100 |
| | Mantel SA | 100 | 100 |
| | Customer Value Management | 100 | 100 |
| ***Italy*** | In & Out | 100 | 100 |
| | GN Research S.p.A | 67 | 100 |
| ***Lebanon*** | Teleperformance Lebanon S.A.L | 51 | 51 |
| ***Luxembourg*** | GN Research SA | 67 | 67 |
| | Ukraine Contact Centers SARL | 100 | 100 |
| | Telepeformance Germany Sarl | 100 | 100 |
| ***Morocco*** | Société Anonyme Marocaine d'Assistance Client | 100 | 100 |
| ***Norway*** | Teleperformance Norge | 100 | 100 |
| ***The Netherlands*** | PerfectCall BV | 100 | 100 |
| ***Poland*** | Centrum Telemarketingowe | 100 | 100 |
| | twenty4Help Knowledge Service Sp zoo. | 100 | 100 |
| ***Czech Republic*** | Lion Teleservices CZ | 90 | 90 |
| ***Rumania*** | The Customer Management Company SRL | 100 | 100 |
| | S 800 Customer Service Provider SRL | 100 | 100 |
| ***Russia*** | Direct Star | 100 | 100 |
| ***Sweden*** | Teleperformance Nordic | 100 | 100 |
| | Teleperformance Sweden AB | 100 | 100 |
| ***Slovakia*** | Lion Teleservices SK | 77 | 85 |

| Consolidated companies | | % interest | % control |
|---|---|---|---|
| **Switzerland** | SCMG | 100 | 100 |
| ***Tunisia*** | Société Tunisienne de Telemarketing | 100 | 100 |
| | Société Méditerranéenne de Teleservices | 100 | 100 |
| **Turkey** | Metis Bilgisayar | 100 | 100 |
| **Ukrain** | KCU Lt | 10 | 10 |
| | | | |
| TLScontact | | | |
| | TLS Group SA | 100 | 100 |
| | TLScontact WOFE | 100 | 100 |
| | SARL TLScontact | 100 | 100 |
| | TLScontact France SAS | 100 | 100 |
| | TLScontact Algérie SAS | 100 | 100 |
| | TLScontact Ltd (Hong Kong) | 100 | 100 |
| | PT. TLScontact Indonesia | 99 | 99 |
| | TLScontact Lebanon SARL | 100 | 100 |
| | TLScontact Maroc SARL | 100 | 100 |
| | TLScontact International Co (Thailand) | 100 | 100 |
| | TLScontact Enterprises Co (Thailand) | 100 | 100 |
| | TLScontact (UK) Limited | 100 | 100 |
| | Teleperformance Contact Limited | 100 | 100 |
| | TLScontact Egypt Company SAE | 100 | 100 |
| | TLScontact Tunisie SARL | 100 | 100 |
| | Société Tunisienne d'assistance et de services SARL | 100 | 100 |
| | TLScontact Philippines Corporation | 100 | 100 |
| | TLScontact South Africa (PTY) Ltd | 100 | 100 |
| | TLScontact (RU) | 100 | 100 |
| | TLScontact Danismanlik HVTLS | 100 | 100 |
| | TLScontact Ukraine Limited Liability Company | 100 | 100 |
| | TLScontact doo Beograd | 100 | 100 |
| | TLScontact Kazakhstan | 100 | 100 |
| | TLScontact AM | 100 | 100 |
| | TLScontact Georgia | 100 | 100 |
| | TLScontact Bel | 100 | 100 |
| | TLScontact Limited | 100 | 100 |
| | TLScontact Azerbaijan LLC | 100 | 100 |
| | TLScontact Deutschland GmbH | 100 | 100 |
| | TLScontact (Ireland) Ltd | 100 | 100 |
| | Application Facilitation Services Ltd | 100 | 100 |
| | TLScontact Albania | 100 | 100 |
| | TLScontact Italia S.R.L | 100 | 100 |
| | TLScontact España SL | 100 | 100 |
| | TLScontact Processing Services Limited | 100 | 100 |
| | TLScontact (SL) Ltd | 100 | 100 |
| | TLScontact (Tanzania) Ltd | 100 | 100 |
| | Telecontact Limited | 100 | 100 |
| | TLScontact Switzerland GmbH | 100 | 100 |
| | TLScontact | 100 | 100 |

| Consolidated companies | | % interest | % control |
|---|---|---|---|
| English-speaking & APAC | | | |
| ***Canada*** | MMCC Solutions Canada company | 100 | 100 |
| | AllianceOne Limited | 100 | 100 |
| | Nova Information Technologies Ltd | 100 | 100 |
| ***China*** | North Asia United CRM Technologies (Beijing) | 84 | 100 |
| | North Asia United CRM Technologies (Xian) | 84 | 100 |
| ***Guyana*** | Guyana Call Center Inc. | 100 | 100 |
| ***Hong Kong*** | Hong Kong Asia CRM Limited | 84 | 84 |
| ***India*** | CRM Services India Private Limited | 100 | 100 |
| ***Indonesia*** | P.T. Telemarketing Indonesia | 100 | 100 |
| ***Jamaica*** | Outsourcing Management International | 100 | 100 |
| ***Philippines*** | Telephilippines incorporated | 100 | 100 |
| | TPPH – FHCS, Inc | 100 | 100 |
| | Teleperformance Holdings Ltd | 100 | 100 |
| | Teleperformance Ltd | 100 | 100 |
| | City Park Technologies Ltd | 100 | 100 |
| | MM Group Ireland Ltd | 100 | 100 |
| ***South Africa*** | TP South Africa Trading (PTY) Ltd | 100 | 100 |
| ***Singapore*** | Telemarketing Asia (Singapore) PTE Ltd | 100 | 100 |
| ***United Kingdom*** | BPS Associates Ltd | 100 | 100 |
| ***USA*** | TP USA Inc. | 100 | 100 |
| | Americall Group Inc. | 100 | 100 |
| | Merkafon Management Corp | 100 | 100 |
| | Teleperformance Delaware Inc. | 100 | 100 |
| | AllianceOne Incorporated | 100 | 100 |
| | AllianceOne Receivables Management Inc. | 100 | 100 |
| | TP USA FHCS Inc. | 100 | 100 |
| Ibero-LATAM: | | | |
| ***Argentina*** | Citytech SA | 100 | 100 |
| ***Brazil*** | Teleperformance CRM SA | 100 | 100 |
| | São Paulo Contact Center Ltda | 100 | 100 |
| ***Chile*** | TP Chile | 100 | 100 |
| ***Colombia*** | Teleperformance Colombia SAS | 100 | 100 |
| ***Costa Rica*** | Costa Rica Contact Center | 92 | 92 |
| | Teleperformance Costa Rica Srl | 100 | 100 |
| ***El Salvador*** | Compania Salvadorena de Teleservices | 100 | 100 |
| ***Mexico*** | TP Nearshore, S. DE R.L. de C.V. | 100 | 100 |
| | Merkafon de México, S.A. DE C.V. | 100 | 100 |
| | Sistemas de Localización, S.A. DE C.V. | 100 | 100 |
| | Impulsora Corporativa Internacional, S.A. DE C.V. | 100 | 100 |
| | Proveedora de Personal Especializado, S.A. DE C.V. | 100 | 100 |
| | Servicios Hispanic Teleservices, S.C. | 100 | 100 |
| | Hispanic Teleservices de Guadalajara, S.A. DE C.V. | 100 | 100 |
| | Merkafon International Ltd | 100 | 100 |
| | Hispanic Teleservices Corporation | 100 | 100 |

| Consolidated companies | | % interest | % control |
|---|---|---|---|
| ***Portugal*** | Teleperformance Portugal SA | 100 | 100 |
| ***Spain*** | Teleperformance España SAU | 100 | 100 |
| | CEE Iberphone SL | 100 | 100 |
| | Fonomerk | 100 | 100 |
| | twenty4Help Knowledge Service España S.L. | 100 | 100 |
| | Teleperformance Mediación de Agencia de Seguros | 100 | 100 |
| | Teleperformance Servicios Auxiliares S.L.U. | 100 | 100 |
| **OTHER** | | | |
| ***Luxembourg*** | Luxembourg Contact Center | 100 | 100 |
| ***The Netherlands*** | Dutch Contact Centers BV | 100 | 100 |
| ***USA*** | Teleperformance Group Inc. | 100 | 100 |

All companies are fully consolidated.

# 6.7 *Statutory Auditors' Report on the Consolidated Financial Statements*

*This is a free translation into English of a report issued in the French language 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 professional auditing standards applicable in France.*

**For the year ended 31 December 2014**

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 2014, on:

- the audit of the accompanying consolidated financial statements of Teleperformance S.A.;
- 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.

## 1 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 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 2013 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.

## 2 Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following matters:

At each reporting date, the company tests the carrying amount of goodwill to determine whether it is impaired, and also assesses other non-current assets to determine whether there is any indication of impairment, as described in notes A.4 "Depreciation" D. "Goodwill" of the consolidated financial statements. We have examined how the impairment testing is performed, and assessed the cash flow forecasts and assumptions used. We have also verified that the disclosures in note D. "Goodwill" is appropriate.

As disclosed in note A2. "Basis of preparation", these estimates are based on assumptions that by their nature are uncertain, and actual amounts may differ significantly from the forecast information used.

These assessments were made as part 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.

## 3 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

| Paris La Défense, 25 February 2015 | Neuilly-sur-Seine, 25 February 2015 |
|---|---|
| **KPMG Audit IS** | **Deloitte & Associés** |
| **Eric Junières** | **Philippe Battisti** |
| *Partner* | *Partner* |

7

# Parent Company Financial Statements

# 7.1 Balance sheet

| Assets *(in thousands of euros)* | Notes | 2014 | 2013 |
|---|---|---|---|
| Net intangible fixed assets | 2.3 | 174 | 180 |
| Net tangible fixed assets | 2.3 | 2,872 | 2,567 |
| Net financial fixed assets | | | |
| Investments in subsidiaries and affiliates | 4 | 947,376 | 954,364 |
| Receivables from subsidiaries and affiliates | 4 | 653,564 | 61,318 |
| Other | | 31 | 31 |
| Total financial fixed assets, net | | 1,600,971 | 1,015,713 |
| **Total fixed assets** | | **1,604,017** | **1,018,460** |
| Current assets | | | |
| Accounts receivable – Trade | 7 | 16,493 | 16,689 |
| Other receivables | 7 | 82,777 | 70,900 |
| Marketable securities | 5 | 9,251 | 54,812 |
| Cash and bank | 6 | 76,272 | 27,594 |
| Prepaid expenses | 7 | 141 | 603 |
| **Total current assets** | | **184,933** | **170,598** |
| Unrealized exchange losses | 19 | 17,477 | 293 |
| **TOTAL ASSETS** | | **1,806,427** | **1,189,351** |

| Liabilities *(in thousands of euros)* | Notes | 2014 | 2013 |
|---|---|---|---|
| Share capital | | 143,004 | 143,150 |
| Issue, merger & contribution premiums | | 575,727 | 575,727 |
| Legal reserve | | 14,315 | 14,150 |
| Other reserves | | 91,362 | 102,380 |
| Retained earnings | | 101 | 831 |
| Net income for the period | | 49,493 | 34,942 |
| **Total shareholder's equity** | 8 | **874,002** | **871,181** |
| Provisions for contingencies and expenses | 9 | 2,470 | 2,257 |
| Liabilities | | | |
| Financial liabilities | | 821,677 | 231,792 |
| Accounts payable – Trade | | 6,344 | 5,064 |
| Tax, personnel and social security liabilities | | 3,608 | 3,326 |
| Other liabilities | | 78,486 | 75,714 |
| **Total liabilities*** | 10 | **910,116** | **315,896** |
| Unrealized exchange gains | 19 | 19,839 | 17 |
| **TOTAL LIABILITIES** | | **1,806,427** | **1,189,351** |
| * Amount due in more than one year | | 469,235 | 72,294 |

# 7.2 *Income statement*

| *(in thousands of euros)* | *Notes* | **2014** | **2013** |
|---|---|---|---|
| Revenues | *11* | 57,397 | 51,409 |
| Release of depreciation, amortization and provisions | | 349 | 1,972 |
| Other income | | 46 | 168 |
| **Total operating income** | | **57,792** | **53,549** |
| Purchases and external expenses | | 28,971 | 20,540 |
| Taxes other than income taxes | | 1,129 | 1,600 |
| Wages and social charges | | 8,222 | 10,301 |
| Amortization and provisions | | 912 | 1,291 |
| Other expenses | | 871 | 425 |
| **Total operating expenses** | | **40,105** | **34,157** |
| **Net income from operations** | | **17,687** | **19,392** |
| Net income from investments in subsidiaries and affiliates | | 43,213 | 40,013 |
| Interest income from loans | | 13,759 | 3,558 |
| Other interest and related income | | 85,752 | 41,149 |
| Release of provisions and transferred expenses | | 293 | 9,068 |
| **Total financial income*** | | **143,017** | **93,788** |
| Amortization and provisions | | 7,449 | 25,593 |
| Interest and related expenses | | 91,583 | 44,763 |
| **Total financial expenses**** | | **99,032** | **70,356** |
| **Financial result** | *12* | **43,985** | **23,432** |
| **Profit on ordinary activities before income taxes** | | **61,672** | **42,824** |
| **Net amount** | | | |
| ▪ capital gains on disposal of fixed assets | | | -303 |
| ▪ other non-operating income and expense | | 205 | 307 |
| **Exceptional result** | *13* | **205** | **4** |
| Income taxes | *14* | 12,384 | 7,886 |
| **NET INCOME** | | **49,493** | **34,942** |
| * *of which income from affiliated companies* | | *56,970* | *11,633* |
| ** *of which expenses from affiliated companies* | | *13,528* | *28,124* |

# 7.3 Cash Flow Statement

| *(in thousands of euros)* | Note | 2014 | 2013 |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Net income | | 49,493 | 34,942 |
| Depreciation, amortization and impairment losses on fixed assets | | 594 | 879 |
| Changes in other provisions | | 7,325 | 16,774 |
| Capital (gains)/losses on disposal of fixed assets and shareholdings | | -200 | -25 |
| Internally generated funds from operations | | 57,212 | 52,570 |
| Change in working capital requirements | | 9,510 | 8,26 |
| **Net cash from operating activities** | | **66,722** | **60,835** |
| **Cash flows from investing activities** | | | |
| **Acquisitions of fixed assets** | | | |
| Tangible and intangible fixed assets | | -924 | -246 |
| Investments in subsidiaries and affiliates | | -13 | |
| Loans and advances made | | -556,095 | -74,000 |
| **Disposal of non-current assets** | | | |
| Repayments of loans | | 20,948 | 26,580 |
| **Net cash from investing activities** | | **-536,084** | **-47,666** |
| **Net cash flow from financing activities** | | | |
| Disposal (acquisitions) of treasury shares | | 12 | 924 |
| Dividends paid | | -45,709 | -16,313 |
| Repayment of financial liabilities | | -594,684 | -78,149 |
| Increase in financial liabilities | | 1,121,142 | 66,934 |
| **Net cash from financing activities** | | **480,761** | **-26,604** |
| Change in cash and cash equivalents | | 11,399 | -13,435 |
| Cash at beginning of period | 7 | *-74,115* | -60,680 |
| **Cash at end of period** | 7 | **-62,716** | **-74,115** |

# 7.4 Notes to the parent company financial statements

## CONTENTS IN DETAIL

# Note 1 Accounting principles, rules and methods

The financial statements are based on information available at the time of preparation, and presented in compliance with the principles and methods of the new general chart of accounts in force since October 16th, 2014 and regulation No. 2014-03 in compliance with the principles of matching and prudence, and using the going concern basis.

Recognition of assets and liabilities, and income and expenses in the financial statements is made on the basis of historical costs.

The financial statements are presented in thousands of euros (€K).

## NOTE 1.1 Investments in subsidiaries and affiliates

Investments in subsidiaries and affiliates are recognized at acquisition cost, including transaction costs.

At the end of each financial year, Teleperformance conducts an evaluation of its shareholdings. The recoverable amount of investments in subsidiaries and affiliates is represented by their value in use of the Company. This is determined on the basis of estimated future cash flows for the next five years. The cash flows of the first year are based on the budget approved by management. For the following two years, cash flows are based on forecasts prepared by the managements of the subsidiaries on the basis of their knowledge of the business sector, future growth possibilities, and the risk profile. The terminal values calculated after five years assume perpetual future growth equal to inflation. Cash flows are discounted using the weighted average cost of capital.

The estimates are based on information available at the time of preparation of the financial statements, and may be revised in a future period if circumstances change or if new information is available. Actual results may differ from these estimates.

In this financial year a provision for an additional impairment of €7 million was recognized for 2014 on investments in subsidiaries and affiliates of the Spanish subsidiary Iberphone.

For the impairment test of the shareholding in Teleperformance France, the effect of the new French "competitiveness" tax credit was included in the determination of the recoverable amount, for €49.2 million.

The discount rates applied are specific to each geographical zone:

| | |
|---|---|
| United Kingdom | 7.6% |
| Central Europe | 6.5% |
| France | 6.9% |
| North America | 7.6% |
| Nearshore | 11.0% |

Increases and decreases in provisions for impairment losses of investments in subsidiaries and affiliates are included in the financial result, except for any reversals on disposal of shares, which are included in the exceptional result.

## NOTE 1.2 Receivables from subsidiaries and affiliates

Loans made to group companies are presented under the heading "*Receivables from subsidiaries and affiliates*" within financial fixed assets.

When denominated in a currency other than the euro, they are translated to euro at closing rates except for loans that are hedged; these are translated using the rate of the hedge instrument. Exchange gains and losses are recognized in profit or loss.

## NOTE 1.3 Tax group

With effect from January 1st, 2013, the tax savings for the Group resulting from the utilization of tax losses of members are immediately transferred by Teleperformance to the relevant loss-making subsidiary, which recognizes the income immediately. For the subsidiary to benefit from this change, the tax savings from the utilization of tax losses must have resulted in an effective reduction of tax for the Group.

In the event of a member exiting the tax group, Teleperformance is now committed to transferring to it any unpaid benefits resulting from the utilization of its tax losses.

### NOTE 1.4 Interest and exchange risk management

The Group uses financial instruments, contracted with a number of financial institutions of good standing, to manage its exposure to interest and exchange risks. These financial instruments comprise principally currency swaps for hedging purposes, forward currency sales and purchases, and exchange options for hedging purposes.

In 2014, a Cross Currency Interest Swap was established to transform a €108 million draw down on the syndicated credit line to an amount equivalent to US$145 million, as the Company also has a loan denominated in US dollars.

### NOTE 1.5 Centralized cash management

Advances from Teleperformance to its subsidiaries relating to the cash pool are presented in *Other receivables*, while amounts lent to it are shown in *Other financial liabilities*.

### NOTE 1.6 Incentive plan shares

The Board of Directors' meeting on July 30th, 2013 approved a new award of 840,000 incentive plan shares to 126 beneficiaries under the authorization given at the combined general meeting of May 30th, 2013. The vesting period is of three years, until July 30th, 2016.

The plan is subject to presence and performance conditions based on group indicators for the years 2013 (2015.)

In 2013, an amount of €1.3 million in tax and social contributions related to this plan was paid.

## Note 2 Fixed assets

| | 2014 | | | 2013 |
|---|---|---|---|---|
| *(in thousands of euros)* | **Cost** | **Depreciation, amortization and impairment losses** | **Net** | **Net** |
| Intangible fixed assets | 3,640 | 3,466 | 174 | 180 |
| Tangible fixed assets | 7,312 | 4,440 | 2,872 | 2,567 |
| ▪ land | 305 | | 305 | 305 |
| ▪ buildings | 3,630 | 2,503 | 1,127 | 1,024 |
| ▪ other | 3,377 | 1,937 | 1,440 | 1,238 |
| Financial fixed assets | 1,830,212 | 229,241 | 1,600,971 | 1,015,713 |
| ▪ investments in subsidiaries | 1,173,106 | 225,729 | 947,377 | 954,364 |
| ▪ receivables from subsidiaries | 657,075 | 3,512 | 653,563 | 61,318 |
| ▪ other | 31 | | 31 | 31 |
| **TOTAL** | **1,841,164** | **237,147** | **1,604,017** | **1,018,460** |

# Note 3 Changes in tangible and intangible fixed assets

| *(in thousands of euros)* | Cost Accumulated | | | | Depreciation and provisions | | | |
|---|---|---|---|---|---|---|---|---|
| Variations | 01/01/2014 | Increase | Decrease | **12/31/2014** | 01/01/2014 | Increase | Decrease | **12/31/2014** |
| Intangible fixed assets | 3,544 | 96 | | 3,640 | 3,364 | 102 | | 3,466 |
| Tangible fixed assets | 6,516 | 796 | | 7,312 | 3,949 | 491 | | 4,440 |
| ▪ land | 305 | | | 305 | | | | |
| ▪ buildings | 3,326 | 304 | | 3,630 | 2,302 | 200 | | 2,502 |
| ▪ other | 2,885 | 492 | | 3,377 | 1,647 | 291 | | 1,938 |
| **TOTAL** | **10,060** | **892** | | **10,952** | **7,313** | **593** | | **7,906** |

## Tangible and intangible fixed assets

All tangible and intangible fixed assets are depreciated or amortized on a straight-line basis, based on their category and the expected useful life in the business:

| | Expected useful life |
|---|---|
| **INTANGIBLE FIXED ASSETS** | |
| ▪ software | 3 to 5 years |
| **TANGIBLE FIXED ASSETS** | |
| ▪ buildings* | 15 to 25 years |
| ▪ building improvements | 8 to 10 years |
| ▪ IT equipment | 3 to 5 years |
| ▪ other fixed assets: | 5 to 10 years |
| • miscellaneous improvements | 5 to 10 years |
| • automobiles | 5 years |
| • office furniture | 10 years |

* *According to the type of building and the nature of the component.*

# Note 4 Changes in financial fixed assets

## Investments in subsidiaries and affiliates

The schedule of investments in subsidiaries and affiliates is set out at the end of the notes to the financial statements.

Teleperformance did not acquire or dispose of any investments in subsidiaries and affiliates in 2014.

## Receivables from subsidiaries and affiliates (before write-downs)

In the context of the financial management of its subsidiary companies, Teleperformance made a number of loans to them during 2014 in a total amount of €613 million, principally to the following companies:

- its subsidiary Teleperformance USA for US$646 million, or €532 million;
- its Luxembourg subsidiary TLS Group for £ 14.7 million, or €18.3 million;
- its English subsidiary Teleperformance UK for £ 13.8 million, or €17.7 million;
- its Luxembourg subsidiary LCC, for €15.7 million.

Loans to subsidiaries reached €657.1 million at December 31st, 2014, and concerned the following subsidiaries:

| *(in thousands of euros)* | 01/01/2014 | Increase | Decrease | 12/31/2014 | Amount due in more than one year |
|---|---|---|---|---|---|
| Fonomerk (Spain) | 329 | | | 329 | 329 |
| Luxembourg Contact Centers | 18,371 | 15,703 | 11,135 | 22,939 | |
| Teleperformance (UK) | | 18,091 | | 18,091 | |
| IMC Korea | 980 | | | 980 | 980 |
| SPCC (Brazil) | 3,645 | 387 | 4,032 | - | |
| Service 800 Egypt | 6,671 | 1,040 | | 7,711 | |
| Service 800 Roumanie | 2,530 | 828 | 160 | 3,198 | |
| Teleperformance Italy | 16,500 | 24 | | 16,524 | |
| Teleperformance Austria | 1,203 | | | 1,203 | 1,203 |
| Teleperformance Colombia | 6,000 | 121 | | 6,121 | |
| Teledatos (Colombia) | 3,000 | 61 | | 3,061 | |
| Teleperformance Finland | | 1,223 | | 1,223 | |
| TLS Luxembourg | 1,000 | 25,762 | 3,005 | 23,757 | |
| Teleperformance USA | | 535,802 | | 535,802 | 495,310 |
| Techmar (Belgium) | 1,000 | 47 | | 1,047 | 1,000 |
| Teleperformance intermédiation | 250 | | 250 | - | |
| GN Research Italy | 850 | 12 | | 862 | |
| Iberphone (Spain) | 2,000 | 5,190 | 2,000 | 5,190 | |
| Twenty 4 Help GMBH | | 5,062 | | 5,062 | |
| UCC (Ukraine) | 500 | 23 | | 523 | |
| Metis | | 1,787 | 10 | 1,777 | |
| Teleperformance Nordic | | 1,674 | | 1,674 | |
| **TOTAL** | **64,830** | **612,837** | **20,592** | **657,075** | **498,822** |

### ▶ Changes in provisions for impairment losses

| Variation | 01/01/2014 | Increase | Decrease | 12/31/2014 |
|---|---|---|---|---|
| Financial fixed assets | | | | |
| ▪ investments in subsidiaries and affiliates | 218,729 | 7,000 | | 225,729 |
| ▪ receivables from subsidiaries and affiliates | 3,512 | | | 3,512 |
| **TOTAL** | **222,241** | **7,000** | | **229,241** |

The expense of €7 million concerns the Spanish subsidiary Iberphone.

## Note 5 Marketable securities

Marketable securities amounted to €6.4 million.

They are made up of money market and mutual funds, totaling €5.1 million, with a market value at December 31st, 2014 of the same amount, for €2.9 million of option premiums paid under the centralized management of commercial exchange rate risks (premiums paid are recognized under liabilities for the same amount).

At December 31st, 2014, Teleperformance also owned 62,461 own shares, with a carrying value of €1.3 million, as follows:

- 54,461 shares were acquired for a total of €0.8 million at an average unit price of €15.3236 to enable the Company to meet the future vesting of shares under incentive plan share awards;
- 8,000 treasury shares were held at December 31st, 2014 under a liquidity agreement. Related purchases and sales are set out in the following schedule:

| | |
|---|---|
| Number of treasury shares held by Teleperformance at December 31st, 2013 | 7,000 |
| Number of treasury shares bought in 2014 under the share buy-back program commencing May 30th, 2013 | 30,739 |
| Number of treasury shares sold in 2014 under the share buy-back program commencing May 30th, 2013 | 23,738 |
| Number of treasury shares bought in 2014 under the share buy-back program commencing May 30th, 2014 | 1,032,675 |
| Number of treasury shares sold in 2014 under the share buy-back program commencing May 30th, 2014 | 1,038,676 |
| Number of treasury shares held by Teleperformance at December 31st, 2014 | 8,000 |
| Carrying value of treasury shares held at December 31st, 2014 | 452,245.52 |

In accordance with the requirements of Article L.225-2103 of the French Commercial Code, Teleperformance maintains reserves of an amount, excluding the legal reserve, at least equal to the carrying amount of treasury shares.

## Note 6 Cash presented in the consolidated statement of cash flows

| *(in thousands of euros)* | **Total 2014** | Total 2013 |
|---|---|---|
| ■ Bank overdrafts | -470 | -1,638 |
| ■ Marketable securities* | 5,111 | 49,566 |
| ■ Cash and bank | 76,272 | 27,594 |
| ■ Current accounts: cash pooling | -143,629 | -149,637 |
| ■ Cash and cash equivalents at end of period | -62,716 | -74,115 |

* *Marketable securities do not include treasury shares and the related provision.*

## Note 7 Maturity of current assets at December 31st, 2014

| Gross amount *(in thousands of euros)* | Total | Due under one year |
|---|---|---|
| ■ Accounts receivable – Trade(1)(2) | 17,862 | 16,492 |
| ■ Other receivables(3)* | 86,656 | 85,714 |
| ■ Marketable securities | 9,251 | 9,251 |
| ■ Cash and bank | 76,272 | 76,272 |
| ■ Prepaid expenses | 141 | 141 |
| **TOTAL** | **190,182** | **187,870** |
| *(1) unbilled amount* | *14* | *14* |
| *(2) doubtful amount* | *1,370* | |
| *(3) amount of income receivable* | *8,609* | *7,667* |

* *Amounts due by subsidiaries under the cash pooling scheme: €70,578,000.*

Changes in provisions on receivables are as follows:

| | 01/01/2014 | Increase | Decrease | 12/31/2014 |
|---|---|---|---|---|
| Accounts receivable – Trade | 1,519 | | 149 | 1,370 |
| Other receivables | 3,880 | | | 3,880 |
| **TOTAL** | **5,399** | | **149** | **5,250** |

## Note 8 Change in shareholders' equity

| *(in thousands of euros)* | Total |
|---|---|
| **Balance at January 1st, 2014** | **871,181** |
| ■ dividends paid for the 2013 financial year | -45,807 |
| ■ cancelation of treasury share dividends | 100 |
| ■ net income (loss) | 49,493 |
| ■ cancellation of own shares | -965 |
| **BALANCE AT DECEMBER 31ST, 2014** | **874,002** |

The share capital at December 31st, 2014 comprised 57,201,690 shares of €2.50 nominal value.

# Note 9 Provisions for contingencies and expenses

Changes in this heading are as follows:

| *(in thousands of euros)* | 01/01/2014 | Increase | Decrease A | Decrease B | 12/31/2014 |
|---|---|---|---|---|---|
| Unrealized foreign exchange loss | 293 | 449 | 293 | | 449 |
| Employee retirement benefits | 868 | 319 | | | 1,187 |
| Restoration costs for leased premises | 200 | | 20 | 180 | 0 |
| Own shares allocated to incentive share plans | 896 | | 61 | | 835 |
| **TOTAL** | **2,257** | **768** | **374** | **180** | **2,471** |

*A Release utilized.*
*B Release non-utilized.*

## Unrealized foreign exchange loss

Receivables and payables in foreign currencies outside the euro area are recorded at their closing rates against the closing, except when hedged. In this case, they are recorded at their hedged rate.

Unrealized foreign exchange losses or gains are listed in accounts of the balance sheet. A risk provision is made for unrealized foreign exchange losses, unless these are compensated by unrealized foreign exchange gains as part of a total net exchange position.

## Employee retirement benefits

Commitments for payments of retirement and post-employment benefits arising from labor agreements and legal requirements are classified as provisions for contingencies, and have been measured using the projected unit credit method, under the following actuarial assumptions:

| | |
|---|---|
| Discount rate: | 1.6% |
| Annual rate of increase in salaries: | 2.50% |
| Rate of social charges: | 45% |

Actuarial differences are recognized in the income statement for the period.

**Change in the provision for retirement benefits**

| **At the beginning of the year** | **868** |
|---|---|
| +Service cost | 12 |
| +Interest cost | 26 |
| +Actuarial gains and losses | 164 |
| *actuarial changes* | *279* |
| *new participants* | *2* |
| *withdrawals in the year* | *-117* |
| **AT THE END OF THE YEAR** | **1,187** |

# Note 10 Financial liabilities

Certain loans are subject to covenants in the form of financial ratios as disclosed in the notes to the consolidated financial statements. At December 31st, 2014, the Company was in compliance with all of the financial ratios.

The Company has access to a syndicated credit line of €300 million which matures in February 2019.

Draw downs under the credit line may be in euros or in US$, and are repayable *in fine*.

At December 31st, 2014, an amount of €185 million had been drawn down under the facility, compared with €20 million at December 31st, 2013.

The acquisition of Aegis USA Inc. by a subsidiary of the Group (Teleperformance USA Inc.) dated August 7th, 2014 for US$631 million has required the establishment of external financing by Teleperformance SA for US$610 million from the Group's main banks, as follows:

- a bridging loan of US$300 million for a period of 18 months;
- a loan of US$165 million maturing in July 2017;
- a drawn down of €108 million on the syndicated loan, maturing in December 2018, an amount equivalent to US$145 million due to the establishment of a Cross Currency Interest Swap.

On December 9th, 2014, the bridging loan of US$300 million was replaced by a US private placement with nine major financial institutions for a total amount of US$325 million: a seven-year tranche A fixed rate of 3.64% for US$160 million and a tranche B ten-year fixed rate of 3.98% for US$165 million. Both tranches are repayable at maturity.

At the same time, Teleperformance SA has established funding for the same amount and the same maturity with Teleperformance USA Inc. at a three-month LIBOR rate of +4%.

### ▶ Maturity of liabilities

| *(in thousands of euros)* | 12/31/2014 | | | | 12/31/2013 | | | |
|---|---|---|---|---|---|---|---|---|
| | Gross amount | Due within one year | In more than 1 year and less than 5 years | Due after five years | Gross amount | Due within one year | In more than 1 year and less than 5 years | Due after five years |
| Loans from financial institutions(1) | 590,268 | 186,677 | 135,903 | 267,688 | 21,765 | 21,765 | | |
| other financial liabilities* | 231,409 | 231,409 | | | 210,027 | 210,027 | | |
| **Sub-total, financial liabilities** | **821,677** | **418,086** | **135,903** | **267,688** | **231,792** | **231,792** | | |
| Operating liabilities(2) | 9,953 | 9,953 | | | 8,390 | 8,390 | | |
| Other liabilities(3)(4) | 78,486 | 12,842 | 65,644 | | 75,714 | 3,420 | 72,294 | |
| Deferred income | | | | | - | - | | |
| **TOTAL** | **910,116** | **440,881** | **201,547** | **267,688** | **315,896** | **243,602** | **72,294** | **-** |
| *(1) amount of bank advances* | *470* | *470* | | | *1,638* | *1,638* | | |
| *(2) amount of supplier invoice accruals* | *3,910* | *3,910* | | | *3,955* | *3,955* | | |
| *(3) amount of other accruals* | *600* | *600* | | | *2,367* | *2,367* | | |
| *(4) amount of income taxes saved on subsidiaries' tax losses utilized* | *54,993* | *9,349* | *45,644* | | *52,294* | | *52,294* | |

* *Amounts due to subsidiaries under the cash pooling scheme: €214.2 million.*

# Note 11 Revenues

| **Revenue analysis** *(in thousands of euros)* | **2014** | 2013 |
|---|---|---|
| ■ royalties and management fees from subsidiaries | 55,296 | 49,185 |
| ■ rents and rental charges | 471 | 457 |
| ■ other | 1,630 | 1,767 |
| **TOTAL** | **57,397** | **51,409** |

## Note 12 Financial income

| *(in thousands of euros)* | **2014** | 2013 |
|---|---|---|
| Dividends | 43,213 | 40,013 |
| Provisions on investments in subsidiaries and affiliates (net of releases) | -7,000 | -16,999 |
| Disposal of financial receivable* | -3,786 | |
| Other provisions for impairment losses (net of releases) | | 372 |
| Provisions for unrealized exchange losses (net of releases) | -156 | 102 |
| Foreign exchange gains and losses, net | 5,249 | 2,218 |
| Net income from sale of marketable securities | 8 | 15 |
| Net interest income (expense) on financial investments | 6,457 | -2,289 |
| **TOTAL** | **43,985** | **23,432** |

* *In 2014, the Company wrote off the receivable it held with its subsidiary Teleperformance France for the brand license and services rendered over the financial year.*

## Note 13 Extraordinary income

The exceptional result is as follows:

| | **2014** | | | 2013 |
|---|---|---|---|---|
| *(in thousands of euros)* | **Income** | **Expense** | **Net** | **Net** |
| Capital transactions | | | | |
| ■ Tangible fixed assets | - | - | - | 2 |
| ■ Financial fixed assets | | | | -303 |
| ■ Other capital transactions | 539 | 400 | 139 | -16,123 |
| Revenue operations | 6 | 1 | 5 | -20 |
| Depreciation, amortization and provisions (net of releases) | 61 | | 61 | 16,450 |
| **TOTAL** | **606** | **401** | **205** | **4** |

# Note 14 Distribution of income taxes and unrecognized deferred tax assets and liabilities

| | | Income tax | | | |
|---|---|---|---|---|---|
| *(in thousands of euros)* | Pre-tax income | (A) Theoretical | (B) Adjustments | Amount | Net income |
| Profit on ordinary activities | 61,672 | 22,891 | -10,575 | 12,316 | 49,356 |
| ▪ standard rate (33.33%) | 68,672 | 22,891 | -10,575 | 12,316 | 56,356 |
| ▪ long-term (0%) | -7,000 | | | | -7,000 |
| Exceptional result | | | | | |
| ▪ standard rate (33.33%) | 205 | 68 | | 68 | 137 |
| ▪ long-term (0%) | | | | | |
| **TOTAL** | **61,877** | **22,959** | **-10,575** | **12,384** | **49,493** |

The overall tax result showed a profit of €6.3 million in 2014, before deducting tax losses for €3.7 million. Tax losses thus amounted to €43.3 million at December 31st, 2014.

With effect from January 1st, 2013, the tax savings for the Group resulting from the utilization of tax losses of members under the French tax group disposition are immediately transferred by Teleperformance to the relevant loss-making subsidiaries.

A balance of €43.7 million of tax savings outstanding will be transferred back in the event of a subsidiary exiting the tax group or utilizing the tax losses itself.

The Company also has a carryback credit of €6.5 million, repayable on April 30th, 2016 at the latest.

| Unrecognized deferred tax assets and liabilities | Gross amount | Income tax |
|---|---|---|
| Liabilities | | |
| Assets | | |
| ▪ Taxed accruals deductible in the future | | |
| • Organic tax | 17 | 6 |
| • Unrealized exchange gains | 2,793 | 931 |
| • Tax on high remuneration | -736 | -245 |
| • Participation construction | 4 | 1 |
| • Retirement benefits | 319 | 106 |
| **TOTAL** | **2,397** | **799** |

The companies making up the tax group for the year 2014 are:

Teleperformance, Teleperformance emea, Teleperformance intermédiation, Teleperformance France.

## Note 15 Balances and transactions with Group companies

The schedule below summarizes the main balance sheet and income statement items that relate to consolidated subsidiaries:

| **Balance sheet** *(in thousands of euros)* | **Net amount** |
|---|---|
| **ASSETS** | |
| ▪ investments in subsidiaries and affiliates | 947,377 |
| ▪ receivables from subsidiaries and affiliates | 653,564 |
| ▪ accounts receivable – Trade | 16,471 |
| ▪ other receivables | 70,578 |
| **LIABILITIES** | |
| ▪ provisions for contingencies and expenses | |
| ▪ financial liabilities | 215,248 |
| ▪ accounts payable – Trade | 1,944 |
| ▪ other liabilities | 54,993 |

| **Income statement** *(in thousands of euros)* | **Net amount** |
|---|---|
| **INCOME** | |
| ▪ revenue | 57,397 |
| ▪ income from investments in subsidiaries and affiliates | 43,213 |
| ▪ other financial income | 56,970 |
| ▪ release of provisions | |
| **EXPENSES** | |
| ▪ purchases and external expenses | 13,741 |
| ▪ financial expenses | 13,528 |
| ▪ provisions | 7,000 |

## Note 16 Disclosures relating to company officers

The total remuneration of all types paid in 2014 amounted to €85,000 against €525,000 in 2013.

Directors' fees paid in 2014 in respect of the 2013 financial year amounted to €232,000, compared to €218,000 in 2013.

# Note 17 Exposure of the Company to interest rate risks

The Company's exposure to interest rate risks at December 31st, 2014 is summarized as follows:

| *(in thousands of euros)* | Gross amount | Due within one year | Due between one and five years | Due after five years |
|---|---|---|---|---|
| **FINANCIAL ASSETS** | | | | |
| ▪ Loans and advances within the Group | 657,075 | 157,797 | 499,278 | |
| ▪ Current cash pooling accounts: | 70,578 | 70,578 | | |
| Total financial assets | 727,653 | | | |
| • *at fixed rates* | | | | |
| • *floating** | *727,653* | *228,375* | *499,278* | |
| **FINANCIAL LIABILITIES** | | | | |
| ▪ Loans from financial institutions | 590,268 | 186,677 | 135,903 | 267,688 |
| ▪ Other borrowings and financial liabilities | 231,409 | 231,409 | | |
| Total financial liabilities | 821,677 | | | |
| • *without interest* | 1,677 | 1,677 | | |
| • *at fixed rates* | *267,688* | | | *267,688* |
| • *at floating rates** | *552,312* | *416,409* | *135,903* | |

* *Floating rates are based on EURIBOR and LIBOR US$ or LIBOR £ with maturities between three months and one year.*

# Note 18 Exposure of the Company to exchange rate risks

The Company's exposure to foreign exchange risks at December 31st, 2014 is summarized as follows:

| *(in thousands of currency)* | Currency amounts at December 31st, 2014 | Including hedged loans |
|---|---|---|
| **GROUP LOANS AND ADVANCES** | | |
| US$ | 655,556[(a)] | 619,200 |
| Swiss francs | 2,200[(b)] | 2,200 |
| Pound sterling | 28,100[(c)] | 28,100 |
| Swedish Krona | 15,700[(d)] | 15,700 |
| Turkish Lira | 5,000[(e)] | 5,000 |

*(a) Loans in US dollars relate to Teleperformance USA subsidiaries for US$646,356 thousand, covered by loans for US$610,000 thousand and Service 800 Egyp for US$9,200 thousand, hedged by a currency swap.*
*(b) The loan in Swiss francs concerns the subsidiary Luxembourg Contact Center, and is hedged by a currency swap.*
*(c) Loans made in sterling concern the subsidiaries Teleperformance UK and TLS Luxembourg and are hedged by swaps.*
*(d) A loan was granted to the Swedish subsidiary Teleperformance Nordic. It is hedged by a foreign currency swap*
*(e) This is a loan hedged by a currency swap granted to the Company Metis.*

| *(in thousands of currency)* | Currency amounts at December 31st, 2014 | Including hedged loans |
|---|---|---|
| **LOANS FROM FINANCIAL INSTITUTIONS** | | |
| US$ | 490,000 | 465,000 |
| Czech Krona | 15,000 | 15,000 |

## Note 19 Statement of unrealized exchange gains/losses on assets and liabilities denominated in foreign currency

| | Unrealized exchange losses | | | Unrealized exchange gains |
|---|---|---|---|---|
| Balance sheet heading *(in thousands of euros)* | Total | Compensated by exchange rate hedging (unrealized exchange gains) | Provision for contingencies | Total |
| Receivables from subsidiaries and affiliates | | | | 19,550 |
| Trade accounts receivable | 12 | | 12 | 287 |
| Financial liabilities | 17,408 | 17,029 | 379 | 2 |
| Operating liabilities | 57 | | 57 | |
| **TOTAL** | **17,477** | **17,029** | **448** | **19,839** |

## Note 20 Disclosure on financial commitments

### Commitments given

#### Guarantees to financial institutions for loans granted to subsidiaries

| French subsidiaries | Total | For subsidiaries | Expiry date |
|---|---|---|---|
| UBS real estate KMBH (Teleperformance France) | 398 | 398 | 03/07/2020 |
| Montreuil tax office (GN Research France) | 1,214 | 1,214 | 04/25/2018 |
| Cuvier Montreuil (GN Research France) | 211 | 211 | 03/31/2019 |
| Commerz Real investment Gesellschaft mbh (Teleperformance SA) | 568 | 568 | 09/30/2020 |
| **TOTAL** | **2,391** | **2,391** | |

| Foreign subsidiaries | Total | For subsidiaries | Expiry date |
|---|---|---|---|
| HSBC (Citytech Argentina) | 1,810 | 1,810 | 08/19/2016 |
| Beijing TLScontact Consulting LTD | 1,442 | 1,442 | 03/13/2015 |
| TP Chile | 2,410 | 2,410 | 06/22/2015 |
| TP Chile | 795 | 795 | 12/31/2015 |
| North Asia United CRM Technologies LTD | 2,800 | 2,800 | 07/22/2015 |
| Metis Bilgisayar Sistemleri | 1,161 | 1,161 | 08/25/2015 |
| Teleperformance Colombia | 7,710 | 7,710 | 12/31/2015 |
| Metis Bilgisayar Sistemleri | 2,029 | 2,029 | 02/23/2019 |
| **TOTAL** | **20,157** | **20,157** | |

### Guarantees given

Under an eight-year service contract awarded in July 2007 by a UK customer to a subsidiary, Teleperformance LTD, Teleperformance was requested by the customer to provide a first demand guarantee to a maximum of £ 1.8 million, covering amounts which Teleperformance LTD might owe relating to the service contract. The guarantee was given on July 23rd, 2007.

In accordance with the authorization granted by the Board of Directors on December 21st, 2011, Teleperformance has, with respect to the client Research In Motion (RIM), guaranteed its compliance with the obligations of the subsidiaries involved in the signing of the commercial contract which takes effect from December 23rd, 2011. The maximum amount covered by the guarantee is the greater of US$15 million and the total amount of sums paid by RIM to the subsidiaries in question during the 12-month period prior to the loss event. This ceiling does not apply should the loss be caused by infringement of RIM' s intellectual property rights, death or injury, damage to property, or breach of confidentiality. The guarantee will stay in force while any obligation of a subsidiary has not been extinguished.

In accordance with the authorization granted by the Board of Directors at its meeting of July 30th, 2013, Teleperformance SA issued a performance guarantee to Apple Inc. relating to the obligations of certain subsidiaries as part of the conclusion of a commercial contract. The guarantee was granted for the duration of the commercial contract. The maximum amount covered by the guarantee is the greater of US$60 million and the total amount of sums paid by Apple to the subsidiaries concerned during the 12-month period prior to the loss event.

Under a Board resolution dated November 25th, 2013, Teleperformance SA has given a performance guarantee to the Secretary of State for the Home Department of the United Kingdom covering the duration of a commercial contract entered into with a group subsidiary. The maximum amount covered by the guarantee is £ 60 million.

The Board of Directors, at its meeting on November 25th, 2013, authorized Teleperformance SA to grant, in relation to Barclays Bank PLC, a performance guarantee with respect to the obligations of its subsidiary TP Portugal as part of a commercial contract. The guarantee was signed in 2014 and will remain in force for the duration of the contract.

Finally, Teleperformance has given comfort letters to a number of banks to guarantee commitments of its subsidiaries located in Chile, Colombia, Greece, Spain, Germany, Poland, Tunisia, Egypt, Morocco and England in a total amount of €27.7 million.

### Financial instruments used for purposes of hedging:

The Company took, on its own behalf or on behalf of its subsidiaries, currency hedging financial instruments.

The main derivative financial instruments in place at the year-end are as follows:

| Derivative financial instruments *(in thousands)* | Commitments received: Notional amount (in thousands of foreign currency) | Notional amount in euros at 12/31/2014 | Fair value in euros at 12/31/2014 | Commitments given |
|---|---|---|---|---|
| **HEDGE OF FORECAST 2015 US$/MXN TRANSACTIONS** | | | | |
| *Put & Call* US$ – options | 45,500 | 37,476 | -1,325 | Teleperformance has granted an internal foreign exchange hedge to its Mexican subsidiaries amounting to US$170,000,000 at a fixed exchange rate of 13.11. Its fair value is – MXN273,978,000 at December 31st, 2014. |
| Forward US$ sales | 57,000 | 46,948 | -4,091 | |
| Sales of US$ options* | 25,000 | 20,591 | -1,441 | |
| **HEDGE OF FORECAST 2015 US$/PHP TRANSACTIONS** | | | | |
| *Put & Call* PHP – options | 3,225,000 | 59,244 | 46 | Teleperformance has granted an internal foreign exchange hedge to its subsidiary Teleperformance USA amounting to US$370,000,000 at a fixed exchange rate of 44.00. Its fair value is -US$9,366,000 at December 31st, 2014. |
| Forward PHP purchases | 8,551,000 | 157,084 | -2,568 | |
| Purchases of PHP options | 1,350,000 | 24,800 | 168 | |
| PHP put sales* | 2,475,000 | 45,466 | -677 | |
| **HEDGE OF FORECAST 2014 AUD/US$ TRANSACTIONS** | | | | |
| Forward AUD sales | 20,953 | 14,130 | 507 | Teleperformance has granted an internal foreign exchange hedge to its subsidiary Teleperformance USA amounting to AUD78,000,000 at a fixed exchange rate of US$0.91. Its fair value is US$1,587,000 at December 31st, 2014. |
| Forward AUD purchases | 3,050 | 2,057 | 6 | |
| **HEDGE OF FORECAST 2014 US$/PHP TRANSACTIONS** | | | | |
| Forward PHP purchases | 1,637,000 | 30,072 | -176 | Teleperformance has granted an internal foreign exchange hedge to its subsidiary Teleperformance USA amounting to US$285,000,000 at a fixed exchange rate of 43.42. Its fair value is -US$2,501,000 at December 31st, 2014. |
| **HEDGE OF FORECAST 2014 US$/MXN TRANSACTIONS** | | | | |
| Forward US$ sales | 29,868 | 24,601 | -2,121 | Teleperformance has granted an internal foreign exchange hedge to its Mexican subsidiaries amounting to US$160,000,000 at a fixed exchange rate of 13.11. Its fair value is – MXN2,730,000 at December 31st , 2014. |
| **HEDGES OF INTRA-GROUP** | | | | |
| in £ | 30,149 | 38,707 | -738 | |
| in US$ | 9,529 | 7,849 | -872 | |
| **HEDGES OF INTRA-GROUP LOANS** | | | | |
| Cross Currency Interest Swap | 145,000 | 119,430 | -11,414 | |
| **CASH POOLING HEDGES** | | | | |
| ■ in MXN | 1,420,000 | 79,472 | -1,420 | |
| ■ in US$ | 115,000 | 94,720 | 1,236 | |

* *Not eligible for hedge accounting.*

In accordance with agreements signed with its subsidiaries, Teleperformance:

- is committed to pay back 50% of profit margins on the foreign exchange contracts, defined as the difference between the actual results made on the external and internal contracts; the fair value of these commitments at December 31st, 2014 was:
  - MXN76,700,000 for the hedging of forecast MXN/US$ transactions,
  - US$3,158,000 for the hedging of forecast PHP/US$ transactions; and
- and will support any losses unless caused by errors made by subsidiaries in estimating underlying exposures.

## OTHER COMMITMENTS

### Individual rights to training

During 2014, 35 training hours were granted to employees under the law of March 4th, 2004. The outstanding commitment at the end of 2014 was for 3,799 hours.

Starting on January 1st, 2015, the French individual rights to training (DIF) program will be replaced by a personal training account. The hours accumulated at December 31st, 2014 under the DIF can still be used up to December 31st, 2020.

## Note 21 Workforce

The average workforce was 47, including 41 managers/supervisors and 6 other employees.

## Note 22 Statutory auditors' fees

Statutory auditors' fees in 2014 amounted to €601,000, compared with €632,000 in 2013.

# 7.5 Schedule of subsidiaries and affiliates

| *(in thousands of euros)* | Gross amount of shares | Net amount of shares | Dividends received | Loans and advances | Sureities, endorse-ments | % holding |
|---|---|---|---|---|---|---|
| **I. DETAILED INFORMATION** | | | | | | |
| Subsidiaries where the gross carrying amount of shares exceeds 1% of the parent company's share capital | | | | | | |
| **A. Subsidiaries (more than 50% owned by the Company** | | | | | | |
| **Teleperformance intermédiation**<br>21-25 rue Balzac, 75008, Paris, France | 6 647 | 6 647 | | | | 100 |
| **Teleperformance Europe Middle-East and Africa**<br>21-25 rue Balzac, 75008, Paris, France | 9 609 | 2 250 | | | | 100 |
| **Teleperformance France**<br>12, rue Sarah Bernhardt, 92600, Asnières, France | 319 276 | 121 276 | | | | 100 |
| **Compania Salvadorena de Telemarketing**<br>Edificio Plaza Olímpica, Avenida Olímpica y Pasaje 3, Segundo Nivel, San Salvador, El Salvador | 6 000 | 6 000 | 7 365 | | | 100 |
| **Luxembourg Call Centers**<br>4 bd Joseph II, 1840 Luxembourg | 72 696 | 72 696 | | 22 690 | | 100 |
| **MM Group Holdings**<br>17-54 Hartfield Road, SW 19 3SE London, United Kingdom | 88 626 | 88 626 | | 17 717 | | 100 |
| **SPCC**<br>Rua Fl. de Abreu 623, 01029-001 São Paulo, Brazil | 62 365 | 62 365 | 2 612 | | | 100 |
| **Iberphone**<br>Avenida de Burgos 8A, 28036 Madrid, Spain | 26 280 | 12 280 | | 5 000 | | 100 |
| **Teleperformance Belgium (in liquidation)**<br>Rue de la Borne 14, 1080 Brussels, Belgium | 2 152 | 2 | | 2 938 | | |
| **Service 800**<br>Thisseos 330, 176 75 Athens, Greece | 5 572 | 5 572 | 9 000 | | | 100 |
| **Plurimarketing**<br>Rua Al. Braga 25B, 1150 003 Lisbon, Portugal | 7 754 | 7 754 | 4 940 | | | 95 |
| **Teleperformance Nordic**<br>St Eriksgatan 113, 11384 Stockholm, Sweden | 6 586 | 6 586 | 3 697 | 1 671 | | 100 |
| **Teleperformance Singapore**<br>210 Middle Road Unit, 188994 Singapore | 3 221 | 3 221 | | | | 100 |
| **In & Out**<br>Via di Priscilla 101, 00199 Rome, Italy | 33 905 | 33 905 | | 16 500 | | 100 |
| **Teleperformance Colombia**<br>Calle 70 A 4 41, Bogotá DC Colombia | 63 058 | 63 058 | | | | 100 |
| **Citytech**<br>Av. Leandro N Alem 896, 2 Piso, 1001 Buenos Aires, Argentina | 7 517 | 7 517 | | | | 88 |
| **Teleperformance Group Inc.**<br>1601 Washington Ave., Suite 400, Miami Beach, FL 33139, USA | 449 972 | 449 972 | 15 448 | | | 100 |
| **B. Investments (10-50% of share capital held by the Company): none** | | | | | | |
| **II. INFORMATION IN TOTAL** | | | | | | |
| **A. Subsidiaries not set out in section 1: none** | | | | | | |
| **a.** French subsidiaries (in total) | None | | | | | |
| **b.** Foreign subsidiaries (in total) | 1 866 | 1 445 | | 1 544 | | |
| **B. Shareholdings not set out in section 1: none** | | | | | | |

| *(in thousands of currency)* | Local currency | Capital | Reserves, retained earnings and Net profit | 2014 net income | 2014 Revenues |
|---|---|---|---|---|---|
| **I. DETAILED INFORMATION** | | | | | |
| Subsidiaries where the gross carrying amount of shares exceeds 1% of the parent company's share capital | | | | | |
| **A. Subsidiaries (more than 50% owned by the Company)** | | | | | |
| **Teleperformance intermédiation**<br>21-25 rue Balzac, 75008, Paris, France | EUR | 3 750 | - 641 | - 4 | 1 204 |
| **Teleperformance Europe Middle-East and Africa**<br>21-25 rue Balzac, 75008, Paris, France | EUR | 3 500 | 4 321 | 5 368 | 74 304 |
| **Teleperformance France**<br>12, rue Sarah Bernhardt, 92600, Asnières, France | EUR | 85 736 | - 43 345 | - 13 148 | 175 709 |
| **Compania Salvadorena de Telemarketing**<br>Edificio Plaza Olímpica, Avenida Olímpica y Pasaje 3, Segundo Nivel, San Salvador, El Salvador | US$ | 12 | 33 507 | 15 506 | 63 244 |
| **Luxembourg Call Centers**<br>4 bd Joseph II, 1840 Luxembourg | EUR | 70 500 | 104 952 | - 34 879 | 0 |
| **MM Group Holdings**<br>17-54 Hartfield Road, SW 19 3SE London, United Kingdom | GBP | 45 750 | 4 712 | - 11 344 | 0 |
| **SPCC**<br>Rua Fl. de Abreu 623, 01029-001 São Paulo, Brazil | BRL | 156 500 | 71 487 | 32 241 | 0 |
| **Iberphone**<br>Avenida de Burgos 8A, 28036 Madrid, Spain | EUR | 14 442 | - 8 779 | - 3 207 | 62 020 |
| **Teleperformance Belgium (in liquidation)**<br>Rue de la Borne 14, 1080 Brussels, Belgium | | | | | |
| **Service 800**<br>Thisseos 330, 176 75 Athens, Greece | EUR | 2 100 | 20 183 | 8 525 | 79 040 |
| **Plurimarketing**<br>Rua Al. Braga 25B, 1150 003 Lisbon, Portugal | EUR | 885 | 22 583 | 8 150 | 91 750 |
| **Teleperformance Nordic**<br>St Eriksgatan 113, 11384 Stockholm, Sweden | SEK | 277 | 177 024 | 969 | 432 388 |
| **Teleperformance Singapore**<br>210 Middle Road Unit, 188994 Singapore | SGD | 4 000 | 1 913 | 993 | 10 299 |
| **In & Out**<br>Via di Priscilla 101, 00199 Rome, Italy | EUR | 5 650 | - 3 323 | - 2 207 | 85 466 |
| **Teleperformance Colombia**<br>Calle 70 A 4 41, Bogotá DC Colombia | MCOP | 108 300 | 137 768 | 4 299 | 260 887 |
| **Citytech**<br>Av. Leandro N Alem 896, 2 Piso, 1001 Buenos Aires, Argentina | ARS | 8 220 | 60 672 | 3 628 | 493 637 |
| **Teleperformance Group Inc.**<br>1601 Washington Ave., Suite 400, Miami Beach, FL 33139, USA | US$ | 328 | 610 386 | 5 163 | 0 |
| **B. Investments (10-50% of share capital held by the Company) : none** | | | | | |
| **II. INFORMATION IN TOTAL** | | | | | |
| **A. Subsidiaries not set out in section** | | | | | |
| **a.** French subsidiaries (in total) | | | | | |
| **b.** Foreign subsidiaries (in total) | | | | | |
| **B. Shareholdings not set out in section 1** | | | | | |

*Exchange rate 12/31/2014: ARS 10.13 - BRL 3.22 - MCOP 2.89 - GBP 0.779 - SEK 9.39 - SGD 1.606 - US$ 1.214*
*Exchange rate 2014: ARS 10.78 - BRL 3.12 - MCOP 2.65 - GBP 0.806 - SEK 9.1 - SGD 1.68 - US$ 1.33*

# 7.6 Schedule of shareholdings and short-term investments

| *(in euros)* | | Number of shares | Carrying amount |
|---|---|---|---|
| **FRANCE** | | | |
| | Teleperformance France | 85,736 | 121,276,100 |
| | Teleperformance Intermédiation | 250,000 | 2,846,739 |
| | Teleperformance EMEA | 35,000 | 2,250,000 |
| | Miscellaneous shares with a carrying amount of less than €15,000 | | |
| | Marketable securities | | 6,397,976 |
| **Total France** | | | **132,770,815** |
| **EUROPE** | | | |
| United Kingdom | MM Teleperformance holdings | 18,348,213 | 88,625,993 |
| Benelux countries | Luxembourg contact centers | 176,249 | 72,695,877 |
| Spain | Iberphone | 465,734 | 12,280,494 |
| Portugal | Plurimarketing | 841,125 | 7,754,325 |
| Greece | Service 800 | 700,000 | 5,572,107 |
| Italy | In and out SPA | 5,650,000 | 33,905,184 |
| Sweden | Teleperformance Nordic | 2,775 | 6,586,198 |
| Czech Republic | Lion Teleservices | 2,340 | 876,384 |
| | Miscellaneous shares with a carrying amount of less than €15,000 | | 14,668 |
| **THE AMERICAS** | | | |
| Argentina | Citytech | 7,192,441 | 7,517,125 |
| Brazil | SPCC | 156,500,051 | 63,365,442 |
| USA | Teleperformance Group Inc. | | |
| | ordinary shares | 259,000 | 307,922,194 |
| | preference shares | 68,700 | 142,050,303 |
| El Salvador | Teleperformance Salvador | 79,992 | 6,000,000 |
| Mexico | Impulsora | 50,000 | 326,477 |
| | Sistemas | 57,099 | 217,652 |
| Colombia | Colombia Multi Media Center | 10,830,000 | 63,058,500 |
| | Miscellaneous shares with a carrying amount of less than €15,000 | | 7,698 |
| **ASIA-OCEANIA** | | | |
| Singapore | Teleperformance Singapore | 4,000,000 | 3,220,966 |
| | Miscellaneous shares with a carrying amount of less than €15,000 | | 2,320 |
| **AFRICA** | | | |
| | Miscellaneous shares with a carrying amount of less than €15,000 | | 3,820 |
| **Total outside France** | | | **822,003,727** |
| **OVERALL TOTAL** | | | **954,787,042** |

# 7.7 Five-year summary

| *(in euros)* | 2010 | 2011 | 2012 | 2013 | **2014** |
|---|---|---|---|---|---|
| **I. SHARE CAPITAL AT THE END OF THE YEAR** | | | | | |
| Share capital | 141,490,120 | 141,495,120 | 141,495,120 | 143,150,475 | 143,004,225 |
| Number of shares issued | 56,596,048 | 56,598,048 | 56,598,048 | 57,260,190 | 57,201,690 |
| Maximum number of potential shares: | | | | | |
| ▪ by exercise of subscription rights | | | | | |
| ▪ by allocation of incentive plan shares | | | | 781,539 | |
| **II. SELECTED INCOME STATEMENT INFORMATION** | | | | | |
| Revenues, excluding VAT | 40,941,079 | 44,461,497 | 46,919,577 | 51,408,682 | 57,397,383 |
| Net income (loss) excluding income taxes, depreciation and amortization, and provisions | 52,799,348 | 34,802,526 | 46,166,929 | 60,480,524 | 69,534,471 |
| Income taxes | 6,549,048 | 7,452,630 | 5,215,513 | 7,886,077 | 12,383,835 |
| Net income (loss) after income taxes, depreciation and amortization, and provisions | 38,746,473 | -50,245,530 | 34,174,466 | 34,942,177 | 49,492,955 |
| Dividends distributed | 18,676,696 | 25,483,580 | 38,486,672 | 45,808,152 | 52,625,554 |
| **III. SELECTED INFORMATION PER SHARE** | | | | | |
| Net income (loss) excluding depreciation and amortization, and provisions | 0.82 | 0.48 | 0.72 | 0.92 | 1.00 |
| Net income (loss) after income taxes, depreciation and amortization, and provisions | 0.68 | -0.89 | 0.60 | 0.61 | 0.87 |
| Dividends distributed | 0.33 | 0.46 | 0.68 | 0.80 | 0.92** |
| **IV. PERSONNEL** | | | | | |
| Number of salaried personnel | 39 | 41 | 43 | 47 | 47 |
| Total remuneration* | 7,083,390 | 13,346,576 | 12,864,321 | 7,062,140 | 5,780,319 |
| Amount of employee fringe benefits (social security, personnel benefits) | 1,560,927 | 1,788,837 | 1,628,851 | 3,238,602 | 2,441,474 |

** Includes in 2011 the provision of €7.8 million recorded in "wages and salaries" concerning the treasury shares destined to meet the allocations under the incentive share plan.*
*** To be proposed to the AGM to be held on May 7th, 2015.*

# 7.8 *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 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 qualified or not. This information is presented below the 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 2014**

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 2014, on:

- the audit of the accompanying financial statements of Teleperformance 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.

## 1 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 sampling 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 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 2014 and of the results of its operations for the year then ended in accordance with the French accounting principles.

## 2 Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following matter:

Note 1.1 to the financial statements, Investments in subsidiaries and affiliates, discloses the accounting principles relating to the measurement of impairment losses on investments in subsidiaries and affiliates. Our procedures consisted in assessing the data and assumptions on which such estimates rely, reviewing the company's calculations, comparing prior years' accounting estimates with the corresponding actual data and examining management's approval procedures for these estimates. We have assessed the reasonableness of these estimates on these bases. We remind you that these estimates are based on forecasts that by their nature are uncertain and that actual amounts may be significantly different.

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.

## 3 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 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 relating to remuneration 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 statement, and, where applicable, with 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 purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report

Paris La Défense and Neuilly-sur-Seine, 25 February 2014

The statutory auditors

| KPMG AUDIT IS | Deloitte & Associés |
|---|---|
| **Eric Junières** | **Philippe Battisti** |
| *Partner* | *Partner* |



# Additional information

# 8.1 *Person responsible for the Registration Document*

## Statement by the person responsible for the Registration Document

"I hereby certify, after having taken all reasonable measures to this effect, that the information contained in this Registration Document is, to the best of my knowledge, in accordance with the facts and makes no omission likely to affect its import.

I certify, to the best of my knowledge, that the accounts have been prepared in accordance with applicable accounting standards and give a fair view of the assets, liabilities and financial position and profit or loss of the Company and all the undertakings included in the consolidation, and that the management report contained in section 8.5, pages 215 and 216 of this Registration Document presents a fair review of the development and performance of the business and financial position of the Company and all the undertakings included in the consolidation as well as a description of the main risks and uncertainties to which they are exposed.

I have obtained a completion letter from the auditors stating that they have audited the information contained in this Registration Document about the financial position and accounts and that they have read this document in its entirety."

February 27, 2015

Paulo César Salles Vasques

Chief Executive Officer

# 8.2 *Statutory auditors*

## 8.2.1 Statutory auditors

| Primary auditors | Alternate auditors | First appointment | Date of expiry of current term of office |
|---|---|---|---|
| KPMG Audit IS<br>3 cours du Triangle<br>92939 Paris La Défense Cedex - France<br>Tel: +33 1 55 68 68 68 | KPMG Audit ID<br>3 cours du Triangle<br>92939 Paris La Défense Cedex - France | 5/31/2011 | 2017 shareholders' meeting |
| Deloitte & Associés<br>185 avenue Charles de Gaulle - France<br>92524 Neuilly-sur-Seine<br>Tel: + 33 1 40 88 28 00 | BEAS<br>7/9 villa Houssay<br>92524 Neuilly-sur-Seine Cedex - France | 5/31/2011 | 2017 shareholders' meeting |

## 8.2.2 Auditors' fees

In respect of the 2013 and 2014 financial years, the auditors and members of their networks received the following fees (in thousands of euros and excluding taxes):

| | KPMG | | | | Deloitte | | | |
|---|---|---|---|---|---|---|---|---|
| | Amount | | % | | Amount | | % | |
| | **2014** | 2013 | **2014** | 2013 | **2014** | 2013 | **2014** | 2013 |
| **AUDIT:** | | | | | | | | |
| Audit, certification, review of the Company and consolidated accounts | | | | | | | | |
| ■ issuer (parent company) | 347 | 376 | 20% | 25% | 235 | 241 | 21% | 25% |
| ■ consolidated subsidiaries | 1,014 | 1,032 | 58% | 68% | 722 | 633 | 66% | 66% |
| Other procedures and services directly related to the auditors' engagement | | | | | | | | |
| ■ issuer (parent company) | 26 | 36 | 1% | 2% | - | - | - | - |
| ■ consolidated subsidiaries | 243(1) | 12 | 14% | 1% | 128(2) | 3 | 12% | 0% |
| **Sub-total I** | **1,630** | **1,456** | **94%** | **96%** | **1,085** | **877** | **99%** | **91%** |
| **OTHER SERVICES, IF ANY:** | | | | | | | | |
| ■ legal, employment, tax | 86 | 65 | 5% | 4% | 13 | 53 | 1% | 6% |
| ■ other | 18 | - | 1% | - | - | 30 | - | 3% |
| **Sub-total II** | **104** | **65** | **6%** | **4%** | **13** | **83** | **1%** | **9%** |
| **TOTAL** | **1,734** | **1,521** | **100%** | **100%** | **1,098** | **960** | **100%** | **100%** |

*(1) This amount mainly includes services provided in connection with the City Park Technologies and Aegis acquisitions.*
*(2) This amount mainly relates to tax compliance missions and internal control audit.*

Furthermore, the Group uses Grant Thornton to audit certain subsidiaries. In 2014, audit fees totaling €705,000 were paid to Grant Thornton (compared to €669,000 in 2013).

# 8.3 *Cross-reference table*

## ▶ Pursuant to the provisions of the No. 809/2004 European Regulation

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| | | |
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| 16.1. Expiration date of the terms of offices | 54 | 3.1.2.1 |
| 16.2. Services agreements relating to the members of the Board and of the management | 61 ; 88 | 3.1.2.5 ; 3.5.2.3 |
| 16.3. Information about the audit and remuneration committees | 68 ; 70 | 3.3.1.3 |
| 16.4. Corporate governance | 64 | 3.3.1.1 |
| **17/Employees** | | |
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| 17.3. Arrangement involving the employees in the capital of the issuer | 104 | 4.2.3 |
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# 8.4 *Cross-reference table to the annual financial report*

## ▶ Under Article L.451-1-2 of the French Monetary and Financial Code

| | Pages | section |
|---|---|---|
| **1/Management report** *(see details at 8.5)* | | |
| Analysis of the business trends | 125 | 5 |
| Analysis of the results | 125 | 5 |
| Analysis of the financial position | 125 | 5 |
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| Factors liable to have an impact in the event of a public offering | 72 | 3.3.1.7 |
| Share buyback programs of the Company | 36 | 2.2.4 |
| **2/Consolidated financial statements** | 133 | 6 |
| **3/Parent company financial statements** | 183 | 7 |
| **4/Statutory auditors' report on the Company's financial statements and the consolidated financial statements** | 181 ; 208 | 6.7 ; 7.8 |
| **5/Auditors' fees** | 211 | 8.2.2 |
| **6/Statements of the persons responsible for the annual financial report** | 210 | 8.1 |

# 8.5 Cross-reference table to the management report

| Applicable provisions | | Comments of the financial year | Section |
|---|---|---|---|
| French Commercial Code | L.225-100, L.225-100-2, L.232-1, L.233-6 and L.233-26 | Objective and comprehensive analysis of the development of the Company's and Group's business, earnings and financial position | 5 |
| French Commercial Code | L.225-100 and L.225-100-2 | Non-financial KPIs specifically relevant to the Company's business activity | 4 |
| French Commercial Code | L.233-6 | Significant new shareholdings acquired during the year in companies with registered offices located in France | 1.3.4.4 |
| French Commercial Code | L.232-1 and L.233-26 | Major events occurring between the balance sheet date and the date of preparation of the report | 6.6 |
| French Commercial Code | L.232-1 and L.233-26 | Foreseeable changes in the Company's and the Group's position | 5.3 |
| French Commercial Code | R.225-102 | Progress achieved, difficulties encountered, future perspectives | 5.3 |
| French Commercial Code | L.233-6 and R.225-102 | Activity of subsidiaries and shareholding by branch of activity | 1.3 |
| French General Tax Code | 243 *bis* | Dividends distributed in respect of the last three financial years and amounts of distributed income eligible for the 40% tax rebate in respect of the same periods | 2.5.2 |
| **Applicable provisions** | | **Group presentation information** | |
| French Commercial Code | L.225-100 and L.225-100-2 | Description of the main risks and uncertainties to which the Company is exposed | 1.6 ; 1.7 |
| French Commercial Code | L.225-100 and L.225-100-2 | Use of financial instruments by the Company: financial risk management objectives and policy | 1.6.1 |
| French Commercial Code | L.225-100 and L.225-100-2 | Corporate exposure to price, credit, liquidity and cash flow risk | 1.6.1 |
| French Commercial Code | L.225-102-1, L.225-102-2 and R.225-104 | Social and environmental impact of the Company's activity (including "Seveso" sites); societal commitment promoting the fight against discrimination, as well as promoting diversity and sustainable development | 4.2 ; 4.3 |
| French Commercial Code | L.232-1 | Research and development | n/a |
| **Applicable provisions** | | **Information related to corporate governance** | |
| French Commercial Code | R.225-102 | Choice of one of the methods of exercising the executive management in case of modification | 3.3.1.4 |
| French Commercial Code | L.225-102-1 | List of all offices held and duties performed by each corporate officer in all companies during the financial year | 3.1.2 |
| French Commercial Code | L.225-102-1 | Total remuneration and benefits of any kind awarded to each corporate officer during the financial year | 3.5 |
| French Commercial Code | L.225-102-1 | Commitments of any kind made by the Company in favor of its officers representing remuneration, payments or benefits due or liable to be due upon the assumption, termination or alteration of these responsibilities or at a later date | 3.5.2.3 |
| French Commercial Code | L.225-184 | Options granted, subscribed to or purchased during the year by corporate officers and by the first ten non-corporate officer employees of the Company, and options granted to all employee beneficiaries by category | n/a |

| Applicable provisions | | Comments of the financial year | Section |
|---|---|---|---|
| French Commercial Code | L.225-185 | Terms and conditions pertaining to the exercise of options by corporate officers and directors and lock-in conditions | n/a |
| French Commercial Code | L.225-197-1 | Lock-in conditions pertaining to bonus shares allotted to corporate officers and directors | 2.2.5.3 ; 3.5.2.4 |
| French Monetary and Financial Code | L.621-18-2 | Transactions in Company shares performed by directors and related persons | 3.6.4 |
| **Applicable provisions** | | **Information on the Company and share capital** | |
| French Commercial Code | L.233-13 | Notice of shareholding of more than 10% of share capital in another company, Alienation of cross shareholdings | n/a |
| French Commercial Code | L.225-211 | Breakdown of treasury share sales and purchases during the year | 2.2.4.4 |
| French Commercial Code | R.228-90 | Adjustments, if any, for securities giving access to the capital in the event of share repurchases or financial transactions | n/a |
| French Commercial Code | L.225-100 | Table summarizing currently valid authorizations given by the general meeting of shareholders to the Board of Directors in respect of capital increases | 2.2.3 |
| French Commercial Code | L.225-102 | Statement of employee participation in the share capital as of the balance sheet date and proportion of share capital represented by shares held by employees under the Company savings scheme and by current and former employees within company mutual funds | 2.3.1.3 |
| French Commercial Code | L.464-2 | Injunctions or financial penalties for practices contrary to anti-trust legislation | n/a |
| **Applicable provisions** | | **Information relating to the financial statements** | |
| French Commercial Code | R.225-102 | Five-year summary | 7.7 |
| French Commercial Code | R.225-102 | Subsidiary Earnings | 7.5 |
| **Applicable provisions** | | **Other information** | |
| French Commercial Code | L.225-100-3 | Factors liable to have an impact in the event of a public offering | 3.3.1.7 |
| French Commercial Code | L.225-102-1 | Relevant agreements, directly or by a third-party, between, on the one hand, and depending on the situation, the Chief Executive Officer, one of the Deputy Chief Executive Officers, one of the directors or one of the shareholdings holding over 10% of voting rights and, on the other hand, another company who, directly or indirectly, holds more than half the share capital (unless it is an agreement on current transactions and signed under normal conditions) | 3.7 |
| French Commercial Code | L.233-13 | Identity of direct or indirect holders of one twentieth, one tenth, three twentieths, one fifth, one quarter, one third, one half, two thirds, eighteen twentieths, nineteen twentieths of the share capital on the voting rights to shareholders' meetings | 2.3 |
| French Commercial Code | L.233-13 | Companies controlled and share of the capital of the Company they hold | n/a |
| French Commercial Code | L.441-6 and D.441-4 | Payment terms | 5.2.1.5 |
| **Applicable provisions** | | **Documents attached** | |
| French Commercial Code | L.225-37 | Report of the Chairman of the Board of Directors | 3.3 |

# 8.6 Cross-reference with environmental, labor and social information

**Pursuant to Decree No. 2012-557 of April 24th, 2012 on the implementation of Article 225 of Act No. 2010-788 of July 12th, 2010 and Article 12 of Act No. 2012-387 of March 22nd, 2012**

| | Pages | Section |
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| **STAFF INFORMATION** | | |
| **Workforce** | | |
| Total workforce (breakdown by gender and geographic region) | 103 | 4.2.1 |
| Hiring (permanent and fixed-term contracts, any hiring problems encountered) | 103 | 4.2.2 |
| Dismissals (grounds, re-assignment measures, rehiring, support plans) | 103 | 4.2.2 |
| Remuneration (changes, social security charges, profit-sharing and incentive plans, employee savings plan) | 104 | 4.2.3 |
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| Frequency and severity rates of industrial accidents and record of occupational illnesses | 107 | 4.2.6 |
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| Measures taken in favor of employment and integration of disabled workers | 111 | 4.2.8.2 |
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| | Pages | Section |
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| **ENVIRONMENTAL INFORMATION** | | |
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| Amount of provisions and guarantees for environmental risks | | n/a |
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| Measures implemented with regard to all other forms of pollution inherent to a specific activity | | n/a |
| **Sustainable use of resources** | | |
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# 8.7 *General observations*

In this Registration Document, unless stipulated to the contrary, the terms "Company" and "Teleperformance" refer to Teleperformance SA and the term "Group" refers to the Company and its subsidiaries and shareholdings.

This Registration Document contains information on the Group's objectives and forecasts, in particular in the section 5.3 *Trends and Prospects*.

This information is occasionally referred to using the future or conditional tense and prospective terms such as "think", "aim", "expect", "intend", "should", "strive", "estimate", "believe", "wish", "may/might", etc. Such information is based on data, assumptions and estimates which the Company believes to be reasonable. It is subject to change or amendment owing to uncertainties notably relating to the risks inherent in any business as well as the political, economic, financial and regulatory environment and competition. Moreover, some of the risks described in section 1.6 *Risk Factors* should they materialize, may affect the Group's business and our ability to achieve our objectives and forecasts.

The prospective statements, objectives and forecasts contained in this Registration Document could be affected by known and unknown risks, uncertainties or other factors that might result in the Group's future results, performance and achievements differing significantly from the objectives and forecasts made or suggested herein. These factors could include changes to the economic and business environment and regulations as well as the factors set out in section 1.6 *Risk Factors*.

The Company makes no commitment and gives no warranty as to the realization of the objectives and forecasts set out in this Registration Document.

Investors are asked to pay close attention to each of the risk factors described in section 1.6 prior to making an investment decision. Our business, situation or financial results or our objectives and forecasts may be negatively impacted should some or all of these risks materialize. Furthermore, other risks that have not yet been identified or which we consider to be of little significance may also have a negative impact and investors could lose some or all of their investment.

**Teleperformance**
Transforming Passion into Excellence

**Teleperformance**
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