Registration Document
Annual financial report

2017

Teleperformance
Transforming Passion into Excellence

CONTENTS

Teleperformance

2017 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 2016 financial year

The management report, the consolidated and Company accounts as well as the corresponding statutory auditors' reports and the statutory auditors' special report on regulated agreements and commitments, contained in the Registration Document filed with the *Autorité des marchés financiers*, on March 2nd, 2017 under number D.17-0122.

2. Relating to the 2015 financial year

The management report, the consolidated and Company accounts as well as the corresponding statutory auditors' reports and the statutory auditors' special report on regulated agreements and commitments, contained in the Registration Document filed with the *Autorité des marchés financiers*, on February 26th, 2016 under number D.16-0088.

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.

This Registration Document was filed with the *Autorité des marchés financiers* on March 2nd, 2018, 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 *Autorité des marchés financiers* (www.amf-france.org).

Teleperformance *in 2017*

THE GROUP

Teleperformance is the worldwide leader in outsourced omnichannel customer experience management. Companies and governments around the world choose Teleperformance as their preferred partner for implementing strategies to optimize their customers' experience. The services offered by the Group fall into two categories:

- **core services,** which include customer services, technical support and customer acquisition;
- high-value **specialized services,** which include online interpreting, visa application management, data analytics, and debt collection.

OUR MISSION

Teleperformance is a company of people serving other people by helping them find solutions to their daily problems, in an environment that is increasingly complex in terms of interaction methods, security issues and technological breakthroughs.

Teleperformance offers a unique approach to help its clients imagine, design and conduct their business in a more innovative and efficient way, through a comprehensive and adaptable portfolio of consulting services and solutions.

To implement this approach, the Group leverages the excellence of its front-line operations around the world, its close ties with numerous multinationals that are leaders in their industry, its expertise in data and market analysis and its thorough command of cutting-edge technologies. To meet the digitalization and customer experience challenges of today, these technologies cover the areas of security, omnichannel and automation.

HIGHLIGHTS OF 2017

FROM JANUARY 2017

FIRST-TIME CONSOLIDATION OF LANGUAGELINE SOLUTIONS OVER A 12-MONTH PERIOD

Leader in online interpreting solutions in the United States, with 8,400 interpreters, 25,000 customers and $450 million in revenue.

Expansion of Teleperformance's business portfolio in high-value services and enhancement of the Group's financial profile.

Further acquisitions in specialized services planned between now and 2022.

FROM MARCH 2017

ENHANCEMENT OF THE GROUP'S FINANCIAL STATUS

Standard & Poor's assigns Teleperformance a "BBB-" (investment grade) rating, the highest rating in the industry, reflecting the Group's financial strength and its change of status.

Enhancement of the Group's status in the financial markets thanks to its inclusion in the CAC Large 60, MSCI Global Standard and S&P 350 indexes.

OCTOBER 2017

PRESENTATION OF THE 2022 STRATEGIC PLAN AND IMPLEMENTATION OF ORGANIZATIONAL CHANGE

Presentation of the five-year strategic plan, including 2022 targets of more than €6 billion in revenue and more than €850 million in EBITA before non-recurring items.

Organizational change to increase efficiency in implementing the strategic plan and to reflect the Group's new size. Daniel Julien appointed Chairman and Chief Executive Officer.

OCTOBER 2017

ANNOUNCEMENT OF THE PREPARATION FOR THE LAUNCH OF PRAXIDIA, A HIGH VALUE CUSTOMER EXPERIENCE CONSULTING SOLUTION

Launch in 2018 of consulting solution Praxidia, which is based on the Group's front-line expertise in customer experience, customer data analysis and cutting-edge technologies.

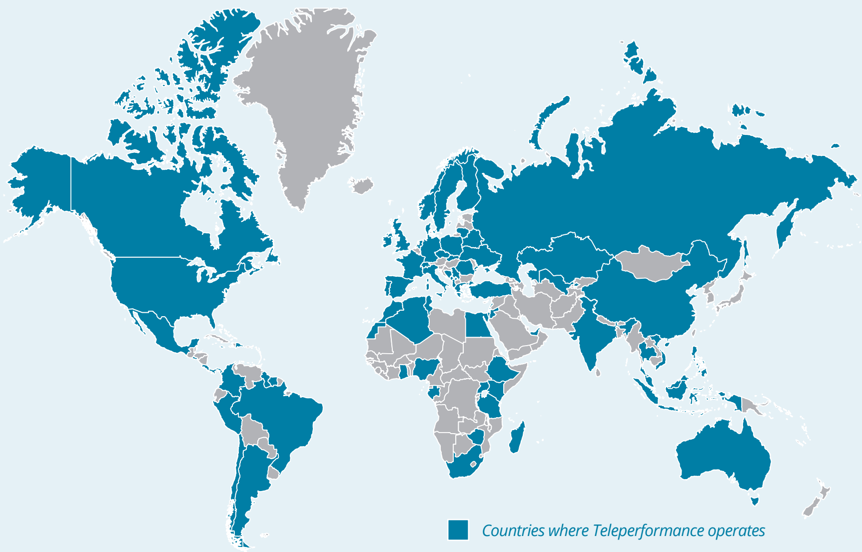
Teleperformance aims to be the preferred partner in customer experience consulting worldwide.

GLOBAL LEADERSHIP

Teleperformance has the largest geographical footprint in the industry and is capable of handling programs in 265 languages. With more than 850 clients worldwide, the Group generates revenue of €4.2 billion, of which nearly 40% from multinationals.

OPERATIONS IN **76** COUNTRIES	**223,000** EMPLOYEES	**265** LANGUAGES	**160** MARKETS	**850+** CLIENTS*

**Excluding LanguageLine Solutions clients*



English-speaking market & Asia-Pacific (EWAP)
€1,607 million

IBERO-LATAM
€1,084 million

Continental Europe, Middle East and Africa (CEMEA)
€851 million

Specialized Services
€638 million

In 2017, Teleperformance continued to expand its worldwide footprint, setting up in Kosovo and Peru, and starting operations in Malaysia.

" 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

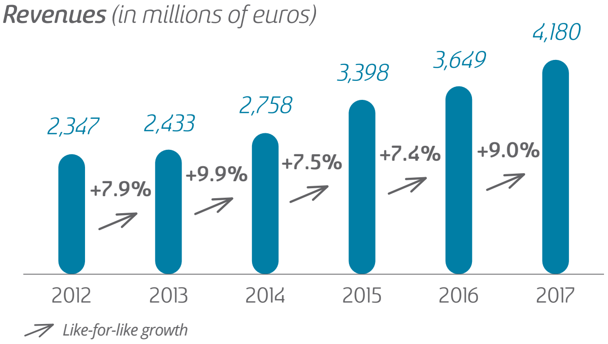
Air | ***Innovation***
I create and I improve

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

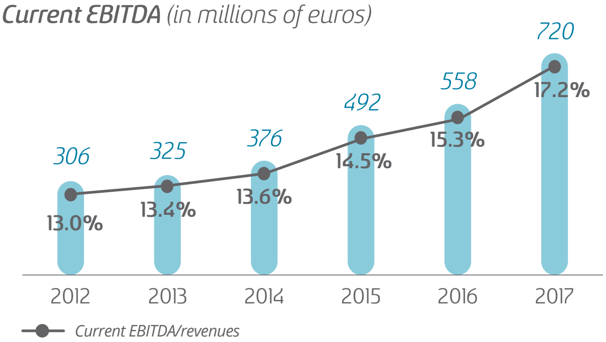
Teleperformance in 2017
KEY FINANCIAL FIGURES

GROWTH AND PROFITABILITY

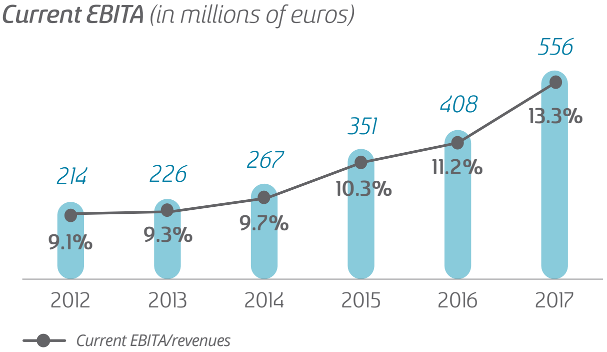
Revenues *(in millions of euros)*



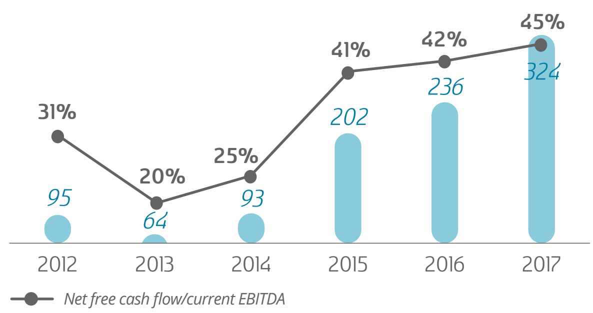
Current EBITDA *(in millions of euros)*



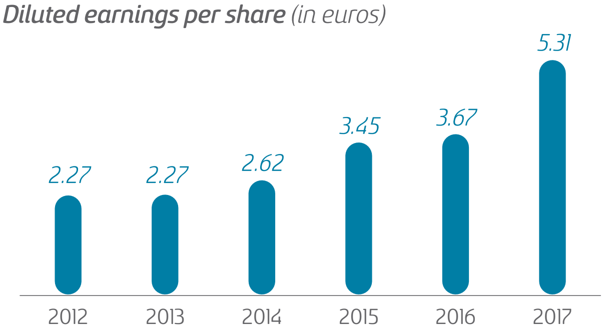
Current EBITA *(in millions of euros)*



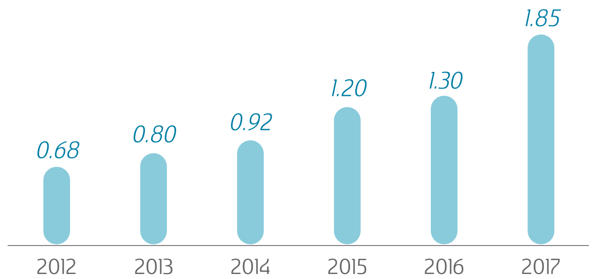
Net free cash flow *(in millions of euros)*



Diluted earnings per share *(in euros)*

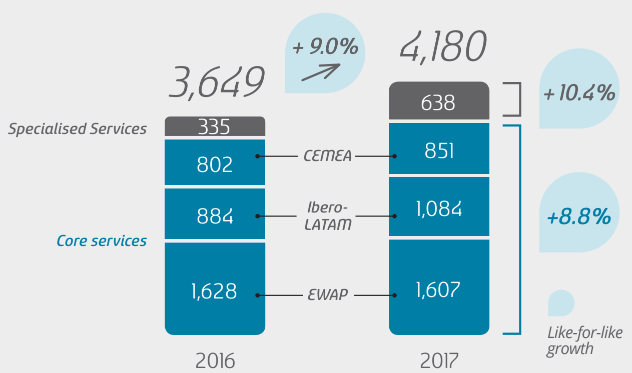


Dividend per share *(in euros)*

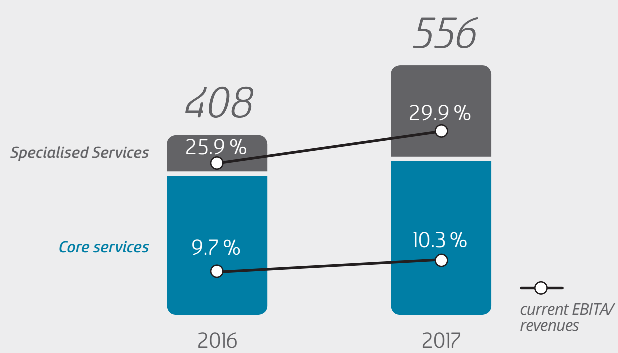


A DIVERSIFIED AND PROFITABLE PORTFOLIO OF ACTIVITIES

Revenue by activity and linguistic region
in 2017 vs 2016 (in millions of euros)



Current EBITA by activity
in 2017 vs 2016 (in millions of euros)

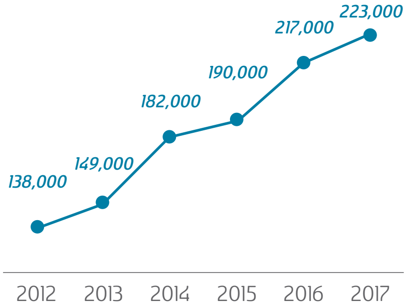


This information is provided in various chapters of the Registration Document and defined in the *6.1.1 Alternative Performance Measures (APMs)* section.

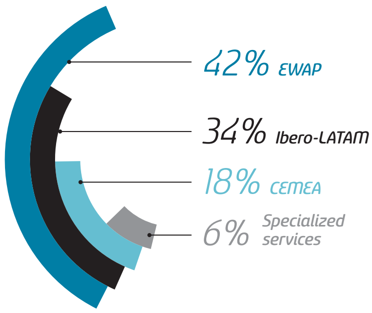
KEY EXTRA FINANCIAL FIGURES

« PEOPLE STRATEGY »

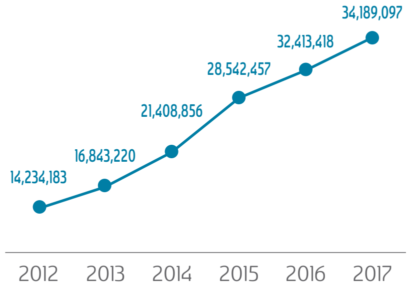
Total headcount



Breakdown of total headcount by activity and linguistic region

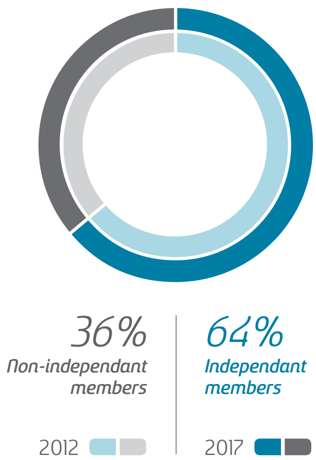


Training hours

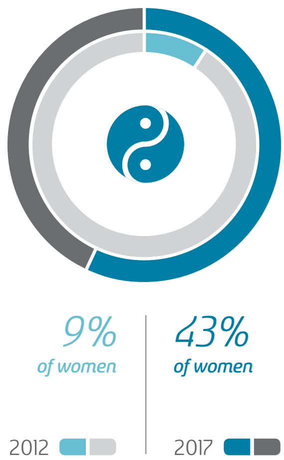


GOVERNANCE

Independance of the Board of Directors



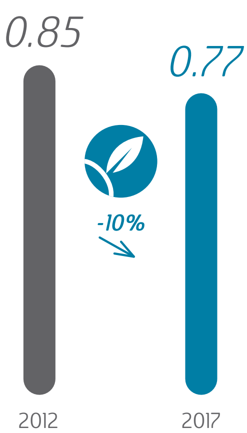
Board of Directors: balance in terms of gender representation



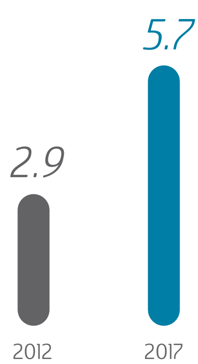
Six nationalities represented at the Board of Directors

ENVIRONMENT AND COMMUNITY ENGAGEMENT

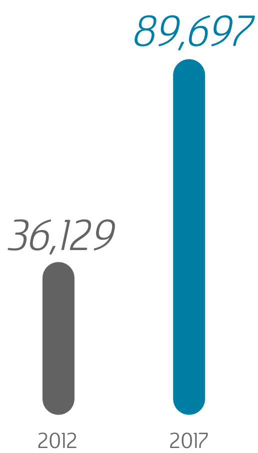
Carbon footprint per employee (ton)



*Donations in cash and in-kind**
(in millions of euros)



*Volunteer hours**



**As part of the Citizen of the World program*

MESSAGE FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER
3 QUESTIONS FOR DANIEL JULIEN

What can we take away from the Group's 2017 results?
Teleperformance delivered another record year, posting revenues of €4.2 billion. Organic growth of +9% was significantly higher than that of the market. This excellent performance reflects the strong momentum of our two business categories: Core services and Specialized services, which posted like-for-like revenue growth of +8.8% and +10.4% respectively. The fourth quarter of this financial year was also the 23rd consecutive quarter with growth of over +5%, a testament to Teleperformance's ability to deliver consistently high growth over the long term. Growth was also profitable and cash generative over the year. Our EBITA margin before non-recurring items increased 210 basis points to 13.3%, mainly due to the rapid development of operations in Latin America, continued improvements in Europe and the first full year of consolidation for LanguageLine Solutions, a company of exceptional quality and the leading provider of online interpreting solutions in the United States. Lastly, we increased our cash flow by +37.3%, enabling us to significantly reduce our debt. We are therefore on track to meet our financial commitments and are confidently looking forward to continued external growth.

How has 2017 been a key year for the Group's future?
2017 was packed with highlights, reflecting our diligent preparation for the future. First of all, we confirmed our five-year plan by setting new targets and strategies to achieve them. These 2022 targets include revenues of over €6 billion and EBITA of at least €850 million, and must be achieved through organic revenue growth and targeted acquisitions, primarily in Specialized services with high value-added.

We have also modified our corporate governance system and set up a new organizational structure in order to streamline the process of making and implementing decisions. These changes are intended to facilitate the attainment of our new long-term goals. As the Group's Chairman and Chief Executive Officer, I am supported by managers from diverse backgrounds in terms of expertise, nationality and culture and with years of experience in the Group. This new team of managers is devoted to our three-pronged approach to creating value in our businesses: "Develop, Deliver, Control".

We wish to remain at the forefront of innovation in an increasingly complex and digital environment. Our solutions must therefore evolve. This includes the signing of a new partnership with Artificial Solutions in May 2017 to develop chatbot solutions as well as the recent acquisition of Wibilong, a France-based specialist in digital customer and community experience.

In addition, Teleperformance secured a leading position in the fields of data security and privacy within its business sector. Our clients recognize this positioning as a key differentiating factor. In October 2017, the Group was awarded the prestigious international HPE-IAPP Privacy Innovation Award in the Privacy Operations category, to name just one of the highlights of the year. Furthermore, in 2017 Teleperformance implemented a global data privacy policy in order to fully comply with the latest regulations. Thus, at the beginning of the current year, we were awarded Binding Corporate Rules (BCR) certification by the French Data Protection Authority (*Commission nationale de l'informatique et des libertés* or CNIL), enabling Teleperformance to transfer and process data on a worldwide scale.

Finally, in order to support our clients in the ongoing improvement of their customer experience, we decided to launch a new, high value-added consulting service called Praxidia, based on our unique grassroots knowledge of customer experience management, our industry expertise, R&D capabilities and data analytics solutions. The goal is to consolidate our status as a privileged partner in customer experience management while upgrading the Group's service offering. The new solution, resulting from the natural evolution of our core business towards greater added value and an increased focus on technology, is one of the cornerstones of our Group's ongoing transformation.

What are your thoughts on 2018 so far?

We have entered the new year with confidence. Our financial objectives for the year include organic revenue growth of over +6% and a further improvement in EBITA margin before non-recurring items compared with 2017.The free cash flow generation should continue to be at a good level enabling us to pursue our development strategy while maintaining strict financial discipline.

I would like to thank each and every stakeholder who contributed to Teleperformance's great dynamic: our clients, our employees and managers, our shareholders, our business partners, and the communities where we live and work around the world. I would especially like to thank the teams and partners who have joined us recently, in particular those at LanguageLine Solutions, who are producing truly excellent work. We give you our deep and personnal ongoing commitment to fight day-by-day to deliver excellent results and continue driving our mutual success.

Introduction to the Group

1

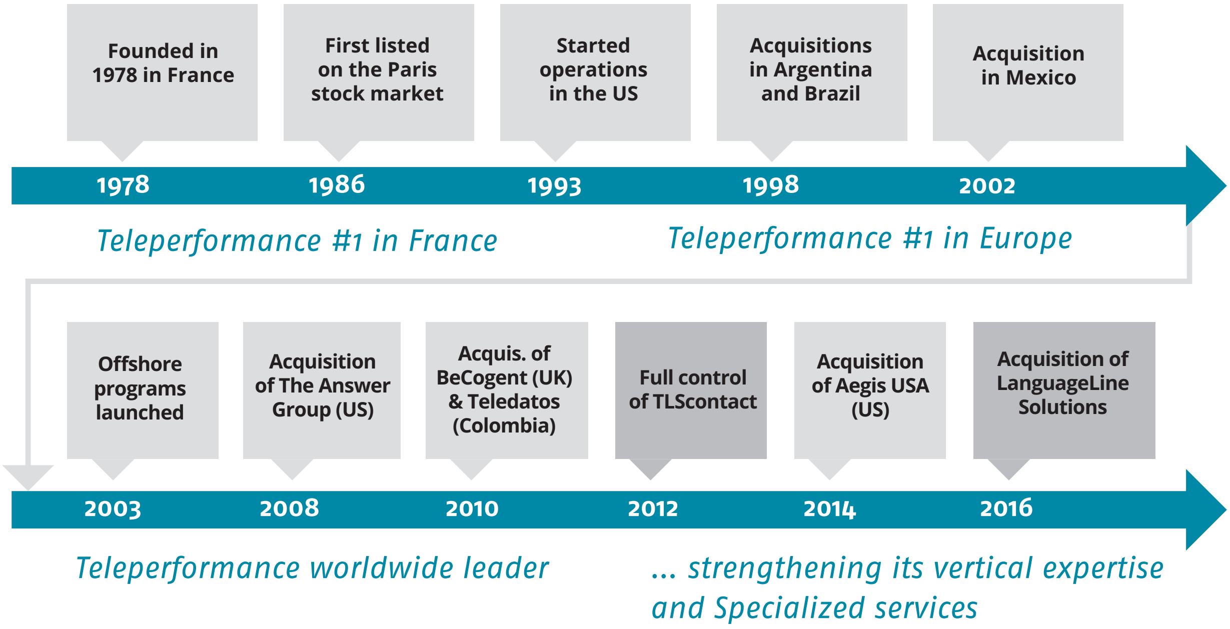
THE WORDLWIDE LEADER IN OMNICHANNEL CUSTOMER EXPERIENCE MANAGEMENT

76 COUNTRIES

265 LANGUAGES

1.1 Company background

1.1.1 Key dates in the Group's development



1.1.2 Detailed timeline

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 of 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 de 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 care 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 over 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, health and 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 Original Equipment Manufacturer (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 strengthened its presence in the UK through the acquisition of beCogent, active in particular in the sectors of retail, financial services, telecoms and Internet service providers. At the same time, Teleperformance continued its expansion in Latin America: after the acquisition of Teledatos in Colombia in 2009, a company was created in Costa Rica.

2011

Teleperformance adopted a Board of Directors structure; Daniel Julien became Chairman and CEO.

2012

Teleperformance opened 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 continued 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 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, appointing Daniel Julien as Chairman and Paulo César Salles Vasques as CEO. Teleperformance thus complied with its commitment taken in 2011 with regard to its shareholders.

This new governance structure was supported by a three-year transition period which enabled an active and effective transmission of the founder's 35-year in-depth knowledge of the Group, the different local situations, management particularities and the world markets.

2014

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

In April, TLScontact, a subsidiary of Teleperformance specializing in the management of outsourced services to governments, started up a contract signed with the British government's Visas and Immigration department. As a result, Teleperformance strengthened its global presence by establishing visa application centers in 15 new countries.

2015

Teleperformance continued to consolidate its global footprint, in particular by expanding its integrated network of offshore/nearshore contact centers, opening centers in Latin America, in Georgetown, Guyana, to serve the North American market, and in Paramaribo, Suriname to serve the Dutch market. The Company also opened centers in two new CEMEA countries: in Dubai (United Arab Emirates) and in Vilnius, Lithuania, to serve the Middle East and Scandinavia/Russia respectively.

In addition, the Group confirmed its global leadership by adopting the legal form of a European company and the name Teleperformance SE.

2016

Teleperformance continued its international expansion by opening a contact center in Australia to serve the domestic market and the Asia-Pacific region.

In September, Teleperformance continued to strengthen its position as world leader and its presence on the North American market by acquiring LanguageLine Solutions LLC, the leader in over-the-phone and video interpretation solutions in the USA.

The Group extended and diversified its debt with the issue of a private placement in the United States (USPP) totaling US$250 million in December.

2017

Teleperformance continued to expand its global footprint by establishing facilities in Kosovo and Peru.

The Group expanded the scope of its customer experience expertise by strengthening its digital offering. It acquired Wibilong, a French start-up specializing in collaborative solutions between brands and consumers.

The Group received its first public long-term debt rating, "BBB-" – investment grade, the best credit rating of the sector, from Standard & Poors (S&P). It successfully performed a €600 million 7-year bond issue. This issue contributed towards refinancing the LanguageLine Solutions LLC acquisition.

In October, following the resignation of Paulo César Salles Vasques as Group Chief Executive Officer, the Board of Directors decided to combine the duties of Chairman and Chief Executive Officer, and appointed Daniel Julien as Group Chairman and Chief Executive Officer. He therefore assumed responsibility for the successful completion of the five-year plan announced during the year.

1.2 Operations and strategy

1.2.1 World leader in outsourced customer experience management

1.2.1.1 Outsourced customer experience management

The Group delivers advisory and integrated solutions to corporations and governments worldwide to manage and optimize all aspects of the customer experience cycle on their behalf, as well as providing high value-added Specialized services. The services offered fall into two categories:

- **Core services**, including customer relations services (requests for information, subscriptions and sign-ups, customer care, etc.), technical support (repair, optimization, etc.) and customer acquisition (sales and marketing operations);
- **Specialized services**, high value-added services including online interpreting, visa application management, data analytics and debt collection.

For every area of service, Teleperformance offers omnichannel solutions and meets the requirements expressed by consumers over-the-phone, *via* email, SMS, online chat, in person, on social media, etc. Its solutions are tailored to each business sector and offered in a variety of languages.

Teleperformance has extensive resources with which to fulfill its mission. The Group offers businesses around the world its know-how in terms of human resources management, dedicated customer experience infrastructures 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 sites based locally or in a neighboring (nearshore) or remote (offshore) country.

1.2.1.2 Leading position worldwide

Today, the Group owns approximately 171,000 computer workstations covering more than 160 markets and has 223,000 employees at over 350 contact centers in 76 countries. The Group manages programs in 265 languages and dialects on behalf of major multinationals operating in various industries. In its structure as well as in its external communication, the Group distinguishes between two business categories: Core services and Specialized services. Core services are organized around 3 major linguistic regions:

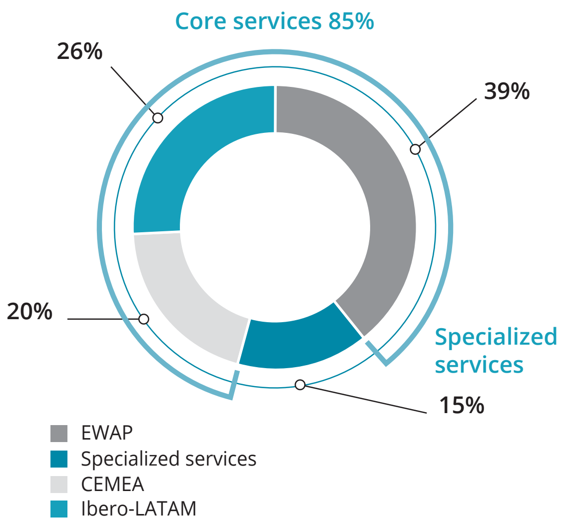
- the English-speaking and Asia-Pacific region (EWAP);
- the Ibero-LATAM region;
- Continental Europe, Middle East and Africa (CEMEA).

Specialized services are provided by LanguageLine Solutions (online interpreting), TLScontact (visa application management), AllianceOne Receivables Management (debt collection) and Teleperformance Analytics.

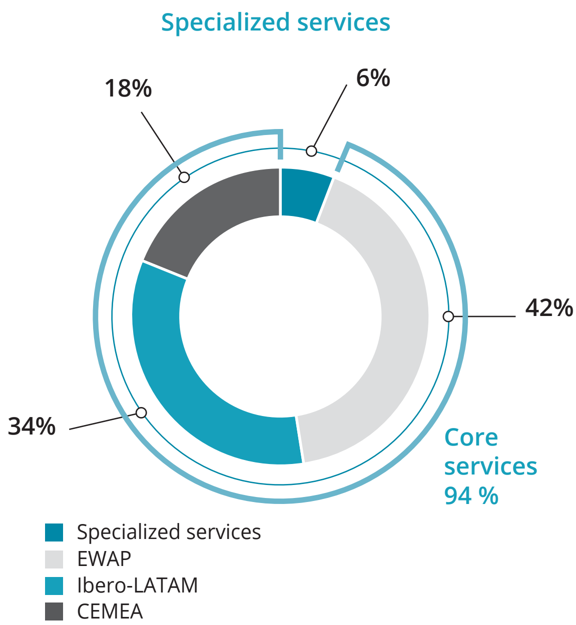
The breakdown ot countries where the Group operates by linguistic region is presented in section 1.4.2 *Operational organization chart.*

The breakdown of the Core services revenue by linguistic region continues to reflect the Group's unique position as a world leader in its main market.

▶ Breakdown of revenues by linguistic region and activity



▶ Breakdown of total headcount by linguistic region at December 31st, 2017



The Group's workforce is mainly deployed across strong potential markets. The Philippines, the United States, Mexico, Brazil, Colombia and India accounted close to 60% of the Group's total workforce at December 31st, 2017.

1

▶ Total headcount of the Group's top 10 countries at December 31st, 2017

Country	Number of employees
Philippines	36,086
United States	32,924
Mexico	17,658
Brazil	16,638
Colombia	15,171
India	12,893
Portugal	9,022
United Kingdom	8,558
Tunisia	6,068
Greece	5,965

1.2.1.3 International organization and management

The Group's organization was made "leaner" and more "agile" during the year, aiming to facilitate the roll-out of the new 5-year strategic plan. In October 2017, Daniel Julien was appointed Chairman and Chief Executive Officer, following the resignation of Paulo César Salles Vasques as Chief Executive Officer.

The Chairman and Chief Executive Officer is surrounded by a diverse management team in terms of nationality and culture, with long-standing careers within the Group. This change is reflected by the appointments made in 2017 and the following responsabilities:

Olivier Rigaudy as Deputy Chief Executive Officer, in charge of Finance, and Leigh Ryan as Chief Legal and Compliance Officer. They report to Daniel Julien.

The organization of the management team by business category is as following:

■ **Core services**

Jeff Balagna, formerly President of the English-speaking and Asia-Pacific region, is Chief Operating Officer. His team comprises three regional managers. Yannis Tourcomanis is President of the Continental Europe, Middle East & Africa region (CEMEA). Brian Johnson and David Rizzo are co-Presidents of the English-speaking and Asia-Pacific region, while Agustin Grisanti is President of the Ibero-LATAM region.

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

João Cardoso, Chief Executive Officer of Teleperformance Portugal, is also Chief Research & Development and Digital Integration Officer, a newly created post.

Alan Truitt is Chief Business Development Officer.

All are members of the Executive Committee chaired by Daniel Julien.

■ **Specialized services**

Daniel Julien is the head of Specialized services, which includes LanguageLine Solutions, TLScontact, AllianceOne Receivables Management and Teleperformance Analytics.

▶ Organization of Group management

Daniel Julien	Chairman of the Board of Directors and Chief Executive Officer
Olivier Rigaudy	Deputy Chief Executive Officer, in charge of Finance
Leigh Ryan	Chief Legal and Compliance Officer
Core services	
Jeff Balagna	Chief Operations Officer
João Cardoso	Chief Research & Development and Digital Integration Officer
Agustin Grisanti	President, Ibero-LATAM region
Brian Johnson	Co-President, English-speaking market and Asia-Pacific region*
David Rizzo	Co-President, English-speaking market and Asia-Pacific region**
Yannis Tourcomanis	President, Continental Europe, Middle East & Africa region (CEMEA)
Alan Truitt	Chief Business Development Officer
Specialized services	
Daniel Julien	

* *President of the English-speaking market*
** *President of the Asia-Pacific region*

1.2.1.4 An increasingly digital and diversified client portfolio

With over 850 clients generating 98% of revenues excluding those of LanguageLine Solutions, Teleperformance has the most diversified portfolio in the industry. The September 2016 consolidation of LanguageLine Solutions, the US market leader in over-the-phone and video interpretation services, has strengthened this diversity *via* an additional portfolio of 25,000 clients.

Teleperformance develops offers that meet the specific needs of every business sector. The Group is particularly well positioned in the telecommunications, technology and consumer electronics, financial services, healthcare and insurance, public services and retail sectors.

This diversification trend continued in 2017, with industries other than telecommunications, internet and pay TV accounting for 79% of Group revenues, up from 60% in 2014.

Breakdown of revenues by business sector

(% of annual revenue)	**2017**	2016*	2015
Telecoms, Internet	14%	19%	23%
Pay TV	7%	9%	10%
"Telecommunications" sector	**21%**	**28%**	**33%**
Technology, consumer electronics, media	14%	14%	13%
Financial services	12%	13%	12%
Healthcare and insurance	14%	7%	9%
Public sector	7%	6%	6%
Travel agencies, hotels, airlines	6%	6%	6%
Retail, e-commerce	7%	6%	5%
Energy	3%	4%	4%
Other	16%	16%	12%
"Non-telecommunications" sector	**79%**	**72%**	**67%**
TOTAL	**100%**	**100%**	**100%**

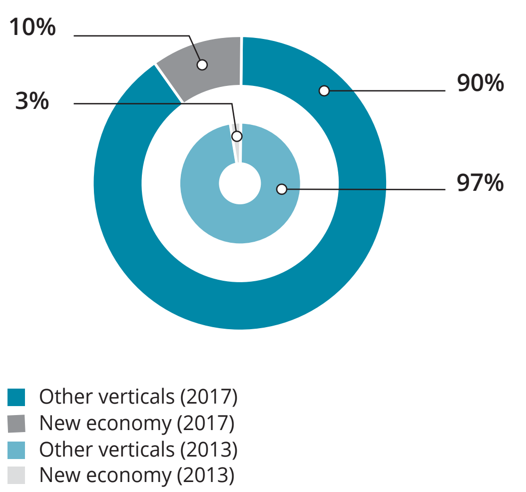
* *Excluding LanguageLine Solutions, company acquired in September 2016.*

The acquisition of LanguageLine Solutions in September 2016 helped strengthen this diversified profile over 2017, specifically in the healthcare, financial services and public sectors.

The Teleperformance offering is at the cutting edge in an increasingly digital customer environment.

The contribution of new economy players to Teleperformance revenues* increased significantly, from 3% in 2013 to 10% in 2017. The most prominent sectors in this e-services environment include retail, transportation, leisure, travel agencies, consumer goods and social media. This change contributes significantly to the Group's strong revenue growth worldwide. It is a reflection of the Group's ability to meet the new customer experience requirements of new economy players.

Contribution of new economy to Group revenues*



* *Amongst the top 50 Group clients in revenues.*

Client portfolio concentration rate (% of total revenues*)

	2017	2016	2015
Top client	8%	7%	6%
Top 5	20%	20%	20%
Top 10	30%	30%	31%
Top 20	43%	44%	45%
Top 50	61%	61%	63%
Top 100	75%	75%	77%

* *Excluding LanguageLine Solutions revenues given the specific nature of LanguageLine Solutions' interpreting business, with a portfolio of 25,000 clients including individual users, this company, a Group subsidiary since September 2016, was not included in the calculation of the concentration rates*

Despite Teleperformance's status as the preferred partner of a large number of leading multinationals in their industries, none of its clients accounts for over 8% of revenues. The concentration of the client portfolio is globally stable over the last three years.

1.2.1.5 Cutting-edge technology serving a better customer experience

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

1.2.1.5.1 An integrated global IT and telecommunications network

▶ An integrated global IT and telecommunications network

* *Global MultiProtocol Label Switching*

The Group's IT and telecommunications networks cover all of the worlds' continents. These networks are based on MPLS (MultiProtocol Label Switching) systems, which are specific data transport systems used for all kinds of traffic, e.g. voice, IPv4 and IPv6 packets and even Ethernet or ATM frames. The main features of these networks include sophisticated connection systems as well as intrusion prevention and detection systems.

1.2.1.5.2 A comprehensive range of high-tech, proprietary tools and solutions

The Group continues to streamline the architecture of systems and technological standards. The Group has a wide range of proprietary technical tools and solutions, tested and scalable mainly in the area of customer relationship management, operations managements, human resources and security. The main solutions and tools are described by field of application below.

a. Human resources and operations

■ **CCMS**

- Integrated software for the management of on-site services (Contact Center Management System - CCMS) created in 1998 and deployed within the Group worldwide from 2005. This deployment helped to harmonize operational processes and strengthen the security of the business information production process.

■ **Olympus**

- Implemented in online interpreting services delivered in the United States mainly by work-at-home interpreters.
- Created in 2013, LanguageLine® OlympusSM is the state of the art cloud-based platform.
- In case of online service requests, this platform makes it possible to find the right interpreter among the Company's 8,400 interpreters in terms of language among the 265 languages proposed by the Company, and in terms of competence (health, law, finance, insurance...) and level required (from making an appointment to a medical diagnosis) in record time.
- This system can meet any demand of interpreting service, whatever the requested channel : voice, video or chat.

■ **TLSconnect**

- Implemented in the visa application management services on behalf of governments (TLScontact).
- Created in 2007, TLSconnect is a real-time software management suite that supports and records every operational process step giving management the ability to oversee the process flow and deal quickly with any operational bottlenecks.
- Analytical tools and automated reports assist management in assessing the efficiency of operations across different performance metrics, providing hard and accurate data on which to base tactical decisions.

b. Customer Relations and automation

- **TP Client & TP Marketing**
  - Versatile CRM platform enabling omni-channel engagement: voice, video, chat, email, bots, social media.
  - Created in 1999, its latest version deployed in late 2017 includes new features to manage chat interactions.
  - This CRM tool is the basis of the Group's integrated omnichannel strategy; to date it has been implemented with more than 150 clients.
- **TP Bot**
  - Automated and intelligent service in partnership with Artificial Solutions and integrated with TP Client in 2017.
  - Advanced Natural Language Processing functionality, support for the various languages and integrates with various messengers and social media platforms.
  - The fields of application are varied and include the IoT (connected cars, smart home...), mobile apps and wearables.

c. Security

- **TP Observer**
  - Real-time agent monitoring and security alert system in case of fraudulent behavior.
  - Audio and visual monitoring of the workstation and its environment.
  - This solution was created in 2007 and its latest version was deployed in late 2017.
- **Secure Contact (Secure IVR)**
  - Launched in 2015, the objective of this solution is to protect customers' sensitive data given over the phone (e.g. credit card data) through the activation of an automated processing system allowing the agent not to be exposed to this data.

1.2.1.6 Dedicated operations management procedures

a. General principle

The Group constantly strives for excellence in the service it delivers to its clients. This goal is achieved through a quality people strategy, a global "army" of over 220,000 people devoted to clients, as well as dedicated operations management processes enabling them to deliver and measure the level of quality required, ensuring compliance with the quality level worldwide in a data security and privacy environment that complies with the latest standards.

At the subsidiaries, the Group has implemented 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 and the French Customer Contact Center Service standard. The system is also based on international management standards such as ISO 9001.

▶ 3 examples of operations management procedures

Procedures	Objectives
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 – see below). 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 reinforces best practices in Human Resources management and projects for all Teleperformance operations worldwide.
COPC (Customer Operations Customer Centers)	The COPC-2000® standard supplies contact center management teams with the necessary information to improve their operational performance. COPC certification also provides a model for global performance management linking all of the Company's business areas. It also ensures operational consistency by meeting the high-performance criteria required by the COPC standard. Teleperformance develops its own team of chartered coordinators and COPC-certified internal auditors.

b. Security procedures and standards

In an increasingly complex and challenging environment with regard to data security, Teleperformance has become a leader in this field within its business sector. Clients recognize this positioning as a major differentiating factor.

The Group is fully compliant with international standards such as ISO 27001 and the PCI (Payment Card Industry) and HIPAA (Health Insurance Portability & Accountability Act) standards.

In 2015, the Group implemented worldwide a set of innovative security rules called the Global Essential Compliance and Security Policies (GECSP), designed to identify potential risks of fraud or breach of security rules and standards. The "closed circuit" personal data protection framework is strengthened by a compliance audit function (see section 2.1.1.6 *Data security and protection risks*) and is based on proprietary technology designed to:

- inform managers of agents' unauthorized access to information;
- provide a standard and secure method enabling agents to take notes while switching from one screen to another, thus reducing the risk of data leaks;
- manage and monitor end-to-end compliance, from proof of download required by the GECSP to reports sent to senior management.

In this respect, in October 2017 the Group was awarded the prestigious international *HPE-IAPP Privacy Innovation Award* in the Privacy Operations category. The awards, presented at the IAPP Privacy Security Risk (PSR) conference held in San Diego, California, recognized organizations that use data privacy to differentiate themselves and strengthen customer and public confidence.

c. Group compliance with the new European GDPR (General Data Protection Regulation)

Teleperformance's organization in terms of security will comply with the European General Data Protection Regulation (GDPR) when it comes into force in May 2018. The compliance process will meet the regulatory requirements specific to each business sector, and will enable certifications requested by clients to be obtained.

The GDPR is the first complete overhaul of data privacy regulations by the European Union (EU) in 20 years. It lays down new guidelines on data privacy and aims to standardize applicable laws throughout the EU. The regulation applies to data managers and service providers, regardless of their location, that process personal data within the EU as part of a goods or services offering, or outside the EU when this concerns European individuals.

The regulation therefore not only affects Teleperformance's operations within the EU, but also most of its operations worldwide, given its international client portfolio and the types of solutions offered by the Group. In addition, Teleperformance has decided to use the GDPR as a guideline for its own confidentiality rules applied throughout the Group.

In January 2018, Teleperformance obtained Binding Corporate Rules (BCR) certification from the French Data Protection Authority (*Commission nationale de l'informatique et des libertés* or CNIL). These rules are expected to be applied by all Group subsidiaries, which will enable the transfer and processing of data on a global scale.

1.2.1.7 A comprehensive, high value-added consulting solution

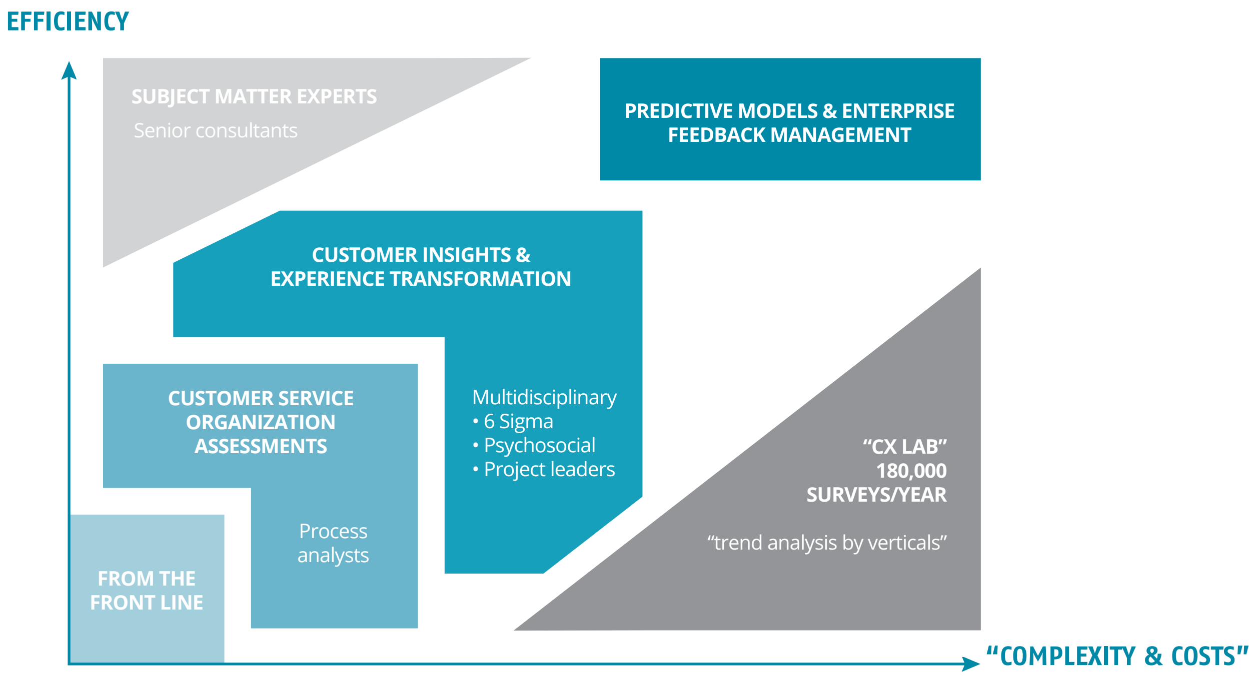
In order to support companies in their goal to constantly improve the customer experience, in 2017 Teleperformance decided to launch a new high value-added consulting solution slated for roll-out in 2018: Praxidia.

Praxidia is founded on the Group's unique knowledge of companies' grassroots customer experience requirements throughout the entire world. The client company benefits from the Group's expertise in over twenty key sectors, state-of-the-art R&D facilities (CX Lab) and data analytics solutions.

The goal is to become the customer experience preferred partner, fully in line with the Group's strategy to ramp up its service offering. This solution increases the high value-added services range offered to the Group's global accounts and thus enables it to strengthen its partnership with them over the long term.

This new solution, resulting from the natural evolution of Teleperformance's core business towards greater value-added and an increased focus on technology, is one of the cornerstones of the Group's ongoing transformation.

▶ Value creation generated by Praxidia



1.2.2 Characteristics by activity

1.2.2.1 Core services

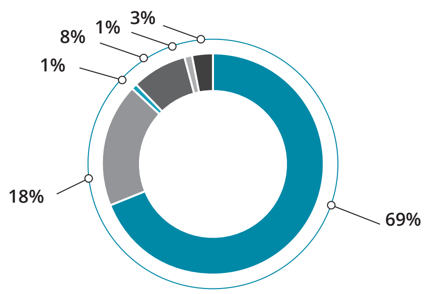
Core services include customer relations services (requests for information, subscriptions and sign-ups, customer care, etc.), technical support (repair, optimization, etc.), and customer acquisition (sales and marketing operations).

Though still a small proportion of Group revenue, the share of non-call services (face-to-face, email and chat) is growing steadily. The development strategy of the Group's omnichannel offering is beginning to bear fruit.

a. Core services key figures

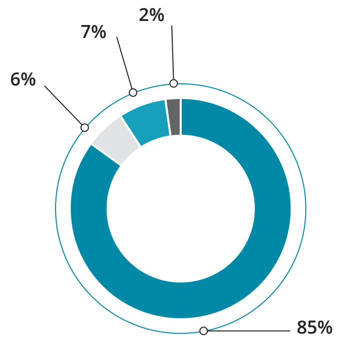
▶ Breakdown of 2017 revenue by Core services activities

By service type



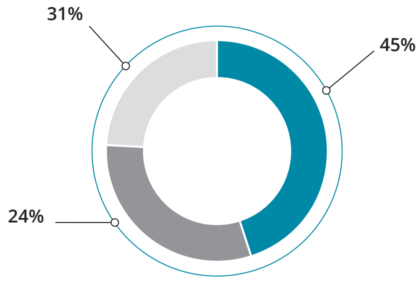
- Customer care
- Technical support
- Debt collection
- Customer acquisition
- BPO*
- Other

By type of contact



- Inbound calls
- Outbound calls
- Face-to-face, e-mail, chat, BPO*
- Other

By linguistic region



- EWAP
- CEMEA
- ibero-LATAM

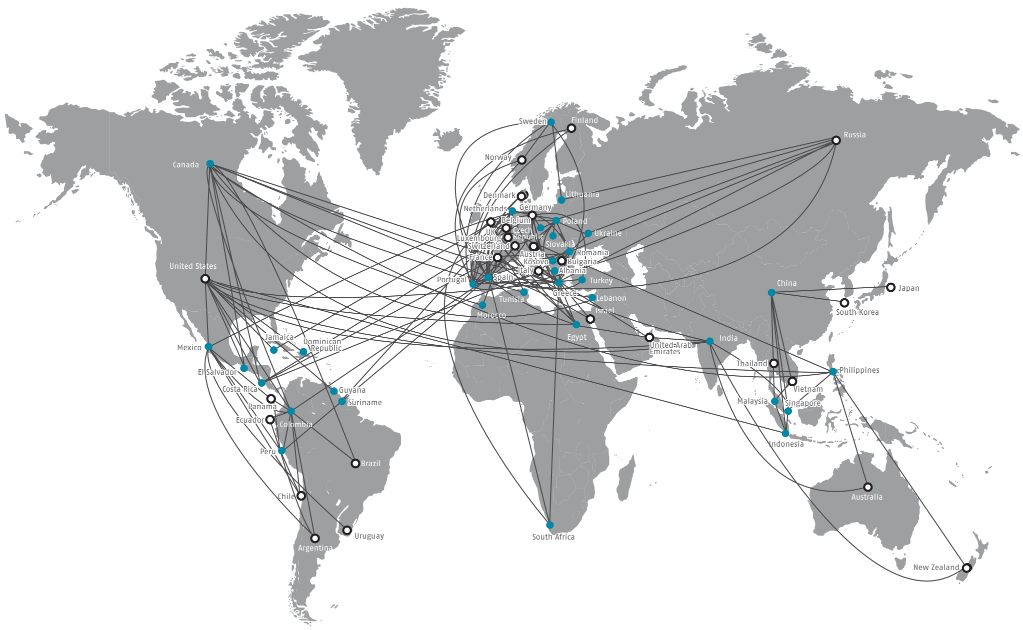
* *BPO: Business Process Outsourcing.*

b. A comprehensive domestic and offshore solutions offer made possible by an integrated global network

Teleperformance offers clients a unique range of customer experience management solutions worldwide thanks to an integrated domestic, nearshore and offshore operations network in 34 countries.

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

▶ Map of offshore/nearshore Group locations and main markets served



○ Countries served by offshore programs ● Countries provideing offshore / nearshore programs

▶ Breakdown of Core services revenue by program type

(% of annual revenue)	2017	2016	2015
Domestic	60%	62%	65%
Nearshore/offshore	40%	38%	35%

1.2.2.2 Specialized services

1.2.2.2.1 LanguageLine Solutions

On September 19th, 2016, Teleperformance acquired LanguageLine Solutions from a private investment fund and minority shareholders.

LanguageLine Solutions is the leading provider of over-the-phone and video interpreting solutions in North America, serving a range of companies and institutions in the healthcare, insurance, financial services, telecommunications and public sectors. Founded in 1982 in Monterey, California, LanguageLine Solutions posted 2017 revenues of US$450 million.

LanguageLine Solutions provides essential services to a wide range of clients in sectors where Teleperformance already has a strong presence in the areas of customer relations and technical support. In 2017, this company offered services in over 265 languages to 25,000 clients in the United States, Canada and the United Kingdom, backed by an efficient network of nearly 8,400 interpreters, 70% of whom work from home.

LanguageLine Solutions' positioning strengthens Teleperformance's global leadership in the high value-added services sector as well as boosting its growth and profitability profile. The goal is to gradually expand LanguageLine Solutions' operations across all Teleperformance markets, and to generate synergies between the Group's various business lines.

Description of the range of solutions

The over-the-phone interpreting service ("OPI") offers fast access to highly-qualified interpreters 24/7, all year round, in 265 Languages.

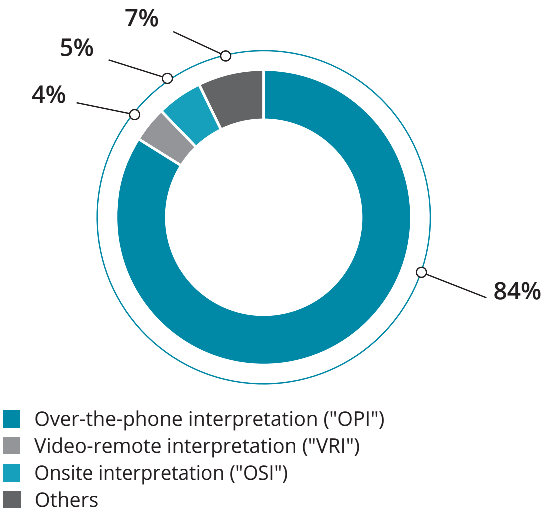
Video remote interpreting ("VRI") enables direct face-to-face interaction thanks to dedicated equipment or mobile platforms that improve the experience, due to the addition of visual aids and body language.

On-site interpreting ("OSI") is required for more complex interactions, for example involving several participants or young children, or regarding sensitive topics.

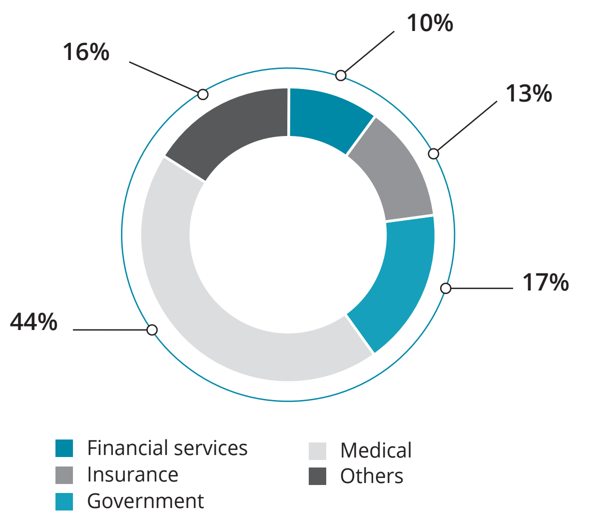
The range of services includes document translation and localization services. These services are often selected in addition to online interpreting services already provided to a client.

LanguageLine Solutions also supplies specific training and equipment solutions related to linguistic services.

▶ Breakdown of LanguageLine Solutions revenue by language service type



▶ Breakdown of LanguageLine Solutions revenue by client sector



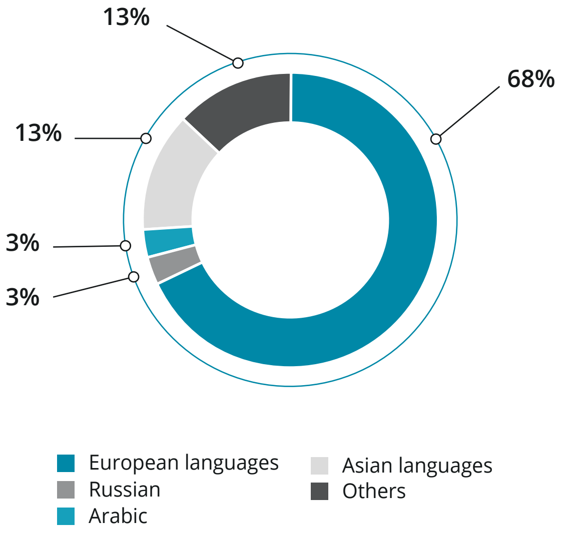
A global network of interpreters working from home

In 2011, LanguageLine Solutions made a major change to the management of its interpreter database, by switching from a contact center system to a work-at-home (WAH) system. The 8,400 LanguageLine Solutions interpreters are currently spread across 12 countries.

The increasing pool of WAH interpreters is a key strategic advantage enabling LanguageLine Solutions to ensure a constant supply of interpreters perfectly tailored to demand.

LanguageLine Solutions interpreters are able to deliver consummate quality of service thanks to the ERP Olympus cloud platform system.

▶ **Breakdown of LanguageLine Solutions workforce by language**



Synergies with other Teleperformance Group business activities

In 2017, the first synergies between Teleperformance and LanguageLine Solutions' Core services activities were established in the field of recruitment. More than 150 Arabic, Spanish and Russian interpreters were recruited to serve the US market thanks to Teleperformance's strong presence in Egypt, Colombia and Lithuania. These synergies have a positive impact on the Company's business growth and margins.

Teleperformance's visa application management business (TLScontact) offers a captive clientele of around 5 million travelers for the sale of interpreting solutions developed by LanguageLine Solutions. At the end of the year, the first smartphone interpreting solutions were sold to visa applicants traveling to the United Kingdom.

1.2.2.2.2 TLScontact

TLScontact is a major player in the global outsourced visa application management market. Its business involves assisting government clients in processing visa applications submitted by persons wishing to travel to a country requiring such a document, as securely, efficiently and quickly as possible.

The Company opened its first visa application center in Beijing in 2007, on behalf of the French embassy. It joined Teleperformance's global network in 2010 in order to step up its expansion.

Its revenue has thus increased from €4 million in 2009 to almost €150 million today. Its success can be attributed to state-of-the-art technology such as biometrics and digitization techniques serving data security, its ability to comply with standards and certifications required by its industries, such as the ISO/IEC 27001 certification obtained from 2009, and strong demand from governments for solutions that meet their budget requirements and help generate tourism to their countries.

TLScontact has 140 centers in Europe, Asia and Africa, handling over 6 million visa interactions per year, serving governments in the Schengen zone (France, Switzerland, Italy, Germany, Denmark, the Netherlands, Hungary, Belgium...), members of the Commonwealth (United Kingdom and Australia) and countries with specific regulations (Cyprus, Kazakhstan).

TLScontact has a robust and unique development model. It enters into long-term contracts with governments, but it is usually the applicant who pays for the services of TLScontact in addition to visa fees and therefore appreciates the quality of the application handling process. As a "one-stop shop" for visa applicants, TLScontact is able to offer them a range of high value-added products and services (travel insurance policies, VIP or fast track processing, etc.).

Lastly, the outsourcing market continues to evolve with new governments signing up, convinced by the value-added offered by this solution, TLScontact innovative solutions enabling strong productivity gains.

The outlook for TLScontact's business growth is strong, based not only on a continued increase in tourism notably from Asia, but also on the Company's ability to take advantage of its visa application expertise, client portfolio and global network integrated with that of Teleperformance, in order to break into other markets centered around the issuance of secure identification documents, such as residence permits and driver's licenses.

Changes in the geo-political and geo-economic landscape in certain regions (Brexit, crisis in the Middle East, etc.) has created a number of business opportunities for TLScontact, given the influx of people to accommodate and process.

1.2.2.2.3 Teleperformance Analytics

Teleperformance Analytics is a pioneer in the field of customer experience and employee management. The Company specializes in high value-added data analytics. It has close to 800 employees mainly operating in Italy, Germany and France.

Its unique expertise is based on teams of leading specialists and recognized know-how in predictive and prescriptive analytics, process and data flow management, end client feedback management and specific qualitative and quantitative research techniques.

The roll-out of global analytical solutions is designed to create value for clients and employees. These solutions are effective in helping client companies obtain long-term benefits, both in terms of quality and cost, from a customer experience approach that is both proactive and understanding.

1.2.2.2.4 AllianceOne Receivables Management (ARM)

ARM is a major player in the global outsourced receivables management market. The company offers a comprehensive range of debt collection services and contact center solutions designed to meet the needs of clients, primarily in the North American market. The company has close to 3,600 employees operating in the United States, Canada and Jamaica.

ARM offers outbound and inbound call programs, as well as back office services. The company offers both first- and third-party services, either acting directly on behalf of a client, or on behalf of an entity tasked with recovering a debt for its own client. The company's range of services meets clients' cost and service requirements, and is determined depending on the specific characteristics of the labor markets where the Company operates.

1.2.3 Group markets and positioning

1.2.3.1 Core services markets and competitive environment

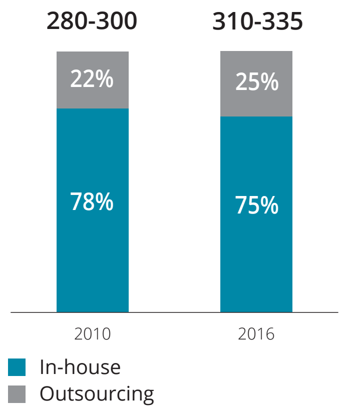
1.2.3.1.1 Markets and outlook

The global market in customer experience management relating to Teleperformance's Core services business was valued at around US$310-335 billion in 2016, up from US$280-300 billion in 2010. Historical growth for the total market was driven by the continued increase in the number of voice and non-voice (email, SMS, social networks and chat) interactions between consumers and brands, boosted by the mobile and digital boom. Phone calls will remain by far the main channel, despite other "non-voice" channels posting double-digit annual growth.

This market excludes debt collection, visa application management and online interpreting services markets, which are included amongst the Group's "Specialized services" (see section 1.2.3.2 *Markets of the Group's Specialized services*).

Change in customer experience management world market outsourcing rate (2010-2016)

in billions of US dollars



Source: Everest (2017).

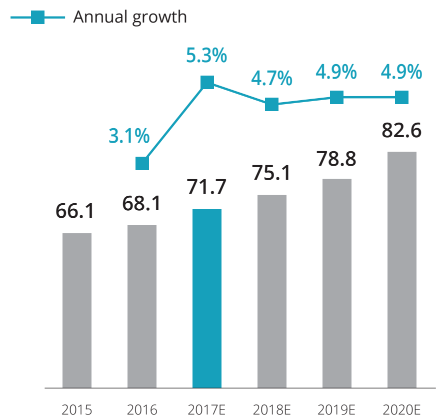
The outsourced customer experience management market comprises customer relations, technical support and customer acquisition.

The outsourced customer experience management market is currently valued at around US$80 billion according to Everest, corresponding to an outsourcing rate of 25%.

Frost and Sullivan valued this market at US$72 billion in 2017, up 5.3% over 2016.

For the 2017-2020 period, Frost and Sullivan estimates outsourcing market growth in value at around 5% per year.

Customer experience management world market outlook (2015-2020E)* – US$ billions



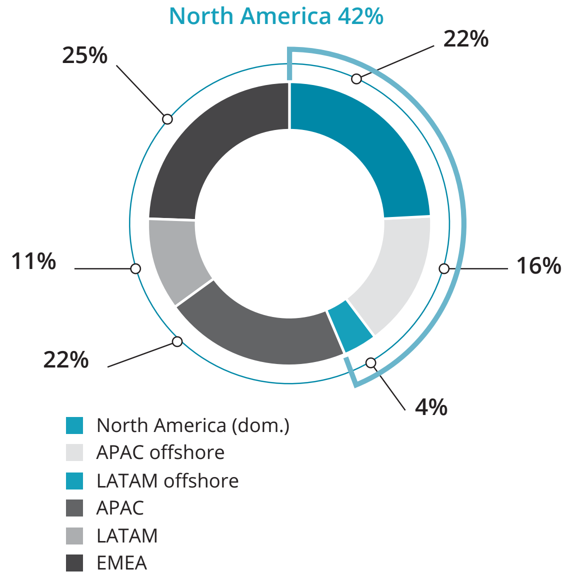
* *E = estimates.*

Source: Frost & Sullivan (2017).

The ongoing expansion of the outsourcing market will continue to be underpinned by two trends:

- a permanent need for companies to improve customer service in a secure and controlled environment while minimizing costs, by outsourcing customer experience management to a top-class provider;
- outsourcing leaders now offer reliable solutions backed by extensive experience (quality, security, sector expertise) and dedicated integrated resources (offshore/nearshore and omnichannel solutions, automation).

Regional breakdown of the outsourced customer experience management world market (US$72 billion estimated in 2017)



Source: Frost & Sullivan (2017).

The biggest market is the North American market, which represents 42% of the world market. Over half of the US market is served from contact centers located in the United States (domestic market), the rest being handled from centers located in the Asia-Pacific region, (Philippines, India, etc.) and Latin America (Mexico, Colombia, etc.).

Outsourced customer experience management world market growth by region (2017-2020E*)

(US$ billions)	2017	2018	2019	2020	CAGR** 2017-2020
North America (domestic)	15.8	16.1	16.4	16.6	
% growth		1.9%	1.8%	1.7%	1.8%
LATAM nearshore for North America	2.9	3.1	3.3	3.5	
% growth		7.8%	7.1%	6.6%	7.1%
APAC offshore for North America	11.7	12.6	13.4	14.4	
% growth		7.3%	7.0%	6.6%	7.0%
Total North America	**30.4**	**31.8**	**33.1**	**34.5**	
% growth		4.5%	4.4%	4.2%	4.4%
LATAM (domestic)	7.5	7.8	8.2	8.7	
% growth		3.1%	5.3%	5.3%	4.5%
Asia-Pacific (domestic)	15.9	16.8	17.9	18.9	
% growth		6.1%	6.0%	6.0%	6.0%
EMEA	17.9	18.7	19.6	20.5	
% growth		4.4%	4.5%	4.8%	4.6%
TOTAL OUTSOURCED MARKET	**71.7**	**75.1**	**78.8**	**82.6**	
% growth		**4.7%**	**4.9%**	**4.9%**	**4.8%**

* E = estimates.
** Compound Annual Growth Rate.
Source: Frost & Sullivan (2017).

The Asia-Pacific region is one of the most buoyant, with average annual growth of 7% expected between 2017 and 2020; this includes 17% growth in China and 6% in India.

The Latin America region serving the North American market ("nearshore") is also particularly active and is expected to grow at an average rate of 7% per year.

Market growth has thus far been driven by the positive impact of the mobile Internet revolution, reflected in rapid growth of mobile online devices such as smartphones and tablets. Today, the rapid expansion of new services designed to assist consumers and citizens in their daily lives, such as IoT or cloud services, have given rise to new needs that reinforce this growth outlook.

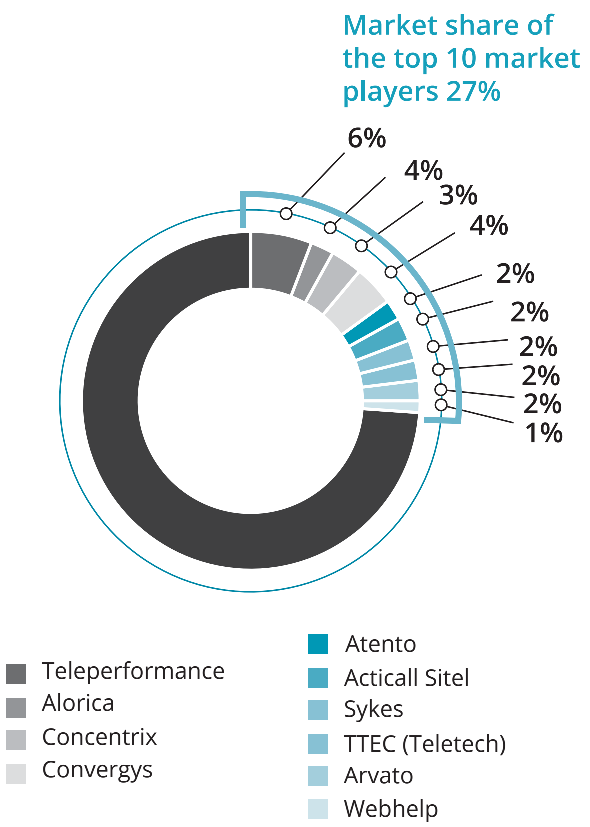
1.2.3.1.2 Group's competitive environment and position

a) Direct competitors in outsourced customer experience management

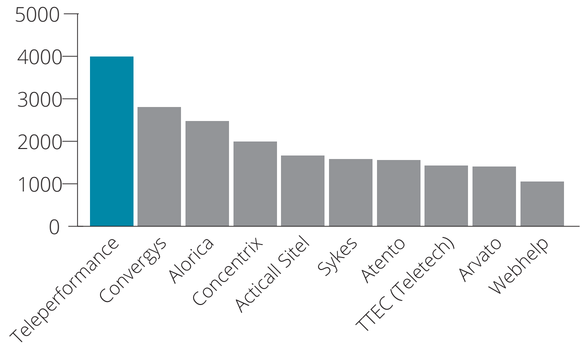
Teleperformance is the world leader in the outsourced customer experience market, which remains highly fragmented. With Core services revenues of €3.5 billion (US$4 billion), the Group's global market share amounts to 6%.

In 2016, the top 10 players held 27% of the outsourced market.

Market share of the top 10 market players worldwide in outsourced customer experience management (2017 reported and estimated data) – in %



Ranking of the top 10 market players worldwide in outsourced customer experience management by revenue (2017 reported and estimated data) – US$ millions



The Group's worldwide market share gives it a big lead over most direct competitors, American and regional for the most part, in terms of both revenue and number of operating countries.

There are two categories of new, indirect competitors:

Ranking of the top 10 market players worldwide in outsourced customer experience management market by number of operating countries (2017)

#	Competitors	Country
1	Teleperformance	76
2	Convergys	33
3	Webhelp	28
4	Arvato CRM	27
5	Concentrix	25
6	Acticall Sitel	24
7	TTEC (Teletech)	23
8	Transcom	20
8	Sykes	20
9	Sutherland	19
10	Alorica	16

Source: Group and corporate data

In 2017, consolidation of the industry continued, driven by market leaders. The trend is expected to continue in 2018.

Extended competition to consulting and BPO* companies

Category	Characteristics	Examples of companies
Consulting	Global players in consulting and strategy	Accenture, Cap Gemini
BPO*	Companies based in India, IT service suppliers	Cognizant, Genpact, Tata Consulting services (TCS), Wipro

* *Business Process Outsourcing.*

1.2.3.2 Markets of the Group's Specialized services

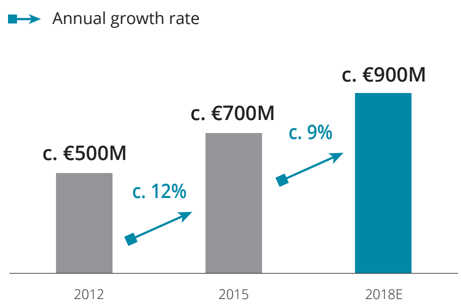
1.2.3.2.1 Online interpreting services

Online interpreting services include over-the-phone and video solutions.

Over-the-phone interpreting services ("OPI") account for most of LanguageLine Solutions' business, while video interpreting services, still limited, are developing quickly. In 2015, they represented a worldwide market worth US$1.4 billion, *i.e.* 4% of the total language services market, estimated at US$35 billion. The United States represented around half of the worldwide OPI market.

The US OPI market is therefore worth more than US$700 million.

US over-the-phone interpreting market (2012-2018E)

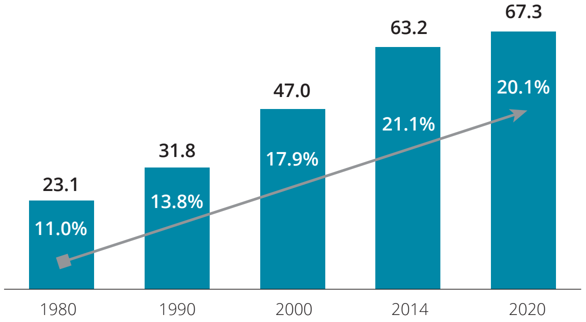


Source: Common Sense Advisory, Steer Partners.

The outlook for growth in the online interpreting market is primarily driven by the following factors:

- new technologies and functionalities enabling a broader application of language solutions;
- organizations focusing on their Core business, leading to the outsourcing of interpreting services;
- the increase in regulatory requirements in key sectors (health, insurance, etc.) continues to generate client demand;
- the number of people with limited English proficiency is increasing and will reach around 67 million by 2020 in the United States, *i.e.* around 20% of the total population.

▶ **Increase in the number of non-English speakers* in the USA**



* *LEP (Limited English Proficiency) groups.*

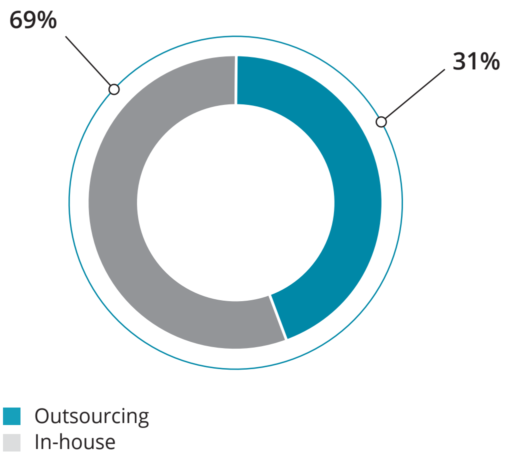
Source: *U.S. Census Bureau – National Population projections and LanguageLine Solutions estimates*

With a market share of around 60%, LanguageLine Solutions is the leading provider of over-the-phone and video interpreting solutions in North America, serving a range of companies and institutions in the healthcare, insurance, financial services, telecommunications and public sectors.

1.2.3.2.2 Visa application management services

Based on Dun & Bradstreet's 2013 report and TLScontact estimations, the visa application management business in which TLScontact is engaged represents a worldwide market of 132 million visa applications in 2017. The outsourced visa application management market is valued at about 40 million visa applications, which corresponds to an outsourcing rate of 31%.

▶ **World visa application management market outsourcing rate in 2016 – in % (in terms of visa application number)**



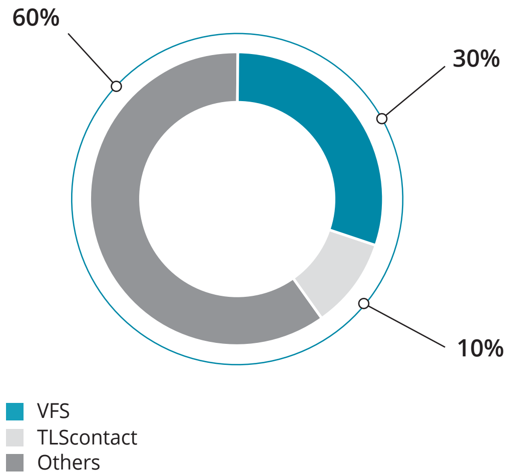
Source: D&B Visa Application Outsourcing report (2013) and 2016 Group estimates.

Growth in the outsourced visa application market will continue to be driven by the following trends:

- continued increase in international tourism, estimated at around 3% p.a. over the next decade (according to the World Tourism Organization);
- governments' ongoing need to optimize their costs and improve services in an increasingly sophisticated environment in terms of security and technology;
- additional service offerings for visa applicants (travel insurance, fast-track services).

The visa application services market remains concentrated, with the two leading players (VFS and TLScontact) holding a combined market share of 40% in terms of visa applications. With about 10% market share, TLScontact is a major player in the outsourced visa application market, having doubled its market share over the last four years.

▶ **Market share of the main players in the global market of visa application management in 2017 – in % (in terms of visa application number)**



Sources: D&B Visa Application Outsourcing report (2013) and Group estimates.

1.2.3.2.3 Other services

The worldwide outsourced debt collection market is currently estimated at around US$25-30 billion (source: Kaulkin & Ginsberg). Teleperformance earned 3% of its revenue from this market in 2017.

1.2.4 Group strategy

1.2.4.1 History and vision

Over the last few years, the Teleperformance Group has successfully transformed itself. First, the Group stepped up its development and widened its Core services offering. It then diversified its activities and sources of revenue within its high value-added services, combining strong organic growth with improved margins.

Customer experience markets are developing fast; human capital, security and innovation are key factors to success. Clients are increasingly exacting, seeking strong support in meeting the challenges of an all-digital landscape, while staying at the cutting edge in terms of service quality and data security. They require tailored solutions, and Teleperformance is the sole market player able to support its clients anywhere in the world and at any time, with a quality of service that meets the highest standards across all channels.

Numerous opportunities are open to Teleperformance, and in 2017 the Group presented its road map for seizing each of them in the context of its 5-year strategic plan.

The Group's goal is to strengthen its presence in high-growth and high value-added regions and sectors, while continuing to innovate *via* the integration of omnichannel solutions and the potential offered by artificial intelligence.

These new levers complement ambitious yet realistic financial targets.

1.2.4.2 The 2018-2022 strategic development plan

The goal of this strategy is to add value through sustainable and profitable development of the Group's operations *via* organic growth and targeted acquisitions.

a. Organic growth

The 2018-2022 action plan covering the Group's organic growth outlines four main strategies:

- Strengthen sector expertise in high-potential segments and environments, such as IT, retail, financial services and IoT;
- Continued expansion into BRICS (Brazil, Russia, India, China and South Africa) and MIST (Mexico, Indonesia, South Korea and Turkey) countries;
- Digital and omnichannel integration aiming at more efficient and fluid management of client interactions, with the gradual integration of artificial intelligence into the Group's omnichannel solutions, as well as the strengthening of Teleperformance's positioning in the collaborative economy and marketing platforms (Wibilong acquisition);
- Launch of Praxidia in 2018, new high value-added consulting offering in the area of customer experience (CX Consulting & Analytics). The Praxidia approach is based on Teleperformance's unique knowledge of companies' grassroots customer experience requirements, all over the world. The client company benefits from the Group's expertise in over twenty key sectors, state-of-the-art R&D facilities (CX Lab) and data analytics solutions.

The roll-out of the action plan will be driven by the following key differentiating factors:

▶ **Teleperformance's main strategic advantages**

Strategic assets	Differentiators
Worldwide leader in outsourced customer experience management for the last 10 years	Strong delivery and sustainability for multinationals
Unique geographic footprint	350 centers in 76 countries
Diversified vertical client base	Supported by world class, global «Subject Matter Experts» sharing worldwide best practices and bringing value-added solutions
Consistency across geographies	Documented, standardized and audited operational procedures around the world
Integrated omnichannel solutions	Provides a seamless customer experience with the TP Client, an integrated omnichannel CRM solution
Worldwide leader in data security protection (culture, process and tools)	The only BPO Outsourcing company ever awarded for Innovation in Security and Privacy by International Association of Privacy Professionals (Oct. 2017). The first company in the sector to attain Binding Corporate Rules (BCR) approved status (Jan. 2018).
Rated BBB-/ investment grade by S&P	The highest credit rating in the industry

b. 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, operations and business activity.

The Group specifically keeps an eye out for all opportunities in high-value Specialized services that would enable it to strengthen its growth and profitability profile.

1.2.4.3 2022 targets

The outsourced market continues to offer attractive growth opportunities in many parts of the world, and presents definite consolidation potential. This positive trend is bolstered by an increasingly complex and digitized environment, with steady growth in customer interactions.

The acquisition of LanguageLine Solutions in September 2016 reflected the Group's strategic decision to develop high value-added Specialized services. *Via* its targeted acquisitions, the Group is gradually positioning itself as a globally recognized high-end player in Business Process Outsourcing (BPO).

Teleperformance's objective is to continue posting organic growth of +6% per year until 2022. Meanwhile, management intends to continue its targeted acquisition strategy, focusing on high value-added Specialized services. The Group's goal is to attain revenues of at least €6 billion in 2022.

Thanks to the positive impact on margins of the ramp-up of Specialized services, which are expected to account for at least 20% of revenues, coupled with the benefits derived from specific profitability-enhancing initiatives, the Group is aiming an EBITA of at least €850 million in 2022.

1.2.5 2017 highlights

1.2.5.1 Revenue and earnings

Annual targets were reached once again in 2017, with +9.0% like-for-like revenue growth and a 13.3% EBITA margin, up 210 basis points from the previous year.

These figures confirm the appropriateness of the Group's strategic development decisions, in particular the development of the new high value-added Specialized services business with the acquisition of LanguageLine Solutions in September 2016, which combines a dynamic growth profile with high profitability levels.

Like-for-like growth was strong in the Group's two business lines, with Core services up +8.8%, primarily driven by strong business momentum in the Ibero-LATAM region, and Specialized services up +10.4%.

Reported revenue growth amounted to +14.6%. This includes the first full year of consolidation for LanguageLine Solutions, and a currency loss mainly resulting from the decline in the US dollar against the euro compared to 2016.

The Group's 2017 margin growth was a result of the following:

- for Core services, strong growth in the Ibero-LATAM region, which has the highest margins of the Group's three linguistic regions, and ongoing improvement in CEMEA margins;
- for Specialized services, strong growth in outsourced visa application management (TLScontact), and the first full year of consolidation for LanguageLine Solutions, a highly profitable business.

Net profit Group share came in at €312 million, up +46.0% from 2016. Diluted earnings per share amounted to €5.31, up from €3.67 in 2016.

The Group's financial structure includes financing arrangements for the acquisition of LanguageLine Solutions on September 19th, 2016. Strong positive cash flow enabled a sharp reduction in debt at December 31st, 2017. The Group's financial structure remains strong with shareholders' equity of €1,922 million and €1,326 million in net debt. The ratio of net debt to EBITDA thus amounted to 1.84.

1.2.5.2 Changes in Group governance and organization

To ensure the complete success of the 2018-2022 strategic plan and comply with the wishes of Group shareholders, the Board of Directors took the unanimous decision to recenter the Group's governance around a strengthened organizational structure, in order to speed up decision-making and implementing processes.

Governance

Daniel Julien, who continues to chair the Board of Directors, was appointed Chief Executive Officer. This decision reflects the Board's renewed confidence in Daniel Julien who, as Chief Executive Officer, is entirely responsible for the management and representation of Teleperformance.

Paulo César Salles Vasques resigned from his position as Group Chief Executive Officer. At the Board's request, he holds the role of non-executive Chairman of Teleperformance Brazil.

Organization

The Group's organization is becoming "leaner" and more "agile": it is founded on a highly diverse management team in terms of nationality and culture, with long-standing careers within the Group. This change has given rise to the following appointments and responsibilities.

Olivier Rigaudy as Deputy Chief Executive Officer and Chief Financial Officer, and Leigh Ryan as Chief Legal and Compliance Officer, both report to Daniel Julien.

Jeff Balagna, formerly President of the English-speaking and Asia-Pacific region, is Chief Operating Officer. Yannis Tourcomanis, President of the Continental Europe, Middle East & Africa (CEMEA) region, Brian Johnson and David Rizzo, appointed co-Presidents of the English-speaking and Asia-Pacific region, and Agustin Grisanti, appointed President of the Ibero-LATAM region, will report to Jeff Balagna.

João Cardoso, Chief Executive Officer of Teleperformance Portugal, is also Chief Research & Development and Digital Integration Officer, a newly created post.

Alan Truitt will continue to perform his duties as Chief Business Development Officer.

All are members of the Executive Committee, chaired by Daniel Julien.

1.2.5.3 Development, investments and capital expenditure

Wibilong acquisition

In November 2017, Teleperformance acquired Wibilong, a French start-up specializing in collaborative solutions between brands and consumers. Wibilong provides digital businesses with an SaaS (Software as a Service) platform enabling mass content creation based on product conversations, thanks to the rapid creation and activation of consumer communities.

This acquisition illustrates the goals and strategic levers that the Group intends to implement by 2022. It enables Teleperformance to strengthen its digital and omnichannel offer, as well as its positioning as the customer experience preferred partner of major brands in the retail and consumer goods sectors.

Wibilong manages a community of 13 million consumers across 15 countries on behalf of over 30 clients operating in a variety of sectors, such as retail, automotive, tourism, insurance and telecommunications. Wibilong posted revenues of around €1 million in 2016.

Teleperformance launches an AI-based chatbot solution, operating in 35 languages

Teleperformance has launched a chatbot solution based on artificial intelligence, thus strengthening its service offering. This new solution is the fruit of a strategic partnership with Artificial Solutions, a leading technology specialist in artificial intelligence and natural language interactions.

Teleperformance manages programs in 265 languages and dialects. "Smart" chatbots with advanced natural language comprehension skills will initially be available in 35 languages. The bots enable automated processing of clients' written fact-based queries. Teleperformance sets itself apart by combining chatbots with human operators, providing a more fluid, personal and efficient customer experience.

New facilities and increased production capacity

To support the rapid expansion of its business, the Group continued to strengthen its offshore facilities and presence in high-growth markets in 2017 by opening and expanding locations in the Group's three linguistic regions.

The Group opened 18 new contact centers, primarily in the Ibero-LATAM region, and installed new workstations at a number of existing locations. This amounts to total additional capacity of almost 12,000 workstations.

By region, the new locations break down as follows:

- in the Continental Europe, Middle East and Africa region, new locations were opened in Kosovo, where the Group has launched operations in order to serve the German market, and in Russia, Turkey, Poland and the Netherlands;
- in the English-speaking and Asia-Pacific region, the Group opened new locations in Canada, China and the United Kingdom;
- in the Ibero-LATAM region, the Group launched operations in Peru and opened new locations in Colombia, Spain, Portugal and Brazil.

Capital expenditure

The Group's production capacity continued to increase despite tight control over expenditure.

(€ millions)	**2017**	2016	2015
Net capital expenditure	147	190	172
% of revenue	3.5%	5.2%	5.0%

The Group strictly monitors the volume and return on capital expenditure per project, notably when supporting rapid business growth in booming markets, in order to optimize the allocation of Group capital.

Acquisitions of material and controlling interests

Except for the acquisition of Wibilong, a company acquired in November 2017, no new shareholding in excess of 5% of the capital or voting rights and no new direct or indirect controlling interests were acquired in companies having their registered offices in France.

1.2.5.4 Awards

In 2017, Teleperformance once again received numerous awards from prestigious institutions and reputable independent consultancy firms around the world, both for its leadership and the excellence of its service in its market, as well as for its human resource development strategy, security, innovation capacity and commitment to social and environmental responsibility.

- Everest Group named Teleperformance the worldwide leader in management of outsourced contact centers for the fifth consecutive year.
- Five 2017 Frost & Sullivan prizes awarded to Teleperformance:
  - Company of the Year – Asia-Pacific, Europe, North America;
  - Company of the Year – Colombia;
  - Competitive Innovation and Leadership Award – India.
- Teleperformance won the coveted HPEIAPP Privacy Innovation Award for the Privacy Operations category, this prestigious global award win underscores the Company's crossindustry leadership in data and privacy security practices.
- Teleperformance awarded Enterprise-Wide Certification for Social Responsibility by Verego.
- Great Place to Work® (GPTW) prizes awarded to Group companies for 2017:
  - Teleperformance in Brazil;
  - Teleperformance in Dominican Republic;
  - Teleperformance in El Salvador;
  - Teleperformance in Greece;
  - Teleperformance in India;
  - Teleperformance in Mexico (nearshore);
  - Teleperformance in Portugal.
- 2017 Global Best Employers™ Program prize was awarded by AON Hewitt to Teleperformance in Albania, China, India, and El Salvador.
- Teleperformance ranked among the best outsourcing services providers at the International Association of Outsourcing Professionals' (IAOP) Global Outsourcing 100® awards for the third year in a row.
- Teleperformance in Benelux and Norton by Symantec won a Partnership Award which recognizes the best case in the field of collaboration between two organizations.
- Teleperformance in the Philippines won two awards from the Philippine Economic Zone Authority (PEZA); Outstanding Employer of the Year and Outstanding Community Project of the Year. PEZA is the primary agency establishing economic zones for foreign investment in the country.
- Teleperformance in the United States was named Partner Innovator of the Year by Humana.
- Teleperformance in Portugal received Top Recognition from Contact Center World.
- Teleperformance in the Philippines won Top Employer of the Year at the 2017 Asia CEO Awards.
- Teleperformance in China was awarded the CRE Customer Experience Lab Outsourcing Services by the Asia Pacific Customer Service Consortium.
- Teleperformance in China won the "China Intelligent Service Golden Services Award" at the 2017 Beijing International Fair Trade Services Event.

1.3 *Real estate and facilities*

Group companies' premises are generally rented, as it is the Group's policy not to own centers where it operates. However, the Group owns the following premises:

English-speaking and Asia Pacific region

- an 8,733 m² building in Shreveport (United States);
- an 11,538 m² building in Fort Lauderdale (United States);
- a 12,356 m² building in Killeen (United States);
- a 12,821 m² building in Dallas (United States).

Ibero-LATAM region

- a 2,766 m² building in Buenos Aires (Argentina);
- a 4,330 m² building in Bogotá (Colombia).

Continental Europe, Middle East & Africa

- a 949 m² building in Lyons (France);
- a 4,000 m² building in Le Mans (France).

The Group has 171,000 workstations and carries out operations across 350 contact centers in 76 countries.

In 2017, the Group invested €34 million in fixtures, fittings and facilities for all operating locations.

1.4 *Organization chart (at December 31st, 2017)*

1.4.1 Teleperformance SE and its subsidiaries

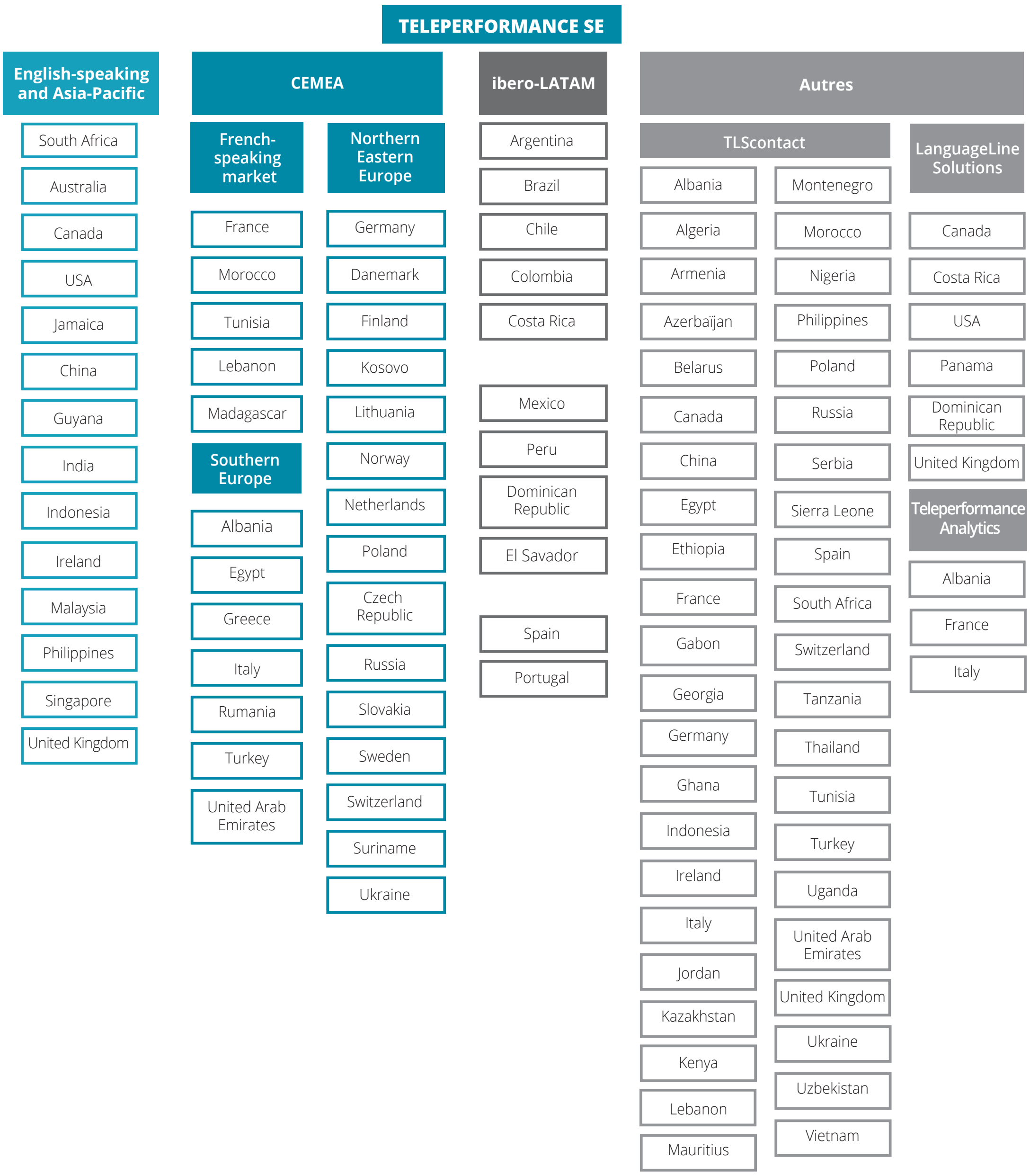
The parent company Teleperformance SE operates as a holding company vis-à-vis its subsidiaries while also performing management, control, support and advisory functions for the Group's companies, receiving fees for these services.

Moreover, Teleperformance collects a brand royalty charged to all subsidiaries. Note 23, *Balances and transactions with Group companies* (page 230 of this Registration Document) gives details of the Company's relations with its subsidiaries.

The Company is also head of the French tax Group, which includes French subsidiaries in which the parent company holds over 95% of the capital.

Detailed information on Teleperformance's main subsidiaries is summarized in the table of subsidiaries and shareholdings in the notes to the Company financial statements (pages 231 and 232 of this Registration Document).

1.4.2 Operational organization chart



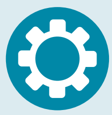
The percentage shareholdings are specified on pages 205 to 208 of the notes to the consolidated financial statements part 7.6. § M. *Scope of consolidation*.

Risks and control

RISKS'IDENTIFICATION & ANALYSIS

INSURANCE GLOBAL PROGRAMS

INTERNAL CONTROL LAYOUT AND INTERNATIONAL STANDARDS



Overall policy

The objective of the risk management policy is to identify and analyze the risks that the Group faces and set appropriate risk limits and controls, in order to manage these risks and ensure that the limits defined are respected.

Responsibilities

It is the Board of Directors' responsibility to define and oversee the framework for managing Group risks, the consequences of which are liable to impact the Company's business, earnings, staff, assets, environment, objectives or reputation.

Monitoring, measuring and overseeing risk is the responsibility of the Group's three main Departments: Finance, Legal & Compliance and Operations, at company and Group level. This system was the subject of a survey conducted by KPMG during 2017. The positive results of the review of the Group's risk management system, as well as the areas for improvement, were presented to the Audit Committee and Board of Directors in July 2017.

Risk management policy and systems are reviewed regularly so as to take into account the Group's activities. Through training and management rules and procedures, the Group aims to develop a rigorous and constructive control environment where all employees have a clear understanding of their role and duties.

Within the various departments, an internal audit team performs regular and targeted reviews of the controls in place and forwards its findings to the Executive Committee or Compliance and Audit Committee.

Presentation of this section

This section was prepared jointly by the various departments that play a key role in identifying and controlling the main risks.

First, this section outlines the **risk factors** to which the Group is exposed in relation to its business operations. Secondly, **insurance and risk coverage** are presented, and lastly, the **internal control and risk management systems**, application of which is ensured by Teleperformance senior management and staff, in order to anticipate and control these risks.

However, the Group cannot provide an absolute guarantee regarding the achievement of objectives and the total elimination of risks. Furthermore, other risks of which the Group is currently unaware, or which it does not consider material as of the date of this Registration Document, may also impact its business.

2.1 Risk factors

2.1.1 Operating risks

2.1.1.1 Business-related risks

Risk identification

Teleperformance's level of business is contractually related to that of its clients. A decline in a client's business, whether or not arising from a general economic downturn, can affect the Group's business.

A client may also request that certain contractual conditions be amended. The price, which is a determining factor for certain business sectors (particularly in the telecommunications sector), or allocation of entrusted volumes are other aspects that can impact the Group's business.

Risk management

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

The duration of contracts in the inbound calls business, which accounts for most of the Group's revenue, varies between two and five years.

2.1.1.2 Competition risks

Risk identification

The outsourced customer experience management market is fragmented and competitive. However, the number of competitors operating worldwide is still limited (see 1.2.3.1.2 *Group Group's competitive environment and position*). In each of the countries where it operates, the Group is faced with fierce competition comprising international and national businesses.

These are generally companies specializing in contact center management, or companies offering outsourced general services and developing niche activities 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.

Risk management

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-tested management and unrivaled credibility;
- human capital development strategy that guarantees quality and reliability of service;
- a highly client-oriented culture;
- a unique integrated network combining domestic, nearshore and offshore solutions;
- constant innovation strategy aimed at increasing the value-added of the Group's services;
- worldwide presence to support the Group's global clients;
- secure processes in line with contractual provisions with clients (see 2.1.1.6 *Security and data protection risk*).

2.1.1.3 Risks associated with regulatory and legislative changes

Risk identification

In each country where the Group operates, its business may be subject to specific statutes and regulations in the fields of labor law, competition, consumer protection, data privacy and company law.

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

Governments and regulatory authorities may adopt regulations aimed at restricting outsourcing or improving consumer protections. For instance, numerous countries have adopted regulations giving individuals the option not to receive telemarketing calls. The risk of these regulations having a negative impact on the Group's growth, which used to be considered material, is now much lower given the nature of the Group's current activities.

Risk management

For several years now the Group has significantly increased its inbound call business and reduced the proportion of its outbound call business to individuals. The contribution of the inbound calls business to Group revenues is presented in section 1.2.2 *Characteristics by activity*.

2.1.1.4 Risks relating to potential client dependency

Risk identification

Although Teleperformance's business depends on its ability to renew its contracts and to sign new ones on profitable terms, no Group client represents more than 8% of revenue.

Risk management

With more than 850 clients, excluding LanguageLine Solutions, Teleperformance has the most diversified client base in the industry. Client concentration has tended to decrease over the last two years (see 1.2.2 *Characteristics by activity*).

2.1.1.5 Fostering customer loyalty

Risk identification

Teleperformance's activity depends on its ability to retain and renew contracts with existing clients and to successfully win 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.

Risk management

At December 31st, 2017, the average duration of a client relationship is 10-12 years. This loyalty is the result of a highly client-focused Group culture, reflected in rigorous procedures, a good understanding of client expectations and a highly responsive company structure: specific management of strategic accounts, regular activity reports, a marketing research laboratory, regular and detailed client satisfaction surveys and introduction of rapid response operational teams.

2.1.1.6 Risks relating to data security and protection

Securing the technological platform

Risk identification

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

Risk management

All of the Group's subsidiaries and workstations delivering Core services are currently networked *via* dedicated data connections and phone lines.

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

Each subsidiary adheres to internal data security and protection standards, as well as to international security and quality standards, in particular ISO 27001 and ISO 22301. In addition, Teleperformance complies with PCI Data Security standards whenever it is required to do so by its clients.

Personal data protection and security

Risk identification

The Group's activity requires subsidiaries, acting as data controllers, to collect, process and transfer personal data regarding our employees. When acting on behalf of its clients, Teleperformance acts as a data processor and collects and processes personal data of the customers of its clients.

The Group must not only meet legal requirements as well as any contractual commitments to its clients, but also more than 300 compliance criteria in the field of security. Non-compliance with statutory and contractual requirements could lead to adverse consequences for the Group's performance.

Electronic fraud cases have continued to increase 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. In December 2016, Teleperformance entered into a settlement agreement with a Group client who had claimed that Teleperformance was liable for damages related to incidents of improper access to customer information that occurred in 2014 in three of the Group's contact centers. A portion of the settlement was reimbursed by one of Teleperformance's insurers, and Teleperformance is pursuing additional potential insurance coverage in connection with this matter.

Risk management

In 2015, the Group implemented a set of security rules ("Global Essential Compliance and Security Policies" or "GECSPs"), designed to anticipate possible risks of fraud or violation of legal security rules. The Group established an internal compliance audit function, which reviews our operational sites on a rotating 24-month schedule for adherence to the GECSPs and client requirements. In addition, external auditors carry out audits of selected sites in order to assess compliance with the GECSPs and other security processes implemented in our sites.

In addition, a Global Compliance and Security Council, chaired by the Global Deputy Chief Compliance Officer and Chief Privacy Officer meets monthly to review security incidents, if any, ensure regular compliance with the GECSPs, and quarterly to review results of the internal and external audits and other compliance matters.

As Teleperformance places special attention on security matters, all regional CEOs and relevant operational and compliance officers attend the Global Compliance and Security Council meetings.

Also, as of February 1st, 2016, Teleperformance appointed a Worldwide Chief Legal Officer and Chief Compliance Officer, who reports directly to the Group Chairman and CEO.

Teleperformance also appointed a Global Deputy Chief Compliance Officer and Chief Privacy Officer, who reports to the Chief Legal Officer and Chief Compliance Officer. These officers provided a report of activities to the Board in 2017 and, beginning in 2018, will provide reports of activities to the Audit and Compliance Committee of the Board.

As part of the Group's ongoing efforts to manage these functions proactively, we have also created the Global Privacy Office. This office is comprised of the Global Deputy Chief Compliance Officer and Chief Privacy Officer, along with 3 regional Senior Vice-Presidents heads of Privacy/Data Protection Officers. The Global Privacy Office is responsible for implementing the Group's global privacy policy and ensuring that Teleperformance is in full compliance with privacy regulations around the world, such as the European Commission's General Data Protection Regulation ("GDPR"), which goes into effect as from May 25th, 2018.

Also in 2017, Teleperformance created the Global Technology and Privacy Committee, which is chaired by the Chief Information Security Officer. The members of this Committee are the Global Chief Information Officer and all regional Chief Information Officers, as well as the Global Deputy Chief Compliance Officer and Chief Privacy Officer, and the regional Senior Vice Presidents heads of Privacy/Data Protection Officers. The main function of this Committee is to evaluate all new and existing technologies prior to deployment to ensure that a Privacy Impact Assessment (PIA) has been completed. This process ensures that Teleperformance evaluates the privacy implications of the technologies we use in collecting or processing data as both a Data Processor and a Data Controller.

Teleperformance made a strategic decision in early 2017 to obtain Binding Corporate Rules ("BCRs") certification. Upon implementation of the BCRs, our subsidiaries will follow them (as both Data Controllers and Data Processors) which will allow Teleperformance to transfer and process data globally. On February, 12th 2018, Teleperformance obtained the certification of its BCR from the CNIL (French data protection authority)

2.1.1.7 Risks relating to Human Resources, employees and executive officers

Risk identification

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

Risk management

The staff turnover rate 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 Group's operating profit.

In Europe (Continental Europe, Middle East and Africa), the turnover rate is lower than in countries where economic growth is higher and where working conditions are more flexible.

In a business sector characterized by high staff turnover, the Group has sought to develop its hiring capacity (employees, executives, etc.) and loyalty programs. The Group is backed by a number of strengths, including its market leadership and ability to offer employees an award-winning work environment, staff benefits, on-the-job training and career prospects within a global Group.

Risk identification

The departure of certain executive officers could have a negative impact on the Group's revenue and earnings. In order to protect the Group's legitimate and best interests, certain Group executive officers are bound by non-compete clauses and undertakings towards the Group.

Risk management

In order to motivate and retain the key executives and best performing talents within the Group, it introduced performance share plans in April and November 2016, June 2017 and January 2018.

2.1.2 General risks

2.1.2.1 Risks relating to growth through acquisition of companies

Risk identification

Acquisitions form part of the Group's development strategy. In practice, they may give rise to risks.

Risk management

The Group has significant experience in carrying out acquisitions. As part of its external growth strategy, Teleperformance takes all steps to identify acquisition targets, in terms of country, product or job synergies, as well as identifying risks associated with these acquisitions. The Group then implements the customary procedures under its consolidation policy for acquired companies.

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

Capitalized goodwill as of December 31st, 2017 amounted to €1,676 million and represents 37% of total assets. Goodwill impairment of €67 million was recognized for 2017.

2.1.2.2 Group risks due to foreign operations

Risk identification and management

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 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 earnings.

On the basis of ratings published at the end of January 2018 by COFACE, which constantly monitors the development of emerging countries and releases ratings per country, the Group's concentration per production region are as follows:

- 75% of revenue in countries where the situation is regarded as favorable and low-risk or implying acceptable risks; these include major contributors to Group revenue, notably the USA, Philippines and UK. Mauritius joined this category of countries in 2017;
- 22% of revenue in countries where the situation is uncertain, including Brazil, Tunisia and Turkey;
- 4% of revenue in countries where economic and political outlook is considered to be very uncertain, notably El Salvador, Algeria and Albania.

2.1.2.3 Other risks

Suppliers

Risk identification

Our top five suppliers account for 14% of Group purchases. These are mainly temping agencies, IT hardware and software suppliers and telephone operators.

Risk management

The Group considers its risk to be limited, since for a given service or product we contact several suppliers, all leaders in their market.

Legal risks

Risk identification

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 or an administrative or regulatory authority.

In the ordinary course of 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 may be made against the Group. Provisions have been booked for these claims pursuant to IFRS (various provisions totaling €21.4 million were booked at December 31st, 2017).

The Group estimates that provisions booked for the risks, disputes and proceedings of which it is aware or that are currently pending are sufficient so as not to affect the Group's consolidated financial position should the Group experience a negative outcome in any of such cases.

Risk management

In order to anticipate risks relating to non-compliance with legislative or regulatory changes, the Group's network of lawyers based in its operating regions tracks changes in legislation and regulations.

To the Company's knowledge, 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 to the consolidated financial statements*, nor any court action of which the Company is aware that is pending or threatened, that may have or has had a material impact on the financial position or earnings of the Company or Group in the last 12 months.

Ethical risks

Risk identification

As of December 31st, 2017, the Group operates in 76 countries. It operates and develops its business in countries where risk of corruption is considered high. The Group may therefore be exposed to corruption risk with regard to some of its employees or partners, which would affect its reputation.

Risk management

As part of its operations and whether in relation to purchases or sales, the Group ensures that all acts of corruption are prohibited. These zero-tolerance principles are set out in the guidelines published on its website. Furthermore, in accordance with the French Sapin II law, the Group has developed a corruption risk map, which will be reviewed by the Audit and Compliance Committee. The anti-corruption policy is implemented under the responsibility of the Legal & Compliance department.

A Code of Ethics covering Teleperformance's values, as well as the principles for respecting diversity in dealings with third parties with which the Group is involved, was prepared and published on the Group's website.

Employment risks

Risk identification and management

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

In accordance with applicable accounting principles, these disputes are recognized under provisions for risks. These provisions amounted to €11.5 million at December 31st, 2017 and mainly concerned disputes with former employees, in particular in Argentina, Brazil and France.

In the future, the Group may further restructure or reorganize its business in some countries. These restructuring or reorganization operations may involve closing down or merging sites in order to adapt to the needs of an ever-changing market. Although Group management pays particular attention to such restructurings, they could nevertheless damage the Group's relationships with its employees, which could lead to employment disputes or, generally, disruptions that might negatively impact the Group's reputation, revenue, financial position or earnings.

2.1.3 Financial risks

The Group is exposed to the following risks:

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

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

2.1.3.1 Credit risk

Risk identification

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

The Group's exposure to credit risk is mainly influenced by the individual characteristics of its clients. The Group's largest client accounts for 8% of revenue, excluding LanguageLine Solutions. In addition, sales to telecommunications clients and Internet service and paid TV providers represent a total of 22% of revenue. No country accounts for more than 10% of trade receivables, with the exception of the United States which represented approximately 38% of total trade receivables at December 31st, 2017.

Risk management

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

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

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

The Group provides performance guarantees on contracts when requested by certain clients. Guarantees are disclosed in note I.4 *Guarantees and other contractual obligations* to the financial statements.

2.1.3.2 Liquidity risk

Risk identification

Liquidity risk is the risk that the Group may not be able to meet its debts when they become due or to find new financing resources.

Risk management

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

For several years now the Group has implemented a centralized cash management policy when permitted by local legislation. Companies included in the cash pooling represent just over 60% of Group revenues.

In countries where cash pooling is not permitted, short-term cash management is provided by the subsidiaries' operational management team, 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 financing in the form of loans, credit lines and bond issues from top-tier credit and financial institutions, repayment of which falls due between 2018 and 2026 as stated under note G.4 *Financial liabilities*.

The available balance of the EUR/USD multi-currency syndicated credit line at December 31st, 2017 amounted to €300 million.

Net debt at December 31st, 2017 amounted to €1,326 million versus €1,667 million at December 31st, 2016.

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

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

2.1.3.3 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 maximizing return.

Foreign exchange risk

Risk identification

The Group is particularly exposed to foreign exchange risk on revenues denominated in a currency other than each company's functional currency, *i.e.* principally the US dollar.

Risk management

The Group hedges currency risk on sales, notably between the Mexican, Philippine and Colombian peso and the US dollar. These hedges are more fully described in note G.5 (*Currency hedging operations*) of the consolidated financial statements.

The Group is also exposed to currency risk on its borrowings denominated in currencies other than the euro or the functional currency of Group companies.

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 if market conditions allow;
- 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, US dollar and pound sterling. This provides an economic hedge without resorting to derivatives.

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

The translation difference on Group consolidated revenue is disclosed in note G.8 (*Exposure to exchange risk due to consolidation*) of the consolidated financial statements, which shows the breakdown of revenue by currency over the last two years.

The impact of changing foreign exchange rates on the Group's revenue, profit before tax and net profit Group share are disclosed in note G.8 *(Exposure to exchange risk due to consolidation).*

Sensitivity to interest rate changes

Risk identification

The Group is exposed to interest rate risk on its financial liabilities and cash holdings.

Risk management

However, a significant portion of its debt is at fixed rates. Amounts subject to interest rate risk are as stated below:

Net debt	12/31/2017	Fixed rate	Subject to interest rate risk	12/31/2016	Fixed rate	Subject to interest rate risk
Total financial liabilities	1,611	1,179	432	1,949	619	1,330
Total cash and cash equivalents	-285		-285	-282		-282
NET DEBT	**1,326**	**1,179**	**147**	**1,667**	**619**	**1,048**

A 100 bp movement in interest rates would have a €3.3 million impact on 2017 earnings and €9.2 million on 2016 earnings.

2.1.3.4 Equity risk

Risk identification and management

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

Short-term liquid investments at December 31st, 2017 amounted to €31.8 million, principally represented by money market funds and mutual funds.

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 pays close attention to its net debt and debt-to-equity ratio.

The debt-to-equity ratio is as follows:

(in millions of euros)	12/31/2017	12/31/2016
Net debt	1,326	1,667
Total shareholders' equity	1,922	1,922
DEBT-TO-EQUITY RATIO	**0.69**	**0.87**

From time to time the Group buys 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 €3.0 million at December 31st, 2017. The number of treasury shares held at the end of the year is set out in note F.1 (*Share capital*) of the consolidated financial statements.

2.2 *Insurance and risk coverage*

2.2.1 Overall Group insurance strategy

Teleperformance's insurance strategy is designed to safeguard the Group's assets in view of risks to which they might be exposed. The strategy aims to standardize and optimize coverage, manage insurance policies centrally and minimize costs.

The Group has set up international insurance programs covering property damage, loss of profits and civil liability. Insurance policies are taken out *via* brokers with top-class international insurance companies.

Coverage caps are established in line with the Group's inherent business risks, taking into account its claims experience and market conditions, and comply with local regulations.

A third-party organization may be entitled to audit and analyze the insurance programs to ensure the risk coverage is appropriate and sufficient. The Group does not have a captive insurer and there are no material risks that the Group self-insures.

Total premiums paid for 2017 amounted to €7.2 million.

2.2.2 Insurance programs

2.2.2.1 General liability and professional indemnity insurance

The Group has set up a centrally managed general liability and professional indemnity insurance program. In principle, all subsidiaries are covered by this program, either under the Group policy or under separate policies managed locally in accordance with local regulations.

Coverage for any new entity is always assessed in advance so as to define the conditions of their inclusion in the global program.

The terms and conditions of this program can be amended to take into account changes in business activities, the insurance market and risks incurred.

2.2.2.2 Property damage and business interruption insurance

The Group has set up a property and business interruption insurance program in Europe also covering many non-European CEMEA countries. The scheme extends to subsidiaries in other parts of the world whenever this is possible with regard to local legislation and the opportunities for optimizing cover and costs.

Non-consolidated subsidiaries are insured separately in accordance with applicable local legislation and regulations.

2.2.2.3 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.

2.3 *Internal control and risk management procedures*

2.3.1 Reference framework applied

The Group relied on the *Reference Framework* drawn up by the AMF, 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 as a summary of the system put in place by the Group. Firstly, the risk management and internal control systems are defined and their objectives set out. Then, the components of the system and the key players involved are explained.

Finally, the Application Guide included in the *Reference Framework* is taken into account in order to define the risk management and internal control procedures with regard to financial and accounting information published by the Group.

The scope of application for the risk management and internal control procedures described below covers the parent company and all of its consolidated companies. In the event that new entities are consolidated, these procedures are systematically and progressively implemented.

2.3.2 Risk management and internal control definition and objectives

2.3.2.1 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, i.e. at the parent company and all consolidated companies, allows the Group to ensure in particular:

- *compliance with laws and regulations;*
- *implementation of the instructions and directions given by 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 Group personnel from committing fraud, contravening legal or regulatory provisions, or communicating misleading information outside the Company about its situation.

2.3.2.2 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.

2.3.3 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 communicated to the relevant managers and employees in the Group so that they understand and comply with the general policy of the organization. These specifically include the Group's market positioning, mission, values, management model and Human Resources and social responsibility policy.

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

2.3.3.1 Control environment, values and Code of Ethics

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 Group's internal control system 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 subsidiaries.

The Group's values are brought to the attention of all Teleperformance personnel. Teleperformance places great emphasis on its 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.

A Code of Ethics covering Teleperformance's values, as well as the principles for respecting diversity in dealings with third parties with which the Group is involved, was prepared and published on the Group's website.

Furthermore, in July 2011, Teleperformance joined 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, the environment and anti-corruption in their zones of influence. To achieve this goal, the Group has internally circulated a policy dedicated to the issue and has set up specific training programs.

Organization and responsibilities

The Group's organization is based on two categories of services: Core services, *i.e.* customer relations and technical support services, and Specialized services, which include interpreting, management of visa applications, analytics solutions and debt collection services.

All of the senior managers and executives of corporate functions, including finance, innovation and development, 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. One of the Executive Committee's roles is to advise the CEO and oversee the development and monitoring of policies that enable the Group to attain its various objectives 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, the Group's 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, and even more so given that our business consists of *people serving people*.

Our Human Resources policy for Teleperformance employees is defined by a constant quest for excellence in recruiting, building employee loyalty, developing talent and enhancing employee 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 extensive employee satisfaction surveys. In 2017, these surveys were completed by more than 113,000 employees in 47 countries. This enabled the Group to continue rolling out numerous processes in order to improve working conditions and employee integration while ensuring employees' professional and personal fulfillment, which serves as a guarantee of a quality service.

Over the past few years, this policy has led to certification, in a number of geographical regions, under 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.

Thanks 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.

The international Teleperformance University program was also created to train senior managers in the management of key areas of our business, as well as to prepare them for the implementation of changes in their company in line with the Group's objectives.

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 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 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 reinforces best practices in Human Resources management and projects for all Teleperformance operations worldwide.

COPC (Customer Operations Customer Centers): an industry standard

The *COPC*-2000® standard supplies contact center management teams with the necessary information to improve their operational performance. *COPC* certification also provides a model for global performance management linking all of the Company's business areas. 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.

French Customer Contact Center Service standard

The characteristics of the French Customer Contact Center Service 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

ISO 9001 is applied in a number of major Group subsidiaries. It provides clients with assurance as to our ability to meet their quality requirements 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.

2.3.3.2 Information sharing

The Group has a policy of internally releasing all relevant financial or operating information enabling employees 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.

2.3.3.3 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 its targets, 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.

Group management is particularly vigilant when preparing and circulating these management tools. These tools enable management as well as 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 under 2.1 *Risk factors* in this section, along with the measures that can be used to limit their consequences.

In addition, a formal analysis of the key procedural points for oversight related to subsidiary financial reporting was carried out in February 2017. The results of this analysis, as well as related monitoring, were presented during Audit Committee meetings in April, July and November 2017. 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 2.3.5.3. *Process of preparing accounting and financial reporting.*

2.3.3.4 Management

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

2.3.3.5 Control activities

In addition to the measures already listed in the 2.1 *Risk factors* section, the current section describes centralized and decentralized controls carried out in order to mitigate risks liable to affect the achievement of our objectives. Control activities are designed both by the Group's management through centralized control procedures and by local management through decentralized control procedures.

Centralized control procedures

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

Financial procedures

Section 2.3.5 provides details of the financial procedures related to the processing of financial information.

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

Legal procedures

As part of its responsibilities, the Group Legal Department oversees the Group's compliance with applicable laws and regulations in the countries where it operates, through its local network of lawyers. It also plays a central role in monitoring changes in laws and regulations and advising the various Group entities.

The Group's Legal Department has for several years implemented a monitoring system for the trademarks used and registered by companies within the Group, and in particular a system for a worldwide monitoring of our corporate name, our domain names, the "Teleperformance" brand name and other flagship brands of the Group. The purpose is to be able to contest registrations or use of trademarks 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 from the relevant CEOs. 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.

Since 2013, the Group's Legal Department has implemented 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 required contractually by its clients or pursuant to applicable regulations. This technology aims to reduce the introduction of malware, protect personal data and detect and prevent intrusions.

All personal data is collected and processed in accordance with applicable laws and the Group's Global Essential Compliance and Security Policies (GECSP) applicable at each Teleperformance site, specifically designed to prevent potential acts of fraud or breaches of security standards.

The third-party certifications requested by clients and obtained by Group subsidiaries also serve as a guarantee that the application of strict control procedures will be verified in order to ensure compliance with security and/or quality standards and processes.

The Group has a large, global operational team composed of specially trained IT, compliance and security experts tasked with identifying and assessing security risks and resolving and remedying security issues. This team implements comprehensive anti-fraud programs for the duration of business relations with Group clients and their customers. 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.

The Group's Global Essential Compliance and Security Policies also include physical security procedures in our contact 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.

2.3.3.6 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 2017, audit assignments were carried out in Group subsidiaries by the Internal Audit Departments of the three main divisions (Finance, Legal & Compliance and Operations), according to the annual audit plan and priorities set by management during the year. These audits focused primarily on the control procedures implemented at 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.

2.3.4 The parties involved in internal control

The risk management and internal control departments form an integral part of the Group's organization.

2.3.4.1 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 checks and verifications. 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 (financial, commercial, operational, legal or personnel-related) relating to its business.

2.3.4.2 The Audit and Compliance Committee

The Audit and Compliance Committee, the organization and functions of which are explained in the previous section, is responsible for preparing the control procedures carried out by the Board of Directors.

The Audit and Compliance 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.

2.3.4.3 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, which is responsible for implementing them with the support of regional, operating and support managers.

2.3.4.4 The Global Compliance and Security Council

The Group Global Compliance and Security Council chaired by the Deputy Chief Compliance Officer and Chief Privacy Officer meets monthly to review any security incidents and analyze the potential risk of such incidents. Council meetings are attended by all regional CEOs and all relevant operational and compliance managers.

Also, as of February 1st, 2016, the Group appointed a Chief Legal and Compliance Officer, who reports directly to the Group's Chief Executive Officer.

To manage these functions proactively, a Global Privacy Office was created, as well as a Global Technology and Privacy Committee, as described in section 2.1.1.6 *Risks relating to data security and protection*.

2.3.4.5 The Group Internal Audit Department

The Group is audited internally by a central team that reports to the Group Deputy Chief Executive Officer and 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 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 and Compliance Committee and shared with the auditors.

The Legal & Compliance and Operations Departments also have an internal audit team, which presents its findings to the Executive Committee.

2.3.4.6 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.

2.3.5 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 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 by implementing a self-assessment system for each subsidiary.

2.3.5.1 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 accounting and financial internal control system encompasses the processes used to manage and produce published information as well as the system for managing risks that could affect these processes, *i.e.* that could affect the reliability, due transfer and completeness of the information.

Within the scope of preparation of the consolidated financial statements, the accounting and financial internal control process encompasses the parent company and consolidated companies ("the Group" as defined above).

2.3.5.2 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 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 reporting system is described below in the paragraph entitled *Financial communication*.

The operational practice includes the Chief Financial Officers in charge of the linguistic regions and Specialized services.

Responsibilities

The preparation of the Group's consolidated financial statements is the responsibility of the Group Chief Financial Officer, who relies on the Chief Financial Officers of the Group's linguistic regions and subsidiaries. The latter, along with senior management, are in charge of implementing a financial organization that conforms to Group best practices and 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 reporting 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 cash flows and results and compares them with 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 IFRS issued by the IASB and adopted by the European Union. These standards have been used as the guidelines for preparing the consolidated financial statements since 2005. All consolidated subsidiaries are required to apply them.

The Chief Financial Officers of all subsidiaries are familiarized with the accounting definitions and principles, which may be consulted 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 statutory auditors, keeps a constant watch on new IFRS under development, in order to alert management and anticipate their impact on the Group's accounts.

The statutory auditors

The statutory auditors of the parent company carry out a limited review of the consolidated financial statements for the six months ended June 30th and a full audit of the parent company and consolidated financial statements for the year ended December 31st.

Senior managers must concert with the auditors, as the former are responsible for the preparation of the financial statements and the implementation of accounting and financial internal control systems.

The auditors took part in all Audit Committee meetings. They informed the Audit Committee of their work on Group procedures, presented the Committee with their conclusions on the financial statements and reported on the key points raised during the audit. The auditors also presented their audit strategy to the Audit Committee.

The Audit and Compliance Committee

Matters related to financial information that were reviewed at Audit Committee meetings in 2017 are described in the section concerning the work of the Board of Directors.

2.3.5.3 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 AMF *Reference Framework Application Guide*.

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 are completed yearly by all Group managers and Chief Financial Officers. The action plans put in place following this self-assessment are monitored by the Internal Audit Department. The results of the questionnaires and information on the monitoring of action plans are provided to Group management and presented to the Audit and Compliance Committee. A selection of the answers to the questionnaires from the main subsidiaries is also checked by those subsidiaries' auditors.

These questionnaires enable each subsidiary to review its financial and accounting information internal control procedures and to prepare the confirmation letters signed by the subsidiaries' directors and forwarded to Group management.

Accounts closing

The process of closing the Group's accounts involves checks at every information reporting and processing stage, in accordance with 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 Finance Department therefore has sole authority to make consolidation entries.

The published consolidated financial statements are prepared by the Group Finance Department on the basis of the most significant 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 the subsidiary's financial statements present a true and fair view of the subsidiary's affairs, 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, *via* its investor relations 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.

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.

Information on the Company and its Share Capital

3

MARKET CAPITALIZATION AS OF JANUARY 31ST, 2018

€7.1 billion

INTEGRATION INTO THE MSCI GLOBAL STANDARD SINCE DECEMBER 1ST, 2017

INVESTOR MEETINGS IN 2017

over 300

3.1 Information about the Company

3.1.1 General information about the Company

Corporate name

Teleperformance SE

Registration location and number

Paris Trade and Companies Register No. 301 292 702

APE business activity code: 6420Z

Registered office and central administration

21-25, rue Balzac – 75008 Paris – France

Telephone: +33 1 53 83 59 00

Legal form – applicable law

The combined shareholders' meeting held on May 7th, 2015 approved the conversion of the legal form of the Company by adopting the form of a European Company (*Societas Europaea*). Since June 23rd, 2015, effective date of conversion, Teleperformance is a European Company having its registered office in France. It is governed by the provisions of the European Council Regulation (EC) No 2157/2001 dated October 8th, 2001 governing the statutes of European companies, the provisions of the European Council Directive No 2001/86/CE of October 8th, 2001, the provisions of the French Commercial Code for companies in general and European companies in particular and by its articles of association.

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

3.1.2 Memorandum and articles of association

3.1.2.1 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, personality 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.

3.1.2.2 Administration and 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. directors may be individuals or legal entities.

Pursuant to Article 17 of the articles of association, the Board of Directors manages and administers the Company. Subject to the powers expressly reserved by law to general meetings of shareholders and within the limits of the corporate purpose, it examines any issue relating to the normal running of the Company and through its deliberations, deals with matters that affect it. It has the powers and authority as specified under the French Commercial Code. The Board meets at least once a quarter in order to review the Company's operations and future outlook.

The Board of Directors' missions include, but are not limited to, the following:

- approving the annual company and consolidated financial statements;
- convening general meetings of shareholders;
- deciding to issue bonds;
- approving regulated related-party agreements;
- authorizing sureties, endorsements and guarantees;
- setting up all Committees and determining their powers;
- deciding on all interim dividend distributions.

Furthermore, the Board of Directors determines or authorizes expressly and prior to their completion:

- approval of consolidated annual budgets;
- any significant (commercial, industrial, financial, real estate or other) transaction that the general management plans, not comprised under the approved strategy or budget, including, in particular, moveable or immoveable investment by external or internal growth, where the amount represents more than 20% of the Group's net assets as reports in the latest consolidated financial statements approved by the Board of Directors;
- conclusion of alliances of any kind involving a material proportion of consolidated revenues;
- proposal of dividend distributions to general meetings of shareholders.

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 Chief Executive Officer *(directeur général)*.

The Board of Directors chooses between these two ways of exercising the executive management. The shareholders and third parties must be informed of this choice in accordance with the terms laid down by law.

The Chief Executive Officer has full powers to act in any circumstances in the Company's name. He must exercise his powers within the limits of the corporate purpose and subject to the powers expressly reserved by law to general meetings of shareholders and the Board of Directors.

Upon proposal by the Chief Executive Officer, the Board of Directors may appoint one or more individuals responsible for assisting the Chief Executive Officer, with the title of Deputy Chief Executive Officer (*directeur général délégué*). With the Chief Executive Officer's agreement, the Board of Directors determines the scope and duration of the powers granted to the Deputy Chief Executive Officers. They have the same powers as the Chief Executive Officer *vis-à-vis* third parties.

The composition and modalities related to the Board of Directors and the executive management of the Company are described in chapter 4 of the present Registration Document.

3.1.2.3 Description of rights, privileges and restrictions, if any, on existing shares and each class of shares

Form of securities

Under the terms of Articles 6, 10 and 11.1 of the articles of association, all bearer and registered shares, as decided by the shareholder, belong to the same class, except where legal or regulatory provisions impose, in certain cases, shares to be under the registered form. 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

Under the terms of Article 25 of the articles of association, 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.

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.

3.1.2.4 Shareholders' meetings

Convening general meetings

Under the terms of Article 23 of the articles of association, general meetings are convened in accordance with the law and with the provisions of the European Council Regulation (EC) No 2157/2001 of October 8th, 2001 governing the statutes of European companies. 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 publishes the information and documents required by law in the *Bulletin des annonces légales obligatoires* (legal gazette) and on its website, within the legal time limits.

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

Under the terms of Article 24 of the articles of association, the agenda for meetings appears in the notice and convening letters. It is established by the party in charge of the convening.

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 (Article 25 of the articles of association)

In accordance with legal and regulatory provisions, any shareholder is entitled to participate in general meetings and to take part to its deliberations in person or through a proxy, regardless of the number of shares held, by simply providing proof of his or her identity, so long as the shares are fully paid-up and registered in an account in the shareholders' name or in the name of the intermediary registered on his or her behalf pursuant to the seventh paragraph of Article L.228-1 of the French Commercial Code, as at midnight (Paris time) on the second business day preceding the meeting, either in the registered securities accounts held by the Company, or in the bearer securities accounts held by the authorized intermediary.

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

Quorum and deliberations (articles 27 and 28 of the articles of association)

The ordinary general meeting can only validly deliberate, when first convened, if the shareholders present or represented or voting by correspondence hold at least one fifth of the shares with voting rights. No quorum is required when a meeting is convened for a second time.

Resolutions are adopted by a majority of the votes cast and shall not include votes attaching to shares in respect of which the shareholder has abstained or has returned a blank (except the blank proxy to the Chairman) or spoilt ballot paper.

The extraordinary general meeting can only validly deliberate if the shareholders which are present or represented, or who vote by correspondence hold at least, when first convened, one-quarter and, when convened a second time, one-fifth of the shares with voting rights.

The meeting passes resolutions on a two-thirds majority of votes cast and shall not include votes attaching to shares in respect of which the shareholder has abstained or has returned a blank (except the blank proxy to the Chairman) or spoilt ballot paper.

3.1.2.5 Earnings

Under the terms of Article 32 of the articles of association, the net income for each financial year, after deducting the Company's overheads and other charges including amortization and provisions, constitutes the net profits or losses for the financial year.

At least one twentieth of net income less any retained losses brought forward shall be deducted from the net income to form a reserve fund known as "legal reserve". This withdrawal to the legal reserve shall cease to be compulsory when 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 can deduct from the profit, before any dividends are paid, any sums it considers necessary, either to be carried forward to the next financial year, or to be entered into one or more general or special 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 supply or supplement a dividend, or as an exceptional 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.

No dividends can be claimed back from shareholders, unless payments of fictitious dividends or fixed or interim interests, prohibited by law, provided that the Company proved that the beneficiaries know of the irregular nature of this dividend or could not have been unaware of it in the circumstances.

Dividends which are unclaimed within five years 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.

3.1.2.6 Identification of holders of securities

Under the terms of Article 13 of the articles of association, the Company reserves the right, at any time and at its own expenses, 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.

3.1.2.7 Shareholding thresholds crossings

The articles of association do not provide for any disclosure requirements in the event of crossing shareholding thresholds, which remains governed by legal and regulatory provisions in force.

3.1.2.8 Changes in share capital, shareholder rights and articles of association

Share capital and shareholder rights can be changed under legal and regulatory provisions as the Company's articles of association do not provide for any more restrictive specific rules. Similarly, the articles of association are modified under the legal and regulatory provisions.

3.1.2.9 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.

3

3.2 *Share capital*

3.2.1 Amount of issued share capital

As of December 31st, 2017, the Company's share capital amounted to €144,450,000 divided into 57,780,000 fully paid-up shares of the same class, each with a par value of €2.50.

As of December 31st, 2017, these 57,780,000 shares represented 58,861,257 theoretical (or gross) voting rights and 58,825,857 actual (or net) voting rights. As of January 31st, 2018, they represent 58,860,708 theoretical (or gross) voting rights and 58,838,608 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.

3.2.2 Securities not representing share capital

None.

3.2.3 Authorized and non-issued share capital

3.2.3.1 Current authorizations

Status of the authorizations approved by the combined shareholders' meetings held on June 23rd, 2017 and proposition of authorization submitted to the shareholders' meeting to be held on April 20th, 2018:

	Date of shareholders' meeting (resolution No.)	Duration (expiry)	Terms
Share repurchases*	June 23rd, 2017 (15th)	18 months (Dec. 2018)	Maximum purchase price per share: €150 Limit: 10% of the total number of shares
	April 20th, 2018 (17th)	**18 months (Oct. 2019)**	**Maximum purchase price per share: €180** **Limit: 10% of the total number of shares**
Cancellation of shares	June 23rd, 2017 (16th)	26 months (August 2019)	10% of the total number of shares on date of cancellation decision

* *Suspended during a public offering.*

3.2.3.2 Treasury shares

As of December 31st, 2017, the Company owned 25,400 treasury shares all held in connection with the liquidity contract.

No shares were allocated to cover performance share plans, nor for the purposes of cancellation.

As of January 31st, 2018, the Company held 22,100 treasury shares, all held in connection with the liquidity contract.

3.2.3.3 Shares held by the Group

As of December 31st, 2017, no shares were held by any company of the Group.

3.2.3.4 Share buy-back program

Summary of the current buy-back program

The shareholders' meeting held on June 23rd, 2017 authorized the Board of Directors to purchase its own shares, for an 18-month period, and terminated the previous authorization granted by the combined shareholders' meeting held on April 28th, 2016.

Pursuant to said authorization, the Board of Directors at its meeting held on June 23rd, 2017 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 €150.

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

- 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 executive officers;
- ensure the coverage of securities giving rights to the share capital of the Company in accordance with the regulations in force;
- retain the purchased shares and subsequently deliver them as consideration of an exchange or a payment in connection with possible external growth transactions, it being specified that shares acquired for this purpose cannot exceed 5% of the Company's share capital;
- stimulate the secondary market or ensure the liquidity of the Teleperformance share through the activities of an investment service provider under a liquidity agreement in compliance with the AMAFI Code of ethics authorized by the regulations, it being specified that, in this context, the number of shares taken into account for the calculation of the limit, corresponds to the number of shares purchased, after deduction of the number of shares resold;
- possibly cancel the shares repurchased pursuant to the authorization granted by the shareholders' meeting held on June 23rd, 2017 in its 16th extraordinary resolution;
- carry out, in general, any transaction permitted under current regulations.

Liquidity contract

On January 5th, 2007, the Company entered into a liquidity contract with Oddo Corporate Finance pursuant to the AMAFI Code of ethics approved by the regulations in force.

As at December 31st, 2017, assets held in the liquidity account were as follows: 25,400 shares and €4,529,371.71.

Share repurchases or reallocations in connection with other objectives

None.

▶ Summary of the purchase and sale transactions on Company's own shares during 2017

Number of shares purchased	787,101
Average purchase price	€114.17
Number of shares sold	775,701
Average sale price	€114.27
Trading costs	€50,000.00 (excl. taxes)
Number of treasury shares held as of December 31st, 2017	25,400
Percentage of share capital held by the Company as of December 31st, 2017	0.044%
Book value of treasury shares held as of December 31st, 2017*	€3,023,512.05
Market value of treasury shares held as of December 31st, 2017**	€2,900,037.38
Total nominal value of treasury shares*** as of December 31st, 2017	€63,500.00
Number of shares canceled over the last 24 months****	0

** Book value before impairment.*
*** Based on the average purchase price, i.e. €114.17 per share.*
**** All treasury shares held as of December 31st, 2017 are shares held pursuant to the objective of stimulating the secondary market or ensuring the liquidity of the Teleperformance share through the activities of an investment service provider under a liquidity agreement pursuant to the regulations in force.*
***** No cancellation in 2017.*

New share buy-back program

It will be proposed to the general meeting to be held on April 20th, 2018 to renew the authorization for the Company to buy back its own shares on the following terms:

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 executive officers;
- ensure the coverage of securities giving right to the share capital of the Company in accordance with the regulations in force;
- retain shares purchased for the purpose of subsequently delivering them as consideration of an exchange or payment in connection with possible external growth transactions; it being specified that 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 AMAFI Code of ethics authorized by the regulations, it being specified that, in this context, the number of shares taken into account for the calculation of the limit, corresponds to the number of shares purchased, after deduction of the number of shares resold;
- possibly cancel the repurchased shares, pursuant to the authorization granted by the shareholders' meeting held on June 23rd, 2017 in its 16th extraordinary resolution;
- carry out, in general, any transaction permitted under current regulations.

Terms of repurchases

These shares purchases may be carried out by any means, including by the acquisition of blocks of trade, and at the time that the Board of Directors shall determine within the limits and on terms and conditions provided for by applicable law and regulations. The Company retains the right to use optional mechanisms or derivative instruments pursuant to applicable regulations. The maximum portion of share capital that may be transferred by way of a block of trade may be equivalent to the entire share repurchase program. These repurchases shall not be executed during the period of a public offering initiated by a third party on the company's shares and until the end of the period of the public offering.

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 authorization proposed to the shareholders' meeting to be held on April 20th, 2018 is set at 10% of the total number of shares comprising the share capital (or 5,778,000 shares as of the date of the present 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, 2018 amounted to 22,100 (*i.e.*, 0.04% of the share capital), the maximum number of shares that can be purchased stands at 5,755,900 representing 9.96% 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 April 20th, 2018 is set at €180 per share. Therefore, the maximum transaction amount is set at €1,040,040,000 based on a number of shares of 57,780,000.

Term of the program

In accordance with the resolution which will be submitted for approval to the shareholders' meeting to be held on April 20th, 2018, the share buy-back program will be implemented over a period of 18 months following the date of said meeting expiring on October 18th, 2019.

3.2.4 Potential share capital

3.2.4.1 Securities giving access to the Company's share capital

None.

3.2.4.2 Stock options

Options granted by the Company

None.

Options granted by companies controlled by the Company

None.

3.2.4.3 Performance shares granted under no consideration

Pursuant to the authorizations granted by the combined general meetings dated May 30th, 2013 (21st resolution) and April 28th, 2016 (16th resolution), the Company's Board of Directors has implemented six performance share plans for the benefit of some Group employees and corporate officers.

Details of the performance share plans

Performance shares granted under no consideration are subject to a vesting period of three years running from the date of grant. The definitive grant is 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 of Directors, the beneficiaries definitively acquire, depending of the plans regulations, either all, 75%, 50% or none of the shares granted. For the plans granted under the authorization of May 30th, 2013, the shares definitively vested must be retained by the beneficiaries for a period of two years.

Grants under the authorization given on May 30th, 2013

Plan dated July 30th, 2013 (Plan No. 1)

At its meeting held on July 30th, 2013, the Board of Directors decided to grant a total of 840,000 performance shares of the Company 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 the performance shares conditional upon the achievement of performance criteria described in section 2.2.5.3 of the 2016 Registration Document.

The Board of Directors, at its meeting held on February 24th, 2016, has, upon recommendation of the Remuneration and Appointments Committee, and after approval of the Audit Committee, noted that the fixed conditions were met and all the performance shares were definitively acquired by the beneficiaries who still met the attendance requirement on the vesting date, *i.e.* on July 30th, 2016.

A total of 635,000 shares, of which 56,690 existing shares and 578,310 new shares, were transferred to the beneficiaries on August 1st, 2016 (1st business day following the date of definitive acquisition). Beneficiaries are required to hold the shares for a two-year retention period. This retention period will end on July 30th, 2018.

Furthermore, as the modalities of the long-term incentive plan (see section 3.5.2.4 *Grant of stock options and performance shares to executive directors* of the 2016 Registration Document) were identical to those set by the Board of Directors for the performance share plan, the latter authorized the Company Teleperformance Group, Inc. to take an identical decision regarding the achievement of the performance conditions of the long-term incentive plan. It is specified that the executive directors which benefited from that plan did not take part to such decision.

Plan dated February 25th, 2014 (Plan No. 2)

At its February 25th, 2014 meeting, the Board of Directors decided to grant 22,500 performance 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.

The Board of Directors, at its meeting held on February 28th, 2017, has, upon recommendation of the Remuneration and Appointments Committee, examined the levels of achievement of the performance criteria and noted that, taking into account the financial results of this subsidiary, the criteria were not fully met. Therefore, no performance shares were definitively acquired by the beneficiary.

Grants under the authorization given on April 28th, 2016 and currently ongoing

Plan dated April 28th, 2016 (Plan No. 3)

At its meeting held on April 28th, 2016, upon recommendation of the Remuneration and Appointments Committee, the Board of Directors decided to grant a total of 914,300 performance shares of the Company in favor of 239 beneficiaries, in the form of new shares to be issued or existing shares. The vesting period for this plan is three years, *i.e.* from April 28th, 2016 to April 28th, 2019 inclusive. This grant is not subject to any lock-in period, which will thus be freely transferrable immediately upon vesting as from April 29th, 2019. The definitive acquisition of the performance shares thus granted is subject, for all beneficiaries, in addition to the performance criteria described hereafter, to a condition of presence as at the date of definitive acquisition, *i.e.* April 28th, 2019.

The Board of Directors decided to make the definitive vesting of the performance shares conditional upon the achievement of the performance criteria based on the achievement of three out of four performance criteria indicative of the Group's performance and measured over a three-year period starting from January 1st, 2016 to December 31st, 2018 as described below:

- the first Performance Criterion is based on the average growth of Group consolidated revenues (at constant exchange rate and scope of consolidation) (the "Average Revenue Growth");
- the second Performance Criterion is based on the average margin rate of the Group consolidated EBITA (excluding non-recurring items) (the "Average EBITA Margin");
- the third Performance Criterion consists of the difference between the three-year average of (A) the annual performance of the Teleperformance SE share price and (B) the annual performance of the SBF120 index, in each case measured over the period from January 1st, 2016 through December 31st, 2018 (the "Stock Price Evolution");
- the fourth Performance Criterion consists of the effectiveness in managing the Group strategic and technological evolutions in a fast moving and challenging environment the "Long-Term Qualitative Criterion".

Out of the four performance criteria, only those three representing the best level of performance, according to the performance targets for quantitative and for the long-term qualitative Criterion, as set forth below (the "Eligible Criteria") will be taken into consideration in order to determine the percentage of shares credit. The determination of the Eligible Criteria shall be made by the Board of Directors upon proposition of the Remuneration and Appointments Committee.

The final percentage of shares credit shall be equal to the addition of percentages of shares credit determined for each of the three performance criteria showing the best level of performance, as described hereafter, divided by 3. Such a percentage of shares credit will then be applied to the number of performance shares originally allocated to each beneficiary in order to calculate the final number of shares. The final performance shares acquired by each beneficiary shall be rounded up to the nearest whole number.

Performance targets for quantitative criteria

Percentage of shares credit	0%	50%	75%	100%
Average Revenue Growth	Below 3.5%	Higher than 3.5% but less than 5.0% (both inclusive)		Above 5.0%
Average EBITA Margin	Below 10.3%	Higher than 10.3% (inclusive) but less than 10.4%	Higher than 10.4% (inclusive) but less than 10.5%	10.5% (inclusive) and above
Stock Price Evolution vs. annual performance of the SBF 120 index	Negative evolution	Above 0 and up to 2.5% (inclusive)		Above 2.5%

Performance targets for the qualitative criterion

The introduction of a qualitative criterion relating to the Group's strategic and technological evolutions is important for the Board as it materializes one of Teleperformance's priorities in the long-term. The Board considered that the preparation of the Group to strategic technological evolutions and its ability to face a new technological environment could become an important competitive advantage and create value for all its stakeholders. The Long-Term Qualitative Criterion will be determined with the support of an independent third party expert in the field of technologies and new economy.

In order to assess this criterion, three sub-criteria will be analyzed, each one with three tests, so that the evaluation shall be quite detailed and specific:

- ability of the management to develop a vision of the impact of technologies on the Group's future:
  - selection of the relevant technologies and new economy practices,
  - quality of the information collection on these technologies and practices,
  - strength of its network of contacts in the field;
- acquisition and adoption of new technologies:
  - in the area of production,
  - in the area of products and services,
  - acquisitions that give access to necessary technologies and/or practices;
- benchmark of the Group practices with competitors:
  - in the area of production,
  - in the area of products and services,
  - acquisitions that give access to necessary technologies and/or practices.

A maximum of 15 points were allocated for each sub-criterion (5 by test). The percentage of shares credit allocated is as follows:

Number of points	Percentage of shares credit
0 to 25	0%
25 (inclusive) to 35	50%
35 (inclusive) to 45	100%

Plan dated November 2nd, 2016 (Plan No. 4)

At its meeting held on November 2nd, 2016, the Board of Directors decided to grant a total of 151,508 performance shares in favor of 29 beneficiaries, in the form of new shares to be issued or existing shares. The vesting period for this plan is three years, *i.e.* from November 2nd, 2016 to November 2nd, 2019 inclusive. This grant is not subject to any lock-in period, which means that beneficiaries may dispose of their performance shares at the end of the vesting period if the performance criteria and the presence condition are met *i.e.*, starting from November 3rd, 2019.

This new performance share plan was set up for some senior executives of Teleperformance (non-executive officers) and of Language Line who have joined the Group recently following up to the acquisition of the Language Line Group in 2016.

In order to create and maintain cohesion and team spirit and give these new managers an interest in the Group's results and development, and since they will contribute to these achievements, the Board of Directors decided to fix the same performance criteria as those defined in the April 28th, 2016 plan (see above Plan dated April 28th, 2016 (Plan No 3)).

Plan dated June 23rd, 2017 (Plan No. 5)

At its June 23rd, 2017 meeting, the Board of Directors decided to grant 11,600 performance shares in favor of one beneficiary, in the form of new shares to be issued or existing shares. The vesting period for this plan is three years, *i.e.* from June 23rd, 2017 to June 23rd, 2020 inclusive. This grant is not subject to any lock-in period, which means that beneficiaries may dispose of their performance shares at the end of the vesting period if the performance criteria and the presence condition are met, *i.e.* as from June 24th, 2020.

The definitive vesting of shares is subject to performance criteria based on levels of revenues and EBIT of a subsidiary of the Group and to a presence condition on the vesting date, *i.e.* on June 23rd, 2020.

Plan dated January 2nd, 2018 (Plan No. 6)

At its November 30th, 2017 meeting, the Board of Directors decided to grant 6,000 performance shares in favor of one beneficiary, in the form of new shares to be issued or existing shares. The grant date for this plan is January 2nd, 2018 and the vesting period is three years, *i.e.* from January 2nd, 2018 to January 2nd, 2021.

The definitive vesting of shares is subject to performance criteria based on levels of revenues and EBITDA of subsidiaries of the Group, measured over three years, *i.e.* from January 1st, 2018 to December 31st, 2020. This grant is not subject to any lock-in period, which means that beneficiaries may dispose of their performance shares at the end of the vesting period if the performance criteria and the presence condition are met, *i.e.* as from January 3rd, 2021.

Synthesis of the performance share plans granted by the Company

	Plan 1	Plan 2	Plan 3	Plan 4	Plan 5	Plan 6
Date of shareholders' meeting	05/30/2013	05/30/2013	04/28/2016	04/28/2016	04/28/2016	04/28/2016
Date of Board meeting	07/30/2013	02/25/2014	04/28/2016	11/02/2016	06/23/2017	11/30/2017
Grant date	07/30/2013	02/25/2014	04/28/2016	11/02/2016	06/23/2017	01/02/2018
Total number of share rights granted	840,000	22,500	914,300	151,508	11,600	6,000
Total number of beneficiaries	126	1	239	29	1	1
of which total number granted to executive officers*:						
▪ Daniel Julien	-	-	-	-	-	-
▪ Paulo César Salles Vasques**	-	-	-	-	-	-
▪ Olivier Rigaudy***	n/a	-	n/a	-	-	-
Vesting date	07/30/2016	02/25/2017	04/28/2019	11/02/2019	06/23/2020	01/02/2021
End of lock-in period	07/30/2018	02/25/2019	-	-	-	-
Performance criteria	YES	YES	YES	YES	YES	YES
Nature of shares granted	New or existing shares	New or existing shares	New or existing shares	New or existing shares	New or existing shares	New or existing shares
Total number of share rights cancelled or lapsed	205,000	22,500****	81,300	11,632	0	0
Number of shares definitively vested	635,000	0	-	-	-	-
Number of outstanding rights	-	0	833,000	139,876	11,600	6,000

* *Since 2013, the grants in favor of executive officers are made under the plans called long-term incentive described hereafter in section "performance shares granted by companies controlled by the Company".*
** *Chief Executive Officer until October 13th, 2017.*
*** *Deputy Chief Executive Officer since October 13th, 2017.*
**** *The Board of Directors, at its meeting held on February 28th, 2017, noted that the performance criteria for this plan were not met. Therefore, no shares were acquired by the beneficiary.*

As of February 28th, 2018, based on all plans, there were 990,476 outstanding rights to performance shares that may be acquired by beneficiaries (after deducting acquired shares or canceled shares due to beneficiaries' departures).
With regard to the plans no. 3, no. 4, no. 5 and no. 6, the vesting of shares may have no dilutive effect in respect of existing shares or, in the case of new shares, may lead to the issue of 990,476 new shares, representing a potential maximum share capital increase of €2,476,190 and a maximum potential dilution of 1.71%.

Performance shares granted to the top ten non-executive employees

Under the performance share plan of June 2017, the beneficiary, who is not an employee of Teleperformance SE, was granted 11,600 performance shares.

Performance shares granted by companies controlled by the Company

In 2013, Teleperformance Group, Inc., wholly-owned subsidiary of Teleperformance SE, implemented a long-term incentive plan based on Teleperformance SE shares to the benefit of two beneficiaries, Messrs. Julien and Salles Vasques (Chief Executive Officer until October 13th, 2017), and involving a total of 300,000 shares. The definitive vesting of shares were subject to conditions of attendance and performance criteria identical to those adopted by the Company's Board of Directors for the July 30th, 2013 performance shares plan (Plan No 1). These performance shares were acquired by the beneficiaries on August 1st, 2016. The retention period for these shares will end on July 31st, 2018.

In April 2016, Teleperformance Group, Inc. implemented another long-term incentive plan based on Teleperformance SE shares to the benefit of two beneficiaries, Messrs. Julien and Salles Vasques (Chief Executive Officer until October 13th, 2017), and involving a total of 350,000 shares. The definitive vesting of shares is subject to conditions of attendance and performance criteria identical to those adopted by the Company's Board of Directors for the April 28th, 2016 performance share plan (Plan No 3) as described above.

The terms of these long-term incentive plans are also described in section 4.2.2.3 *Grant of stock options and performance shares to executive officers* of the present Registration Document. As of February 28th, 2018, there were 279,041 outstanding rights to performance shares that may be acquired by beneficiaries.

3.2.5 Changes in share capital over the past three years

		Amount			Cumulated share capital	
Description	Date	Nominal *(in euros)*	Issue or contribution premium *(in euros)*	Number of new shares issued/ canceled	In shares	In euros
Share capital at 12/31/2014	12/31/2014	2.50	n/a	n/a	57,201,690	143,004,225.00
Performance share plan (July 30th, 2013)	08/01/2016	2.50	n/a	578,310	57,780,000	144,450,000.00

3.3 *Shareholding*

3.3.1 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 SE during the last three financial years.

To the Company's knowledge, no material change occurred between December 31st, 2017 and the filing date of the present Registration Document, except concerning the information presented in section 3.3.1.4 below.

3.3.1.1 Breakdown of share capital and voting rights at December 31st, 2017

	Share capital		Theoretical voting rights		Actual voting rights	
At December 31st, 2017	Number	%	Number	%	Number	%
NN Group N.V.	2,970,000	5.1%	2,970,000	5.0%	2,970,000	5.0%
BlackRock Fund Advisors, LLC	2,709,100	4.7%	2,709,100	4.6%	2,709,100	4.6%
BNP Paribas Asset Management	1,532,600	2.7%	1,532,600	2.6%	1,532,600	2.6%
The Vanguard Group	1,430,400	2.5%	1,430,400	2.4%	1,430,400	2.4%
Fidelity Management & Research Company	1,321,500	2.3%	1,321,500	2.3%	1,321,500	2.3%
Mr. Daniel Julien	974,314	1.7%	1,798,628	3.1%	1,798,628	3.1%
Main identified shareholders	**10,937,914**	**19.0%**	**11,762,228**	**20.0%**	**11,762,228**	**20.0%**
Other shareholders (public)	46,816,686	81.0%	47,073,629	80.0%	47,073,629	80.0%
Treasury shares	25,400	0.0%	25,400	0.0%	0	0.0%
TOTAL	**57,780,000**	**100%**	**58,861,257**	**100%**	**58,835,857**	**100%**

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

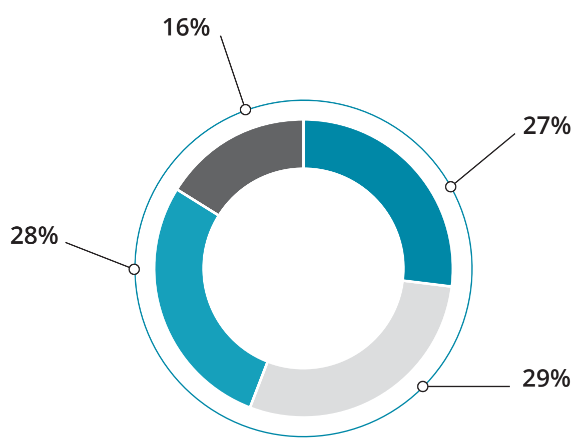
At December 31st	2017 Number of shares	2017 % shares	2017 % actual voting rights	2016 Number of shares	2016 % shares	2016 % actual voting rights	2015 Number of shares	2015 % shares	2015 % actual voting rights
NN Group N.V.*	2,970,000	5.1%	5.0%	3,253,400	5.6%	9.9%	3,312,500	5.8%	10.4%**
BlackRock Fund Advisors, LLC	2,709,100	4.7%	4.6%	2,887,400	5.0%	4.7%	680,200***	1.2%	1.1%
BNP Paribas Asset Management	1,532,600	2.7%	2.6%	1,241,900	2.1%	2.0%	1,772,700	3.1%	2.9%
The Vanguard Group	1,430,400	2.5%	2.4%	1,252,100	2.2%	2.0%	686,200***	1.2%	1.1%
Fidelity Management & Research Company	1,321,500	2.3%	2.3%	1,728,900	3.0%	2.8%	820,000***	1.4%	1.3%
Mr. Daniel Julien	974,314	1.7%	3.1%	974,314	1.7%	2.7%	825,314	1.4%	2.4%
HSBC Global Asset Management	821,400	1.4%	1.4%	1,392,000***	2.4%	2.3%	1,658,200	2.9%	2.7%
Dimensional Fund Advisors	813,300***	1.4%	1.4%	1,330,600	2.3%	2.2%	1,254,400	2.2%	2.1%
Tweedy Brown Company LLC	785,800	1.4%	1.3%	1,108,600	1.9%	1.8%	1,553,500	2.7%	2.5%
Main identified shareholders	**13,358,414**	**23.2%**	**24.1%**	**15,169,214**	**26.3%**	**30.4%**	**12,563,014**	**22.0%**	**26.6%**
Other shareholders (public)	44,396,186	76.8%	75.9%	42,596,786	73.7%	69.6%	44,492,429	77.8%	73.4%
Treasury shares	25,400	0.0%	0.0%	14,000	0.0%	0.0%	146,247	0.3%	0.0%
TOTAL	**57,780,000**	**100%**	**100%**	**57,780,000**	**100%**	**100%**	**57,201,690**	**100%**	**100%**

* *Controlled by ING Groep N.V. until May 26th, 2015.*
** *See section 3.3.1.4.*
*** *Based on a Teleperformance SE shareholder identity study as of September 30th.*

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

▶ Geographical breakdown of institutional shareholders at 9/30/2017*



* *Based on a Teleperformance SE shareholder identity study as of September 30th, 2017, which identified more than 7,300 shareholders, including 330 institutional investors.*

At September 30th, 2017, institutional investors held 85% of the Company's share capital, compared to 86% the previous year.

3.3.1.3 Company shares held by employees

In accordance with the provisions of Article L.225-102 of the French Commercial Code, as of December 31st, 2017, the employees of the Company and related companies within the meaning of Article L.225-180 of the French Commercial Code hold no share of the Company (it being specified that only performance shares granted in accordance with Article L.225-97-1 of the French Commercial Code to employees, pursuant to authorizations given after August 7th, 2015 are to be taken into account in this status).

3.3.1.4 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 financial years:

Since the end of the last financial year

Declaration date	AMF Notice No	Transaction date	Registered intermediary or fund manager	Legal threshold	Nature of change	Number of shares	% of share capital	% of voting rights
01/04/2018	218C0031	01/03/2018	BlackRock Inc.	5% of share capital and voting rights	downward	2,882,730	4.99%	4.90%
01/09/2018	218C0062	01/08/2018	BlackRock Inc.	5% of share capital	upwards	2,910,046	5.04%	4.94%
01/10/2018	218C0076	01/09/2018	BlackRock Inc.	5% of voting rights	upwards	2,962,543	5.13%	5.03%
01/11/2018	218C0087	01/10/2018	BlackRock Inc.	5% of voting rights	downward	2,932,429	5.08%	4.98%
01/12/2018	218C0107	01/11/2018	BlackRock Inc.	5% of share capital	downward	2,861,566	4.95%	4.86%
02/08/2018	218C0381	02/07/2018	BlackRock Inc.	5 % of share capital	upwards	2,912,628	5.04 %	4.95 %
02/12/2018	218C0405	02/09/2018	BlackRock Inc.	5 % of share capital	downward	2,836,918	4.91 %	4.82 %
02/22/2018	218C0467	02/21/2018	BlackRock Inc.	5 % of share capital	upwards	2,894,322	5.01 %	4.92 %
02/26/2018	218C0482	02/23/2018	BlackRock Inc.	5 % of share capital and voting rights	upwards	3,000,838	5.19 %	5.10 %
02/28/2018	218C0506	02/27/2018	BlackRock Inc.	5 % of share capital and voting rights	downward	2,865,661	4.96 %	4.87 %

In 2017

Declaration date	AMF Notice No	Transaction date	Registered intermediary or fund manager	Legal threshold	Nature of change	Number of shares	% of share capital	% of voting rights
02/23/2017*	217C0527	08/12/2016	NN Group N.V.	10% of voting rights	downward	3,253,419	5.69%	9.98%
07/17/2017	217C1612	07/14/2017	BlackRock Inc.	5% of share capital	upwards	2,897,105	5.01%	4.72%
07/19/2017	217C1647	07/18/2017	BlackRock Inc.	5% of share capital	downward	2,872,697	4.97%	4.68%
08/02/2017	217C1804	07/28/2017	NN Group N.V.	5% of voting rights	downward	3,064,934	5.30%	4.99%
08/04/2017	217C1826	08/02/2017	NN Group N.V.	5% of voting rights	upwards	3,038,934	5.26%	5.16%
08/08/2017	217C1861	08/07/2017	BlackRock Inc.	5% of share capital	upwards	2,903,329	5.02%	4.93%
08/10/2017	217C1887	08/09/2017	BlackRock Inc.	5% of share capital	downward	2,883,201	4.99%	4.90%
08/14/2017	217C1917	08/11/2017	BlackRock Inc.	5% of share capital and voting rights	upwards	2,988,068	5.17%	5.08%
08/15/2017	217C1918	08/14/2017	BlackRock Inc.	5% of voting rights	downward	2,931,926	5.07%	4.98%
08/16/2017	217C1919	08/15/2017	BlackRock Inc.	5% of voting rights	upwards	2,954,917	5.11%	5.02%
08/18/2017	217C1949	08/17/2017	BlackRock Inc.	5% of voting rights	downward	2,917,234	5.05%	4.96%
08/21/2017	217C1957	08/18/2017	BlackRock Inc.	5% of voting rights	upwards	2,946,221	5.10%	5.01%
08/22/2017	217C1962	08/21/2017	BlackRock Inc.	5% of voting rights	downward	2,909,894	5.04%	4.94%
08/23/2017	217C1974	08/22/2017	BlackRock Inc.	5% of share capital	downward	2,835,821	4.91%	4.82%
09/11/2017	217C2108	09/08/2017	BlackRock Inc.	5% of share capital	upwards	2,892,258	5.01%	4.91%
09/12/2017	217C2117	09/11/2017	BlackRock Inc.	5% of share capital	downward	2,709,452	4.69%	4.60%
12/05/2017	217C2839	12/04/2017	BlackRock Inc.	5% of share capital and voting rights	upwards	2,972,360	5.14%	5.05%
12/06/2017	217C2856	12/05/2017	BlackRock Inc.	5% of voting rights	downward	2,916,114	5.05%	4.95%
12/07/2017	217C2869	12/06/2017	BlackRock Inc.	5% of share capital	downward	2,863,626	4.96%	4.87%
12/08/2017	217C2882	12/07/2017	BlackRock Inc.	5% of share capital and voting rights	upwards	2,998,516	5.19%	5.09%
12/11/2017	217C2897	12/08/2017	BlackRock Inc.	5% of voting rights	downward	2,920,497	5.05%	4.96%
12/12/2017	217C2907	12/11/2017	BlackRock Inc.	5% of share capital	downward	2,878,312	4.98%	4.89%
12/13/2017	217C2915	12/12/2017	BlackRock Inc.	5% of share capital	upwards	2,909,898	5.04%	4.94%
12/14/2017	217C2934	12/13/2017	BlackRock Inc.	5% of share capital	downward	2,882,990	4.99%	4.90%
12/15/2017	217C2941	12/14/2017	BlackRock Inc.	5% of share capital	upwards	2,893,260	5.01%	4.92%
12/21/2017	217C2995	12/20/2017	BlackRock Inc.	5% of share capital	downward	2,852,969	4.94%	4.85%
12/22/2017	217C3005	12/21/2017	BlackRock Inc.	5% of share capital	upwards	2,922,447	5.06%	4.96%
12/29/2017	217C3047	12/28/2017	BlackRock Inc.	5% of voting rights	upwards	2,962,081	5.13%	5.03%

* *By letter dated February 23rd, 2017, NN Group N.V. stated, for regularization purposes, that it crossed downwards, on August 12th, 2016, indirectly through the intermediary of controlled companies, the threshold of 10% of the voting rights of the Company and that it held, at the same date, 3,253,419 shares representing 6,073,870 voting rights, i.e. 5.69% of the share capital and 9.98% of the voting rights. This crossing resulted from the selling of shares on the market. Furthermore, NN Group N.V. indicated that it held, as of February 22nd, 2017, indirectly through the intermediary of controlled companies, 3,253,419 shares of the Company representing 6,073,870 voting rights, i.e. 5.63% of the share capital and 9,89% of the voting rights.*
The entirety of the declaration of crossing is available on the website of the Autorité des marchés financiers (www.amf-france.org) in the notice No 217C0527 dated February 24th, 2017.

In 2016

Declaration date	AMF notice No	Transaction date	Registered intermediary or fund manager	Legal threshold	Nature of change	Number of Shares	% of share capital	% of voting rights
02/22/2016 02/23/2016*	216C0551	07/12/2015	NN Group N.V	10% of voting rights	upwards	3,299,144	5.77%	10.50%
05/25/2016	216C1220	05/20/2016	BlackRock Inc.	5% of share capital and voting rights	upwards	3,314,128	5.79%	5.45%
05/26/2016	216C1233	05/23/2016	BlackRock Inc.	5% of share capital and voting rights	downward	2,463,198	4.31%	4.05%
06/16/2016	216C1395	06/15/2016	BlackRock Inc.	5% of share capital	upwards	2,921,580	5.11%	4.80%
06/17/2016	216C1417	06/16/2016	BlackRock Inc.	5% of share capital	downward	2,709,582	4.74%	4.45%
08/30/2016	216C1942	08/16/2016	BlackRock Inc.	5% of share capital	upwards	2,923,687	5.11%	4.81%
09/20/2016	216C2120	09/19/2016	BlackRock Inc.	5% of voting rights	upwards	3,081,406	5.33%	5.02%
10/04/2016	216C2250	10/03/2016	BlackRock Inc.	5% of voting rights	downward	3,048,115	5.28%	4.96%
10/07/2016	216C2295	10/06/2016	BlackRock Inc.	5% of voting rights	upwards	3,086,664	5.34%	5.03%
11/09/2016	216C2529	11/08/2016	BlackRock Inc.	5% of voting rights	downward	3,051,243	5.28%	4.97%
11/15/2016	216C2571	11/14/2016	BlackRock Inc.	5% of share capital	downward	2,795,530	4.84%	4.55%
12/14/2016	216C2821	12/13/2016	BlackRock Inc.	5% of share capital	upwards	2,896,290	5.01%	4.72%
12/15/2016	216C2833	12/14/2016	BlackRock Inc.	5% of share capital	downward	2,821,648	4.88%	4.60%

* *By letter dated February 22nd, 2016, completed by a letter dated February 23rd, 2016, the Company NN Group N.V. stated, for regularization purposes, that it crossed upwards, on July 12th, 2015, indirectly through the intermediary of controlled companies, the threshold of 10% of the voting rights of the Company and that it held, at the same date, 3,299,144 shares representing 6,421,343 voting rights, i.e. 5.77% of the share capital and 10.50% of the voting rights. This crossing resulted from the grant of double voting rights. It is specified that the portion of voting rights exceeding 10% would be temporarily suspended pursuant to the applicable legal provisions. Furthermore, NN Group N.V. indicated that it held, as of February 22nd, 2016, indirectly through the intermediary of controlled companies, 3,291,016 shares of the Company representing 6,413,215 voting rights, i.e. 5.75% of the share capital and 10.49% of the voting rights.*

By the same letters, a statement of intent has been made whereby NN Group N.V. and the entities members of its Group stated, in particular, that they do not consider acquiring additional Teleperformance SE shares and do not consider requesting the appointment of representatives within the Board of Directors of Teleperformance SE.

The entirety of the statement of intent and the declaration of crossing are available on the website of the Autorité des marchés financiers (www.amf-france.org) in the notice No 216C0551 dated February 24th, 2016.

In 2015

On June 1st, 2015, ING Groep N.V. declared that, on May 26th, 2015, it crossed indirectly, by the intermediary of NN Group N.V., downward the threshold of 5% of share capital and voting rights of the Company and declared that it no longer holds any shares and voting rights. This threshold crossing results from the loss of control of NN Group N.V. by ING Groep N.V.

As of May 26th, 2015, NN Group N.V. held 3,313,678 shares representing as many voting rights, *i.e.* 5.79% of share capital and 5.71% of voting rights of the Company.

3.3.2 Shareholders' agreements

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

3.3.3 Change of control of the Company

To the Company's knowledge, no agreement has been entered into that might entail a change of control of the Company if implemented.

3.4 Stock market listing

3.4.1 Listing references

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

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

Teleperformance SE shares are included in the following indexes: SBF 120, CAC Large 60, CAC Next 20, CAC All Shares, CAC Support Services, STOXX 600, MSCI Global Standard and S&P 350.

Since 2012, Teleperformance SE shares have been included in the Services Support sector (2790) according to the ICB European classification.

Teleperformance SE shares joined the Euronext Vigeo Eurozone 120 index in December 2015, in relation to social and environmental responsibility and corporate governance matters.

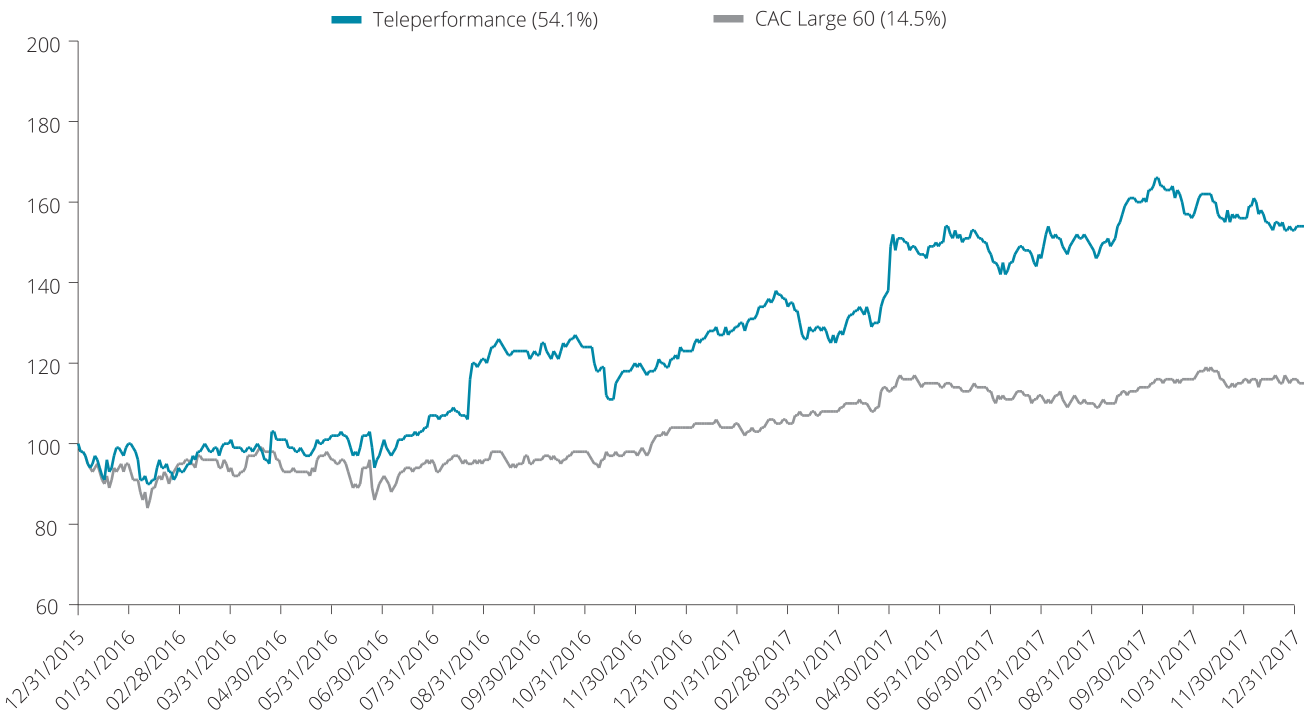
Teleperformance joined the Next 20 and CAC Large 60 indexes on September 18th, 2017, the MSCI Global Standard index on December 1st, 2017 and the S&P 350 on December 18th, 2017.

3.4.2 Information on traded volumes and share price movements

3.4.2.1 Monthly evolution of the readjusted share prices over the last 18 months (source: Euronext Paris)

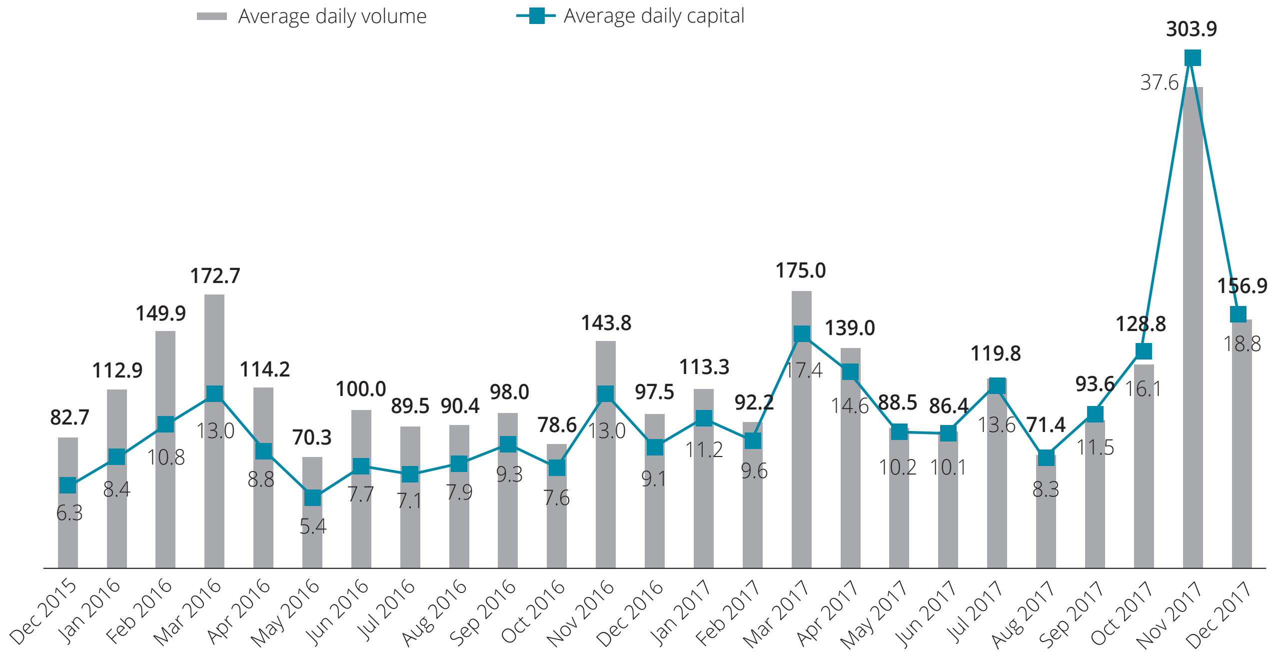
	High *(in euros)*	Low *(in euros)*	Closing price *(in euros)*	Number of shares traded	Value traded *(in euros)*	Number of trading sessions
2016						
August	94.90	81.23	92.93	2,078,973	182,066,600	23
September	97.75	93.15	94.93	2,155,729	205,431,000	22
October	99.50	93.70	96.27	1,649,801	158,885,500	21
November	96.70	84.50	92.14	3,162,925	284,981,500	22
December	96.31	89.90	95.30	2,047,694	190,596,300	21
2017						
January	102.00	95.30	99.11	2,492,861	246,990,440	22
February	107.35	99.21	104.50	1,844,786	191,973,067	20
March	104.30	96.17	101.25	4,025,842	399,640,420	23
April	119.10	100.10	115.35	2,502,149	262,936,860	18
May	118.45	108.50	116.45	1,947,567	224,962,574	22
June	120.45	110.75	112.15	1,900,073	221,465,557	22
July	118.65	108.95	117.65	2,515,612	285,512,179	21
August	121.15	111.90	115.60	1,641,155	191,335,472	23
September	126.65	115.25	126.30	1,964,936	240,499,003	21
October	129.00	119.50	125.40	2,834,332	353,740,590	22
November	128.60	119.20	124.35	6,685,504	826,668,840	22
December	124.80	116.60	119.45	2,981,731	356,667,654	19
2018						
January	127.90	118.00	122.10	2,470,823	305,198,301	22

3.4.2.2 Changes in the Company's adjusted share price over 2 years, as compared to the CAC Large 60 index



3.4.2.3 Adjusted monthly average volumes traded per day

Change in volume (in 000 shares) and capital (in €000,000), daily average per month



3.5 Dividends

3.5.1 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.

3.5.2 Dividends paid in respect of the last five financial years

Dividend for financial year*	Gross dividend per share	Total amount**	Distribution rate***
2012	€0.68	€38,486,672.64	30%
2013	€0.80	€45,808,152.00	35%
2014	€0.92	€52,625,554.80	35%
2015	€1.20	€68,642,028.00	35%
2016	€1.30	€75,114,000.00	35%

* *Paid the following year.*
** *Including unpaid dividends on the Company's treasury shares 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 fourth 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.

It is specified that the Board of Directors has decided to propose at the shareholders' meeting to be held on April 20th, 2018 to fix the gross amount of dividend for 2017 at €1.85 per share.

3.6 Financial communication

3.6.1 Mission statement

The Group is committed to maintaining a sustainable and trust-based relationship with its shareholders and all other members of the financial community. 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 published 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 123 to 156) to these topics.

A key feature of 2017 was the Group's continued efforts to improve the quality of its communication to the financial community. In January 2017, the Group held an Investor Day in the USA, where it presented its key and new business activities, development strategy and new five-year targets. The Group now publishes two letters to shareholders annually, compared to only one in previous years.

3.6.2 Dedicated information accessible to all shareholders

Financial and regulatory information and a large number of dedicated documents are made available to all shareholders in the Investor Relations section of the Teleperformance website (www.teleperformance.com), which is an extensive database of the Group's financial and regulated communication.

This information includes:

- all financial and strategic information provided to financial markets and Group shareholders: quarterly information, press releases, audio and video recordings and broadcasts of result presentations and theme conferences, letters to shareholders;

- regulated information circulated in compliance with the European Transparency Directive of December 15th, 2004, which includes the Registration Document containing the annual financial report, the half-yearly report, both 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 shareholders' meeting including notice of meetings, draft resolutions, ballot papers and meeting brochures.

These documents can be sent by mail on request, *via* the Group website, or to the Investor Relations Department by email, telephone or mail.

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

The Group regularly publishes its results and notices of shareholders' meetings in the national press.

3.6.3 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. Group management also meets corporate governance teams from shareholder organizations in the run-up to shareholders' meetings.

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 a subsequent download facility on the Group's website.

In addition, Teleperformance is in constant communication throughout the year with the financial community *via* meetings, conference calls and site visits, as well as investor roadshows and theme conferences organized by financial brokers. These conferences bring together primarily European companies operating in the business services and business process outsourcing sector, so that they can meet investors on the main European and US financial markets.

The Company share is covered by around 15 financial broker research firms (sell-side analysts), and this number continued to grow in 2017 with the addition of a number of London-based analysts specialized in business services.

In 2017, Teleperformance held around 300 meetings and conference calls with investors, a number that has been steadily increasing over the last five years. Site visits were organized for investors and analysts, in particular:

- Lisbon, Portugal, to present the Group's pan-European multilingual platforms;
- Salt Lake City, USA, at the Group's US operational headquarters;
- Asnières-sur-Seine, France, to present one of the Group's 14 worldwide omnichannel Customer Journey Showrooms;
- Geneva, Switzerland, to discover the operations of TLScontact, a subsidiary specialized in visa application management.

In January 2017, the Group held an Investor Day in Florida, USA, where it presented its key business activities, development strategy and new five-year objectives, as well as its Port Saint-Lucie site which incorporates a Customer Journey Showroom. The event attracted some thirty participants, including a large number of North American investors, most of the financial analysts covering the Company and representatives from the Group's banks.

Throughout the year, Teleperformance's reach within the financial community was extended to bond investors, following the success of its inaugural €600 million bond issue in March 2017, as well as credit rating agencies following Standard & Poor's issuing of a "BBB-" long term credit rating, the best financial rating within the industry.

3.6.4 Shareholders' meetings

All shareholders, regardless of the number of shares they hold (at least one share held on the second working day prior to the relevant shareholders' meeting), are entitled to participate in shareholders' meetings.

The annual shareholders' meeting, which took place in 2017 in the Étoile Saint-Honoré conference center in Paris, is a key moment of dialog between shareholders and Group management for an update on operations during the year. For shareholders, it is also an opportunity to play an active role in the life of the Group through their vote.

The procedure for convening shareholders' meetings, drafting and publishing agendas and the rules for participation in meetings are presented in section 3.1.2.4 *shareholders' meetings*.

In addition to the usual voting procedures, shareholders may vote prior to meetings or appoint a proxy *via* "Votaccess", an online voting platform. This platform is available to registered shareholders as well as to shareholders having subscribed to online services offered by their financial institution, if the latter offers access to the Votaccess platform.

Details on voting procedures are available on the Company's website (www.teleperformance.com) in the section Investor Relations/General meetings/Notice of meeting, as well as in the "Notice of meeting" brochure also available online.

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

3.6.5 Registration of securities in the holder's name

Teleperformance SE 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 shareholders' meetings, with systematic dispatch of the meeting notice, single postal voting form and proxy voting form, admission card request form and the statutory information documents;
- the management of securities, taxation and the organization of the shareholders' meeting.

Furthermore, an online service is available to them to consult their share account and place market orders: www.planetshares.bnpparibas.com.

Easier access to the shareholders' meeting

Like all of the Company's shareholders, registered shareholders are automatically called to attend the shareholders' meeting and benefit from the advantage of not being required to make a prior application for an attendance certificate in order to vote.

In addition to the usual voting procedures, registered shareholders may vote before meetings or appoint a proxy *via* Votaccess, an online voting platform.

Registration procedure

In order to convert your securities into direct registered securities or to receive more information regarding security registration, please contact:

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

3.6.6 Bearer shares

Bearer shares are recorded in an investment account of a financial intermediary (*i.e.* a bank, stock broker, online broker, etc.). The advantage of holding shares in this way is that all equity investments in a portfolio can be held together in the same account, for example in a "PEA" (Private Equity Plan) account. Teleperformance SE cannot identify bearer shareholders.

To participate in the shareholders' meeting, bearer shareholders must obtain a certificate from the financial intermediary holding their Teleperformance investments that confirms that the intermediary has registered their shares in its books, by no later than midnight (Paris time) on the second working day prior to the relevant shareholders' meeting.

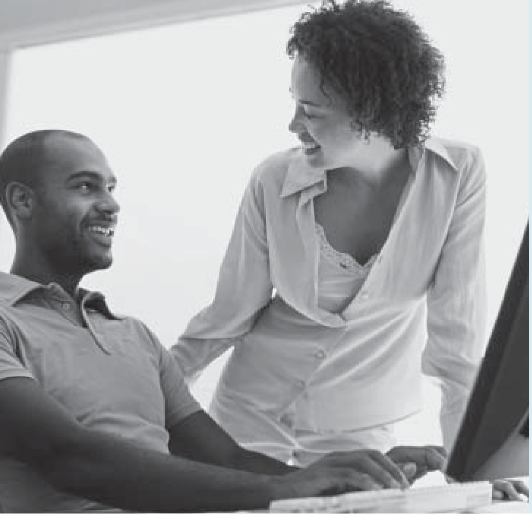
3.6.7 Indicative schedule for financial publications

Annual shareholders' meeting	April 20th, 2018
Q1 2018 revenues	April 24th, 2018
Ex-dividend date	April 25th, 2018
Dividend payment	April 27th, 2018
H1 2018 results	July 26th, 2018
Q3 2018 revenues	November 12th, 2018

3.6.8 Contact

Teleperformance SE
Investor Relations Department,
21-25, rue Balzac – 75008 Paris, France

Tel.: +33 1 53 83 59 87
email: investor@teleperformance.com



Corporate Governance

4

NUMBER OF BOARD OF DIRECTORS AND COMMITTEES MEETINGS

13 meetings in 2017

AVERAGE RATE OF EFFECTIVE ATTENDANCE

98%

INDEPENDENT DIRECTORS

64%

This report constitutes the report of the Board of Directors on corporate governance presented to the shareholders' meeting of Teleperformance SE to be held on April 20th, 2018, in accordance with the provisions of Articles L.225-37-2 to L.225-37-5 of the French Commercial Code. It was drawn up with the assistance of the senior management, the financial department and the legal department on the basis, in particular, of the works of the Board of Directors. It was presented to the Remuneration and Appointments Committee before approval by the Board of Directors. Its purpose is to report on:

- the list of all offices held and duties performed by each director in all companies during the financial year;
- the regulated agreements and commitments;
- the current authorizations given by the shareholders' meetings to the Board of Directors in respect of capital increases pursuant to Articles L.225-129-1 and L.225-129-2 of the French Commercial Code and the use made of such authorizations during the financial year;
- the choice on one of the two methods of exercising the executive management as set forth in Article L.225-51-1 of the French Commercial Code, at the time of the first report or in case of modification;
- the composition as well as the conditions for preparing and organizing the works performed by the Board of Directors;
- the application of the principle of balanced representation of men and women within the Board;
- any limits imposed by the Board of Directors on the powers of the Chief Executive Officer;
- references made to a corporate governance code;
- specific modalities of shareholder participation in the shareholders' meeting or the statutory provisions that provide for such modalities;
- principles and criteria for determining, allocating and granting the fixed, variable and exceptional elements of the total remuneration and the benefits of all kind of the Chairman, Chief Executive Officers and Deputy Chief Executive Officers, in respect of their positions;
- the total remuneration and benefits of all kind paid to each executive director during the financial year by the Company describing the fixed, variable and exceptional elements of these remuneration and benefits as well as the criteria determining them or the circumstances under which they are granted, by reference, where applicable, to the resolutions voted under the conditions set forth in Article L.225-37-2 of the French Commercial Code;
- the commitments of any kind made by the Company in favor of its executive officers related to remuneration, payments or benefits due or liable to be due upon the assumption, termination or alteration of these responsibilities or at a later date, in particular pension commitments and other life benefits;
- the elements liable to have an impact in the event of a public offering as decribed in Article L.225-37-55 of the French Commercial Code.

4.1 Governance

4.1.1 Corporate Governance Code

The Company refers to the AFEP-MEDEF corporate governance code for listed companies of November 2016 (the "AFEP-MEDEF code") and available on the MEDEF website (www.medef.com). In accordance with Article L.225-37-4 of the French Commercial Code, the report of the Board of Directors on corporate governance 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 SE's practices and their justifications
Non-compete compensation (§23.3) The Board must provide for a stipulation authorizing non-implementation of this agreement when the director leaves.	The Board of Directors, at its meeting held on November 30th, 2017, upon recommendation of its Remuneration and Appointments Committee, authorized the amendment of the non-compete agreement of Mr. Daniel Julien, Chairman and Chief Executive Officer. This agreement, entered into in 2006, amended by decisions of the Board meetings held on May 31st and November 30th, 2011, was approved by the shareholders' meetings held on June 1st, 2006 and May 29th, 2012. From the start, it did not include a stipulation authorizing the Board to waive its implementation, the latter having for imperative to protect the legitimate interests of the Group and all of its stakeholders (employees, clients, sharehoders, partners). On the occasion of its amendment authorized on November 30th, 2017, the Board, pursuing its objective of protecting the Group's interests and its policy on the matter and in the case of a historical executive and founder of the Group, decided not to introduce such waiver. During that same meeting, the Board authorized the conclusion of a non-compete agreement between the Company and Mr. Olivier Rigaudy. In the continuity of its policy in the case of Group executive officers , it decided not to introduce such waiver. In both those decisions, the Board considered that the Group's activity, its strong exposition to competition and the sentitive nature of the information known by executive officers requires a strong protection and a clear delimitation between activities that the executive difrector can or cannot carry out after his or her departure. Thus, the Board wanted the obligations and undertakings incumbent on executive officers to be certain and binding for both parties.

4.1.2 Governance structure

Statutory provisions

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 Chief Executive Officer *(directeur général).*

The Board of Directors chooses between these two ways of exercising the executive management. The shareholders and third parties must be informed of this choice in accordance with the terms laid down by law.

The Chief Executive Officer has full powers to act in any circumstances in the Company's name. He must exercise his powers within the limits of the corporate purpose and subject to the powers expressly reserved by law to general meetings of shareholders and the Board of Directors.

Upon proposal by the Chief Executive Officer, the Board of Directors may appoint one or more individuals responsible for assisting the Chief Executive Officer, with the title of Deputy Chief Executive Officer (*directeur général délégué*). With the Chief Executive Officer's agreement, the Board of Directors determines the scope and duration of the powers granted to the Deputy Chief Executive Officers. The Deputy Chief Executive Officers have the same powers as the Chief Executive Officer *vis-à-vis* third parties.

Choice of the method of exercise of executive management

The combined shareholders' meeting held on May 31st, 2011 approved the Company's change of its governance from a dual structure consisting of a Supervisory Board and a Management Board to a single governance structure consisting of a Board of Directors.

At its meeting held on May 30th, 2013, the Board of Directors, upon recommendation of its Remuneration and Appointments Committee, decided to separate the roles of Chairman of the Board and Chief Executive Officer. On that occasion, the Board decided to implement a governance structured around an Executive Chairman and a Chief Executive Officer.

In 2017, the Board of Directors, upon recommendation of the Remuneration and Appointments Committee, conducted an analysis on the Group's governance, the shareholders having expressed, in particular in connection with the shareholders' meeting held on June 23rd, 2017, their wishes to see evolutions in the governance. A review and analysis of Group governance had been conducted, under the aegis of the Remuneration and Appointments Committee and, in particular, the Committee Chairman. On that occasion, all directors had the opportunity to share views and present their analyses and suggestions; the Executive Chairman and the Chief Executive Officer were fully involved in that process. The directors weighed up the pros and cons of that governance structure.

That analysis had highlighted the need to adopt a more transparent, rectilinear and, above all, flexible management organization structure. In view of the specific features of the Teleperformance Group, the Board considered that combining the duties of Executive Chairman and Chief Executive Officer seemed the most suitable and relevant governance structure in order to meet the Group's current and future challenges. The new governance structure contributes to the roll-out of the Group's strategy and, *via* a strengthened organizational structure, speeds up the strategic decision-making process and decision-making circuits so that decisions can be implemented more quickly.

The AFEP-MEDEF code, which does not favour any structure, reminds that the Board of Directors opts between a separation or a combination of the functions of Chairman of the Board and Chief Executive Officer depending on specific requirements. The chosen formula and the arguments are notified to shareholders and third parties. Aware of the governance method preferred by some of its shareholders, the Board's decision lies on the need to have a more agile and flexible management structure in terms of decision-making, under the active supervision of the Board and its Committees.

The Board worked on a strengthening of the elements allowing continuity in the balance of powers and the active and constructive exchanges within the Board. On that occasion, the appointment of a new independent director was reviewed and the function of Lead Independent director created. At its meeting held on February 28th, 2018, the Board set the missions of the Lead Independent director (see section 4.1.3.7.1 of the present Registration Document) and enshrined them in its Internal Regulations. It also decided to appoint Mr. Patrick Thomas as Lead Independent director.

As a consequence, the Board of Directors, at its meeting held on October 13th, 2017, adopted a new organization structured around a Chairman and Chief Executive Officer, Mr. Daniel Julien, founder and historical leader of the Group, a Deputy Chief Executive Officer, Mr. Olivier Rigaudy and an expanded Executive Committee in terms of skills and expertise. The combination of the functions of Chairman of the Board and Chief Executive Officer and the appointment of a Deputy Chief Executive Officer creates conditions conducive to stepping up the Group's growth and performance. The limitations brought to the powers of the executive management are described in the Internal Regulations of the Board of Directors (see section 4.1.3.7.2 below) and in the articles of association.

4.1.3 The Board of Directors

4.1.3.1 Composition of the Board of Directors

Statutory provisions

Pursuant to Article 14 of the articles of association, 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. Board members may be individuals or legal entities.

Composition of the Board

The Board of Directors currently consists of fourteen members. Nine of its members are foreign nationals or binationals, representing 64%, six nationalities being represented. Nine directors have the status of independent directors in 2017 as defined by the internal regulations of the Board and the recommendations of the AFEP-MEDEF code.

The Board is composed of recognized and experienced professionals in their respective business sectors and of international dimension: in particular counsel, marketing, banking, health, communication, distribution, international relations, public relations, BtoB, experts in customer service, and finance. These skills are considered key in the Group's current development phase and in line with the strategy pursued.

Information on the Company's individual directors, and the list of their offices and positions, is provided in sections 4.1.3.2 *List of directors in office* and 4.1.3.3 *Main activities exercised by directors in office* of the Registration Document for 2017.

Qualification as Independent director

The Board conducts an annual review of the independence of its members, upon recommendation of the Remuneration and Appointments Committee.

The Committee, for the preparation of his opinion, endeavours that all the officerships held by directors in other companies having business relationships with the Company will not be of a nature as to compromise the independence and/or the performance of the duties of the directors concerned while taking into account the transaction entered into by the Group with those companies. Its analysis also concerns the other aspects of the business relationship (duration, importance…) when such business relationship exists. Indeed, if applicable, those are concluded at arms' length and their amounts are not significant for each party.

Such agreements and contracts, if any, are described in section 4.1.3.6 of the Registration Document for 2017 and are not material either for the Company or for the amounts. In addition, they only concern a director (Mr. Daniel Julien) who is not qualified as independent. Thus, none of the directors qualified as independent have contracted directly or indirectly business relationships with the Company or the Group.

The Board of Directors endeavors to ensure that at least half of its members meet the definition of independence in the AFEP-MEDEF code.

The independence criteria of the AFEP-MEDEF code are the following:

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 based on the criteria for independence set out in paragraph 8.5 of the AFEP-MEDEF code, it being specified that 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.

Criteria 1	**Employee or corporate officer during the previous 5 years** Not to be, and not having been for the previous 5 years: ▪ an employee or an executive corporate officer of the Company; ▪ an employee, executive corporate officer or director of a company that the Company consolidates; ▪ an employee, executive corporate officer or director of its parent company or a company that the latter consolidates.
Criteria 2	**Crossed mandates** Not to have been for the past five years an executive corporate officer of a company in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive corporate officer of the Company is a director.
Criteria 3	**Significant business relationships** Not to be a customer, 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
Criteria 4	**Family ties** Not to be related by close family ties to an executive Officer
Criteria 5	**Statutory auditor** Not to have been an auditor of the Company within the previous 5 years
Criteria 6	**Duration of office above 12 years** Not to have been a director of the Company for more than 12 years. The loss of the status of independent director occurs as of the 12-year anniversary date.
Criteria 7	**Status of non-executive corporate officer** A non-executive corporate officer may not be considered independent if he receives variable remuneration in cash or in securities or any remuneration related to the performance of the Company or Group.
Criteria 8	**Status of the significant shareholder** Directors representing significant shareholders of the Company or its parent company may be considered independent if said shareholders are not participating in the control of the Company. However, beyond a threshold of 10% of the share capital or voting rights, the Board, based on the report of the Appointments Committee, systematically questions the qualification as independent taking into account the composition of the share capital of the Company and the existence of a potential conflict of interests.

For the purposes of interpreting this table:

- 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 qualification retained by the Board of Directors, upon recommendation of its Remunertation and Appointments Committee, for each of the directors as of December 31st, 2017 and as of the date of preparation of the present Registration Document is the following:

	Criteria (1)								
Name	Criteria 1	Criteria 2	Criteria 3	Criteria 4	Criteria 5	Criteria 6	Criteria 7	Criteria 8	Qualification retained by the Board
Daniel Julien	×	✔	✔	✔	✔	×	✔	✔	Non-independent
Emily Abrera	✔	✔	✔	✔	✔	✔	✔	✔	Independent
Alain Boulet	✔	✔	✔	✔	✔	✔	✔	✔	Independent
Bernard Canetti	✔	✔	✔	✔	✔	×	✔	✔	Non-independent
Philippe Dominati	×	✔	✔	✔	✔	×	✔	✔	Non-independent
Pauline Ginestié	✔	✔	✔	✔	✔	✔	✔	✔	Independent
Jean Guez	×	✔	✔	✔	✔	✔	✔	✔	Non-independent
Wai Ping Leung	✔	✔	✔	✔	✔	✔	✔	✔	Independent
Robert Paszczak	✔	✔	✔	✔	✔	✔	✔	✔	Independent
Leigh Ryan	×	✔	✔	✔	✔	✔	✔	✔	Non-independent
Christobel Selecky	✔	✔	✔	✔	✔	✔	✔	✔	Independent
Angela Maria Sierra-Moreno	✔	✔	✔	✔	✔	✔	✔	✔	Independent
Patrick Thomas	✔	✔	✔	✔	✔	✔	✔	✔	Independent
Stephen Winningham	✔	✔	✔	✔	✔	✔	✔	✔	Independent

(1) In this table:
✔ means that the independent criteria is satisfied.
× means that the the independent criteria is not satisfied.

Term of office

Pursuant to the provisions of Article 14 of the articles of association, directors are appointed for a three-year term, which expires at the end of the ordinary shareholders' meeting 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 shareholders' meeting may appoint one or several directors for a two-year term, on an exceptional basis, and solely to enable the implementation or continuation of the staggering of directors' terms. The Board of Directors shall seek to propose the appointment or re-appointment of directors to the ordinary shareholders' meeting on a rolling basis, in order to avoid the simultaneous expiry of all of the directors' terms.

Application of the principle of gender balance within the Board and diversity policy

At its meeting held on November 30th, 2017, the Board of Directors re-examined its membership, which it considers to be balanced in terms of gender, competencies, expertise and nationality. Indeed, it comprises 14 members including 6 women (43%), 9 independent directors (64%) and representatives of 6 nationalities. It comprises within it recognized and experimented professionals in their respective business sectors and of international dimension. This diversity is doubtlessly one of the most diverse boards among the companies in the French SBF 120 index. On that occasion, the Board set itself the target of maintaining such diversity.

Age limit

The number of directors aged 70 or above may not exceed one-third of the number of directors in office.

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

Ownership of shares in the Company

Pursuant to the internal regulations, each director must hold at least five hundred shares in the Company during his or her term of office. The number of shares held by each directors is presented in section 4.1.3.2 below and amounts to the equivalent of more than one year's directors' fees.

Furthermore, executive officers must retain, under the grants of performance shares or equivalents, a certain number of shares in the registered form until the end of their office (see section 4.2.4 b) of the 2017 Registration Document).

4.1.3.2 List of directors in office

The Board of Directors currently consists of 14 directors, 9 of whom are independent, *i.e.*, 64%.

Name	Age and nationality	Date of first appointment* and last renewal	Expiry of term**	Member of a Committee	Number of shares at 12/31/2017
Executive officers					
Mr. Daniel Julien	65 French and American	05/31/2011 05/07/2015	2018 AGM(1)	-	974,314
Independent directors					
Ms. Emily Abrera	70 Philippine	BD 11/27/2012 05/07/2015	2018 AGM(1)	Remuneration and Appointments Committee	1,000
Mr. Alain Boulet	68 French	05/31/2011 04/28/2016	2019 AGM	Audit and Compliance Committee (Chairman)	600
Ms. Pauline Ginestié	47 French and British	04/28/2016	2019 AGM	-	1,000
Ms. Wai Ping Leung	65 Chinese and British	04/28/2016	2019 AGM	-	1,000
Mr. Robert Paszczak	67 American	05/31/2011 04/28/2016	2019 AGM	Remuneration and Appointments Committee (Chairman)	1,014
Ms. Christobel Selecky	62 American	05/07/2014 06/23/2017	2020 AGM	-	1,000
Ms. Angela Maria Sierra-Moreno	63 Colombian	05/07/2014 06/23/2017	2020 AGM	-	1,000
Mr. Patrick Thomas	70 French	BD 11/30/2017(2)	2019 AGM	-	0(3)
Mr. Stephen Winningham	68 American and British	05/31/2011 04/28/2016	2018 AGM(1)	Audit and Compliance Committee	1,000
Non-independent directors					
Mr. Bernard Canetti	68 French	05/31/2011 04/28/2016	2018 AGM(1)	Remuneration and Appointments Committee	1,000
Mr. Philippe Dominati	63 French	05/31/2011 06/23/2017	2020 AGM	-	1,000
Mr. Jean Guez	72 French	05/31/2011 05/07/2015	2018 AGM(1)	Audit and Compliance Committee	1,000
Ms. Leigh Ryan	64 American	04/28/2016	2019 AGM	-	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 shareholders' meeting held on May 31st, 2011.*

** *The Company has adopted a system of staggering directors' appointments, which explains why expiry dates vary.*

(1) *Renewals proposed to the Shareholders' meeting to be held on April 20th, 2018.*

(2) *Mr. Patrick Thomas was coopted as a director by the Board of Directors meeting held on November 30th, 2017 in replacement of Mr. Paulo César Salles Vasques for the remaining duration of his term of office, i.e. until the shareholders' meeting to be held in 2019 called to approve the financial statements for the preceding year. The ratification of the temporary appointment of Mr. Thomas is submitted to the Shareholders' meeting to be held on April 20th, 2018.*

(3) *As of the date of the present Registration Document, Mr. Thomas does not hold Teleperformance SE shares. In accordance with the provisions of Article L.225-25 paragraph 2 of the French Commercial Code and the articles of association, he shall acquire 500 shares before the expiry of a six-month period starting on his appointment date.*

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

Evolution of the composition of the Board during 2017

In compliance with the AMF recommendation No 2012-02, the table hereinafter presents in a summarized manner the changes which occurred during 2017 in the Board's composition:

Date	Departure(s)	Appointment(s) / cooptation(s)	Renewal(s)	Diversification in the Board's composition
Combined shareholders meeting held on June 23rd, 2017	-	-	Ms Christobel Selecky and Angela Maria Sierra-Moreno and Mr. Philippe Dominati were renewed as directors for a three-year term.	Competence/ Independence/ Knowledge of the Group
Board meeting held on October 13th, 2017	In view of the change of governance structure, Mr. Paulo César Salles Vasques resigned from his function of Chief Executive Officer and director. In this context, Mr. Daniel Julien was appointed Chairman and Chief Executive Officer.	-	-	-
Board meeting held on November 30th, 2017	-	Mr. Patrick Thomas was coopted as a director, in replacement of Mr. Salles Vasques, who resigned on October 13th, 2017, for the remaining duration of his term of office, which expires at the end of the shareholders' meeting held in 2019 called to approve the financial statements for the preceding year.	-	Competence / Independence

4.1.3.3 Main activities exercised by directors in office

Daniel Julien

Chairman and Chief Executive Officer

65 years old

Nationalities:
French and American

Number of shares held:
974,314 shares

Expertise and experience

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, Teleperformance had become the 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 the Company and then Chairman and CEO from May 2011 to May 2013 further to the change of governance structure (from a dualist to a monistic governance structure). From May 2013 to October 2017, he served as the Group executive Chairman. Since October 13th, 2017, he serves Chairman and Chief Executive Officer.

Current directorships

Teleperformance Group

- *Chairman of the Board* and *Chief Executive Officer* of Teleperformance Group, Inc. (USA)
- *Director* of various overseas subsidiaries of the Teleperformance Group (USA, Canada and UK)

Other (non-listed companies)

- *Director* of Frens Inmobiliaria, S.A. de C.V. (Mexico)
- *Director* of DJ Plus Operadora Inmobiliaria, S. de R.L. de C.V. (Mexico)
- *Director* of DJ Plus S. de R.L. de C.V. (Mexico)

Directorships expired within the last five years

Teleperformance Group

- *Chairman and Chief Executive Officer* of Impulsora Corporativa Internacional S.A. de C.V.
- *Director* of U.S. Solutions Group, Inc.

Other

None.

Emily Abrera

Independent director and member of the Remuneration and Appointments Committee

70 years old

Nationality:
Philippine

Number of shares held:
1,000 shares

Expertise and experience

Emily Abrera was born on August 6th, 1947, and took up Journalism and Mass Communications at the University of the Philippines. In 1979, she 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 in 1999. Her exemplary management contributed to the agency's success and sustained leadership in a highly competitive environment. After retiring in May 2004, miss. 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 Cultural Center of the Philippines 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 among others.

Ms. Emily Abrera was co-opted to the Board of Directors of the Company on November 27th, 2012. This appointment (*cooptation*) was ratified by the shareholders' meeting held on May 30th, 2013.

Current directorships

Teleperformance Group

None.

Other (non-listed companies)

- *President* of the Foundation for Communication Initiatives (Philippines)
- *Chairwoman of the Board* of CCI Asia
- *Director* of Pioneer Insurance
- *Director* of Splash Corporation

Directorships expired within the last five years

Teleperformance Group

None.

Other

- *Director* of Aboitiz Transport Corporation and Bank of the Philippine Islands (BPI)

Alain Boulet

Independent director and Chairman of the Audit and Compliance Committee

68 years old

Nationality:
French

Number of shares held:
600 shares

Expertise and experience

Mr. 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.

As a specialist of Relationship Marketing, data processing and analysis, he has worked, since 2008, as a web marketing consultant for companies integrating e-commerce in their marketing and sales approach.

Mr. Alain Boulet was appointed director of the Company on May 31st, 2011.

Current directorships

Teleperformance Group

None.

Other

None.

Directorships expired within the last five years

Teleperformance Group

None.

Other

None.

Bernard Canetti

Director and member of the Remuneration and Appointments Committee

68 years old

Nationality:
French

Number of shares held:
1,000 shares

Expertise and experience

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, he turned the Company, over 25 years 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. In 2010, he founded *Comme J'aime* and became the Company's Chairman. Following a spectacular growth, *Comme J'aime* is currently the leader in France of nutritional re-education programs for overweight people. At the end of 2012, he repurchased the *Centre Européen de Formation* (European Training Centre) and became the Company's Chairman. He transformed the Company into one of the main private establishments providing remote professional training and correspondence courses on the French market. In 2015, he set up and presided over Xynergy Group, a holding company which owns and manages *Comme J'aime* and the *Centre européen de Formation*.

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

Current directorships

Teleperformance Group

None.

Other (non-listed companies)

- *Chairman* of Comme J'aime SAS (France) and Comme J'aime Italie SAS (Italia)
- *Chairman* of Centre Européen de Formation SAS (France)
- *Chairman* of Xynergy Groupe SAS (France)
- *Director* of Productions Jacques Canetti and Editions Majestic (France)

Directorships expired within the last five years

Teleperformance Group

None.

Other

- *Chairman* of Provea SAS, Éditions Atlas SAS and Éditions Atlas Inc. (Canada)
- *Director* of Marathon SAS

Philippe Dominati

Director

63 years old

Nationality:
French

Number of shares held:
1,000 shares

Expertise and experience

Mr. 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.

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

Current directorships

Teleperformance Group

- *Chairman of the Board of Directors* of Teleperformance France SA (France)

Other (non-listed companies)

- *manager* of Isado SARL (France)
- *manager* of Trocadéro SCP (France)

Directorships expired within the last five years

Teleperformance Group

None.

Other

None.

Pauline Ginestié

Independent director

47 years old

Nationalities:
French and British

Number of shares held:
1,000 shares

Expertise and experience

Born on December 30th, 1970, Pauline Ginestié is a graduate in English Literature from the Paris X University and in Economics and Finance from Sciences-Po Paris. She holds a MBA from the Columbia Business School of Columbia University in New York.

She started her career as an auditor with Price Waterhouse Coopers in Paris. In 1999, she joined NetValue USA as product and project manager, then Register.com in 2001.

Starting 2002, she became a freelance digital business consultant. In 2008, she obtained a Master of Sciences in human computer interaction and ergonomics from University College London, then joined Foviance, a user experience consultancy. She holds expertise in usability and customer experience acquired over the past 14 years. Since 2012, she has been an independent customer experience consultant and since 2017, she has been an independent director of PCAS.

Ms. Pauline Ginestié was appointed director by the shareholders' meeting held on April 28th, 2016.

Current directorships

Teleperformance Group

None.

Other

Listed companies:

- *Director* of PCAS (France)

Non-listed companies:

None.

Directorships expired within the last five years

Teleperformance Group

None.

Other

None.

Jean Guez

Director and member of the Audit and Compliance Committee

72 years old

Nationality:
French

Number of shares held:
1,000 shares

Expertise and experience

Mr. 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.

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

Current directorships

Teleperformance Group

- *Director* of Société Tunisienne de Telemarketing SA (Tunisia)
- *Director* of Société Méditerranéenne de Téléservices SA (Tunisia)
- *Director* of Société Anonyme Marocaine d'Assistance Client SA (Morocco)
- *Director* of Luxembourg Contact Centers S.a.r.l (Luxemburg)

Other (non-listed companies)

- *Manager* of Cabinet SCA
- *Co-manager* of SCI Sinimmo
- *President* of SAS République Participation Conseil
- *President* of SASU Troubat

Directorships expired within the last five years

Teleperformance Group

None.

Other

None.

Wai Ping Leung

Independent director

65 years old

Nationalities:
Chinese citizen with British nationality

Number of shares held:
1,000 shares

Expertise and experience

Born on November 3rd, 1952, Ms. Wai Ping Leung holds a master of science in biology from the Northeastern University.

She has been in the apparel industry since 1982 and has experience in supply chain management, retail and marketing. In 1994, she served as regional director responsible for export sales of apparel to European countries at Inchcape Buying Services, which was a global sourcing network and acquired by the Li & Fung Group in 1995. From 2000 to 2010, she served as an executive director and was appointed member of the Li & Fung Board, a company listed in the Hong Kong Stock Exchange, in charge of the exports to Europe and the USA. Since 2011, she has been the President of LF Fashion, a company of the Li & Fung Group.

Ms. Wai Ping Leung has also served on advisory Boards for the Hong Kong Exporters' Association, the Hong Kong Trade Development Council, the Clothing Industry Training Authority, the Hong Kong Export Credit Insurance Corporation, and former Chairman of the vetting Committee for the Professional Services Development Assistance Scheme of Commerce and Economic Development Bureau of the Hong Kong Government.

Ms. Wai Ping Leung was appointed director by the shareholders' meeting held on April 28th, 2016.

Current directorships

Teleperformance Group

None.

Other (non-listed companies)

- *Director* of various subsidiaries in the Li & Fung Limited Group
- *Director* of Purple Wise Ltd
- *Director* of Sable Industries Ltd
- *Director* of Karex Ltd
- *Director* of Atko Ltd
- *Director* of Sun alliance Ltd
- *Director* of Great Bluebell Development Inc.

Directorships expired within the last five years

Teleperformance Group

None.

Other

- *Director* of various subsidiaries of the Li & Fung Limited Group

Robert Paszczak

Independent director and Chairman of the Remuneration and Appointments Committee

67 years old

Nationality:
American

Number of shares held:
1,014 shares

Expertise and experience

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. As a result of mergers, between 1995 and 2009, 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.

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

Current directorships

Teleperformance Group

None.

Other (non-listed companies)

- *Chairman* of Wheaton Bank & Trust (Wintrust Group) (USA)
- *Director* of Euclid Beverage (USA)

Directorships expired within the last five years

Teleperformance Group

None.

Other

None.

Leigh Ryan

Director

64 years old

Nationality:
American

Number of shares held:
1,000 shares

Expertise and experience

Ms. Leigh Ryan was born on November 6th, 1953, and holds a Bachelor's degree in International Relations from Pomona College in Claremont, California. She also holds a Juris Doctorate degree in Law from Georgetown University, where she was an editor of *Law and Policy in International Business*. On February 1st, 2016, Ms. Ryan was appointed Chief Legal Officer and Chief Compliance Officer of the Teleperformance Group. Prior to February 1st, 2016, Ms. Ryan was a partner with Paul Hastings LLP, an international law firm with 20 offices in the United States, Europe and Asia. Ms. Ryan has over 35 years of experience in corporate finance transactions, securities offerings, mergers and acquisitions, commercial transactions and corporate governance. She has substantial transactional experience in the telecommunications, technology, customer care and media industries, as well as the apparel and aircraft industries. In addition to practicing law full-time, Ms. Ryan was Global Chair of Talent Acquisition (attorney recruiting) at Paul Hastings for over 10 years.

Before joining Teleperformance, Ms. Ryan served as outside counsel to the Teleperformance Group for over 20 years, including advising on numerous acquisitions in the US, Mexico and Colombia.

Ms. Ryan is a member of the New York and California Bars. She has written and spoken frequently on securities laws, corporate governance, mergers and acquisitions, and other corporate matters. She is an Honorary Member of the Board of Directors of La Jolla Music Society, having served on the Board for 12 years, including 2 years as Chair of the Board. She also served as a member of the Advisory Board of the Corporate Counsel Institute in Washington, D.C. for over 13 years.

Ms. Leigh Ryan was appointed director by the shareholders' meeting held on April 28th, 2016.

Current directorships

Teleperformance Group

- *Director* and *Chairwoman* of various overseas subsidiaries of the Teleperformance Group (in the US, the UK, Canada, Costa Rica and Panama)

Other

None.

Directorships expired within the last five years

Teleperformance Group

None.

Other

None.

Christobel Selecky

Independent director

62 years old

Nationality:
American

Number of shares held:
1,000 shares

Expertise and experience

Ms. 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 plans, 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.

Ms. Selecky chairs the Board of Directors and chairs the Compensation, Governance and Nominating Committee of Satellite Healthcare, one of the United States' leading not-for-profit providers of kidney dialysis and related services since 1974. She also serves on the Board of Directors, chairs the Quality and Risk Management Committee, and serves on the Audit Committee of Verity Health System, which operates six hospitals in Northern and Southern California. Finally, she serves on the Board of Directors, chairs the Finance Committee, and serves on the Compensation Committee of SCAN Health Plan, one of the nation's oldest and largest not-for-profit Medicare Advantage health plans. She is also an Adjunct Professor in the University of California, Irvine Paul Merage School of Business MBA program teaching Healthcare Entrepreneurship.

Deeply involved in the charitable sector, Christobel Selecky recently completed two terms as a member of the Board of trustees, Vice Chair and Chair of the Audit Committee of United Cerebral Palsy, a US national non-profit organization for people with disabilities, and the immediate past chair of the Board of Directors of Population Health Alliance, a nonprofit organization promoting public health care activities through advocacy, research and education.

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

Current directorships

Teleperformance Group

None.

Other (non-listed companies)

- *Director* of Satellite Healthcare Inc. (USA)
- *Director* of Verity Health System (USA)
- *Director* of SCAN Health Plan (USA)

Directorships expired within the last five years

Teleperformance Group

None.

Other

- *Director* of Memorial Care Innovation Fund (USA) and American Specialty Health Inc. (USA)
- *Member of the Advisory Committee* of Houlihan Lokey (USA)

Angela Maria Sierra-Moreno

Independent director

63 years old

Nationality:
Colombian

Number of shares held:
1,000 shares

Expertise and experience

Ms. 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 operating in various business sectors on customer relationship management, Human Resources, and cultural and organizational change.

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

Current directorships

Teleperformance Group

None.

Other (non-listed companies)

- *Director* of LASA SA (Colombia)
- *Director* of Prestigio (Colombia)
- *Director* of Dinamica (Colombia)

Directorships expired within the last five years

Teleperformance Group

None.

Other

- *Director* of ARCESA

Patrick Thomas

Independent director and Lead Independent director

70 years old

Nationality:
French

Expertise and experience

Patrick Thomas was born on June 16th, 1947 and is a graduate of the École Supérieure de Commerce de Paris (ESCP). He served as Chief Executive Officer of Pernod Ricard U.K. from 1986 to 1989. From 1997 to 2000 he chaired the Lancaster Group, and from 2000 to 2003 he served as Chairman and Chief Executive Officer of the British company William Grant & Sons. Finally, he was Chief Executive Officer of Hermès International from 1989 to 1997. He rejoined the Hermès Group from 2003 to 2014 as Chief Executive Officer and then manager of Hermès International.

Mr. Patrick Thomas was co-opted to the Board of Directors of the Company on November 30th, 2017. This cooptation will be submitted, for ratification, to the shareholders' meeting to be held on April 20th, 2018. He also was appointed Lead Independent director by the Board meeting held on February 28th, 2018.

Current directorships

Teleperformance Group

None.

Other

Listed companies:

- *Director, Chairman of the Compensation Committee, member of the Audit, Risks and Ethics Committee* and *member of the Appointments and Governance Committee* of Renault SA (France)
- *Vice-Chairman of the Supervisory Board* and *Chairman of the Compensation Committee* of Laurent Perrier SA (France)

Non-listed companies:

- *Member of the Supervisory Board* of Leica Camera AG (Germany)
- *Member of the Supervisory Board* of Château Palmer (France)
- *Chairman of the Supervisory Committee, Chairman of the Compensation Committee* and *Chairman of the Invesments Committee* of Ardian (France)
- *Vice-Chairman of the Supervisory Board* of Massilly Holding (France)
- *Chairman* and *director* of Shang Xia Trading (China)
- *Chairman* and *director* of Full More Group (Hong Kong)

Directorships expired within the last five years

Teleperformance Group

None.

Other

- *Director* of Lacoste (France)
- *Vice-Chairman* and *member of the Supervisory Board* of Gaulme (France)
- *Director* and *Censor* (non-voting director) of Remy Cointreau (France)
- *Manager* of Hermès International and various terms of office in subsidiaries of the Hermès Group

Stephen Winningham

Independent director and member of the Audit and Compliance Committee

68 years old

Nationalities:
American and British

Number of shares held:
1,000 shares

Expertise and experience

Mr. Stephen Winningham was born on December 1st, 1949, and holds a Masters in Business Degree (Finance & marketing) from Columbia University and pursued additional studies in Economics at New York University. He has 30 years of international experience in the banking field. He began his banking career at Citibank, NA, before moving to Drexel Burnham Lambert. He then held management positions at Paine Webber 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 – Europe, Middle East and Africa - department at Houlihan Lokey in London since February 2012. He is also co-Founder and Chairman of City Harvest, a London charity addressing hunder.

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

Current directorships

Teleperformance Group

None.

Other (non-listed companies)

Managing director of Houlihan Lokey (United Kingdom)

Directorships expired within the last five years

Teleperformance Group

None.

Other

None.

4.1.3.4 Proposals to the shareholders' meeting on the composition of the Board of Directors

It is proposed that the shareholders' meeting to be held on April 20th, 2018:

- renew the terms of office of five directors which are expiring. If the shareholders' meeting approves the propositions submitted:
  - the terms of office of Ms. Emily Abrera and Messrs Daniel Julien and Stephen Winningham will be renewed for 3 years ,
  - the terms of office of Mssrs Bernard Canetti and Jean Guez will be renewed for 2 years,

    These renewals will allow to maintain a strong rate of independent directors and feminization as well as a strong internationalization within the Board.They will also allow to maintain an expertise and knowledge of the Group necessary to the good functioning of the Board.
- ratify the cooptation of Mr. Patrick Thomas as a director in replacement of Mr. Paulo César Salles Vasques, who resigned on October 13th, 2017, for the remaining duration of his term of office, which expires at the end of the shareholders' meeting to be held in 2019 and called to approve the financial statements for the preceding year. The appointment of Mr Thomas brings to the Board his experience as a executive officer and director of international groups as well as his expertise in fast-growing environments to support the Group in the success of its ambitious growth plan for its activities.

If the shareholders' meeting approves all the propositions thus submitted, the Board of Directors will maintain:

- a rate of independent directors of 64%;

  The Board of Directors, upon proposal from its Remuneration and Appointments Committee, has considered that Ms. Emily Abrera, Mr. Patrick Thomas and Mr. Stephen Winningham continue to be qualified as independent in application of the independence criteria of the AFEP-MEDEF code;
- a percentage of women of 43%, thus complying with the legal provisions on the matter;
- a continued strong internationalization of its composition with six nationalities represented and 64% of non-French directors or binationals;
- a strong knowledge of the Group, its business and specificities.

4.1.3.5 Statements on the situation of members of the administrative, management and supervisory bodies

Family ties

To the Company's knowledge, there are no family ties between the 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, during the past five years, none of the directors or members of the executive management:

- had been convicted for fraud, or indicted and/or sentenced to an official public sanction by any statutory or regulatory authority;
- had been involved in a bankruptcy, a sequestration of assets or a liquidation procedure;
- 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.

Absence of conflicts of interests

The internal regulations of the Board of Directors states that each director must inform the Chairman of the Board of any conflict situation, even potential, between the Company's interests and his or her direct or indirect interests, or those of the shareholder Group that they represent. In addition, said director must abstain from the discussions and corresponding deliberations.

To the Company's knowledge, as of the date of this Registration Document, no conflict of interests is identified between the duties of each director and member of the executive management to the Company and/or the Group in respect of their position as corporate officers and their private interests or other duties.

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 such 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 or in connection with the long-term incentive plan.

4.1.3.6 Agreements entered into between the Company and one of its directors, service agreements and interests held in the Group companies

Service agreements or agreements entered into with a director

The agreement listed below is an ordinary agreement concluded on normal terms. It indirectly concerns a director who is not qualified as independent.

Daniel Julien, Chairman and Chief Executive Officer, is a 35% shareholder in a company that owns a building leased to Servicios Hispanic Teleservices S.C. (Mexico). The total rental income for said building amounted to US$577,843.62 in 2017 compared to US$567,600 in 2016. It is reminded that, in September 2013, a study commissioned by the Group from an independent real estate valuation firm showed that the aforementioned rent transaction was carried out at below-market prices.

Loans and guarantees granted to directors

The Company has not granted any loans or guarantees to one of its directors.

Interests in Group companies held by directors

Daniel Julien holds (i) 10% of the share capital of GN Research SA (Luxembourg) and (ii) 7% of the share capital of Hong Kong Asia CRM Ltd (Hong Kong).

To the Company's knowledge, no other director or member of the executive management has investments or interests in Group companies, either directly or indirectly, excluding the shares held in connection with a corporate officership within the Group.

4.1.3.7 Organization and functioning of the Board of Directors

4.1.3.7.1 Internal Regulations of the Board of directors

During its deliberations on May 31st, 2011, the Company's Board of Directors adopted its internal rules, modified in particular in February 2018, aimed at explaining its role and procedures, in accordance with the legal and statutory provisions and corporate governance rules applicable to listed companies.

The main provisions of the Board of Directors' internal regulations are described below.

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' 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 any information of a confidential nature or presented as such by its Chairman.

Lead Independent director

Following the decision to combine the functions of Chairman and Chief Executive Officer, and further to the continued improvement of the governance within the Company, the Board of Directors, at its meeting held on Febrary 28th, 2018, decided, upon recommendation of the Chairman and Chief Executive Officer and the Remuneration and Appointments Committee, to create the function of a Lead Independent director and to amend, as a consequence, the Internal Regulations of the Board of Directors defining the terms and conditions of the appointment of such Lead Independent director, as well as his or her missions.

Appointment of the Lead Independent director

The Board of Directors appoints a Lead Independent director, on the recommendation of the Remuneration and Appointments Committee, among the directors qualified as independent by the Board of Directors.

The appointed Lead Independent director holds this position while in office as a director, unless otherwise decided by the Board of Directors, which may choose to terminate his or her duties at any time. If for any reason the director is no longer qualified as independent, his or her position as Lead Independent director will be terminated.

The Lead Independent director may be a member of one or more of the Committees of the Board of Directors.

Functions of the Lead Independent director

- Interim role: continuity of governance;
  - In the event that the Chairman is absent at a meeting of the Board of Directors, the Lead Independent director presides over the meeting.
  - In the event of a temporary or durable unavailability of the Chairman to fulfill his functions, the Lead Independent director becomes interim Chairman. He or she replaces the Chairman until the Chairman becomes available again or until a new Chairman is elected.

    If necessary, he or she organizes the selection and appointment of a new Chairman of the Board.
  - If, during the interim, it becomes necessary to appoint a new Chief Executive Officer, the Lead Independent director also organizes the selection process and appointment of this new Chief Executive Officer.
- Relationships with shareholders;
  - The Lead Independent director is, with the Chairman, the Chief Executive Officer and the Deputy Chief Executive Officer, the shareholders' dedicated contact on issues that fall within the remit of the Board.
  - The Lead Independent director shall keep the Chairman, the Chief Executive Officer and the Board informed of the main topics raised by shareholders.

Means of the Lead Independent director

The Lead Independent director:

- convenes, organizes and chairs, at least once a year, a meeting of the independent directors where topics of their choice are discussed;
- can attend, with no voting rights, all meetings of the Board Committees he or she is not a member and participate in their work; he or she shall also attend, if invited by the Chief Executive Officer and/or the Deputy Chief Executive Officer, meetings of the Executive Committee;
- can suggest to the Chairman additional items to the agenda of Board meetings;
- has access to all documents, information and people that he or she deems necessary to fulfill his or her functions;
- reports once a year to the Board of Directors on the execution of his or her functions.

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.

The internal regulations of the Board provide that every director is required to inform the Chairman of the Board of Directors of any conflict situation, even a potential situation, between the Company's interests and their direct or indirect interests, or those of the shareholder Group that they represent. In addition, they must abstain from participating in the discussions and deliberations.

Information – Training – Conditions for preparing the works of the Board – Confidentiality

Members of the Board of Directors receive all the documents, technical materials and information that are appropriate and necessary for the performance of their mission and to 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 expenses. The annual timetable for the Board of Directors' meetings is communicated 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.

When appointed to the Board, each director receives the information regarding the Company and the Group and a training, adapted to his or her specific needs. Interviews are set up with the Chairman of the Board, the Chief Executive Officer or the Group Chief Legal Officer. The formation of directors continues beyond their appointment, in particular through site visits and constitutes a continuing process.

The Board of Directors is a collegial 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. In addition, 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 comply with the regulations applicable to insider dealings and insider misconducts, and in particular, 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.

Board meetings

The Board of Directors meets at least once a quarter, in order to discuss the progress of the Company's affairs and their foreseeable development. It is convened by the Chairman. 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.

Directors may attend the Board meetings by means of videoconferencing or telecommunications facilities, in accordance with the applicable statutory and regulatory provisions. These attendees are considered present for the calculation of the quorum and majority, except in the case of meetings relating to the approval of the annual parent company financial statements and the management report.

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 director; in the event that the Chairman of the meeting is prevented from attending, the minutes are signed by at least two 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 and Compliance 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.

Assessment

In accordance with the AFEP-MEDEF code recommendations, once a year, the Board of Directors proceeds with a discussion of its works and that of its specialized Committees. It reviews its composition, as well as the organization and functioning of the Board and 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 or by an independent director assisted by an outside consultant. The purpose of the assessment is to check that important issues have been appropriately prepared and discussed, and to assess each member's effective contribution to the Board's work.

The conclusions of these assessments, yearly discussions and discussions conducted without the presence of executive directors are presented in the present report in section 4.1.3.7.5 of the 2017 Registration Document.

4.1.3.7.2 Missions and duties

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

- approving the annual and consolidated financial statements;
- drafting management forecasts;
- convening and setting the agenda for the shareholders' meeting;
- deciding to issue bonds;
- authorizing sureties, endorsements and guarantees;
- prior authorization of regulated agreements and commitments;
- setting up specialized Committees and determining their missions;
- deciding to pay any interim dividends;
- reviewing and determining the guidelines for the Company's business;
- selection of the organization structure of executive management;
- appointing and dismissing the Chairman, the Chief Executive Officer, and the Deputy Chief Executive Officers;
- co-opting members of the Board under the conditions determined by the regulations in force;
- defining the remuneration policy for executive officers and distribution of directors' fees within the global amount decided by the shareholders' meeting amongst Board members;
- determining the number of performance shares or shares resulting from the exercise of options that executive officers are required to retain until the end of their term of office, in the event of the award of options or performance shares;
- review of the main issues in the field of corporate social responsibility;
- approving the Chairman of the Board's report.

Furthermore, the Board of Directors determines or authorizes expressly and prior to their completion the following issues:

- approving consolidated annual budgets;
- any significant (commercial, industrial, financial, real estate or other) transaction that the general management plans, not comprised under the approved strategy or budget, including, in particular, moveable or immoveable investment by external or internal growth, where the amount represents more than 20% of the Group's net assets as reports in the latest consolidated financial statements approved by the Board of Directors;
- concluding alliances of any kind involving a material proportion of consolidated revenues;
- proposing dividend distributions to general meetings of shareholders.

Status of the current delegations and authorizations approved by the combined shareholders' meetings held on April 28th, 2016 and June 23rd, 2017 in terms of share capital increases:

	Date of shareholders' meeting (Resolution No.)	Maximum nominal amount *(in euros)*	Duration (expiry)	Use made during 2017
Issues with preferential subscription rights for shareholders				
Capital increase by issues of shares and securities giving access to the share capital, for which the primary security is not a debt instrument with maintenance of preferential subscription rights for shareholders*	June 23rd, 2017 (18th)	40 million(1)	26 months (Aug. 2019)	None
Issues without preferential subscription rights for shareholders				
Capital increase by issues of securities giving access to the share capital without preferential subscription rights for shareholders by public offering but obligation to confer a mandatory priority right of 5 trading days minimum*	June 23rd, 2017 (19th)	28 million(2)	26 months (Aug. 2019)	None
Issues reserved for employees and, where applicable, executive officers				
Free grants of performance shares to employees and/or executive officers	April 28th, 2016 (16th)	2.5% of the share capital(3)	38 months (June 2019)	Used in 2017 in respect of 11,600 shares(4)
Capital increases reserved for members of a company or Group savings scheme*	June 23rd, 2017 (20th)	2 million	26 months (Aug. 2019)	None
Other issues				
Capital increase by capitalization of premiums, reserves or profits*	June 23rd, 2017 (17th)	142 million	26 months (Aug. 2019)	None

(1) On this amount is applied the maximum amount set in the 19th resolution approved by the shareholders' meeting of June 23rd, 2017.
(3) This amount is applied to the maximum amount set in the 18th resolution approved by the shareholders' meeting of June 23rd, 2017. Maximum of €300 million for debt instruments.
(3) Limitation of the number of performance shares that may be granted to executive officers to 0.612% of the share capital within this envelope.
(4) See section 3.2.4.3 of the present Registration Document.It is specified that the Board of Directors decided to grant, with effect as of January 2nd, 2018, 6,000 performance shares on the basis of said authorization.
** Suspended during a public offering.*

Status of the authorizations approved by the combined shareholders' meeting held on June 23rd, 2017 and proposition of authorization submitted to the shareholders' meeting to be held on April 20th, 2018:

	Date of shareholders' meeting (resolution No.)	Duration (expiry)	Terms
Share repurchases*	June 23rd, 2017 (15th) **April 20th, 2018 (17th)**	18 months (Dec. 2018) **18 months (Oct. 2019)**	Maximum purchase price per share: €150 Limit : 10% of the total number of shares **Maximum purchase price per share: €180** **Limit : 10% of the total number of shares**
Cancellation of shares	June 23rd, 2017 (16th)	26 months (August 2019)	10% of the total number of shares on date of cancellation decision

** Suspended during a public offering.*

4.1.3.7.3 Meetings and works of the Board of Directors in 2017

The Board of Directors met five times in 2017, including a three-day seminar held for the purpose of reviewing operating strategy. The directors' attendance rate was 98%. Board meetings lasted between three to 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 Secretary of the Board regularly attended 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.

The following table provides a breakdown of individual members' attendance rate in 2017:

Directors	02/28/2017	06/23/2017	07/27/2017	10/13/2017	11/30/2017	Total
Daniel Julien	Yes	Yes	Yes	Yes	Yes	100%
Paulo César Salles Vasques[(1)]	Yes	Yes	Yes	No	n/a	75%
Emily Abrera	Yes	Yes	Yes	Yes	Yes	100%
Alain Boulet	Yes	Yes	Yes	Yes	Yes	100%
Bernard Canetti	Yes	Yes	Yes	Yes	Yes	100%
Philippe Dominati	Yes	Yes	Yes	Yes	Yes	100%
Pauline Ginestié	Yes	Yes	Yes	Yes	Yes	100%
Jean Guez	Yes	Yes	Yes	Yes	Yes	100%
Wai Ping Leung	Yes	Yes	Yes	Yes	Yes	100%
Robert Paszczak	Yes	Yes	Yes	Yes	Yes	100%
Leigh Ryan	Yes	Yes	Yes	Yes	Yes	100%
Christobel Selecky	Yes	Yes	Yes	Yes	Yes	100%
Angela Maria Sierra-Moreno	Yes	Yes	Yes	Yes	Yes	100%
Patrick Thomas[(2)]	n/a	n/a	n/a	n/a	n/a	n/a
Stephen Winningham	Yes	Yes	Yes	Yes	Yes	100%
ATTENDANCE RATE	**100%**	**100%**	**100%**	**93%**	**100%**	**98%**

(1) Director until October 13th, 2017.
(2) Director since November 30th, 2017.

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:

- examination and approval of the parent company and consolidated financial statements for the year ended December 31st, 2016, 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 renew directorships;
- convening of the shareholders meeting of June 23rd, 2017, setting of the agenda for the meeting and approval of the reports and resolutions including the votes on remuneration due or granted in connection with financial year 2016 ("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 Chief Executive Officer and to the Chairman and Chief executive director for sureties, endorsements and guarantees;
- setting of the variable remuneration for 2016 and of the remuneration as well as the principles and criteria of determination of said remenuration for 2017 for Daniel Julien, Chairman of the Board of Directors, and Paulo César Salles Vasques, Chief Executive Officer;
- assessment of the non-fulfillment of the performance criteria for the February 2014 performance share plan;
- update on Group financing;
- composition of the Committees;
- renewal of the term of office of statutory auditors and acknowledgement of the non-renewal of the term of office of alternate auditors;
- grants of performance shares (June 23rd, 2017 and November 30th, 2017);
- review of regulated and arm's length agreements and commitments;
- implementation of the share repurchase program;
- determination of the directors' fees for the 2016 financial year;
- examination and approval of the consolidated accounts at June 30th, 2017, the half-yearly financial report and management forecast documents;
- renewal of the delegation on issues of bonds and debt securities;
- corporate governance: change of governance structure and of executive management modality; appointment of a Chairman and Chief Executive Officer and a Deputy Chief Executive Officer;
- 2017 forecasts and 2018 budget;
- remuneration policy of executive officers for 2018;
- co-optation of a director;
- discussion on the creation of a Lead Independent director function;
- definition of diversity targets with regards to Board members;
- yearly discussion on the professional and employment equal treatment policy;
- yearly discussion on the Board's functioning.

4.1.3.7.4 The Committees of the Board of Directors

In the performance of its missions and duties, the Board is assisted by two specialized Committees: the Audit and Compliance 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, subject to the decisions that the Audit and Compliance Committee may adopt pursuant to applicable legal and regulatory provisions, under the responsibility of the Board.

The Audit and Compliance Committee

The internal regulations of the Audit and Compliance Committee have been drafted in accordance with the AMF working group on Audit Committees dated June 14th, 2010. They were updated by decision of the Board of Directors at its meeting held on February 28th, 2018.

Composition

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

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

As of the date of this report, the Audit and Compliance Committee consists of three members, two of whom are independent:

Alain Boulet	Chairman, *independent*
Jean Guez	Member
Stephen Winnigham	Member, *independent*

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

The three members have the specific financial, accounting and statutory auditing 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 in companies, banks, or working for an audit firm or in the capacity of chartered accountant or statutory auditor, as described in section 4.1.3.3 of the 2017 Registration Document.

Responsibilities

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

Missions

The Audit and Compliance 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 and Compliance Committee manages the process for selecting and reappointing the statutory auditors when their term of office expires and gives a recommendation when the renewal of their term of office is contemplated.

The Audit and Compliance Committee approves the provision by the statutory auditors of services other than the certification of financial statements.

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

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

Meetings in 2017

The Audit and Compliance Committee met four times in 2017; the meetings were attended by all of its members.

Meetings of the Audit and Compliance 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 which provides for sufficient time to have available and review the financial statements.

The statutory auditors attended all four meetings.

Members	02/23/2017	04/27/2017	07/24/2017	11/23/2017	Total
Bernard Canetti(1)	Yes	Yes	n/a	n/a	100%
Alain Boulet	Yes	Yes	Yes	Yes	100%
Jean Guez	Yes	Yes	Yes	Yes	100%
Stephen Winningham(2)	n/a	n/a	Yes	Yes	100%
ATTENDANCE RATE	**100%**	**100%**	**100%**	**100%**	**100%**

(1) Member until June 23rd, 2017.
(2) Member since June 23rd, 2017.

The Audit and Compliance Committee reviewed the following items in particular in 2017:

- 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, 2016,
  - the half-yearly summary consolidated financial statements as of June 30th, 2017,
  - the statutory auditors certified without qualification the consolidated financial statements as of December 31st, 2016 and identified no misstatements in the summary consolidated financial statements as of June 30th, 2017,
  - the review of related parties;
- 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,
  - review of the internal audit plan for the 2017 financial year,
  - overview of the assignments performed by the Internal Audit Department,
  - presentation of the 2017 internal control self-assessment questionnaires,
  - results and follow-up of the self-assessment questionnaires completed by the subsidiaries,
  - diagnosis of the global risk management and internal control system;
- the financial information preparation process:
  - point of information by the statutory auditors on the closing procedure of the 2016 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, 2016,
  - 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,
  - setting up of the rules regarding the Audit Committee's approval of the provision of services that may be entrusted to the statutory auditors following the European audit reform,
  - review of the process for renewing the appointment of the statutory auditors,
  - approval of the provision of services other than the certification of financial statements.

The Remuneration and Appointments Committee

Composition

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

As of the date of this report, the Remuneration and Appointments Committee is comprised of three members, most of whom are independent members:

Robert Paszczak	Chairman, *independent*
Emily Abrera	Member, *independent*
Bernard Canetti	Member

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 officers, except if the Committee wishes to hear or ask them to contribute to the works on selection and appointments.

Missions

The Remuneration and Appointments Committee issues opinions and recommendations regarding:

- the determination of the remuneration policy and of the benefits granted to executive officers, 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;
- the global amount and rules of allocation of directors' fees;
- the succession plans;
- the candidates for membership of the Board of Directors, their status as independents, and annual review of such quality in accordance with the criteria defined by the AFEP-MEDEF code or the renewal of terms of office of directors.

Meetings in 2017

The Remuneration and Appointments Committee met four times in 2017, and the attendance rate was 100%.

Members	02/27/2017	07/27/2017	10/13/2017	11/29/2017	Total
Robert Paszczak	Yes	Yes	Yes	Yes	100%
Emily Abrera	Yes	Yes	Yes	Yes	100%
Bernard Canetti(1)	n/a	Yes	Yes	Yes	100%
Stephen Winningham(2)	Yes	n/a	n/a	n/a	100%
ATTENDANCE RATE	**100%**	**100%**	**100%**	**100%**	**100%**

(1) Member since June 23rd, 2017.
(2) Member until June 23rd, 2017.

The Committee's work and discussions focused mainly on the following issues in 2017:

- reviewing the independence of the directors;
- renewal of directorships and new appointments to be proposed to the 2017 shareholders' meeting and propositions to the Board on the Committee's composition;
- assessment of the performance conditions of the February 25th, 2014 performance shares;
- variable 2016 and determination of the 2017 remuneration policy for the executive officers;
- implementation of the method to assess the qualitative criteria of the performance shares plans dated April 28th, 2016 and November 2nd, 2016;
- proposals of beneficiaries and approval of plan regulations for the performance shares plans dated June 23rd, 2017 and November 30th, 2017;
- the review of the remuneration structure of executive officers in particular in connection with the results of the votes submitted to shareholders at the general meeting held on June 23rd, 2017;
- proposition to change the governance structure of the Company and the Group from a dualistic to a monist structure;
- approval of the terms of the Chief Executive Officer's departure;
- determination of the remuneration policy for 2018 for executive officers;
- review of the non-compete agreeements of executive officers;
- renewal of the terms of office of directors and new appointments to be proposed to the 2018 shareholders' meeting and propositions to the Board of Directors on the composition of its Committees;
- definition of diversity targets with regard to Board members.

During one of its meetings, the Committee requested the attendance, expertise and advice of the Chairman of the Board, it being specified that the latter was not consulted for the examination and recommendations concerning the elements of his remuneration.

4.1.3.7.5 Assessment of the functioning and 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 functioning and works 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.

Moreover, in accordance with the recommendations of the AFEP-MEDEF code, the Board discusses on its functioning every year.

A formal assessment was performed in July 2015 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 July 28th, 2015. This formal assessment highlighted a unanimous and very positive appreciation from the directors questioned concerning both the composition and the organization of the functioning of the Board and its Committees. The findings of this assessment are described in the Registration Document for 2015 (section 3.3.1.4).

An annual discussion on the Board's functioning was discussed during its meeting held on November 30th, 2017 (a part of which was held without the presence of executives). It was found that all directors appreciated the quality and transparency of the Board's discussions and they noted the quality and importance of the work completed and information shared in preparation for Board meetings.

They reemphasized the importance of the works and contributions of the Committees and they unanimously acknowledged the excellent performances of the Group and the improvements made in terms of governance. The Board members expressed their satisfaction with the upcoming appointment of a lead independent director, which boosted Teleperformance's standing in terms of good governance practices.

4.1.4 The Executive Management

4.1.4.1 Missions

The Chairman and 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 Chairman and Chief Executive Officer represents the Company in its relations with third parties and exercises his powers within the limits provided for by the articles of association and the Board of Directors' internal rules (see section 4.1.3.7.2 above). The Chairman and Chief Executive Officer is assisted by a Deputy Chief Executive Officer whose powers are determined by the articles of association.

Futhermore, the Board of Directors determines or authorizes expressly and prior to their completion the following issues:

- approving consolidated annual budgets;
- any significant (commercial, industrial, financial, real estate or other) transaction that the general management plans, not comprised under the approved strategy or budget, including, in particular, moveable or immoveable investment by external or internal growth, where the amount represents more than 20% of the Group's net assets as reports in the latest consolidated financial statements approved by the Board of Directors;
- concluding alliances of any kind involving a material proportion of consolidated revenues;
- proposing dividend distributions to general meetings of shareholders.

4.1.4.2 Composition

The Chairman and Chief Executive Officer is assisted by an Executive Committee, which he chairs, comprising the Group's key managers. Under the authority of the Chairman and Chief Executive Officer, Mr. Daniel Julien, the Executive Committee is responsible for the Group's operational management. It meets at least twice per month. It implements the strategic orientations, ensures the coherence of the actions undertaken by all of the subsidiaries and discusses the major operational initiatives necessary to the development of the Group and to its performance.

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

Daniel Julien

Chairman and Chief Executive Officer and Chairman of the Executive Committee

Olivier Rigaudy

Deputy Chief Executive Officer and Group Chief Financial Officer

Leigh Ryan

Group Chief Legal Officer and Chief Compliance Officer

Jeffrey Balagna

Chief Operating Officer

Agustin Grisanti

President of the Ibero-LATAM region

Brian Johnson

Co-President of the English-speaking and Asia-Pacific region

David Rizzo

Co-President of the English-speaking and Asia-Pacific region

Yannis Tourcomanis

President of the Continental Europe, Middle-East and Africa region

Joao Cardoso

Chief Research and Development and Digital Integration Officer

Alan Truitt

Chief Business Development Officer

4.2 Remuneration of directors and executive officers

4.2.1 Remuneration of directors

4.2.1.1 Rules for allocation of directors' fees

Within the overall annual limit of €720,000 decided by the shareholders' meeting held on June 23rd, 2017 (until further decision), the Board of Directors decides of the allocation rules of directors' fees amongst its members. These rules take into account, in compliance with the recommendations of the AFEP-MEDEF code and with the provisions of its internal regulations, (i) the membership of the Board and its specialized Committees and (ii) the effective attendance of directors at meetings of the Board and its Committees but also (iii) the directors' place of residence. They thus contain a significant variable portion (excepted for the few directors that are not members of a Committee). The directors' fees for a financial year are paid the following year.

The Chairman and Chief Executive Officer, as a director, and, if applicable, directors holding an employment contract with a subsidiary of the Group, do not receive any directors' fees from the Company or any of its subsidiaries.

For the 2015 financial year, the following rules were decided by the Board at its meeting held on July 28th, 2015: each director received an annual fixed fee of €20,000 and a variable amount of €3,500 per meeting subject to attendance. Each Committee member received a variable fee of €2,500 per meeting attended. The Committee Chairmen received an additional annual fixed fee of €5,000. A fee of €1,500 was paid for participating in a Board or Committee meeting for directors traveling from a country outside Europe. The payments were made in May 2016. At its meeting held on April 28th, 2016, the Board decided to pay an exceptional fee to the directors in view of their work, time spent and their commitment in preparing the works of the Board and its Committees both during and between meetings, in particular on the assessment of the end of the transition period and the organization of corporate governance.

For the 2016 financial year, the allocation rules set by the Board at its meeting held on July 28th, 2015 remained unchanged. The payments were made in June 2017. It is specified that, at its meeting held on June 23rd, 2017, the Board decided to pay an exceptional fee to the directors in view of their work, time spent and their commitment in preparing the works of the Board and its Committees both during and between meetings.

The gross amount of directors' fees paid in 2016 (in respect of the 2015 financial year) amounted to €599,976 and €599,775 paid in 2017 (in respect of the 2016 financial year).

For the 2017 financial year, following the increase of the global amount of directors' fees by the shareholders' meeting held on June 23rd, 2017, the Board, upon recommendation of the Remuneration and Appointments Committee, will review the rules of allocation of directors' fees while retaining the governing principles in that respect.

4.2.1.2 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 2016	Amounts paid in 2017
Daniel Julien, *Chairman and Chief Executive Officer*(1)		
■ directors' fees	n/a	n/a
■ other remuneration	see section 4.2.2	see section 4.2.2
Paulo César Salles Vasques, *director and Chief Executive Officer*(2)		
■ directors' fees	n/a	n/a
■ other remuneration	see section 4.2.2	see section 4.2.2
Emily Abrera, *director*		
■ directors' fees	€43,216	€53,200
■ other remuneration	-	-
Daniel Bergstein, *director*(3)		
■ directors' fees	€47,145	€11,466
■ other remuneration	-	-
Alain Boulet, *director*		
■ directors' fees	€53,319	€56,200
■ other remuneration	-	-
Bernard Canetti, *director*		
■ directors' fees	€58,931	€61,200
■ other remuneration	-	-
Philippe Dominati, *director*		
■ directors' fees	€38,165	€46,200
■ other remuneration(4)	€76,800	€60,000
Philippe Ginestié, *director*(3)		
■ directors' fees	€46,584	€14,966
■ other remuneration	-	-
Jean Guez, *director*		
■ directors' fees	€53,319	€52,700
■ other remuneration	-	-
Wai Ping Leung, *director*(5)		
■ directors' fees	-	€34,289
■ other remuneration	-	-
Robert Paszczak, *director*		
■ directors' fees	€61,176	€63,200
■ other remuneration	-	-
Pauline Ginestié, *director*(5)		
■ directors' fees	-	€36,289
■ other remuneration	-	-
Leigh Ryan, *director*(5)		
■ directors' fees	n/a	n/a
■ other remuneration	$1,055,881(6)	$1,150,000(7)
Mario Sciacca, *director*(3)		
■ directors' fees	€53,319	€14,966
■ other remuneration	-	-
Christobel Selecky, *director*		
■ directors' fees	€47,145	€50,700
■ other remuneration	-	-
Angela Maria Sierra-Moreno, *director*		
■ directors' fees	€47,145	€50,700
■ other remuneration	-	-
Patrick Thomas, *director*(8)		
■ directors' fees	-	-
■ other remuneration	-	-
Stephen Winningham, *director*		
■ directors' fees	€50,513	€53,700
■ other remuneration	-	-

(1) Chairman and Chief Executive Officer since October 13th, 2017.
(2) Chief Executive Officer and director between May 30th, 2013 and October 13th, 2017.
(3) Director until April 28th, 2016.
(4) Annual fixed gross remuneration paid as Chairman of the Supervisory Board and then Chairman of the Board of Directors of Teleperformance France SA.
(5) Director since April 28th, 2016.
(6) Ms. Leigh Ryan, director since April 28th, 2016, holds an employment contract with Teleperformance Group, Inc., US subsidiary of the Company, as Group Chief Legal Officer and Chief Compliance Officer under which she receives, for a full year, a fixed gross remuneration of US$1.15 million (pro rata temporis for 2016) and benefits in kind for a total amount of US$49,631 in 2016. These benefits in kind consist in a healthcare insurance plan, a life insurance policy and the matching contribution paid by Teleperformance Group, Inc. under the non-qualified deferred compensation plan (described in section 4.2.2.1 a) – benefits in kind of the 2017 Registration Document). She does not receive any directors' fees from the Company nor any Group subsidiaries in which she holds terms of office. In 2016, She was granted, as employee of Teleperformance Group, Inc., 48,000 performance shares, subject to presence and performance conditions, under the April 28th, 2016 performance share plan implemented by the Company.
(7) For 2017, the remuneration elements of Ms. Leigh Ryan, as Group Chief Legal Officer and Chief Compliance Officer, as decribed above (point (6)), remain unchanged excepted for the amount of benefits in kind received, which in 2017 amounted to US$49,884. They consist in a healthcare insurance plan, a life insurance policy and the matching contribution paid by Teleperformance Group, Inc. under the non-qualified deferred compensation plan (described in section 4.2.2.1 a) – benefits in kind of the 2017 Registration Document). No performance shares were granted to her in 2017.
(8) Director since November 30th, 2017.

4.2.2 Remuneration of executive officers

The remuneration elements paid to the executive officers of Teleperformance SE are determined by the Board of Directors, upon recommendation of the Remuneration and Appointments Committee. That Committee, which composition, missions and works are described in section 4.1.3.7.4 of the 2017 Registration Document, is chaired and composed in majority by independent directors. It prepares its recommendations on the basis of the Group's policy on the matter and of observed market practices, in particular with regard to the need for competitiveness and consistency. The remuneration policy for executive officers of the Teleperformance Group is structured and established in order to address the Group's imperatives. It is created and designed to accompany the Group's long-term stategy.

Pursuant to legal and regulatory provisions, the remuneration elements paid or granted in respect of financial year 2017 in accordance with the principles and criteria approved by the shareholders' meeting held on June 23rd, 2017 (see sections 4.2.2.1 to 4.2.2.3 and section 4.2.3 hereafter) and the remuneration policy for 2018 (see section 4.2.4 below), are submitted to the approval of the shareholders' meeting to be held on April 20th, 2018 and are presented below.

4.2.2.1 Fixed, variable and exceptional elements of the total remuneration and the benefits of all kind paid or granted to executive officers in 2017

The remuneration elements of Mr. Daniel Julien, Chairman of the Board until October 13th, 2017 and Chairman and Chief Executive Officer since that date, and of Mr. Paulo César Salles Vasques, Chief Executive Officer until October 13th, 2017, were determined by the Board of Directors, upon recommendation of its Remuneration and Appointments Committee, at its meetings held on December 11th, 2015 and February 24th, 2016. The remuneration elements for 2017 were approved by the Board at its meetings held on December 1st, 2016 and February 28th, 2017.

Based on the principles and criteria for the determination, allocation and grant of elements comprising the total remuneration and benefits of all kind due to executive officers as approved by the shareholders' meeting held on June 23rd, 2017, the remuneration is paid, in its entirety or in its majority, by the US subsidiary, Teleperformance Group, Inc., of which Mr. Julien is an executive Officer and of which Mr. Salles Vasques was an executive Officer until October 13th, 2017 (it being specified that the latter received a part of his fixed remuneration from Teleperformance SE), with the exception of the variable remuneration for 2017 which payment is subject to the vote of the shareholders' meeting to be held on April 20th, 2018. Mr. Olivier Rigaudy, Deputy Chief Executive Officer since October 13th, 2017, did not receive any remuneration in respect of his office in 2017.

a. Fixed, variable and exceptional elements of the total remuneration and the benefits of all kind paid or granted in connection with financial year 2017 to Mr. Daniel Julien, Chairman of the Board of Directors until October 13th, 2017 and Chairman and Chief Executive Officer since that date

▶ Table 1 of the AMF recommendations – Summary table on remuneration and stock options and shares granted to Mr. Daniel Julien (in euros)

	2017*	2016*
Remuneration due in connection with the financial year (detailed in table 2)	4,705,583	4,799,276
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)	n/a	13,160,000
TOTAL	**4,705,583**	**17,959,276**

* *Remuneration denominated in a foreign currency for a given year is converted into euros at the average exchange rate for the year.*

** *It is reminded that the Group's policy in terms of performance shares grants (or equivalent mechanisms) provides for a grant every three years.*

The valuation of the performance shares was determined according to the method used for the consolidated financial statements as at December 31st, 2016 and taking into account the following elements.

This grant is subject to presence and performance criteria (see section 4.2.2.3). It is reminded that three criteria showing the best performance level out of the four criteria defined by the Board of Directors will be used to determine the number of shares definitively vested. Furthermore, given that one of the criteria is a market criterion (evolution of the share price compared to the SBF120 index), this criterion was taken into account in calculating the fair value of the performance shares. However, in accordance with the three best criteria rule, there is no guarantee that the market criterion will actually be applied. Accordingly, two fair values have been calculated. In application of the market criterion, the fair value was calculated at €48.51 per share. Excluding the market criterion, the fair value was calculated at €75.20 per share. As of December 31st, 2016, the fair value retained is €75.20.

Table 2 of the AMF recommendations – Summary remuneration table of Mr. Daniel Julien (in euros)

	2017(1)		2016(1)	
	Amounts due	**Amounts paid(2)**	Amounts due	Amounts paid(2)
Fixed remuneration	3,321,523	3,321,523	3,387,534	3,387,534
Annual variable remuneration	1,328,609(3)	1,328,609	1,355,014	1,355,014
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
Benefits in kind	55,450	55,450	56,728	56,728
TOTAL	**4,705,583**	**4,705,583**	**4,799,276**	**4,799,276**

(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) The payment of the variable remuneration in respect of financial year 2017 is subject to the approval of the remuneration elements paid or granted for 2017 by the shareholders' meeting to be held on April 20th, 2018, pursuant to the provisions of article L.225-100 of the French Commercial Code.

Details of remuneration for the 2017 financial year

For financial year 2017, the remuneration elements is in compliance with the remuneration policy as approved by the shareholders' meetings held on June 23rd, 2017.

Fixed remuneration

For 2017, the fixed remuneration of Mr. Daniel Julien, Executive Chairman until October 13th, 2017 then Chairman and Chief Executive Officer, was maintained at the gross amount of US$3,750,000 (*i.e.* €3,321,523) (unchanged since 2013).

Variable remuneration

Upon recommendation of the Remuneration and Appointments Committee, the Board of Directors set the amount of variable remuneration at the maximum amount of US$1,500,000 (unchanged since 2013), subject to performance criteria.

The maximum annual variable part represented 28% of his total remuneration.

The Board of Directors set the quantitative and qualitative performance criteria, described below, which enable the calculation of the 2017 variable remuneration. The Board 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 granted for the various quantitative and qualitative criteria is 80 and 20 points respectively.

Taking into account the results, the recommendations of the Remuneration and Appointments Committee, and after approval of the Audit and Compliance Committee on financial items, the Board of Directors, at its meeting held on February 28th, 2018, set the amount of the variable remuneration for 2017 of Mr. Daniel Julien at a gross amount of US$1,500,000, *i.e.* €1,328,609. Pursuant to the provisions of Article L.225-100 of the French Commercial Code, the payment of the variable remuneration is subject to the approval of the remuneration elements paid or granted in respect of 2017 by the shareholders' meeting to be held on April 20th, 2018. The breakdown by criteria is described hereafter.

Quantitative criteria

The quantitative criteria, which have an 80-point weighting, relate to the growth rate in revenue and the EBITA, and represent the performance achieved by the Group throughout the network and exclude the impact of currency and perimeter effects for the turnover criterion and excludes non-recurring items with respect to the criterion related to EBITA.

At its meeting held on February 28th, 2018, the Board of Directors, upon recommendation of its Remuneration and Appointments Committee, which met on February 27th, 2018, reviewed the level of achievement of the quantitative targets and criteria 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 meeting held on February 28th, 2018.

Current EBITA margin ratio

Number of points awarded	Target
0 points	less than 12.5%
10 points	equal to 12.5% and less than 12.8%
20 points	equal to 12.8% and less than 13.0%
30 points	equal to 13.0% and less than 13.1%
40 points	equal to 13.1% and above

As to this criterion, upon recommendations of the Audit and Compliance Committee and of the Remuneration and Appointments Committee, the Board of Directors noted that the EBITA margin amounted to 13.3%, and granted 40 points.

▶ Organic revenue growth (excluding currency gains and losses)

Number of points awarded	Target
0 points	less than 3%
10 points	equal to 3% and less than 4%
20 points	equal to 4% and less than 5%
30 points	equal to 5% and less than 6%
40 points	equal to 6% and above

As to this criterion, upon recommendations of the Audit and Compliance Committee and of the Remuneration and Appointments Committee, the Board of Directors noted that the organic revenue growth amounted to 9%, and granted 40 points.

The total number of points granted was therefore of 80 out of the 80 points allocated to these quantitative criteria.

Qualitative criteria

The qualitative criteria, which have a 20-point weighting, relate to the successful integration of Language Line Solutions (LLS) (in particular, the keeping of executive teams, the development of sales...) and the continuation of the development and growth of the high Specialized services.

With regard to these qualitative criteria, the Board noted, and welcomed, the harmonious conditons of the LLS integration within the Group which results in the keeping of executive teams, good relationships and performances observed in terms of sales development, in particular in the video canal segment, and the development and growth of high Specialized services in terms of diversification of offers and services proposed. As a result, it was decided that the number of points granted was of 20 out of the 20 points allocated to these qualitative criteria.

Long-term remuneration

During financial year 2017, no performance shares or shares granted under a long-term incentive plan were granted to Mr. Daniel Julien.

Benefits in kind

The benefits in kind granted to Mr. Julien consist of a company car, a healthcare insurance plan and the matching contribution for 2017 paid as part of the non-qualified deferred compensation plan.

This mechanism of non-qualified deferred compensation plan, similar to a deferred savings scheme, set up by the US subsidiary, Teleperformance Group, Inc, enables the beneficiaries to defer, at their own initiative, a portion of their remuneration limited to US$200,000 per year. Once deferred, Teleperformance Group, Inc. then matches 25% of this amount with a limit fixed at US$50,000 per year.

As of December 31st, 2017, Mr. Julien deferred the payment of US$200,000 matched by Teleperformance Group, Inc. to a total of US$50,000, *i.e.* €44,287.

b. Fixed, variable and exceptional elements of the total remuneration and the benefits of all kind paid or granted in connection with financial year 2017 to Mr. Paulo César Salles Vasques, Chief Executive Officer until October 13th, 2017

The reuneration elements related to the Chief Executive Officer cover the period from January 1st, 2017 until October 13th, 2017, date on which his office ended.

▶ Table 1 of the AMF recommendations – Summary table on remuneration and stock options and shares granted to Mr. Paulo César Salles Vasques (in euros – prorated until October 13th, 2017)

	2017*	2016*
Remuneration due in connection with the financial year (detailed in table 2)	12,226,066	3,941,074
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)	n/a	13,160,000
TOTAL	**12,226,066**	**17,101,074**

* *Remuneration denominated in a foreign currency for a given year is converted into euros at the average exchange rate for the year.*

** *It is reminded that the Group's policy in terms of performance shares grants (or equivalent mechanisms) provides for a grant every three years.*

The valuation of the performance shares was determined according to the method used for the consolidated financial statements as at December 31st, 2016 and taking into account the following elements:

This grant is subject to presence and performance criteria (see section 4.2.2.3). It is reminded that three criteria showing the best performance level out of the four criteria defined by the Board of Directors will be used to determine the number of shares definitively vested. Furthermore, given that one of the criteria is a market criterion (evolution of the share price compared to the SBF120 index), this criterion was taken into account in calculating the fair value of the performance shares. However, in accordance with the three best criteria rule, there is no guarantee that the market criterion will actually be applied. Accordingly, two fair values have been calculated. In application of the market criterion, the fair value was calculated at €48.51 per share. Excluding the market criterion, the fair value was calculated at €75.20 per share. As of December 31st, 2016, the fair value retained is €75.20.

Table 2 of the AMF recommendations – Summary remuneration table of Mr. Paulo César Salles Vasques (in euros – prorated until October 13th, 2017)

	2017[1]		2016[1]	
	Amounts due	**Amounts paid[2]**	Amounts due	Amounts paid[2]
Fixed remuneration	2,141,209	2,369,730	2,796,748	2,780,488
Compensation for notice period[3]	1,371,125	1,371,125	-	-
Annual variable remuneration	1,040,174[4]	1,066,430	1,087,624	1,011,743
Multi-year variable remuneration	n/a	n/a	n/a	n/a
Exceptional remuneration	n/a	n/a	n/a	n/a
Non-compete compensation	7,617,360	0[5]	-	-
Directors' fees	n/a	n/a	n/a	n/a
Benefits in kind	56,198	56,198	56,702	56,702
TOTAL	**12,226,066**	**4,863,483**	**3,941,074**	**3,848,933**

(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) The amount corresponds to the six-month notice period not performed at the Board's request, which Mr. Paulo César Salles Vasques was obliged to, in respect of his office as co-Chief Executive Officer of Teleperformance Group, Inc., US subsidiary of Teleperformance SE, i.e. US$1,548,000 (€1,371,125).
(4) The payment of the variable remuneration for 2017 is subject to the approval of the remuneration elements paid or grnated in respect of 2017 by the shareholders' meeting to be held on April 20th, 2018 pursuant to the provisions of Article L.225-100 of the French Commercial Code.
(5) The payment of the non-compete compensation will be made in 2018.

Details of remuneration for the 2017 financial year

For financial year 2017, the remuneration elements is in compliance with the remuneration policy approved by the shareholders' meetings held on June 23rd, 2017. The Board of Directors, upon recommendations of its Remuneration and Appointments Committee, decided, on the occasion of the end of his term of office as Chief Executive Officer, to set the remuneration elements which were reduced prorata temporis as of October 13th, 2017, as well as the amount of the non-compete compensation in application of the non-compete agreement authorized on November 25th, 2013 and approved by the shareholders' meeting held on May 7th, 2014.

Fixed remuneration

It is reminded that the amount of fixed remuneration of Mr. Salles Vasques, as Chief Executive Officer, was set at US$3,096,000. Upon recommendation of the Remuneration and Appointments Committee, the Board of Directors set, on the basis of a prorata temporis until October 13th, 2017, the gross amount at US$2,417,425, *i.e.* €2,141,209.

Furthermore, concerning his office as co-Chief Executive Officer of Teleperformance Group, Inc., US subsidiary of Teleperformance SE, Paulo César Salles Vasques was bound by a six-month notice period. Eager to ensure the full effectiveness of the new governance structure, the Board exercised its right to waive said notice period and to compensate it by the payment of an amount of US$1,548,000 (*i.e.*, €1,371,125), representing the remuneration due and payable on this basis.

Variable remuneration

Upon recommendation of the Remuneration and Appointments Committee, the Board of Directors set the maximum amount of variable remuneration of Mr. Paulo César Salles Vasques, for the 2017 financial year, at US$1,504,000 (compared to US$1,204,000 for the year 2016) subject to performance criteria.

These performance criteria as well as the number of maximum points granted are identical to those determined for Mr. Daniel Julien, it being specified that personal involvements are taken into account in the determination of the achievement of the qualitative criteria (see above).

Taking into account the results, the recommendations of the Remuneration and Appointments Committee, and after approval of the Audit and Compliance Committee on financial items, the Board of Directors, at its meeting held on February 28th, 2018, set the amount of the variable remuneration for 2017 of Mr. Salles Vasques at a gross amount of US$1,174,356, *i.e.* €1,040,174, reduced prorata temporis until October 13th, 2017. Pursuant to the provisions of Article L.225-100 of the French Commercial Code, the payment of this prorated amount is subject to the approval of the remuneration elements paid or granted in connection with financial year 2017 by the shareholders' meeting to be held on April 20th, 2018.

Compensation under the non-compete agreement dated November 25th, 2013

With a view to protecting the interests of the Company and its shareholders, the Board of Directors held on November 25th, 2013, authorized the conclusion of a non-compete agreement between Teleperformance SE, Teleperformance Group, Inc. and Mr. Paulo César Salles Vasques, appointed Chief Executive Officer in May 2013.

It is reminded that the modalities of this agreement are similar to those governing the non-compete clause contained in his employment agreement before his appointment as Chief Executive Officer and the amendment to the AFEP-MEDEF code in June 2013.

The non-compete agreement was approved, at 83.89%, by the shareholders' meeting held on May 7th, 2014. Pursuant to the terms of this agreement, Mr. Paulo César Salles Vasques refrains 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 2 years following the end of his executive functions. He also refrains from soliciting employees, executives and clients of the Group.

In consideration of these confidentiality, non-compete, non-solicitation and non-poaching undertakings, and whatever the cause of his departure, the non-compete compensation is capped at 2 years' gross remuneration determined on the basis of either (i) the aggregate annual gross remuneration (fixed and variable) received over the calendar year preceding his departure, or, if higher, (ii) the average annual gross remuneration over the past three years.

In application of the terms of the non-compete agreement, the Board of Directors set the amount of the compensation at US$8,600,000 (*i.e.* €7,617,360), representing 2 years' gross remuneration (fixed and variable) paid in respect of 2016. This non-compete compensation will be paid by Teleperformance Group, Inc. in 2018.

Long-term remuneration

During financial year 2017, no performance shares or shares under a long-term incentive plan were granted to Mr. Paulo César Salles Vasques.

Under the long-term remuneration plan implemented in April 2016, it is reminded that 175,000 performance shares were granted to him subject to presence and performance conditions. The performance criteria, as well as the rules and levels of achievement are described in section 4.2.2.3 of the 2017 Registration Document.

In application of the recommendation 24.5.1 of the AFEP-MEDEF code, the Board of Directors, at its meeting held on October 13th, 2017, decided that the right of Mr. Salles Vasques to acquire these performance shares had to be reduced porata temporis so as to take into account only the portion of the plan's three-year term during which he held office.as Chief Executive Officer and was in charge of executive functions. The maximum number of performance shares that may be vested at the end of this period is therefore reduced to 104,041. These performance shares are subject to the performance criteria initially set.

In addition, the Board, in the agreement with Mr. Paulo César Salles Vasques, has, furthermore, subjected the vesting of 50% of these 104,041 shares, not only to the initial conditions, but also to the achievement of objectives in relation to his duties at Teleperformance CRM SA, Brazilian subsidiary, that he agrees to pursue in order to help the keeping and development of activities of the Group in Brazil. Always with a view of protecting the interests of the Group and its stakeholders, the Board has been vigilant on the economic situation of the Group in Brazil. The additional criteria consit mainly in the securization, for the long-term, of relationships with clients in Brazil created and developed by Mr. Salles Vasques during the period in which he was leading Brazilian operations but also following his appointment as Chief Executive Officer. It is reminded that Brazilian operations count about 17,000 employees and represent about 5% of the Group's revenues.

Benefits in kind

The benefits in kind granted to Mr. Salles Vasques consisted of a company car, a healthcare insurance plan and the matching contribution for 2017 paid as part of the non-qualified deferred compensation plan described above.

c. Fixed, variable and exceptional elements of the total remuneration and the benefits of all kind paid or granted in connection with financial year 2017 to Mr. Olivier Rigaudy, in respect of his term of office as Deputy Chief Executive Officer since October 13th, 2017

At the time of Mr. Olivier Rigaudy's appointment as Deputy Chief Executive Officer on October 13th, 2017, the Board of Directors decided to maintain his employment contract binding him to the Company as Group Chief Financial Officer, since February 1st, 2010. The Board considered that the duties of Mr. Rigaudy in respect of his office corresponds to a mission to be distinguished from his employees' and technical duties. Indeed, given the size of the Teleperformance Group, Mr. Daniel Julien, Chairman and Chief Executive Officer, wished to have the possibility of entrusting a Deputy Chief Executive Officer with missions related to the general management and, in particular, the representation of the Company, and that this Deputy Chief Executive Officer be a trusted person, based in France and with a solid knowledge of the Group. He thus proposed to the Board of Directors the candidacy of Mr. Olivier Rigaudy.

Mr. Olivier Rigaudy, assuming the duties of Chief Financial Officer since 2010, it was essential that he continues to perform these duties in accordance with his employment contract, in complete independence from the assistance mission of the Chairman and Chief Executive Officer, attached to the function of Deputy Chief Executive Officer.

In this context, the continuation of Mr. Rigaudy's employment contract is in line with the recommendation 21 of the AFEP-MEDEF code which provides that the employment contract of the executive director must be terminated when he or she is appointed, as this recommendation does not apply to the Deputy Chief Executive Officer.

At its meeting held on November 30th, 2017, the Board decided to set up his remuneration in respect of his duties of Deputy Chief Executive Officer as of January 1st, 2018. Accordingly, Mr. Rigaudy did not receive any remuneration or benefit of any kind, in respect of his office, in 2017.

4.2.2.2 Undertakings taken in favor of executive officers

▶ Table 11 of the AMF recommendations – Summary of undertakings taken in favor of executive officers

Executive Officer	Employment contract	Additional pension scheme	Payments or benefits due or to be due upon termination or change of responsibilities	Payments relating to a non-compete agreement
Daniel Julien(1)	No	No	No	Yes
Paulo César Salles Vasques(2)	No	No	No	Yes
Olivier Rigaudy(3)	Yes	No	No	Yes

(1) *Executive Chairman then Chairman and Chief Executive Officer since October 13th, 2017.*
(2) *Chief Executive Officer until October 13th, 2017.*
(3) *Deputy Chief Executive Officer since October 13th, 2017.*

Employment contract

The Chairman and Chief Executive Officer is not bound to the Company or any of its subsidiaries by an employment contract.

Mr. Salles Vasques, Chief Executive Officer until October 13th, 2017, did not have an employment contract with the Company or any of its subsidiaries. His employment contract with Teleperformance Group, Inc. had been terminated on May 30th, 2013, when he was appointment Chief Executive Officer of the Company.

With regard to Mr. Olivier Rigaudy, his employment contract as Group Chief Financial Officer dated February 1st, 2010, and therefore prior to his appointment, was maintained by decision of the Board of Directors of October 13th, 2017. Indeed, Mr. Rigaudy, as Group Chief Financial Officer, performs technical functions, distinct from those related to his office as Deputy Chief Executive Officer, including the facilitation and supervision of financial and legal departments, the relations with banking institutions as part of the Group's financing operations, the monitoring of the Group's accounting closings. As part of his office, he is required to take on additional functions of a more political nature and logic such as the implementation of the Group's overall strategy in accordance with the orientations set by the Board of Directors and the Chairman and Chief Executive Officer or the participation in the preparation of the Company's development plan as well as structural changes of the Group.

As a result, Mr. Olivier Rigaudy continues to receive, in consideration for his duties as Group Chief Financial Officer, the remuneration provided for under his employment contract. For the 2017 financial year, it consists in a fixed (gross) remuneration of €520,000 and a maximum variable remuneration (gross) of €220,000. It is unchanged for 2018 and is taken into account in the determination of the total remuneration and of the weight of the fixed and variable parts.

Additional pension scheme

The executive officers do not benefit from any additional pension scheme.

Payments or benefits due or to be due upon termination or change of responsibilities

The executive officers are not entitled to any payments or benefits due or to be due as a result of termination of their appointment or a change in their responsibilities.

Payments relating to a non-compete agreement

Non-compete agreement of Mr. Daniel Julien

With the concern of protecting the Group's interests, the Board of Directors authorized the conlusion of a non-compete agreement between the Group and Mr. Daniel Julien since 2006. This agreement was concluded on May 18th, 2006 and approved by the shareholders' meeting held on June 1st, 2006. It was subsequently amended by the decisions of the Board of Directors of May 31st, 2011 and November 30th, 2011, approved by the ordinary shareholders' meeting held on May 29th, 2012.

At its meeting held on November 30th, 2017, the Board of Directors decided to authorize the amendment of the terms of the non-compete agreement between Teleperformance SE, Teleperformance Group, Inc. and Daniel Julien, in order to limit the duration of the non-competition and non-poaching obligations at 2 years. This undertaking will be remunerated by a compensation limited to 2 years of remuneration (fixed and variable). The agreement thus amended is a continuation of the policy on this matter and the will of the Board to protect the best interests of the Group and all its stakeholders (customers, employees, shareholders) in case of departure, whatever the cause, of Mr. Daniel Julien. It will also limit the financial impact for the Group insofar as the amount of the remuneration provided in consideration for the obligations incumbent on Daniel Julien is reduced.The amendment to the agreement was entered into on December 1st, 2017.

In accordance with the provisions of Articles L.225-38 *et seq*. of the French Commercial Code, the amendments thus made to the non-compete agreement of Mr. Daniel Julien will be submitted to the approval of the shareholders' meeting to be held on April 20th, 2018.

It is reminded that this agreement contains commitments, by Mr. Julien, of non-competition and non-poaching. As such, Mr. Julien is prohibited, for a period of 2 years, in all countries in which the Group operates at the time of the effective date of departure, directly or indirectly, to collaborate or participate, in any way whatsoever (in particular, as an employee, executive, external consultant...), in a business activity and/or a company that competes with the Group. In addition, he refrains from soliciting, directly or indirectly, the senior managers of the Group during the same period. The agreement provides for a nine-month mutual notice in the event of termination of employment within the Group. In consideration for the commitments thus undertaken, Mr. Julien would benefit from a compensation capped at two years of gross remuneration (fixed and variable) paid in respect of the calendar year preceding the year of departure.

Non-compete agreement of Mr. Paulo César Salles Vasques

Mr. Salles Vasques is subject to a non-compete agreement with terms similar to those governing the non-compete clause contained in his employment agreement before his appointment as Chief Executive Officer and amendments to the AFEP-MEDEF code on June 2013.

The agreement was authorized by the Board of Directors on November 25th, 2013 and approved at the shareholders' meeting held on May 7th, 2014.and includes commitments from Mr. Salles Vasques regarding confidentiality, non-sollicitation and non-competition. In this regard, Mr. Salles Vasques refrains 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 2 years following his departure. In the event of departure whatever the cause, Mr. Salles Vasques would be entitled to receive a compensation capped at 2 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 preceding three years.

The Board of Directors, concerned with protecting the interests of the Group and its stakeholders (employees, clients, shareholders, partners) implemented the non-compete agreement as of October 13th, 2017, the date of the end of the term of office of Mr. Paulo César Salles Vasques as Chief Executive Officer. The latter is therefore bound by a non-compete and non-poaching obligation for a period of 2 years, *i.e.* until October 13th, 2019, under which the non-compete compensation due corresponds to an amount equal to 2 years of his gross remuneration (fixed and variable) for the 2016 financial year, *i.e.* US$8,600,000 (*i.e.* €7,617,360).

Non-compete agreement of Mr. Olivier Rigaudy

The Board of Directors, upon recommendation of the Remuneration and Appointments Committee, authorized the conclusion of a non-compete agreement between Teleperformance SE and Mr. Olivier Rigaudy, Deputy Chief Executive Officer. In this regard, Mr. Rigaudy undertakes to refrain, with no restrictions on the country, and for a period of 1 year following his departure, 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 whatsoever. In the event of departure, whatever the cause, Mr. Rigaudy shall receive a compensation capped at 1 year's (fixed and variable) gross remuneration as consideration for the performance of executive duties, as an employee and/or executive director within the Group.This non-compete agreement was entered into on February 1st, 2018.

In accordance with the provisions of Articles L.225-38 *et seq*. of the French Commercial Code, this non-compete agreement will be submitted to the approval of the shareholders' meeting to be held on April 20th, 2018.

4.2.2.3 Grant of stock options and performance shares to executive officers

a. Stock subscription or purchase options

Stock subscription or purchase options granted to or exercised by executive officers during the financial year (information required in Tables 4 and 5 of the AMF recommendations)

None.

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 executive officers (information required in Table 9 of the AMF recommendations)

None.

b. Performance shares and equivalent schemes

During the financial year 2017, no performance shares were granted in favour of Mr. Daniel julien, Mr. Paulo César Salles Vasques and Mr. Olivier Rigaudy.

▶ Table 10 of the AMF recommendations – Overview of performance share plans granted by Teleperformance SE

The characteristics of the share performance plans are described in section 3.2.4.3 of present Registration Document.

	Plan 1	Plan 2	Plan 3	Plan 4	Plan 5	Plan 6
Date of shareholders' meeting	05/30/2013	05/30/2013	04/28/2016	04/28/2016	04/28/2016	04/28/2016
Date of Board of Directors meeting	07/30/2013	02/25/2014	04/28/2016	11/02/2016	06/23/2017	11/30/2017
Grant date	07/30/2013	02/25/2014	04/28/2016	11/02/2016	06/23/2017	01/02/2018
Total number of share rights granted	840,000	22,500	914,300	151,508	11,600	6,000
Total number of beneficiaries	126	1	239	29	1	1
of which total number granted to executive officers*:						
▪ Daniel Julien	-	-	-	-	-	-
▪ Paulo César Salles Vasques(1)	-	-	-	-	-	-
▪ Olivier Rigaudy(2)	n/a	-	n/a	-	-	-
Definitive vesting date	07/30/2016	02/25/2017	04/28/2019	11/02/2019	06/23/2020	01/02/2021
End of lock-in period	07/30/2018	02/25/2019	n/a	n/a	n/a	n/a
Performance criteria**	Yes	Yes	Yes	Yes	Yes	Yes
Nature of shares granted	new or existing shares	new or existing shares	new or existing shares	new or existing shares	new or existing shares	new or existing shares
Total number of share rights cancelled or lapsed	205,000	22,500***	81,300	11,632	0	0
Number of shares definitively vested	635,000	0	-	-	-	-
Number of rights outstanding	-	0	833,000	139,876	11,600	6,000

* Since 2013, the grants in favor of executive officers have been made under the plans called long-term incentive described hereafter.
** The performance criteria are described in section 3.2.4.3.
*** The Board of Directors, at its meeting held on February 28th, 2017, noted that the performance criteria for this plan were not met. Therefore, no shares were acquired by the beneficiary at the vesting date.
(1) Chief Executive Officer until October 13th, 2017.
(2) Deputy Chief Executive Officer since October 13th, 2017.

▶ Information required under table 6 of the AMF recommendations – Overview of long-term incentive plans granted by Teleperformance Group, Inc.

	Plan a)	Plan b)
Grant date	07/30/2013	04/28/2016
Total number of share rights granted	300,000	350,000
Total number of beneficiaries	2	2
▪ Daniel Julien	150,000	175,000
▪ Paulo César Salles Vasques*	150,000	175,000
Definitive vesting date	08/01/2016	04/29/2019
End of lock-in period	07/30/2018	n/a
Performance criteria**	Yes	Yes
Valuation of the shares, at the grant date, for each beneficiary, according to the method used for consolidation accounts	€5,050,500	€13,160,000***
Total number of share rights cancelled or lapsed	0	70,959
Number of shares definitively vested	300,000	0
Number of rights outstanding	0	279,041

* Chief Executive Officer until October 13th, 2017.
** The performance criteria are described in section 3.2.4.3.
*** It is reminded that the Group's policy in terms of performance shares grants (or equivalent mechanisms) provides for a grant every three years.
The valuation of the performance shares was determined according to the method used for the consolidated financial statements as at December 31st, 2016 and taking into account the following elements: This grant is subject to presence and performance criteria (see section 3.2.4.3). It is reminded that three criteria showing the best performance level out of the four criteria defined by the Board of Directors will be used to determine the number of shares definitively vested. Furthermore, given that one of the criteria is a market criterion (evolution of the share price compared to the SBF120 index), this criterion was taken into account in calculating the fair value of the performance shares. However, in accordance with the three best criteria rule, there is no guarantee that the market criterion will actually be applied. Accordingly, two fair values have been calculated. In application of the market criterion, the fair value was calculated at €48.51 per share. Excluding the market criterion, the fair value was calculated at €75.20 per share. As of December 31st, 2016, the fair value retained is €75.20.

During the 2013 financial year, the US subsidiary, Teleperformance Group, Inc., implemented a long-term incentive plan settled in Teleperformance SE shares and involving the allotment of 150,000 shares each to Mr. Julien and Mr. Salles Vasques, following approval of the plan by the Board of Directors of Teleperformance SE.

The definitive vesting of the shares is subject to presence and performance conditions that are identical to those approved by the Board of Directors at its meeting held on July 30th, 2013 in favour of the Group's main senior managers and executives. These conditions are described in section 3.5.2.4 of the 2016 Registration Document.

The Board of Directors, at its meeting held on February 24th, 2016, upon recommendation of the Remuneration and Appointments Committee, and after approval of the Audit Committee, noted that, the conditions were met and that all the performance shares were definitively acquired by the beneficiaries who still met the attendance requirement as of July 30th, 2016.

On April 28th, 2016, the US subsidiary Teleperformance Group, Inc., implemented a new long-term incentive plan settled in Teleperformance SE shares and involving the allotment of 175,000 shares each to Mr. Julien and Mr. Salles Vasques, following approval of the plan by the Board of Directors of Teleperformance SE.

The definitive vesting of the shares is subject to presence and performance conditions that are identical to those approved by the Board of Directors at its meeting held on April 28th, 2016 regarding the allotment of performance shares to the Group's senior managers and executives. At the end of the three-year vesting period, Teleperformance Group, Inc. will be required to deliver to the beneficiaries the shares which would have been previously purchased on the market. These performance conditions as well as the levels of achievement are described in section 3.2.4.3 *Performance shares granted under no consideration – Plan dated April 28th, 2016 (plan No 3)* of the 2017 Registration Document.

Following the termination of the executive functions of Mr. Salles Vasques in the Group, the Board of Directors, at its meeting held on October 13th, 2017, decided that the latter retains the possibility of acquiring the 175,000 performance shares thus granted, under the terms and conditions of the long-term incentive plan, as he remains involved in the Group as non-executive Chairman and director of Teleperformance CRM SA in Brazil.

However, so that only his period of effective work as Chief Executive Officer of the Company and co-Chief Executive Officer of Teleperformance Group Inc. be taken into account, the Board, with the acceptance of the interested party, decided to reduce prorata temporis the maximum number of performance shares that may be definitively acquired by Mr. Paulo César Salles Vasques at 104,041 and to submit the acquisition at the end of the vesting period set forth in the long-term incentive plan, of 50% of these 104,041 shares not only to the conditions set out in the long-term incentive plan but also to the achievement by him of objectives within the framework of the duties retained in Brazil within Teleperformance CRM SA (see section 4.2.2.1 b) of the present Registration Document).

▶ Performance shares that became available during financial year 2017 (information required under Table 7 of the AMF recommendations)

None of the performance shares granted to Mr. Julien, Mr. Salles Vasques or Mr. Olivier Rigaudy became available for sale or transfer during the financial year 2017.

4.2.3 Shareholders' vote on remuneration elements paid or granted to each executive officer in respect of the 2017 financial year

In accordance with the provisions of Article L.225-100 of the French Commercial Code, the fixed, variable and exceptional elements of the total remuneration and benefits of all kind paid or granted to each executive officer in respect of the year ended are submitted to the shareholders' vote.

It is then proposed to the shareholders' meeting to be held on April 20th, 2018 to issue a favorable vote on the fixed, variable and exceptional elements of the total remuneration and benefits of all kind paid or granted to Mr. Julien, Chairman of the Board of Directors until October 13th, 2017 and Chairman and Chief Executive Officer since October 13th, 2017, Mr. Salles Vasques, Chief Executive Officer until October 13th, 2017 and Mr. Olivier Rigaudy, Deputy Chief Executive Officer since that date, in respect of the year ended December 31st, 2017.

4.2.3.1 Remuneration elements paid or granted to Mr. Daniel Julien, Chairman of the Board of Directors until October 13th, 2017 and Chairman and Chief Executive Officer since that date, in respect of the 2017 financial year

▶ Remuneration elements paid or granted in respect of 2017

	Amounts or book value subject to vote*	Comments
Fixed remuneration	US$3,750,000, *i.e.,* €3,321,523	The gross fixed annual remuneration of Mr. Julien was approved by the Board of Directors at US$3,750,000.This amount is unchanged since 2013 and did not evolve following the taking up of the duties as Chief Executive Officer in October 2017.
Annual variable remuneration	US$1,500,000, *i.e.,* €1,328,609 (amount to be paid after approval of the shareholders' meeting)	At its meeting held on February 28th, 2018, the Board of Directors, upon recommendation of the Remuneration and Appointments Committee, and after approval by the Audit and Compliance Committee of financial items, approved the amount of variable remuneration of Mr. Julien for the 2017 financial year as follows: ▪ with regard to the quantitative criteria (increase in revenues excluding currency gains and losses, and increase in the current EBITA margin ratio), the number of points granted was 80 out of the 80 points assigned; ▪ with regard to the qualitative criteria the number of points granted was 20 out of the 20 points assigned. The amount of the 2017 variable remuneration of Mr. Julien has, accordingly, been set at US$1,500,000 *i.e.,* €1,328,609. The performance criteria and their expected and recorded fulfillment levels are set out in section 4.2.2.1 a) of the 2017 Registration Document.
Multi-year variable remuneration in cash	n/a	Mr. Julien does not benefit from any multi-year variable remuneration.
Exceptional remuneration	n/a	Mr. Julien does not benefit from any exceptional remuneration.
Stock options, performance shares or other grants of securities	n/a	Mr. Julien does not benefit from any grant of stock purchase or subscription options. During the year 2017, no performance shares or equivalent scheme were granted to Mr. Daniel Julien by the Company or one of its subsidiaries. It is reminded that the Group's policy on the matter is to grant performance share every three years. The last grant was decided in April 2016.
Directors' fees	n/a	Mr. Julien does not receive any directors' fees from the Company or its subsidiaries.
Benefits in kind	US$62,603, *i.e.,* €55,450	The benefits in kind granted to Mr. Julien comprise a company car, healthcare insurance plan and the matching contribution for 2017 paid under the non-qualified deferred compensation plan described in section 4.2.2.1 a) of the 2017 Registration Document.

* *Remunerations in foreign currencies are converted into euros at the average annual rate.*

▶ Remuneration elements paid or granted for 2017 financial year that are or have already been voted upon by the shareholders' meeting under the procedure for regulated agreements and commitments

	Amounts subject to vote	Comments
Termination payments	n/a	Mr. 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, Mr. Julien is entitled to receive compensation under a non-compete agreement. This non-compete agreement, dating from 2006, was amended by decision of the Board of Directors at its meeting held on November 30th, 2017 in order to limit the duration of the obligations incumbent on Mr. Julien at two years, remunerated by an compensation capped at two-years' remuneration (fixed and variable). The amendment of the agreement, entered into on December 1st, 2017, is submitted to the approval fo the shareholders' meeting to be held on April 20th, 2018 (4th resolution) and is described in section 4.2.2.2 of the 2017 Registration Document.
Additional pension scheme	n/a	Mr. Julien does not benefit from any additional pension scheme.

4.2.3.2 Remuneration elements paid or granted to Mr. Paulo César Salles Vasques, Chief Executive Officer until October 13th, 2017, in respect of the 2017 financial year

Remuneration elements paid or granted in respect of 2017

	Amounts or book value subject to vote*	Comments
Fixed remuneration	US$2,417,425, *i.e.,* €2,141,209	The gross annual fixed remuneration of Mr. Salles Vasques set by the Board of Directors at US$3,096,000 for financial year 2017, was reduced prorata temporis until October 13th, 2017, date of the end of his office as Chief Executive Officer, and amounts to US$2,417,425 (*i.e.* €2,141,209)
Compensation for notice period	US$1,548,000, *i.e.,* €1,371,125	Furthermore, with regard to his office of co-Chief Executive Officer of Teleperformance Group, Inc., US subsidiary of Teleperformance SE, Mr. Paulo César Salles Vasques was bound by the performance of a six-month notice period. Wishing to give full effect to the new governance mode, the Board exercised his option of compensating this notice by the payment of a six-month remuneration, *i.e.* an amount of US$1,548,000 (*i.e.* €1,371,125).
Annual variable remuneration	US$1,174,356, *i.e.,* €1,040,174 (amount to be paid after approval of the shareholders' meeting)	At its meeting held on February 28th, 2018, the Board of Directors, upon recommendation of the Remuneration and Appointments Committee, and after approval by the Audit and Compliance Committee of financial items, approved the amount of variable remuneration of Mr. Salles Vasques for the 2017 financial year as follows: ▪ with regard to the quantitative criteria (increase in revenues excluding currency gains and losses, and increase in the current EBITA margin ratio), the number of points granted was 80 out of the 80 points assigned ; ▪ with regard to the qualitative criteria, the number of points granted was 20 out of the 20 points assigned. The amount of the 2017 variable remuneration of Mr. Salles Vasques has, accordingly, been set at US$1,174,356 (*i.e.,* €1,040,174). The performance criteria and their expected and recorded fulfillment levels are set out in section 4.2.2.1 of the 2017 Registration Document.
Multi-year variable remuneration in cash	n/a	Mr. Salles Vasques does not benefit from any multi-year variable remuneration.
Exceptional remuneration	n/a	Mr. Salles Vasques does not benefit from any exceptional remuneration.
Stock options, performance shares or other grants of securities	n/a	Mr. Salles Vasques does not benefit from any grant of stock purchase or subscription options. During the year 2017, no performance shares or equivalent scheme were granted to Mr. Paulo César Salles Vasques by the Company or one of its subsidiaries.
Directors' fees	n/a	Mr. Salles Vasques does not receive any directors' fees from the Company or its subsidiaries.
Benefits in kind	US$63,447, *i.e.,* €56,198	The benefits in kind awarded to Mr. Salles Vasques comprised a company car, a healthcare plan and the matching contribution for 2017 paid under the non-qualified deferred compensation plan described in section 4.2.2.1 of the 2017 Registration Document.These benefits were prorated as of October 13th, 2017.

* *Remunerations in foreign currencies are converted into euros at the average annual rate.*

▶ Remuneration elements paid or granted for 2017 financial year that are or have already been voted upon by the shareholders' meeting under the procedure for regulated agreements and commitments

	Amounts subject to vote*	Comments
Termination payment	n/a	Mr. Salles Vasques does not benefit from any indemnity or payment in connection with the termination of his position.
Non-compete compensation	US$8,600,000, *i.e.*, €7,617,360 (to be paid in 2018)	It is reminded that Mr. Salles Vasques is bound by a non-compete agreement with terms similar to those governing the non-compete clause contained in his employment agreement before his appointment as Chief Executive Officer and amendment to the AFEP-MEDEF code in June 2013. This agreement was entered into in November 25th, 2013 and approved, by 83.89%, at the shareholders' meeting held on May 7th, 2014. Pursuant to the terms of this agreement, Mr. Salles Vasques refrains 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 2 years following the termination date of his executive functions. He also refrains from soliciting employees, executives and clients of the Group. In consideration of these confidentiality, non-compete, non-solicitation and non-poaching undertakings, and whatever the cause of his departure, the non-compete compensation is capped at 2 years' gross remuneration determined on the basis of either (i) the aggregate annual gross remuneration (fixed and variable) received over the calendar year preceding his departure, or, if higher, (ii) the average annual gross remuneration over the preceding three years. In application of the terms of the agreement, the Board of Directors, set the compensation amount at US$8,600,000 (*i.e.* €7,617,360), representing 2 years of gross remuneration (fixed and variable) paid for the 2016 financial year. This non-compete compensation will be paid in 2018.
Additional pension scheme	n/a	Mr. Salles Vasques does not benefit from any additional pension scheme.

* *Remunerations in foreign currencies are converted into euros at the average annual rate.*

4.2.3.3 Remuneration elements paid or granted, in respect of his term of office, to Olivier Rigaudy, Deputy Chief Executive Officer since October 13th, 2017, in respect of the 2017 financial year

▶ Remuneration elements paid or granted, in respect of his term of office, for 2017 financial year

	Amounts or book value subject to vote	Comments
Fixed remuneration	€0	In respect of his office as Deputy Chief Executive Officer, Mr. Olivier Rigaudy did not receive any remuneration for the 2017 financial year.
Annual variable remuneration	€0	In respect of his office as Deputy Chief Executive Officer, Mr. Olivier Rigaudy did not receive any remuneration for the 2017 financial year.
Multi-year variable remuneration in cash	n/a	Mr. Rigaudy does not benefit from any multi-year variable remuneration.
Exceptional remuneration	n/a	Mr. Rigaudy does not benefit from any exceptional remuneration.
Stock options, performance shares or other grants of securities	n/a	Mr. Rigaudy does not benefit from any grant of stock purchase or subscription options. During the year 2017, no performance shares or equivalent scheme were granted to Mr. Rigaudy by the Company or one of its subsidiaries.
Directors' fees	n/a	Mr. Rigaudy does not receive any directors' fees from the Company or its subsidiaries.
Benefits in kind	n/a	Mr. Rigaudy does not receive any benefits in kind in respect of his term of office.

▶ Remuneration elements paid or granted, in respect of his term of office, for 2017 financial year that are or have already been voted upon by the shareholders' meeting under the procedure for regulated agreements and commitments

	Amounts subject to vote	Comments
Termination payment	n/a	Mr. Rigaudy does not benefit from any indemnity or payment in connection with the termination of his position.
Non-compete compensation	No payment	Mr. Rigaudy, Deputy Chief Executive Officer, is bound by a non-compete agreement authorized by the Board of Directors at its meeting held on November 30th, 2017, entered into on February 1st, 2018 which approval is submitted to the shareholders' meeting to be held on April 20th, 2018 (5th resolution) and is detailed in section 4.2.2.2 of the 2017 Registration Document.
Additional pension scheme	n/a	Mr. Rigaudy does not benefit from any additional pension scheme.

4.2.4 Remuneration policy applicable to executive officers for 2018

a. General principles

The Group's remuneration policy for senior executives (including executive officers) is constructed and set to meet the Group's needs. It is designed and aimed at supporting the Group's long-term strategy. It also seeks to align the interests of the employees concerned with those of the shareholders as it establishes a link between performance and remuneration while guaranteeing a competitive compensation offer in accordance with the Group's different businesses and services and the different geographic markets in which it operates.

The remuneration policy pursues the three following main objectives:

- attracting, developing and retaining talents and high potential as well as recognized skills;
- encouraging performance;
- aligning remuneration levels with the performances of the Group and of the subsidiaries concerned, if applicable.

Remuneration must thus be competitive and consistent with regard to observed market practices.They are structured around the following components:

- a fixed remuneration the amount of which takes into account the position, the level of responsibilities carried out and assumed, the experience and recognized technical skills and leadership;
- a variable remuneration subject to performance criteria adapted and consistent with the environment and the market in which the person concerned operates.

  This variable remuneration is defined under a maximum amount. It is not a target amount that may vary due to exceptional items or if targets or objectives are exceeded. Group policy has always sought to establish a close link between remuneration and performance over the long-term while discouraging conduct and situations that could lead to major or even excessive risk-taking in pursuit of short-term gains:
- an indemnity due in respect of a non-compete agreement (the specificities of which can differ depending on applicable legal and regulatory requirements) which objective is to protect the Company and its stakeholders following the departure of an executive;
- benefits in kind;
- the eligibility to performance shares, subject to performance and presence conditions, under the performance share plans set up once every three years at the level of the Group.

b. Principles applicable to executive officers

With regard to executive officers, the determination of the principles and criteria of the remuneration and benefits granted to each of them, as well as the remuneration itself, are approved by the Board of Directors upon proposal of the Remuneration and Appointments Committee and in the absence of the persons concerned. The Board refers to the principles of the Group's remuneration policy applicable to managers described above and to the recommendations of the AFEP-MEDEF code.

In doing so, the Board endeavors to adjust the remuneration in accordance with the role and duties held and the responsibilities assumed.

As in the case of key managers, the remuneration must be competitive in order to attract, motivate and retain executive directors. In addition, the variable portion must be tied to the Group's performance and qualitative criteria.

The Group's intention in terms of determining of variable remuneration has, for many years, been driven by not encouraging or favoring the short-term reasoning and performances and thus preventing excessive risk taking. This is why the variable part of the remuneration is now equal to the fixed part and remains subject to the achievement of ambitious objectives related to the Group's strategy. Such variable part remains always expressed in the form of a maximum amount (and not a percentage or a variation).

The remuneration is expressed and paid, in US dollars by the US subsidiary Teleperformance Group, Inc. for the Chairman and Chief Executive Officer and in euros, by Teleperformance SE for the Deputy Chief Executive Officer; the Group thus bearing charges and social contributions in those countries in accordance with local applicable regulations.

In relation to long-term share-based profit-sharing schemes (performance shares, long-term incentive plan, etc.), the policy stems from the desire to associate key managers and senior executives in the Group's long-term development and align their interests with those of the shareholders by giving them an interest in the value of the Company shares, has remained unchanged for many years and is based on the following principles:

- the acquisition (vesting) of performance shares is subject to performance and presence criteria applicable to both executive officers and all employees beneficiaries;
- the performance conditions are in line with the long-term strategy as defined by the Board of Directors;
- the performance and presence criteria are assessed and measured over a three-year period;
- the performance criteria and expected levels of achievement are decided by the Board of Directors which, after recommendation of the Remuneration and Appointments Committee, sets the thresholds for calculating the performance expected or achieved and for determining the number of shares definitively vested;
- performance shares are granted once every three years. The Group made a conscious decision to avoid annual grants of performance shares, given that it would not correspond to the characteristic principles and cycles of its business activity, and because the adopted policy is better suited to the long-term outlook adopted by the Group. The Group policy on this point is to favor a long-term approach, including with regard to the

grant of performance shares. Special grants may be made during the interim period, but these are reserved for employees or corporate officers joining the Group and are also subject to performance and presence criteria measured and assessed over a three-year period;

- the number of performance shares granted to a beneficiary is determined in accordance with his or her role and responsibilities and, where applicable, local considerations;
- long-term incentive plans are subject to the same rules and performance and presence criteria as performance share grants;
- if a beneficiary leaves the Company, he or she does not retain the shares granted under a performance share or long-term incentive plan and not yet definitively vested, unless otherwise decided by the Board of Directors which would decide in compliance with the recommendations of the AFEP-MEDEF code in this respect;
- executive officers must retain at least 30% of shares vested until the end of their term of office. executive officers have taken the commitment not to engage in hedging transactions (see section 4.3.3 of the 2017 Registration Document).

This remuneration structure is reviewed every year by the Board of Directors, based on the works of the Remuneration and Appointments Committee. At that time, the Board discusses the appropriateness of reviewing the remuneration or the remuneration structure in light of specific events (new functions, acquisitions, integration of acquired businesses, new markets etc.) affecting the Company, the Group 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 24.1.2 of the AFEP-MEDEF code, are followed.

In drawing up its recommendations on 2018 remuneration, the Remuneration and Appointments Committee has taken into account in particular the results of the votes expressed by shareholders at the meetings held on April 28th, 2016 and June 23rd, 2017, the Group's evolution, its environment and its activities as well as the new governance structure implemented by the Board of Directors at its meeting held on October 13th, 2017.

c. Principles and criteria for the determination, allocation and grant of elements comprising the total remuneration and benefits of all kind due to executive officers for 2018

Upon proposal by the Remuneration and Appointments Committee, the Board at its meeting held on November 30th, 2017, set the principles and criteria for the determination, allocation and grant of the elements comprising the total remuneration and benefits of all kind for the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer.

For 2018, the Board of Directors thus decided, for the fifth consecutive year, to maintain unchanged the global maximum amount of the remuneration, fixed and variable parts, of the Chairman and Chief Executive Officer (same amounts since 2013).

However, in order to take into account the wish expressed by certain shareholders, Mr. Daniel Julien informed the Board of his agreement on a reduction of the fixed part of this total remuneration. The Board of Directors has thus decided to reduce it to half of the total amount of his remuneration (compared to 70% for previous years since 2013) and to increase the variable portion of his total remuneration to the other half (compared to 30% in previous years since 2013).

On the occasion of the appointment of Mr. Olivier Rigaudy as Deputy Chief Executive Officer, the Board of Directors decided not to suspend his employment contract as Group Chief Financial Officer, entered into on February 1st, 2010, all of the provisions of which, including financial terms and conditions, therefore continue to apply to the performance of his employment duties.

At its meeting held on November 30th, 2017, the Board of Directors took note of the compensation elements of Mr. Olivier Rigaudy in respect of his unchanged salaried positions for the year 2018 and determined those relating to his office applicable as of January 1st, 2018. On this occasion, it took into account the compensation elements paid by the Group (term of office of Deputy Chief Executive Officer and employment contract) in order to establish an amount in accordance with the allocation principles established for the Chairman and Chief Executive Officer, *i.e.* 50% of fixed part and 50% of variable part.

The Board also questioned the continuation of the proposed remuneration for the roles of Chairman and Chief Executive Officer, on the one hand, and Deputy Chief Executive Officer on the other hand, in the event of a change in the governance structure or appointment of a new executive from outside the Group. In such circumstances, the Board of Directors would conduct an overall analysis of the position of the executive concerned, it being specified that the compensation and its criteria would be set in accordance with the existing practices within the Group and the principles consistently affirmed. The expertise and individual experience of the executive concerned would also be taken into consideration.

1. Structure and criteria of determination of the remuneration of the Chairman and Chief Executive Officer

Fixed remuneration

For 2018, the fixed part of the remuneration of the Chairman and Chief Executive Officer, Mr. Daniel Julien, was set at the gross amount of US$2,625,000 (compared to US$3,750,000 for each preceding years since 2013).

Annual variable remuneration

The maximum amount of the variable remuneration of the Chairman and Chief Executive Officer for 2018, was set at a gross amount of US$2,625,000.

The performance criteria for said variable remuneration were defined by the Board of Directors upon recommendation of its Remuneration and Appointments Committee, at its meeting held on November 30th, 2017. These conditions consist in performance criteria based, for 80% of the maximum amount, on quantitative criteria (in equal parts, achievement of levels of revenues and EBITA) and, for 20%, on qualitative criteria (based on the mobilization and deployment of efforts in terms of external growth which is an element of the Group's strategy). The expected levels of achievement of these conditions were set by the Board of Directors in a precise manner and are not made public for confidentiality reasons. The levels of achievement will be effectively noted and acknowledged by the Board and disclosed retrospectively (*i.e.*, for the 2018 remuneration, in the Registration Document for 2018 published in 2019).

Furthermore, the variable remuneration of the Chairman and Chief Executive Officer for 2018 is now subject to a clawback scheme that is triggered in the event that all or part of this remuneration was received as the result of an accounting fraud affecting the consolidated financial statements, for which the Chairman and Chief Executive Officer was responsible or acted as an accomplice. This scheme will be implemented if, during either of the two years following the year in which the Chairman and Chief Executive Officer received said remuneration, the Board of Directors identifies fraud on the part of the Chairman and Chief Executive Officer affecting the consolidated financial statements that served as the basis for granting the disputed variable remuneration and decides to make accounting entries recording the consequences of this fraud.

The amount of variable remuneration that the Chairman and Chief Executive Officer would not have received if the fraud had not been committed will be repaid to the Company.

It is specified that, in accordance with the provisions of Articles L.225-37-2 and L.225-100 of the French Commercial Code, the payment of the variable remuneration granted, in respect of financial year 2018, is subject to the approval by an ordinary shareholders' meeting of the remuneration elements of the person concerned, paid or granted in respect of the preceding year, in respect of his office.

Long-term remuneration (performance share grants and similar schemes)

In application of its current policy in terms of grants of long-term remuneration (grants every three years), no shares, pursuant to one of the performance share plans or long-term incentive plans, will be granted during the year 2018 in favor of the Chairman and Chief Executive Officer.

Benefits in kind

Benefits in kind granted to the Chairman and Chief Executive Officer comprise a company car, healthcare insurance plan and the matching contribution, in case of deferred remuneration payment, under the non-qualified deferred compensation plan, which is similar to a deferred savings plan, described in section 4.2.2.1 a), *(benefits in kind)* of the present Registration Document.

Deferred remuneration: compensation under non-compete undertakings and agreements

The Chairman and Chief Executive Officer is bound to the Group by a non-compete agreement, the modalities of which, described in section 4.2.2.2 of the 2017 Registration Document, were amended by the Board of Directors held on November 30th, 2017 in order to limit at 2 years the duration of the non-compete and non-solicitation undertakings incumbent on the Chairman and Chief Executive Officer in the event of departure and at 2 years remuneration (fixed and variable) the amount of the indemnity compensating these undertakings.

Other remuneration items

The remuneration structure of the Chairman and Chief Executive Officer does not provide for compensation or remuneration granted upon the taking or termination of duties, exceptional remuneration, multi-year variable remuneration, additional or complementary pension scheme, stock-option grants or the retention of performance shares, or equivalent scheme, in the event of departure (unless decided otherwise, in the latter case, by the Board of Directors which would decide in accordance with the recommendations of the AFEP-MEDEF code in this respect).

2. Structure and criteria of determination of the remuneration of the Deputy Chief Executive Officer

Fixed remuneration

For 2018, the fixed part of the remuneration of Mr. Olivier Rigaudy, as Chief Executive Officer, is set at the gross amount of €80,000.

Furthermore, it is reminded that Mr. Rigaudy, Deputy Chief Executive Officer, is bound to the Company by an employment contract as Group Chief Financial Officer since February 1st, 2010. In that regard, he will receive, in respect to his salaried functions, the remuneration set forth in his employment contract, *i.e.* an annual fixed (gross) remuneration of €520,000.

Annual variable remuneration

The maximum amount of the variable remuneration of the Deputy Chief Executive Officer was set at a gross amount of €380,000.

Furthermore, it is reminded that Mr. Olivier Rigaudy will receive in respect of his salaried functions of Deputy Chief Executive Officer, the remuneration set forth in his employment contract, *i.e.* a maximum variable (gross) remuneration of €220,000 for the 2018 financial year, determined on the basis of performance criteria specific to his technical and salaried duties.

The performance criteria of the variable remuneration related to the term of office were defined by the Board of Directors upon recommendation of its Remuneration and Appointments Committee, at its meeting held on November 30th, 2017. They consist in performance criteria based, for 80% of the maximum amount, on quantitative criteria (in equal parts, achievement of levels of revenues and EBITA) and, for 20%, on qualitative criteria (based on the mobilization and deployment of efforts in terms of external growth which is an element of the Group's strategy). The expected levels of achievement of these conditions were set by the Board of Directors in a precise manner and are not made public for confidentiality reasons. The levels of achievement will be effectively noted and acknowledged by the Board and disclosed retrospectively (*i.e.*, for the 2018 remuneration, in the Registration Document for 2018 published in 2019).

Furthermore, the variable remuneration of the Deputy Chief Executive Officer for 2018 is now subject, such as for the Chairman and Chief Executive Officer, to a clawback scheme that is triggered in the event that all or part of this remuneration was received as the result of an accounting fraud affecting the consolidated financial statements, for which the Deputy Chief Executive Officer was responsible or acted as an accomplice. This scheme will be implemented if, during either of the two years following the year in which the Deputy Chief Executive Officer received said remuneration, the Board of Directors identifies fraud on the part of the Deputy Chief Executive Officer affecting the consolidated financial statements that served as the basis for granting the disputed variable remuneration and decides to make accounting entries recording the consequences of this fraud.

The amount of variable remuneration that the Deputy Chief Executive Officer would not have received if the fraud had not been committed will be repaid to the Company.

It is specified that, in accordance with the provisions of Articles L.225-37-2 and L.225-100 of the French Commercial Code, the payment of the variable remuneration granted in respect of financial year 2018 is subject to the approval by an ordinary shareholders' meeting of the remuneration elements of the person concerned, paid or granted in respect of the preceding year, in respect of his office.

Long-term remuneration (performance share grants and similar schemes)

In application of its current policy in terms of grants of long-term remuneration (grants every three years), no shares, pursuant to one of the performance share plans or long-term incentive plans, will be granted during the year 2018 in favor of the Deputy Chief Executive Officer.

Benefits in kind

The Deputy Chief Executive Officer does not receive any benefits in respect of his term of office. It is reminded that, in respect of his employment contract, he benefits from the use of a company car.

Deferred remuneration: compensation under non-compete undertakings and agreements

The Deputy Chief Executive Officer is bound to the Group by a non-compete agreement, the modalities of which, are described in section 4.2.2.2 of the 2017 Registration Document, and were authorized by the Board of Directors held on November 30th, 2017. This non-compete agreement, of a 1 year duration, is compensated at 1 year remuneration (fixed and variable) paid in respect of executive functions as an employee and /or executive officer within the Group.

Other remuneration items

The remuneration structure of the Deputy Chief Executive Officer does not provide for compensation or remuneration granted upon the taking or termination of duties, exceptional remuneration, multi-year variable remuneration, additional or complementary pension scheme, stock-option grants or the retention of performance shares, or equivalent scheme, in the event of departure (unless decided otherwise, in the latter case, by the Board of Directors which would decide in accordance with the recommendations of the AFEP-MEDEF code in this respect).

4.3 Transactions on Company's shares

4.3.1 Code of conduct relating to securities transactions

The Company complies with the position-recommendation No 2016-08 issued by the *Autorité des marchés financiers* (AMF-French Financial Markets Authority) on October 26th, 2016 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 specifies in particular the prohibition for insiders and related persons from using and/or disclosing insider information, and from advising another person to do insiders trading on the Company's financial instruments on the basis of insider information. The code was amended at the meeting of the Board of Directors held on July 27th, 2016.

4.3.2 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 insiders[1] become aware of specific information regarding the course of business or outlook which is likely to 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 press release 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 press release 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 on July 2016, it is strictly forbidden for beneficiaries of performance shares allocated free of charge to transfer their shares following the end of the lock-in period during the blackout periods defined below:

- the period beginning 10 trading days before the date (inclusive) set for the publication of the press release of annual and consolidated financial statements and expiring 3 trading days after the date of publication (inclusive) of such financial statements;
- the period beginning 10 trading days before the date (inclusive) set for the publication of the press release of the half-year consolidated financial statements and the publication of quarterly financial information and expiring 3 trading 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 10 trading 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 is likely to have a material impact on the Teleperformance SE share price if it were to be made public.

4.3.3 Prohibition of hedging transactions

In accordance with the recommendations of the AFEP-MEDEF code, hedging transactions involving the Company's securities are prohibited. The executive officers have given a formal undertaking not to use transactions that hedge their risk on the shares arising from performance shares.

4.3.4 Summary of securities transactions carried out by Board of Directors and Executive Committee members

Pursuant to Article 223-26 of the AMF General Regulation, a summary statement of securities transactions performed in 2017 as reported to the Company and to the AMF, is provided below:

	Nature	Date	Number of shares	Average unit price
Alain Boulet Director	Sale	01/10/2017	400	€99.3169

(1) Executive officers and equivalent persons, as well as any person who has access to insider information on a regular or occasional basis.

4.4 Other elements of the corporate governance report

4.4.1 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 3, section 3.1.2.4 *Shareholders' meetings* of the 2017 Registration Document.

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

In accordance with the provisions of Article L.225-37-5 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 3.3 *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 3.3 *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 3.1.2.3 *Description of rights, privileges and restrictions, if any, on existing shares and each class of shares*);
- 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 3.3.2 *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 3.1.2.2 *Administration and management of the Company* and 3.1.2.8 *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 3.2.3.1 *Current authorizations* and 3.2.3.4 *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 3.3.3 *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.

4.5 Regulated agreements and commitments

4.5.1 Regulated agreements and commitments

During 2017, the Board of Directors authorized two regulated agreements at its meeting held on November 30th, 2017. The first one consists of the modification of the non-compete agreement entered into between the Company, Teleperformance Group, Inc. and Mr. Daniel Julien, Chairman and Chief Executive Officer. The second one is the non-compete agreement entered into between the Company and Mr. Olivier Rigaudy, Deputy Chief Executive Officer.

The terms of these agreements are described in section 4.2.2.2 *Undertakings taken in favor of executive officers* of the present Registration Document and in the 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 reproduced below. These non-compete agreements will be submitted to the approval of the shareholders' meeting to be held on April 20th, 2018.

Pursuant to legal and regulatory provisions, the Board of Directors, at its meeting held on February 28th, 2018, carried out the annual review of the regulated agreements and commitments entered into before 2016 and the performance of which is continued during the financial year 2016. It noted from that review that the non-compete agreement entered into between the Company, Teleperformance Group, Inc. and Mr. Salles Vasques was activated in the fourth quarter of 2017. The terms of this agreement are described in section 4.2.2.2 and in the auditors' special report reproduced below.

4.5.2 Statutory auditors' special report on related party agreements and commitments

This is a free translation into English of the Auditors' special report on regulated agreements and commitments with third parties that is issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements and commitments should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

Shareholders' meeting held to approve the financial statements for the year ended December 31st, 2017

To the shareholders' meeting of Teleperformance,

In our capacity as statutory auditors of your company, we hereby report to you on related party agreements and commitments.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements and commitments and the reasons for the interest of the Company 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, pursuant to Article R. 225-31 of the French Commercial Code (Code de Commerce), 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 provided for in Article R. 225-31 of the French Commercial Code in respect of the performance of the agreements and commitments already authorized by the shareholders' meeting, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of statutory auditors (*Compagnie nationale des commissaires aux comptes*) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

Agreements and commitments submitted to the approval of the shareholders' meeting

Agreements and commitments authorized during the year

Pursuant to Article L. 225-40 of the French Commercial Code, the following agreements and commitments, which were previously authorized by your Board of Directors, have been brought to our attention:

Amendment to the non-compete agreement of Mr. Daniel Julien, Chairman & CEO

- Entities concerned: Teleperformance SE and Teleperformance Group Inc., a subsidiary of your Company;
- Individual concerned: Mr. Daniel Julien, Chairman & CEO;
- Nature and purpose: The Board of Directors, upon recommendation of its Remuneration and Appointments Committee authorized on November 30th, 2017, the modification of the terms of the non-compete agreement initially entered into on May 18th, 2016 and amended on May 31st and November 30th, 2011. This agreement was signed on December 1st, 2017;
- Terms and conditions: the modifications made were the following:
  - limitation of the duration of the non-compete obligations and a non-poaching clause of two years;
  - limitation of the compensation for this commitment to two years of remuneration (fixed and variable).
- Reasons justifying its interest for the Company: The Board of Directors adopted the following reasons to justify the interest of this agreement for the Company:
  - limitation to two years of remuneration for this non-compete agreement in line with the recommendation of the AFEP-MEDEF code, while continuing to protect the interests of the Group and all of its stakeholders (customers, employees, shareholders) in the event of the departure of Mr. Daniel Julien,
  - reduction of the financial impact by a decrease in the amount of the non-compete indemnity.

Non-compete agreement of Mr. Olivier Rigaudy, Deputy CEO

- Entity concerned: Teleperformance SE
- Individual concerned: Mr. Olivier Rigaudy, Deputy CEO;
- Nature and purpose: The Board of Directors, upon recommendation of the Remuneration and Appointments Committee authorized on November 30th, 2017 the conclusion of a non-compete agreement. This agreement was signed on February 1st, 2018;
- Terms and conditions: This agreement was signed for the term of Mr. Olivier Rigaudy's mandate and one year after its termination, without territorial limitation and may not be waived by the Company. Mr. Rigaudy undertakes to respect confidentiality, non-solicitation, non-poaching and non-compete commitments. In consideration of these commitments, in the event of departure for any reason whatsoever, except for death, Mr. Rigaudy would benefit from an indemnity capped at one year of gross remuneration (fixed and variable) paid by the Group in respect of the previous fiscal year during which the date of termination took place, in consideration of the exercise of executive functions, as a salaried employee and/or corporate officer within the Group.
- Reasons justifying its interest for the Company: The Board of Directors has adopted as a reason justifying the interest for the Company the fact that this agreement protects the interests of the Group and all of its stakeholders (customers, employees, shareholders) in the event of the departure of Mr. Olivier Rigaudy.

Agreements and commitments already approved by the shareholders' meeting

Agreements and commitments approved during previous years and having continuing effect during the year

Pursuant to article R. 225-30 of the French Commercial Code, we have been informed that the performance of the following agreements and commitments, already approved during previous years, continued during the year.

Non-compete indemnity of Mr. Paulo César Salles Vasques, CEO until October 13th, 2017

- Entities concerned: Teleperformance SE and Teleperformance Group Inc., subsidiary of your company;
- Individual concerned: Mr. Paulo César Salles Vasques, CEO until October 13th, 2017;
- Nature and purpose: Implementation of the terms of the non-compete agreement entered into on November 25th, 2013, authorized by the Board of Directors on November 25th, 2013 and approved by the shareholders' meeting of May 7th, 2014;
- Terms and conditions: Mr. Salles Vasques is required to comply with a non-compete and non-poaching obligation of two years, *i.e.*, until October 13th, 2019. Pursuant to this agreement, a non-compete indemnity equal to two years of gross remuneration (fixed and variable) with respect to fiscal year 2016, or USD$8,600,000, will be paid by Teleperformance Group Inc. in 2018.

Paris la Défense and Neuilly-sur-Seine,
February 28th, 2018
The statutory auditors

KPMG AUDIT IS	Deloitte & Associés
Jacques Pierre Partner	Philippe Battisti Partner

Environmental, Labor and Social Information

5

NUMBER OF EMPLOYEES AT DECEMBER 31st, 2017	WOMEN IN MANAGEMENT POSITIONS	CARBON FOOTPRINT
223,240	48%	0.772 t. per employee

5.1 Introduction

Pursuant to the provisions of Articles L.225-101-1 and R.225-105-1 of the French Commercial Code, as specifically amended by Act No. 2016-1088 of August 8th, 2016, on Labor, Modernization of Labor Relations and Securement of Career Paths, and Decree No. 2016-1138 of August 19th, 2016 implementing Article L.225-102-1 of the French Commercial Code and relating to the environmental information included in corporate management reports, 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 been committed to this endeavor for 11 years: in 2006 it initiated and piloted *Citizen of the World*, a program of charitable, humanitarian and collective welfare action plans, and in 2008 it launched an environmental program named *Citizen of the Planet*.

By adhering to the United Nations Global Compact in July 2011, Teleperformance was confirming its intent to position itself as a responsible corporate citizen, thereby undertaking to abide by the charter of values drawn up by the United Nations. Every year since then we have renewed our commitment, publishing the three elements of the "Communication on Progress" on our website:

- statement signed by the Chief Executive expressing continued support for the Global Compact;
- detailed description of improvement measures implemented in each issue area and the procedures employed;
- quantitative measurement of outcomes obtained or expected.

5.1.1 Methodology

Our business is not industrial and does not generate any significant air, water or ground pollution; we neither manufacture transformed products nor consume raw materials.

Given the tertiary nature of the Group's business as a service provider, our issues with regard to social, labor and environmental responsibility are essentially human.

Consequently, we have decided that this chapter on the Group's non-financial performance should focus 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;
- land use;
- measures implemented to preserve or promote biodiversity;
- prevention, reduction or compensation measures regarding air, water and ground pollution seriously affecting the environment;
- measures related to noise pollution and any other form of pollution specific to a business activity.

Scope and collection of information

Data reported by the subsidiaries is verified internally to ensure consistency. It is then audited by KPMG's CSR specialists.

- The **quantitative staff information** is collected in the Group's reporting and consolidation tool for all subsidiaries included in the consolidation scope (see note M. of the Notes to the *Consolidated Financial Statements).* The data is valid as of December 31st, 2017.

  This data is monitored by the Reporting and Consolidation Department, mainly *via* consistency checks and a comparative analysis with the previous year. It covers 100% of the workforce.
- The **quantitative environmental information** is collected *via* a monthly reporting process.

For a given year N, the period covered runs from October 1st, year N-1 to September 30th, year N.

This data is checked by the Reporting and Consolidation Department, which collects the supporting documents and performs consistency checks and a comparative analysis with the previous year.

The scope of the published information for the reference period covers 86% of Group revenues, except in the case of water consumption, regarding which some subsidiaries (Argentina, United States, France, Australia, Switzerland, Chile, United Arab Emirates, Indonesia, Sweden, Norway and Denmark) either lack the information to date or are unable to obtain it, given that water consumption is not itemized separately under rental charges. Accordingly, water consumption data covers only 76% of Group revenues.

- All of the **qualitative information** included in the CSR report is collected *via* a specific questionnaire sent to the Finance Departments of the Group's largest subsidiaries.

This data is valid as of December 31st, 2017.

This data is checked *via* a comparative analysis and collection of supporting documentation.

The qualitative information was collected from the subsidiaries that are most representative of the Group, covering 91.13% of the workforce; amongst subsidiaries excluded: Canada, Costa Rica and all TLS Contact's sites.

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 when reporting 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 standard annual number of hours worked. The standard annual 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, given that some subsidiaries only count training hours offered to agents. However, given that agents account for around 84% of the workforce and are clearly the main beneficiaries of training, this difference is unlikely to be material.

- Industrial accident frequency rate

Number of accidents resulting in time off work divided by the number of paid hours of production multiplied by one million. 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.

- Management

This encompasses all functions other than those of agents and supervisors.

- Lay-offs

These are positions eliminated by the employer for economic reasons or due to internal restructuring, or due to gross negligence or incompetence leading to dismissal at the employer's initiative.

- Other departures

This includes departures due to termination of contract by mutual agreement, expiry of contract, resignation or the transfer of an employee to another Group entity.

- Energy consumption

Total annual consumption in kilowatts.

Emission factors are specific to each country and are taken from the International Energy Agency (IEA) website.

- Water consumption

Total annual mains water consumption in cubic meters.

- Paper consumption

Total annual paper consumption (printer and toilet paper) in tons.

The following conversion factors were used:

1 ton of paper = 400 reams of A4 or 200,000 sheets. One ton = 2,200 rolls of toilet paper.

The emission factor is 0.1 ton of CO_2 per ton of paper consumed (source: ADEME).

- Air travel

Number of kilometers traveled. This is calculated by multiplying the total number of journeys made by the "average distance in kilometers per country" (the most frequent return flight in the subsidiary is taken as the benchmark) using the following website:

http://www.carbonneutralcalculator.com/flightcalculator.aspx

The Group uses the distance from Paris to London as the benchmark given that the sales staff, who are the most frequent travelers within the Group, mainly take domestic flights. The conversion factor for air travel is 0.18 kg of CO_2 per kilometer traveled. This is calculated by dividing the CO_2 emissions generated by the Paris-London trip (0.7 ton of CO_2) by the same distance (377 km).

- Carbon footprint

Carbon footprint corresponds to greenhouse gas emissions related to energy and paper consumption and the number of air kilometers traveled.

5.1.2 Adherence to the United Nations Global Compact

Like nearly 10,000 companies located in 161 countries, 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 most important global initiative to promote sustainable development, is based on a commitment made by corporate directors to implement ten principles of sustainable development.

A poster showing the Ten Principles of the United Nations Global Compact is displayed at each facility, once it has been signed by the director 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. *Ensure 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 correspond respectively to ILO fundamental conventions Nos. 87 and 98, 29 and 105, and 100 and 111.

5.1.3 Compliance with and promotion of ILO fundamental conventions

Teleperformance respects and defends human rights during the course of its operations and economic activities and undertakes not to be involved in any violation of human rights.

The Group's operations are governed by a set of procedures that guarantee respect for human rights.

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 58 of the countries where Teleperformance is established (*i.e.* over three-quarters of our footprint), the government 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 18 countries in which Teleperformance has subsidiaries have not ratified all of the ILO fundamental conventions:

- Ten of these have ratified all but one of the fundamental conventions.
  - Canada and Mexico have not ratified convention No. 98 on the right to organize and collective bargaining.

    Canada filed the instrument of ratification on June 14th, 2017 and the convention will enter into force one year later, on June 14th, 2018. However, for a number of years now Teleperformance's Canadian subsidiary has encouraged open and transparent dialog with all of its employees *via* Focus Groups and regular CEO Webcasts.

    In the case of Mexico, according to the report of the 329th session of the ILO Governing Body held in March 2017, "the Government of Mexico has confirmed its intention to ratify the convention".

    Collective bargaining is perfectly operational in the Group's Mexican subsidiaries: collective bargaining agreements are signed with staff representatives and trade unions on an annual basis,

- Six countries (Jordan, Kenya, Morocco, Lebanon, Brazil and Uzbekistan) have not ratified convention No. 87 on freedom of association.

  Nevertheless, according to the report of the 329th session of the ILO Governing Body held in March 2017, four of these have confirmed their intention to ratify convention No. 87:
  - "the Government of Jordan reiterated that it had yet to amend its Labour Code and the current interim law needed to be submitted to the House of Representatives for adoption as a permanent law";
  - "in Kenya, the Government and the Central Organization of Trade Unions reiterated the need for ILO assistance with respect to training and sensitization activities on fundamental principles and rights at work and Convention No. 87";
  - in Morocco, "tripartite partners reported on: lack of law enforcement/monitoring in specific sectors or categories of workers";
  - "in Lebanon, the Government reported that Parliament was frozen due to the presidential elections, which affected the ratification process".

  Meanwhile, "the Government of Brazil reiterated that national laws needed to be amended to allow the application of Convention No. 87. This would entail a series of discussions, including on the need for constitutional amendment".

  Notwithstanding this fact, regarding its subsidiaries in these countries, Teleperformance promotes dialog with its employees and is in no way opposed to worker representation:
  - in Jordan and Kenya, Group employees are free to join a union;
  - in Morocco, 7 of the subsidiary's 18 staff representatives are members of the UMT (Union marocaine du travail – Morocco Labor Union) and meet the Human Resources Director once a month;
  - in Lebanon, through our partner, meetings with staff representatives are held at least once every quarter, and more frequently if necessary;
  - in Brazil, an annual collective agreement is signed by unions and management and then submitted to employees for approval.

  Lastly, convention No. 87 came into force in Uzbekistan on December 12th, 2017.
- In 2017, only convention No. 138 on the minimum age for admission to employment had not been ratified by Australia and Suriname.

  Suriname ratified this convention in January 2018 and it will come into force on January 15th, 2019.

  As for Australia, "the Children and Young Persons (...) Regulation 2015 aims to mitigate the risks associated with child labour (...). Any person below the minimum school-leaving age is precluded from accepting employment which would prevent their attendance when school is open for the child's instruction or participation in school activities."

  As part of its hiring process, the Group's Australian subsidiary checks that each candidate is at least 16 years old.

■ The United Arab Emirates has not ratified the two conventions regarding freedom of association and protection of the right to organize (Nos. 87 and 98).

The Emirate government is "reviewing the possibility of ratifying the Conventions" and, to this end, is requesting the ILO's technical cooperation "with regard to improving its understanding of this principle, this right and its consequences".

Our subsidiary in the country is in no way opposed to employee representation.

■ Four countries where the Group has subsidiaries which have not ratified 3 of the 8 fundamental conventions:

- the four countries in question (Thailand, Malaysia, Vietnam and Singapore) have not ratified convention No. 87 on freedom of association.
  - however, the ILO has stated that "as [a] successful example in relation to freedom of association and the right to collective bargaining, the Government of Thailand referred to its programme on labour harmonization (...) The programme's outcome (...) showed that 98.74 per cent of the enterprises (...) did not have labour disputes or conflicts." Meanwhile, "various tripartite legal Committees are meeting on a regular basis to draft the labour relations laws".
  - "According to the MTUC (Malaysian Trades Union Congress), the Government is trying to amend some laws in the spirit of the Convention, in accordance with the Trans-Pacific Partnership Agreement (TPPA) labour chapter."
  - "In Vietnam, ILO technical assistance is being provided in (...) studying and considering the feasibility of ratifying ILO Conventions Nos 87 and 98 and the possible modification and amendment of related legal documents."
  - Singapore has confirmed that "the legislation is currently under review as part of the tripartite consultation procedure", but has drawn attention to "incompatibilities with domestic legislation".

    Notwithstanding, all Group employees in Vietnam, Singapore, Malaysia and Thailand are free to join a trade union.
- Thailand, Malaysia and Singapore have not ratified convention No. 111 on discrimination (employment and occupation).

  Thailand filed the instrument of ratification on June 13th, 2017 and the convention will come into force on June 13th, 2018.

  Malaysia and Singapore have not made any recent announcements regarding their standpoint on potential ratification.

  Nevertheless, in both countries, governments and employer and worker organizations state that they have organized promotional initiatives (campaigns, training and social dialog) on the themes of discrimination and equality.

  The Group workforce in these three countries is in strict compliance with Principle 6 of the United Nations Global Compact: *The elimination of discrimination in respect of employment and occupation.*

- the governments of Vietnam, Malaysia and Singapore have not ratified convention No. 105 on the abolition of forced labor.
  - "The government of Vietnam has stated that the timeframe for reviewing the possibility of ratifying convention No. 105 has been set at 2020".
  - Singapore's National Trade Union Congress (SNTUC) has stated that "progress has been made with a view to bringing domestic laws into line with the provisions of convention No. 105".

  Malaysia has not yet declared its standpoint on the matter.

  Naturally, the Group's subsidiaries in Vietnam, Malaysia and Singapore make no use of forced labor.
- Thailand and Vietnam have not ratified convention No. 98 (right to organize and collective bargaining).
  - "As successful example in relation to freedom of association and the right to collective bargaining, the Government of Thailand referred to its programme on labour harmonization for productive economy."
  - The Vietnamese government has informed the ILO "that, following the successful outcome of the pilot programs, proposals for amending the procedure for establishing trade unions have been presented in order to switch from a non-consultative approach to a participative one, in order to ensure that workers really are involved in the creation of trade unions within companies and to minimize the involvement of employers in this process".

  Group employees in Vietnam and Thailand are perfectly free to form an association.

■ Our Group has subsidiaries in two countries whose governments have not ratified 4 of the 8 ILO fundamental conventions: India and China.

None of these countries has ratified the two conventions on freedom of association and recognition of the right to collective bargaining (Nos. 87 and 98); China has not ratified the two conventions on forced labor (Nos. 29 and 105), while India has not ratified the two conventions on child labor (Nos. 138 and 182):

- however, on June 13th, 2017 the Indian government filed instruments of ratification for conventions Nos. 138 and 182, which will come into force on June 14th, 2018. The ILO has stated that "the Indian government has confirmed that the ratification of conventions Nos. 138 and 182 is pending on the harmonization of domestic legislation with the provisions of the ILO conventions" and, regarding fundamental conventions Nos. 87 and 98, that the ILO's technical cooperation "had been requested for the purposes of raising awareness and improving understanding of this principle, this right and its consequences",
- the Chinese government has requested the ILO's assistance with regard to "the reinforcement of collective bargaining, tripartite consultation and social dialog" and conventions Nos. 138 and 182, and has repealed the laws and decisions relating to "re-education through work", which should ultimately enable conventions Nos. 87 and 98 to be ratified.

With regard to our operations in these two countries:

- worker consultation at our Chinese subsidiaries takes place at various levels (quarterly consultation, monthly meetings for agents and supervisors, *etc.*) and fosters constructive and satisfactory social dialog. Furthermore, our Chinese subsidiaries are clearly not involved in the forced labor issue;
- in India, Teleperformance has no employees under the age of 16 and, besides this, promotes dialog with its employees as follows:
  - the directors of our facilities in India encourage employees to come together for cultural activities or sports events, and allow them to direct and manage these extra-professional activities among work colleagues at their entire discretion,
  - Teleperformance's employees in India do not lack opportunities for consultation: staff representatives are included among the standing members of three decision-making Committees.

■ Paradoxically, the United States has only ratified two of the ILO fundamental conventions, as ratification would require amending State laws which, taken as a whole, cover the same points, often in greater detail.

At the 325th session of its Governing Body held between October 29th and November 12th, 2015, the ILO stated that "the United States has announced progress regarding the possibilities of ratification" and is "reviewing (...) actively the legal feasibility of ratifying conventions Nos. 87, 98, 29 and 138 as well as convention No. 100 (...) and is working to step up the process of ratifying convention No. 111, which is still on its priority list of conventions to be ratified".

The United States government has once again stated that the country is in favor of the ratification of convention No. 111.

Nevertheless:

- federal legislation and practices are mostly compliant with ILO conventions Nos. 87 and 98 (freedom of association and the right to organize and collective bargaining);
- with regard to anti-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 the Group's in-house initiatives to promote freedom of association and the effective recognition of collective bargaining rights (conventions Nos. 87 and 98), as well as the elimination of discrimination in respect of employment and occupation (conventions Nos. 100 and 111) can be found in sections 5.2.9 *Diversity and equal opportunities,* 5.4.1 *The local, economic and social impact of our business and* 5.2.5 *Labor relations.*

5.1.4 Verego SRS certification

In 2017, for the second year running, Teleperformance was awarded Verego SRS *Social Responsibility Standard* certification, the most prestigious award in the area of corporate social responsibility, for all of its facilities worldwide. Accordingly, all Group facilities fulfill the criteria defined by Verego in terms of social responsibility.

Created in 2010, the Verego SRS assessment systems define a set of core social responsibility requirements designed to serve as a framework for organizations wishing to establish and manage their own social responsibility programs and objectives.

Teleperformance received certification in all five Verego SRS areas: Leadership, Ethics, People, Community and Environment. Performance is assessed according to specific criteria in each of the five certification areas.

- *Leadership* certification confirms the organization's commitment towards stakeholders and public authorities with regard to transparency and legal matters;
- the *Ethics* area focuses on the organization's conduct towards suppliers and on its procurement processes;
- the *People* assessment focuses on protection of human rights and the handling of critical employment issues;
- the *Community* area focuses on the organization's engagement and investment in the local communities in which it operates;
- the *Environment* area focuses on the organization's ability to measure and efficiently improve the organization's impact on the environment.

5.1.5 EcoVadis

In 2017 EcoVadis, a collaborative platform for rating the social and environmental performance of global supply chains, awarded two medals to Teleperformance subsidiaries:

- Gold medal - Teleperformance France;
- Silver medal - Teleperformance Nordic (*i.e.* our subsidiaries in four North European countries: Sweden, Norway, Denmark and Finland).

These awards are based on online analyses covering a broad range of issues, which were completed for Teleperformance France in November 2017 and Teleperformance Nordic in February 2017.

EcoVadis assessment covers the environment, labor practices, human rights, business ethics and responsible procurement.

These two EcoVadis awards are proof of the structured, proactive CSR approach and effective policies and measures on crucial issues applied by the Company.

They amount to recognition, on the part an independent appraiser, of the excellence of Teleperformance's CSR policy, the continuous improvement of its performance and its standing as a reliable long-term partner.

5.2 Staff information

5.2.1 Breakdown of workforce

The information contained in this section concerns all Group consolidated companies unless otherwise specified.

5.2.1.1 Breakdown of total workforce by age, gender and linguistic region at December 31st, 2017

	Men	Women	Total	< 25 years old	< 35 years old	< 45 years old	> 45 years old
English-speaking and Asia-Pacific region (excl. USA)	33,725	37,040	70,765	29,277	30,105	7,770	3,613
Ibero-LATAM	36,546	38,910	75,456	33,554	26,711	11,372	3,819
Continental Europe, Middle EastCompliance & Africa	19,732	24,242	43,974	12,476	18,489	8,568	4,441
LLS excl. USA	27	54	81	16	40	19	6
Holding companies	19	35	54	2	13	17	22
Total excluding USA	**90,049**	**100,281**	**190,330**	**75,325**	**75,358**	**27,746**	**11,901**
United States			32,910				
TOTAL			**223,240**				

The breakdowns by age and gender exclude the US subsidiaries, as local regulations prohibit the verification of the data collected.

5.2.2 Workforce changes

5.2.2.1 Breakdown of average workforce by region

	2017 workforce	**Payroll expenses** *(in millions of euros)*	2016 workforce	Payroll expenses *(in millions of euros)*
English-speaking and Asia-Pacific region	84,225	1,159	81,199	1,109
Ibero-LATAM region	65,324	704	58,490	572
Continental Europe, Middle East & Africa	36,670	668	33,738	628
LLS	4,437	198	4,739	52
Holding companies	53	18	58	20
TOTAL	**190,709**	**2,747**	**178,224**	**2,381**

Salaries are determined in accordance with the laws in effect in the countries in which the Group operates.

5.2.2.2 Changes in 2017 in the Group's workforce by category

	Permanent contract	Fixed-term contract	Temporary	Total
AS OF 01/01/2017	**160,980**	**45,566**	**10,111**	**216,657**
Change in scope	30	0	0	30
Hiring	150,354	36,282	8,778	195,414
Lay-offs	-44,888	-4,829	-697	-50,414
Transfers	3,079	-2,409	-670	0
Other departures	-104,197	-26,923	-7,327	-138,447
AS OF 12/31/2017	**165,358**	**47,687**	**10,195**	**223,240**

The Group is unable to determine the exact number of disabled employees working for the Group, given that this information is considered to be discriminatory in some countries, like the United States and Italy.

5.2.3 Staff incentive schemes

Given that it employs fewer than 50 people, Teleperformance SE has no staff incentive scheme in place.

A number of subsidiaries however have set up such schemes.

For example, Teleperformance France has set up a staff profit-sharing scheme. Introduced in 2009 for a three-year period, it is now subject to an open-ended agreement.

5.2.4 Work organization

5.2.4.1 Organization of working hours

The following statement forms part of the Group's human rights statement: "Working hours are capped at 48 hours per week, except for overtime, which is applied on an individual basis and always in compliance with local legislation".

Accordingly, 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, in strict compliance with the applicable statutory and regulatory provisions of each country. Thus, the Group has employees under full-time and part-time contracts and also hires 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, for example, from 35 hours in France, 40 hours in China and Albania, 45 hours in Turkey to 48 hours in India and Egypt.

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.

5.2.4.2 *WAHA* programs

Core services activities

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 carers).

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 the United States, where the practice has been developing for several years, our *WAHA* agents, generally promoted to this position after having honed their skills in a traditional call center, provide services to clients by working from home.

Similar arrangements exist in Indonesia, where a system was set up for several clients last year.

In Germany on the other hand, where the system was rolled out in December 2015 in order to manage the operations of one client, work-at-home agents are specifically hired for this purpose. This is also the case in the United Kingdom, where the practice has been developed since 2012 with one client and was extended to a second client in 2016.

In India, most of our *WAHA* agents are women, who appreciate this opportunity to achieve a better work-life balance.

Although the proportion of Teleperformance agents working under the *WAHA* scheme is growing steadily, numbers are still marginal: as of December 31st, 2017, 1,705 employees were working under the scheme in the Core services category.

The Group plans to introduce an incentive system in order to develop this practice more extensively from 2018 onwards.

Specialized services: specific features of LLS

In the "Specialized services" business category, the Teleperformance Group has seen a significant increase in the proportion of teleworking employees since the acquisition of LanguageLine Solutions (LLS) in 2016. Indeed, around 80% of LLS's 6,259 employees work from home.

LLS offers interpreting services in more than 240 languages and has defined its mission as "enabling communication and empowering relationships".

This mission is aligned with a broader social commitment to bridging language and cultural barriers and facilitating understanding, irrespective of language, handicap or circumstances.

5.2.4.3 Absenteeism

Given the Group's business activities, which by their very nature generate a high staff turnover rate, absenteeism is an indicator that is measured on a daily basis, and is subject to a monthly monitoring process, as well as a specific assessment for each subsidiary, facility and region. This index is reviewed by each subsidiary at its Board meetings.

The average rate of absenteeism was 6.4% in 2017, down from 7.3% in 2016, with a number of regional differences depending on the local social and regulatory environment: thus the English-speaking and Asia-Pacific region posted a rate of 7.4%, the Ibero-LATAM region 5.4% and Continental Europe, Middle East & Africa 6.6%.

5.2.5 Labor relations

5.2.5.1 Social dialog

Multiple channels of dialog and communication

The Group has defined social dialog as follows in its human rights statement:

"Social dialog takes place at different levels within the Company and may exist in different forms depending on the culture, customs, practices and applicable legislation in each country."

In addition to the "open doors" culture widely encouraged by the Group, Teleperformance has set up a number of initiatives at its subsidiaries that are monitored periodically, at the time of the budget review.

These initiatives include:

- *Coffee with the Tops:* every two months, the Germany CEO visits each facility accompanied by members of the management team; at each facility, he meets a delegation of five volunteer employees and has coffee or breakfast with them; the goal of this friendly meeting with senior management is to give employees a chance to raise current issues and express their opinions without the involvement of their immediate superiors;
- *Our Channel*, an online communication tool introduced 2 years ago in El Salvador, provides a direct link to management, either anonymously or not;
- a quarterly online survey for newly recruited staff in China;
- in the United Kingdom, monthly staff forums are organized at each center;
- the opportunity for all employees – anonymously or not – to submit any request or feedback they may have directly, without filtering, to their center director during a monthly or sometimes quarterly "chat"; these regular chats with the CEO are held mainly in Argentina, Albania and the United States;
- in Canada and the United States, the 24/7 *WeCare Helpline* enables employees to anonymously discuss their concerns by phone or email;
- *Focus Groups* organized at least every quarter between agents and managers in Colombia, Egypt, Greece, Russia and Albania: managers listen to the agents' concerns and suggestions;
- regular meetings, most often on a monthly basis, are organized between management and staff representatives or, where they exist, trade unions.

Employee satisfaction

An extensive employee satisfaction survey (*E-sat* - ***E***mployee ***Sat***isfaction Survey) has been conducted every year since 2008. The aim of the survey is to provide a better understanding of how employees view their activity. The survey is conducted by a team focused on continuous improvement of the methods and processes used. An external partner provides the results of a benchmark survey covering all countries in which the Group operates, thus enabling each subsidiary to compare its results with those of the local market.

In 2017, 113,461 employees working in 63 subsidiaries in 47 countries (50.82% of the workforce) replied to the survey. This year, 8 new subsidiaries took part in the survey for the first time.

By providing employees an opportunity to voice their opinions, *E-Sat* serves as a means of improving working conditions and promoting professional development.

Under the responsibility of each local HRD, action plans are drawn up and implemented in each subsidiary on the basis of the results. For the 2017-2018 period, 510 action plans and projects have been drawn up in 55 subsidiaries. In order to ensure continuous improvement of our results, progress on each project is monitored on a monthly basis by a dedicated head office team.

Strict compliance with legislation

Given the practices and legislation specific to each country, nearly one third of the subsidiaries included in the scope of this CSR report have their own collective bargaining agreement.

If there is no specific collective bargaining agreement, the employment law in the country in question applies, and is often supplemented by collective agreements signed with the staff representatives on an annual basis. These agreements provide for the number of working hours, the notice period in the event of departure, salary increases, vacation time, and usually the length of parental leave, payment of public holidays, team rotas, *etc.*

The Group is currently considering how it will implement recent regulatory provisions regarding the impact of collective agreements on economic performance and employee working conditions, and will endeavor to provide the most relevant information with regard to these matters.

The European company Works Council

Launched in 2014 and officially registered in 2015, a Works Council comprising 24 standing members represents employees in the 18 European countries in which the Group operates. In 2017, the Works Council met Group management representatives three times, either in plenary session or in the form of a seven-member delegation (the Officers), to discuss the economic and financial situation and major changes made at European level during the year.

Negotiations at global level

Since its inception, Teleperformance has developed its business on the basis of a fundamental set of convictions and values, including commitment to social responsibility. Aware of the role played by trade unions in representing and defending the interests of employees, Teleperformance wishes to be seen as a responsible corporate citizen that applies good practices in the area of labor relations. For this purpose, Teleperformance is stepping up its contacts with trade union organizations and global-level negotiations are underway to create a Group-wide information and dialog forum.

5.2.5.2 Community service

Community service schemes are managed locally, depending on the usual practices in effect in each country, and cover four main areas:

Health

Teleperformance believes that it has a duty to improve its employees' health, well-being and quality of life, both as an employer and, more broadly, through the advisory role it is able to play.

Accordingly, Teleperformance promotes health awareness, meaning "the ability to take the right decisions regarding health in one's daily life, whether at home, in society or at the workplace".

Most employees of Teleperformance and its subsidiaries benefit from subsidized supplementary health insurance; for example, in Morocco, this subsidy covers two-thirds of the total cost of the supplementary policy, while in India, the entire cost is covered by Teleperformance.

In parallel, most of our employees can benefit from predefined or particularly advantageous prices with medical or paramedical service providers: preferential rates for dental and pediatric treatment in El Salvador, X-rays and dermatology in Morocco, physiotherapy in Tunisia, opticians in Egypt, at a clinic in Russia, etc. In Jamaica, an on-site chiropractic service is provided one day a week, for which employees benefit from preferential rates.

A number of local employee-oriented initiatives regarding health issues and the importance of taking care of one's health are organized 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 2017:

- nearly half of our employees were able to benefit from vaccination programs directly in their workplace: against influenza in Argentina, Spain and at some US facilities, cervical cancer and pneumococcus in the Philippines, measles and rubella in Mexico, etc. 4 days of vaccination against influenza and tetanus were organized in El Salvador this year. In some regions, these facilities were offered to employees' families as well: for example, around 40% of our Russian and Ukrainian employees took advantage of our offer of free flu vaccinations, while some took advantage of the highly advantageous rates offered to members of their families;
- in some places, vaccination cannot be carried out at the workplace, but Teleperformance uses its various means of communication to inform and raise awareness among employees. For example, our Tunisian subsidiary organizes vaccination awareness days;
- many Group subsidiaries organize awareness campaigns regarding the harmful effects of smoking, sometimes to coincide with World No Tobacco Day on May 31st, and sometimes in the form of workshops and/or consultation sessions held throughout the year. For example, in Portugal, "well-being" consultation sessions providing advice on how to give up smoking are held every Tuesday afternoon, while El Salvador organizes regular support Group sessions attended by former smokers and psychologists;
- most Teleperformance employees had the opportunity to take part in cancer awareness programs during the year: information campaigns on the initial symptoms of prostate cancer, lymphoma and lung cancer in El Salvador, an awareness day organized in our centers by the medical service in Tunisia, workshops on risk factors in Morocco, *etc*.

Healthcare prevention measures sometimes take the form of optional medical checks; for instance, in 2017:

- nearly 1,000 employees attended a free specialist consultation or received free on-site breast ultrasound screening as part of a local information campaign on breast cancer organized by Teleperformance Hellas;
- every year, the *Jamaica Cancer Society* provides on-site cervical cancer screenings or mammograms at our Jamaican subsidiaries for the prevention of breast cancer;
- in cooperation with social security organizations, Teleperformance Salvador provides blood tests for its employees for the prevention of early onset high blood pressure;
- in Morocco, Teleperformance takes advantage of the campaigns organized during Ramadan to inform employees and provide diabetes screening.

In addition, Teleperformance regularly opens the doors of its facilities to blood transfusion centers, organizing blood donor campaigns, in which employees enthusiastically participate every year. Most of our employees therefore had the opportunity to donate blood directly in their workplace in 2017.

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.

These may involve regular schemes, such as:

- daily provision of free baskets of fresh fruit for the 1,300 employees working at our centers in Sweden and Denmark and at Group head office; this system has been in place for around ten years;
- subsidized sports club membership for Teleperformance SE employees, thus encouraging them to do regular physical exercise.

Or one-off events, such as:

- *Health and No Tobacco Week* in Greece, where anti-smoking challenges are held in order to promote the principle, through humor, that smoking is contrary to a healthy lifestyle;
- the *Fruit and Vitamin Days,* when fresh fruit is offered to employees in Russia;
- *Health Week*, during which various healthcare and paramedical providers visit our Mexican subsidiary and present their products and services to the employees.

Extra holidays

Over a third of Teleperformance subsidiaries provide employees with extra holidays in addition to the local statutory allowance. The amount of this extra holiday time varies in accordance with the corporate agreement specific to each subsidiary; for instance, it involves one extra day for all employees in Tunisia, 4-10 days in Germany depending on the facility, 2-4 days in the United Kingdom, to which up to 5 days may be added depending on seniority, and to up to 12 days in China and 25 days in the United States depending on seniority. Lastly, some subsidiaries grant exceptional leave for family events not covered by local legislation, for example 5 days for a sick child in France, and time off for the wedding of a close relative in Colombia.

Subsidized meals

The vast majority of our employees benefit from wholly or partly subsidized meals or food in the form of a company canteen, meal vouchers or food purchase vouchers, depending on local laws and customs.

In some countries, such as Portugal and Brazil, this is a statutory requirement. In other countries, it is a benefit offered by Teleperformance to its employees.

Lastly, many subsidiaries negotiate reduced prices for employees at specific restaurants, usually those located near the office. Four-fifths of employees benefited from reduced restaurant prices in 2017. For example, employees at our Egyptian subsidiary enjoy reductions of 10-25% in 8 local restaurants, while employees in Italy can order an excellent value for money “Teleperformance menu” in a number of restaurants.

Preferential rates

Employees at most Group 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 include Internet connection agreements and subscriptions with telephone operators in Egypt, preferential rates at banks and insurance companies in Morocco and Portugal, subsidized language courses in Brazil, *etc.*

These preferential rates primarily apply in three priority areas:

Subsidized cultural and recreational activities

Most of our employees benefit from individual or family discounts or free access to cultural events or recreational activities.

Accordingly, in Greece, under the Teleperformance Family scheme, Teleperformance Hellas has offered free summer camps for its employees’ children for the last six years. In 2017, 147 children were able to enjoy a wide range of activities.

Meanwhile, employees at Teleperformance UK are entitled to discounts at certain museums, cinemas and concert halls. In Mexico, our employees were able to buy special-rate tickets for electro concerts, etc.

Travel discounts

Just over two-thirds of our employees are entitled to discounts with a number of travel agencies, hotels and even some airlines.

For example, employees in the Philippines and Tunisia benefit from cut-price flight agreements, while in Ukraine and Russia, one travel agency gives Teleperformance employees a 7% discount; all-inclusive trips at preferential prices are offered to Teleperformance UK employees under the subsidiary’s welfare benefit plan.

Encouragement to take up sport

Some facilities, for example in the United States and Morocco, have their own fitness center which employees can use for free. In most other facilities, Teleperformance negotiates preferential rates with sports clubs. Accordingly, nearly all of our employees can participate in sporting activities at a reduced cost.

These reductions are primarily granted by fitness clubs, but also include yoga classes in El Salvador and Russia and martial arts classes in Greece, for example.

Every week, employees at our Russian facilities can take part in volleyball and football training sessions or an on-site table tennis competition.

Elsewhere, the Group promotes friendly sports matches between employees, by subsidizing the creation of in-house company teams (see further details under section 5.4.2.3 *Teleperformance Sport Club*).

5.2.6 Health, safety and security

In 2016, the Group decided that its Social and Environmental Responsibility Committee would give special priority to implementing its health and safety policy by training health and safety experts in each country and by deploying a set of tools to support the introduction and monitoring of these standards.

The Group health and safety policy aims to reduce the risk of danger for employees in the workplace and prevent the occurrence or aggravation of occupational illnesses by promoting a safe working environment.

Passion 4U is a global Group initiative, closely linked to its occupational health and safety policy, for promoting well-being and improving quality of life at work by fostering awareness of issues related to employee health and stress reduction.

Our global strategy encourages the sharing of best practices, and all Passion 4U initiatives are rolled out locally.

The main strengths of the scheme are:
- creation of an appropriate working environment;
- increased employee awareness of the benefits of healthy habits and stress reduction;
- long-term viability of our business;
- shared best practices as encouraged by our global strategy.

The 2017 campaigns focused on workplace ergonomics and the merits of a healthy lifestyle.

Workplace ergonomics

In May, all subsidiaries received a set of instructions and advice on introducing a system of “active breaks” aimed at encouraging all employees to do regular gymnastic and stretching exercises in order to prevent musculoskeletal disorders. All departments were involved in this campaign (operations, marketing, Human Resources, occupational health practitioners, etc.), which was disseminated *via* an extensive communication program on workplace ergonomics. The campaign also included training sessions, webinars and monitoring and tracking tools.

Healthy lifestyle

The second major campaign in 2017 concerned habits to adopt in order to promote a healthy lifestyle. The campaign focused on the importance of a healthy diet, regular physical exercise, adequate water intake and proper sleep. It took the form of a challenge proposed to all employees during November, with regular postings on social media.

In addition to these global Group initiatives, each subsidiary has the freedom to organize its own initiatives. For example:

- in May, on the Tucuman campus in Argentina, a room was redesigned as a location for zumba classes; to improve communications on this initiative designed to encourage employees to get up and move around, participants are provided with water and fresh and dried fruit;
- our canteens in Mexico provide healthy menus.

5.2.6.1 Occupational health, safety and security management

Teleperformance Italy has held OHSAS 18001 accreditation since 2010; the accreditation of all our UK facilities was renewed in late 2016 and 2017, while two new subsidiaries have obtained it: Turkey’s Istanbul facility and Colombia.

OHSAS 18001 (British Standard Occupational Health and Safety Advisory Services) is a framework for an occupational health and safety management system drawn up in 1999 at the initiative of the BSI (British Standards Institution). It aims to provide an assessment system and methodology compatible with other management accreditation standards (ISO 9001 for quality management and ISO 14001 for environmental management).

5.2.6.2 An appropriate working environment

To guarantee a healthy and pleasant working environment in all centers, a layout guide for the premises has been drawn up at Group level since 2009. This guide includes the standards and recommendations covering all areas in our premises: communal areas, work areas, training areas, and leisure and catering areas (cafeterias, break rooms *etc*.). It also provides recommendations for lighting, acoustics, information and communication technology, safety, hands-on management, sustainable development and well-being.

The aim is to provide high-quality, specially designed areas devoted to employee well-being that comply with building and layout 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 layout experts who receive training to assess and measure compliance with standards, as well as numerous webinars throughout the year. To guarantee constant improvement in centers, each country is assessed annually and develops action plans using a dedicated tool.

The occupation of Contact Center Advisor is not physically dangerous. Nonetheless, Teleperformance affords high priority to the provision of suitable equipment to its agents. The guide also provides instructions on workstation ergonomics: desks, chairs and accessories must meet specific criteria guaranteeing comfort and practicality.

5.2.6.3 Prevention of occupational hazards

The prevention of occupational hazards is addressed using different methods depending on local legislation and in accordance with the Group global health and safety policy.

Most of the Group's European and North African subsidiaries and some other international subsidiaries have signed agreements with staff representatives on health and safety at work.

These agreements result from regular meetings of Committees generally comprising members of the management team and Human Resources Department, staff representatives and, occasionally, trade union representatives.

In the absence of specific risks relating to Group business activities, the Committees primarily deal with general health policies, evacuation procedures, access card issues, building security, payment of the occupational health practitioner, workplace ergonomics, *etc*.

In some subsidiaries, such as Norway, the health and safety policy is included in the induction process 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 a year to review the work environment, health, safety, risks, *etc*.

In Denmark, while strictly speaking there are no agreements signed with regard to health and safety at work, staff representatives are involved in changes and negotiations regarding all matters concerning the workstation layout and environment.

In other subsidiaries, domestic legislation precisely defines the standards for health and safety in the workplace.

This is the case in Romania, where the constitutional law introduced in 1991 stipulates the measures to prevent occupational hazards, protect health and safety and eliminate risk factors, and sets out the conditions regarding employee consultation, information, participation and training.

Similarly, in Brazil, law NR 17 stipulates the parameters which enable working conditions to be adapted to the psychological and physiological characteristics of employees.

In Italy, law 81/2008, applied by Teleperformance down to the smallest details, regulates safety at work, risk assessment and health monitoring. It also indicates how to protect mental and physical health in the professional environment and encourages meetings and dialog with staff representatives.

5.2.6.4 Accidents at work

The working environment is not dangerous. In fact, excluding travel accidents, the vast majority of the rare industrial accidents were the result of slips or falls resulting in bruises or fractures. In 2017, the frequency rate was 3.42, a marked improvement on the 2016 rate of 4.53.

The Group's business activities do not therefore give rise to material safety risks.

5.2.6.5 Occupational illness

For these same reasons, recognized or declared occupational illness is extremely rare at Teleperformance. Most declared cases of occupational illness concern hearing problems or musculoskeletal disorders.

In terms of optimizing conditions in the workplace, special attention is paid to preventing damage to hearing. Accordingly, the Group's call centers are acoustically designed in strict compliance with the applicable employment law requirements.

As a preventive measure, some subsidiaries organize training and information campaigns related to potential occupational health risks, such as Voice Day in Spain and Voice Week and Hearing Week in Brazil.

Moreover, our employees devote a large portion of their time to work. In this respect, Teleperformance sees itself as a driver of improvement in its employees' health and, more broadly, quality of life.

5.2.6.6 Stress prevention

In our area of business, the main occupational health challenge 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;*
- *Sport Club: Sports Drive.*

This is reflected in various initiatives:

- in Albania and Russia, on-site yoga workshops are offered to employees;
- in Mexico, sport-based relaxation exercises are conducted on site;
- in Brazil and Mexico, a team of around 15 therapists has been offering shoulder and hand massages to employees directly at their workstations for the past few years;
- employees at all of our El Salvador facilities are offered free monthly relaxation massages; Greece offers the same service during the Company's *Health Week;*
- in France, some sites are fitted out with "quiet rooms", relaxation rooms where mobile telephones are banned so that employees can switch off and relax;
- "sleep corners" in the Philippines: most facilities have an area fitted with bunk beds where agents can lie down and relax.

Other practices focus on the psychological aspect of stress *via*, for example:

- in El Salvador, the Medical Department organizes conferences on stress and prevention of psychosocial risks;
- information and stress prevention campaigns are regularly organized in Spain and Greece;
- regular Group sessions on stress management are held in the United Kingdom; all stress-related incidents are given particular attention and are escalated *via* a special monthly reporting procedure;
- *via* our Employee Assistance Program, implemented for example in North America, employees receive support for managing stress, both at work and in their private lives.

The Group's ultimate goal is to apply these practices globally and share experience on a wide scale.

5.2.6.7 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.

In 2017, seven Group subsidiaries obtained Great Place to Work® awards:

- Teleperformance Brazil, which obtained this coveted award for the 8th year running;
- Teleperformance Portugal, for the 7th time;
- our subsidiaries in Mexico, El Salvador and India for the 4th year in a row;
- our Dominican Republic subsidiary for the 3rd year running;
- Teleperformance Hellas (Greece) for the 2nd time.

Furthermore, this year Teleperformance won the Aon Hewitt Best Employer award for its centers in six countries (Albania, China, India, Philippines, El Salvador and Portugal) spread across our three areas of operational management. This award recognizes companies that have won the approval of their employees, who – considered as 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 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 such as communication, respect and consideration, quality of service provided to customers, clarity of procedures, self-fulfillment and efficiency, Teleperformance recognizes every employee at all levels of its organizational structure, and increases their feeling of belonging to the Group.

Recognition

The organization focuses on maintaining and improving all factors that foster employee recognition and satisfaction. Every employee is assessed 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 such a scheme is permitted by law, rewards such as show tickets and dinners are handed out as center management and employee incentive 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

Most of our centers have set up relaxation areas where agents on a break can play foosball, table tennis, billiards and Board games, or watch television, play video games, have access to computers with free Internet, lounge on the sofa, play Xbox games, read books, *etc*.

Theme days to celebrate events or share moments with colleagues take place regularly in Group centers. These events include recipe-sharing workshops at some US facilities, MasterChef-type competitions in Egypt, carnival in Greece, collective breakfasts in Italy, St. Valentine's Day celebrations in Russia, Mothers' Day in Colombia, a special Halloween party in the Philippines, *etc*.

Other on-site initiatives aim to create ties between family and professional life, such as *Family Day in Brazil* and India, when all family members and close friends are invited to discover the working environment and opportunities offered by Teleperformance. With the idea of decompartmentalizing professional life in order to achieve better personal balance, our Colombian subsidiary organizes a children's day with various activities on offer.

Off-site social life

At the initiative and with the support of Teleperformance, employees also come together for activities outside of work, sometimes with their families. Accordingly, a wide range of activities offered to our employees may also be enjoyed by all of their families (lunch and beach outing offered by our Tunisian subsidiary, barbecues organized by some of our US campuses, *etc*.).

Many of these shared activities outside of the Company concern charity initiatives or sporting events.

Group charitable activities are described in further detail in section 5.4.2.1 *Citizen of the World*, while those relating to the many sporting activities offered by Teleperformance are described in section 5.4.2.3 *Teleperformance Sport Club*.

The driving idea is to rally colleagues together for a common cause in a spirit of mutual support.

5.2.6.8 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, insofar as local legislation permits, 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 organized by the Company.

5.2.7 Training

Training is a major component in our Human Resources management, especially in the Group's business, which aims to put people at the service of other people.

Training at Teleperformance is provided *via* three separate entities:

- *Teleperformance Academy* for the training of Contact Center Advisors;
- *Teleperformance Institute* for the training of managers;
- *Teleperformance University* for high-potential employees in the Group.

34,189,097 training hours were provided in 2017, compared to 32,413,418 in 2016.

5.2.7.1 Teleperformance Academy

At a local level, training programs intended for Contact Center Advisors are delivered on recruitment and/or for new clients/ products requiring specific knowledge. In agreement with the client, these training sessions last on average between one week for simple operations to five weeks for more complex products requiring in-depth product knowledge.

Since 2014, all new hires have systematically taken part in an induction seminar on Group culture and values as of their first day at Teleperformance.

In 2017, a total of 33,387,568 training hours were provided to agents, *i.e.* 179 hours on average per agent, versus 30,661,377 total hours or 167 hours per agent in 2016.

5.2.7.2 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. For the sake of greater independence, the e-learning platform has been developed in-house since late 2011, and is available in the main Group languages. Thanks to the e-learning process, Teleperformance employees were able to develop their leadership, communication, time management and project management skills. 478,369 training hours were provided in 2017, accounting for 1.39% of total 2017 training hours.

This year, our training platform scored a resounding success with an average of 31,435 unique visitors per month (versus 18,538 in 2016). This performance may be attributed to the platform recast and expanded content offer.

In 2017, the Teleperformance Institute focused on six areas:

1. besides the existing training program designed for supervisors, the Teleperformance Institute developed two new supplementary training schemes, "training fundamentals" and "hiring", so that all future supervisors would receive the same training and learn about the same basic targets during their first six months in their new post. Since 2017, supervisors have been awarded a certificate when they reach a certain level of competency;
2. in line with our continuing focus on safety and security, in 2017 all employees completed an e-learning course in Group safety and security standards during the year; after the course, all employees took a test in order to certify their assimilation of the required knowledge;
3. continuation of the policy of setting up regional centers of excellence, where selected center managers, deputy center managers and supervisors complete a two-week training course on best practices to be applied at each stage of their job. Well-established and recognized in the CEMEA region, regional centers of excellence are currently being rolled out in China and the Philippines;
4. launch of a Sales Academy focused on developing sales skills and aimed at a broad spectrum of employees ranging from agents to sales directors. A set of materials was first drawn up by our top sales directors, then our sales executives and agents completed set of training modules aimed at optimizing sales at each interaction;
5. continued roll-out of the internal training quality standard (improving the training of trainers), and certifying the Group's subsidiaries in terms of the standard;
6. over 1,000 training modules are available on the e-learning platform to help employees develop their skills in a wide variety of areas including hiring, soft skills and Microsoft Office®.

5.2.7.3 Teleperformance University

Teleperformance University is an executive program divided into six modules taking place in different locations:

- innovation, CX Lab and Atlantic experience (Lisbon, Portugal);
- marketing, solutions and strategy (São Paulo, Brazil);
- operations, IT and security (Salt Lake City, USA);
- social and environmental responsibility, NPS and Six Sigma (Manila, Philippines);
- finance (Athens, Greece);
- business development and final support (Guadalajara, Mexico).

Each module lasts one week and the whole training program is completed in ten months.

80% of the classes are delivered by senior leaders from Teleperformance, although we also have external professors from renowned universities who provide a more academic perspective.

This in-house university is geared towards high-potential managers aiming to become future senior leaders in the Group.

During the training, we stress the multicultural and global scope of the Group.

18 participants from 15 countries completed the training course over the academic year from September 2016 to July 2017. In July 2018, another 18 participants, also from 15 countries, will complete the course that began in September 2017.

5.2.8 Professional development

Our primary aim is for our employees to be proud of belonging to our Group, thanks to genuine career fulfillment in a working environment that encourages performance and skills enhancement.

Teleperformance has introduced a set of measures to help employees and drive their professional development.

5.2.8.1 JUMP

Designed solely for Teleperformance employees, JUMP is a career development program created to identify high-potential employees and prepare them to take on leadership positions in the Company.

The objective is to prepare employees to become leaders at all levels of operation by progressing from agent to supervisor, from supervisor to coordinator and finally, from coordinator to manager.

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 talent, quality of leadership and the best possible use of our training methodologies. The program clearly shows all our employees what the Company expects from them and how they may progress within our organization.

Teleperformance also offers employees special support and orientation in the development of their career plans.

5.2.8.2 LeAP

LeAP (*Leader Acceleration Program*) is a management training program set up by Teleperformance Portugal in partnership with a number of local universities. The program includes a one-month operational placement in one of Teleperformance's non-European subsidiaries and an intensive 5-month preparation course, after which the "LeAPers" are capable of directing operations and managing multicultural teams.

The program is organized into three phases:

- at Teleperformance Portugal, the LeAPers receive training in financial control;
- they are then sent on a one-month placement in one of the Group's non-European subsidiaries, where they learn new methods and share experience and know-how with colleagues from other cultures;
- lastly, they take part in the JUMP training program in order to diversify their knowledge and perfect their leadership skills.

5.2.8.3 External training

All of the Group's Latin American subsidiaries have signed agreements with universities located in cities where we operate to offer Teleperformance employees reductions on tuition fees. Accordingly, in Mexico agreements have been signed with 31 universities and technological institutions in the 10 cities where the Group operates, offering reductions of 10% to 70% on tuition fees for Teleperformance employees.

5

5.2.9 Diversity and equal opportunity

In January 2015, Teleperformance launched its equal opportunity employment policy. This policy is based on Principle 6 of the United Nations Global Compact:

"The elimination of discrimination in respect of employment and occupation."

The goal of Teleperformance's equal employment opportunity policy is to provide instructions to the subsidiaries to ensure that they follow a set of procedures designed to promote equal opportunities for employment, non-discrimination, diversity, inclusion and integration, and non-discriminatory hiring. Our policy also covers discrimination at work and in employees' career paths within the Group.

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; and*
2. *Ensure that they are not complicit in human rights abuses;*
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.

5.2.9.1 Measures taken to promote gender equality

All the quantified data presented in this section excludes the subsidiaries in the United States, for which information on employees' gender cannot legally be provided.

The Group indiscriminately employs men and women, the latter accounting for 52.69% of employees at December 31st, 2017 (*versus* 53% in 2016).

The Group has introduced a set of procedures and guidelines in order to promote equal treatment of men and women. These measures include:

- in addition to Group guidelines, our subsidiaries implement local equal opportunities policies;
- 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: 48.07% as of December 31st, 2017 versus 46.9% in 2016.

Each subsidiary rolls out additional initiatives geared towards gender relations in accordance with local cultural issues.

For example:

- in 2014, as part of a commitment to increasing the proportion of female staff at its facilities, Teleperformance India set up "Gendersmart", an extensive system of targeted communications to schools and higher education establishments in order to present our corporate culture and the safety and security measures we have implemented for our employees. Measures such as the family open days, where the families of female employees can visit their mother, wife or daughter's workplace and meet her colleagues, the flexible hours system designed to accommodate family commitments, the teleworking option, the right to maternity leave, irrespective of seniority, and reinstatement in the same job with the same salary, plus the "grapevine effect", have led to a marked increase in the number of female job applicants: as a result, the proportion of women in the Indian workforce rose from 13% in 2014 to 25% in 2017;
- all focus groups at the El Salvador subsidiary must have a mixed-gender composition;
- in Tunisia, in accordance with our Social Responsibility Label certification, we track a number of indicators such as the ratio of training hours between men and women, the percentage of women on the Management Committee and the percentage of women among the ten highest salaries at the Company;
- Human Resources Departments at our US subsidiaries organize anti-harassment and anti-discrimination webinars for management;
- our Argentina subsidiary organizes periodic checks on discrimination in the hiring process;
- our Albanian subsidiary organized an awareness campaign to coincide with International Women's Day on March 8th.

In addition, there are six women on the Board of Directors of Teleperformance SE, representing 43% of Board members, a ratio that complies with the recommendations of the APEF-MEDEF Corporate Governance Code and statutory provisions regarding gender balance on Boards of Directors.

5.2.9.2 Measures taken in favor of employment and integration of disabled workers

The Group employs disabled workers and ensures compliance with applicable local legislation on hiring, non-discrimination, workstation layout and access for disabled persons.

During renovation, measures are taken over and above statutory requirements to ensure wheelchair access; many centers have already been adapted in this way.

A large number of local initiatives are implemented to promote the hiring of disabled workers, irrespective of the nature of their disability (restricted mobility, visual impairment, etc.):

- the Moroccan subsidiary has signed an agreement with the Handi Emploi website with a view to providing employment for disabled persons in the country: all of our job offers are posted on the website;
- in the USA, job offers are posted on websites that target disabled people and veterans;
- our campus in Colombus, Ohio (USA), offers a range of specific services for disabled employees, including a transport service for the visually impaired;
- in the Netherlands, as part of a campaign to encourage job applications from disabled persons, Teleperformance has instructed the temporary employment agencies we work with to prioritize suitable applications;
- Teleperformance India has set up a partnership with an NGO that helps to identify disabled persons who are fit to work on our campuses;
- in Albania, Teleperformance has signed an agreement with a local association on hiring disabled persons;
- Teleperformance UK works proactively with several government agencies and NGOs that represent disabled people returning to work;
- Teleperformance Colombia has signed agreements with governmental and private foundations that put us in contact with disabled personnel, essentially amputees and crutch-bound employees; workstations are regularly adapted in consultation with the relevant employees;
- in Mexico, the Labor Inclusion Program is an organizational model aimed at integrating disabled persons into a working environment so that they can gain experience and further their professional development. This program allows Teleperformance to offer job opportunities to all members of society, including people who are often the victims of discrimination;
- *Handiperformant* is a special program designed by Teleperformance France to show that disability is not an obstacle to getting a job. 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 conducive to working better together.

For seven years, a national coordinator has been responsible for looking after disabled employees in liaison with a local Officer at each center. Every six months, these local Officers meet their disabled employees and check whether their workstation is sufficiently adapted to their disability. If not, they ensure that the required adjustments are made.

Thanks to these different schemes organized under the umbrella of the *Handiperformant* program, the proportion of disabled persons employed by Teleperformance France increased from 3.83% in 2012 to 6.87% in 2017, almost double the private-sector national average of 3.6% (source: Dares).

5.2.9.3 Measures taken to promote the hiring and retention of senior workers

The Group's sector of activity inevitably attracts a young population. This results in a high proportion of students, which is particularly significant in certain regions. For example, at the Group's centers in Russia and El Salvador, 25% and 53% respectively of new hires are students.

However, Teleperformance makes sure that the senior age Group is not left out. 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 UK has set up an active partnership with government agencies and NGOs working to ensure that job offers are available to people of all ages and backgrounds.

Moreover, Teleperformance USA is in strict compliance with the ADEA (*Age Discrimination in Employment Act*), which prohibits discrimination in the hiring of workers or job-seekers aged 40 or over.

5.2.9.4 Anti-discrimination policy

Given the Group's international scale and the development of multilingual centers, Teleperformance naturally hires people of different origin and nationality to work in its facilities.

Some subsidiaries are particularly committed to welcoming people from other countries: Teleperformance Greece organizes a series of activities to introduce foreign recruits to Greek culture, including games, educational tours and discussions with colleagues on local customs and practices.

Group companies comply with current legislation concerning non-discrimination; some subsidiaries are particularly proactive in this area, such as Teleperformance USA which has employed a diversity manager since the beginning of 2010.

5.3 Environmental information

5.3.1 Global environmental policy and measures taken by the Company to implement a low-carbon strategy

Teleperformance's activity is non-polluting. 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), launched in 2008, is a global corporate initiative aimed at ensuring that Teleperformance manages its business activities in a responsible and environmentally friendly way.

The Group's primary objectives are to reduce energy consumption, paper and packaging waste and travel (air and local) in all of our subsidiaries.

Teleperformance also places great importance on promoting global awareness on the part of its employees. They are therefore encouraged to apply a set of environmentally friendly principles to all aspects of their professional and personal life.

The welcome guide given to newly employed agents includes a section exclusively devoted to protection of the environment. Advice and information is provided and new recruits are encouraged to participate in the various *Citizen of the Planet* initiatives, which vary according to local sensitivities. The following sections include descriptions of some of these initiatives aimed at preserving the planet.

In each employee's everyday life, there are numerous reminders about actions to help preserve the environment: "Water is a precious asset, save it" posters, electronic signatures encouraging employees to use printers sparingly to limit their environmental impact, etc.

Furthermore, in order to foster awareness, several subsidiaries regularly provide employees with data on the facility's water and electricity consumption and overall developments in the Company's carbon footprint.

5.3.1.1 Environmental management

Citizen of the Planet is an initiative launched by Group founder Daniel Julien which aims to ensure that Teleperformance manages its business activities in a responsible and environmentally friendly way.

The Social and Environmental Responsibility Committee determines the 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 environmental policy at local level. Citizen of the Planet coordinators at each facility are responsible for reporting environmental information, which is forwarded to the head office *via* monthly reports.

Moreover, some subsidiaries in Asia, Europe and Latin America have decided to formalize their efforts in this area by instigating procedures to obtain internationally recognized certification such as:

ISO 14001

All of our German facilities, the Istanbul facility in Turkey and Ashby-de-la-Zouch in the United Kingdom have obtained ISO 14001 certification. Where possible, our other UK sites adopt the recommended environmental standards and procedures, without going through the certification process.

Introduced in 1996 by the International Organization for Standardization (ISO), ISO 14001 is based on the principle of continuous improvement of environmental performance through limitation of the Company's carbon footprint.

LEED

Three centers in Colombia and our centers in Glasgow (Scotland), Cebu IT Park (Philippines), Beijing and Foshan (China) have obtained LEED certification (Leadership in Energy and Environmental Design).

The LEED certification system, designed by the US Green Building Council, awards points according to a certain number of criteria: sustainable development, water savings, efficient energy management, materials, air quality, innovative design and regional issues. LEED certified buildings are designed to enable reductions in energy consumption, CO_2 emissions, water consumption and generation of solid waste.

BREEAM

The Glasgow and Paris centers have obtained BREEAM certification *(BRE Environmental Assessment Method)*, a method for assessing the environmental performance of buildings developed by the BRE (Building Research Establishment), a private UK-based building research organization. It is the equivalent of LEED in North America and HQE or *Bâtiments durables méditerranéens* in France.

The BRE aims to "establish a best method standard" regarding the design, construction and operation of environmentally friendly buildings. Founded in 1990, it has subsequently undergone periodic developments in line with changes in regulations, issuing various versions of the standard in accordance with the type of building concerned.

French HQE label

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.*).

5.3.1.2 Promotion of public transport

Most Group facilities are located in areas that are easily accessible by public transport. Where this is not the case, or simply to encourage employees to avoid using their personal vehicles, contracts with private transportation companies can be implemented.

For example, a system of regular shuttle buses has been made available at no charge to employees at all of our centers in North Africa, the Philippines and Jamaica, as well as our centers in Gurgaon (India), Xi'an (China), Usak (Turkey), Cairo (Egypt), Durres (Albania), Água Branca and Lapa (Brazil). Teleperformance has set up a system in which employees are collected by coaches, linking the different sites and dropping off employees at convenient points (stations, downtown). Employees make extensive use of these services, including two-thirds of employees at our six centers in Morocco, who are served by 128 shuttle buses, and 600 employees at the Xi'an center in China.

Free shuttle and taxi services exist in other regions on a more selective basis, mostly for employees working outside normal hours, for example in El Salvador, Mexico, Russia and Turkey.

In the absence of or in addition to shuttle buses organized by the subsidiary, some subsidiaries subsidize all or part of their employees' public transport season tickets.

5.3.1.3 Promotion of "green" transport

Cycling to work is particularly suited to centers located in downtown areas, and several campaigns have been set up to encourage employees to prioritize using their bicycles, especially when traveling to and from work. For example, in Colombia employees can borrow bicycles for free from a partner rental firm located on company premises.

On October 1st, Teleperformance Portugal invited employees to take part in a 12 km bike ride around the sights of Lisbon. Our Egyptian subsidiary offered a similar fun activity under its *TP Bike* scheme.

As far as possible, centers are furnished with bicycle parking facilities.

Meanwhile, Teleperformance Albania has sponsored the building of 26 bike sheds throughout the city of Durres with capacity for 520 bicycles.

In France, employees are refunded 50% of the costs of subscriptions to public cycle rental for their journeys from home to work.

In India, employee shuttle buses run on natural gas, which is much less polluting than gasoline or diesel.

5.3.1.4 Promotion of ride-sharing

Ride-sharing is included in the Group's recommendations regarding site layout.

Ride-sharing is sometimes organized by Teleperformance, for example in India. It is widely encouraged *via* posters displayed in break rooms, ads on the Company intranet and on some sites by means of special reserved parking spaces. After proving its effectiveness at several centers in the United States for several years, the reserved parking system for car poolers has now been implemented at three centers in the UK and at all of our Mexican centers, where Teleperformance promotes the scheme *via* an incentive system.

5.3.2 Circular economy

5.3.2.1 Food waste

Most of our centers have a canteen or cafeteria for the use of employees. Although management of these facilities is outsourced, each site director and, usually, staff representatives and/or the Health and Safety Committee draw up a set of specifications regarding the food provided and prices.

Minimizing food waste is a growing concern across the Group. Each center has a large degree of freedom regarding the choice of supplier, the nature of the center's contribution to food waste reduction and the extent of the supplier's involvement and assistance in this initiative.

Therefore, food waste reduction initiatives are implemented at local level in accordance with local culinary sensitivities and culture, by involving employees as much as possible in the process, in particular *via* the Health and Safety Committees and the quality audits they perform.

Initiatives in this area include the following:

- in the UK, our catering services monitor consumption daily in order to minimize waste;
- in El Salvador, all food that is not consumed at special events is donated to public hospitals;
- in Greece, to prevent unsold dishes from being thrown away, they are offered at half-price during the afternoon;
- in Albania, occasional *happy hours* are organized to finish off food that is coming up to its expiry date;
- Teleperformance Tunisia has opted to abandon the lunch menu offered in its canteens in favor of a system where agents only pay for what they really want to eat, and are therefore less tempted to fill their trays unnecessarily;

- in the United States, our suppliers have introduced a set of preventive measures, such as cooking to order, detailed inventories to avoid over-stocking, and checking of expiry dates;
- in Brazil, quantities of food produced are adapted to the previous day's consumption on a daily basis; in addition, Teleperformance has implemented the *Trim Trax* program aimed at enhancing employee awareness of the environmental impact of organic waste;
- the Mexican subsidiaries organize health awareness campaigns geared towards environmental data in order to raise employee awareness of the impact of human behavior on the environment; in addition, the supplier seeks to adapt the size of portions to actual consumption;
- in India, at the employees' own suggestion, scales have been installed in the canteen to weigh the amount of food that is thrown away, while the total weight of food waste is displayed on a daily basis; since the introduction of this permanent measure, which is aimed at both supplier and consumers, the weight of food waste has fallen by 40% on average;
- in 2014, one of the Teleperformance Portugal centers set up a partnership with a food bank that distributes excess food from company canteens to families in need, thus reducing food waste. This initiative is part of a wider scheme aimed at eradicating food waste and hunger in the local community and strengthening social cohesion.

Moreover, about half of the Group's subsidiaries sort organic waste separately.

5.3.2.2 Recycling processes specific to the business

The need to be at the cutting edge of technological innovations requires us to frequently renew our installed IT and telephone base, a key resource in this business sector.

Teleperformance is committed to recycling this equipment once it is no longer fit for professional use.

Accordingly, Teleperformance's approach to recycling obsolete equipment combines ethical and environmental concerns.

Computers

Computers no longer fit for professional use are recycled in a number of ways:

- they may be sent to specialist firms that handle sensitive materials in accordance with specific standards and charters; for example, in 2017, 1,860 computers were recycled for sustainable disposal;
- they may be donated directly to nurseries, schools or community-oriented NGOs. Accordingly, in 2017 over 1,000 computers were donated worldwide;

Given the sensitive data that they may contain, all of our computers are wiped clean before leaving the Company. In some locations, such as the United States, hard drives are systematically removed and destroyed.

Telephones

In the case of telephones that are no longer fit to be used in call centers:

- some subsidiaries send them to firms specialized in recovering pollutants;
- other subsidiaries donate them to charities or their own employees.

5.3.2.3 Paper recycling

In general, double-sided printing is applied systematically and, as much as possible, preference is given to purchasing recycled paper.

Most 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.

Paper recycling is often associated with local charity schemes, as illustrated below:

- in Albania, Teleperformance entrusts paper recycling to an NGO which funds its activities by selling recycled paper;
- in the Philippines, the proceeds from paper recycling are donated to the Kythe Foundation, a local NGO working for hospitalized children, to pay electricity bills;
- for 10 years now, Teleperformance Argentina has taken part in a paper recycling program, the proceeds of which are donated to a children's hospital.

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 of two waste containers, including one exclusively reserved for paper, in every office.

In sections 5.3.3 *and* 5.3.4*, 2017 means the period from October 1st, 2016 to September 30th, 2017, while 2016 refers to the period from October 1st, 2015 to September 30th, 2016.*

5.3.3 Sustainable use of resources

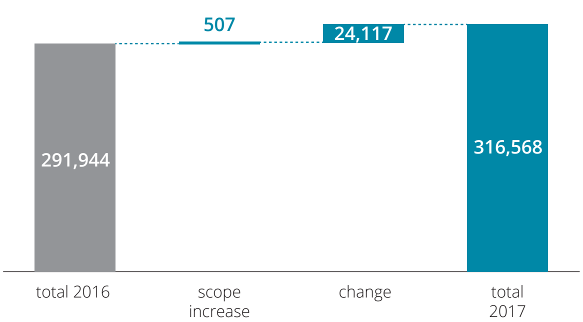
2017 was another year of strong organic growth for the Group with the opening of new centers, including in Colombia, India, China and the United Kingdom, and the extension of several existing facilities, mainly in Brazil, Portugal and China.

The Group headcount increased accordingly and led to a corresponding rise in energy, water and paper consumption and air travel.

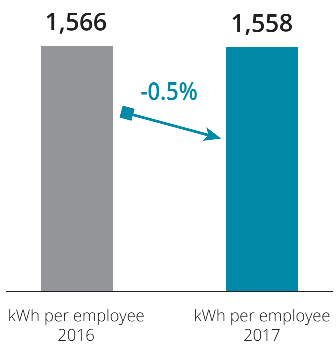
For the purposes of comparison, therefore, the amounts of consumption reported below are presented both in total and at constant headcount per employee (full-time equivalent).

5.3.3.1 Energy consumption

▶ Electricity in MWh



▶ Electricity consumption per employee



Energy consumption in 2017 amounted to 316,567,896 kWh compared to 291,943,798 kWh in 2016.

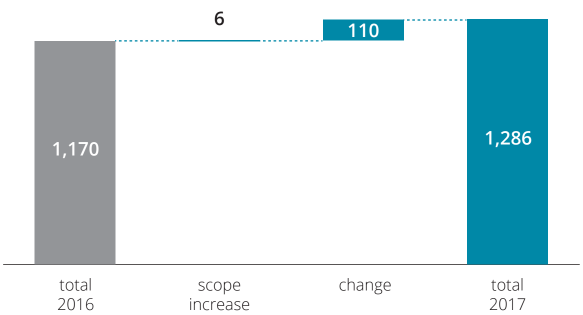
At constant headcount, energy consumption per employee fell 0.5% from 1,566 kWh in 2016 to 1,558 in 2017.

Teleperformance is pursuing a continuous improvement drive with regard to fittings (global switch to low energy bulbs, installation of motion detectors, light sensors, timers, optimized air-conditioning systems, regular tracking of energy consumption, *etc*.).

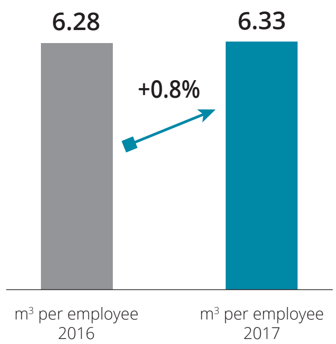
The Group uses renewable energies as part of its energy mix: a portion of the electricity supplied by current providers is derived from renewable energy (wind farms and solar power in particular), depending on the region.

5.3.3.2 Water consumption

▶ Water in thousands of m³



▶ Water consumption per employee



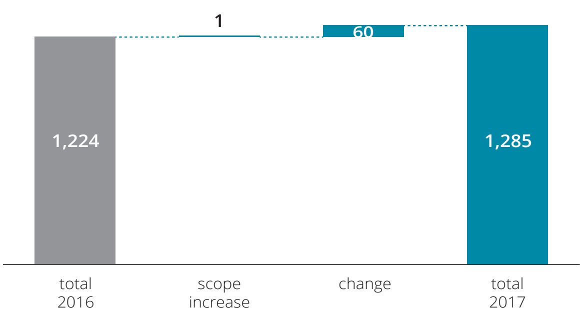
Water consumption in 2017 amounted to 1,285,691 m³ compared to 1,170,155 m³ in 2016.

At constant headcount, water consumption per employee was virtually unchanged: 6.33 m³ per employee in 2017 versus 6.28 in 2016 (up 0.8%).

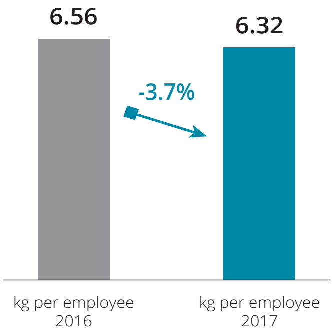
Further modernization was carried out at several facilities in 2017; e.g. installation of timers at all Portuguese facilities and exclusively waterless urinals in Mexico. More global measures are regularly implemented to increase employee awareness, including permanent notices reminding employees not to waste water and monthly dissemination of energy and consumption statistics.

5.3.3.3 Paper consumption

▶ **Paper in tons**



▶ **Paper consumption per employee**



Paper consumption in 2017 came to 1,285 tons, compared to 1,224 tons in 2016.

At constant headcount, paper consumption per employee fell by 3.7% (3.65%) from 6.56 kg in 2016 to 6.32 kg in 2017.

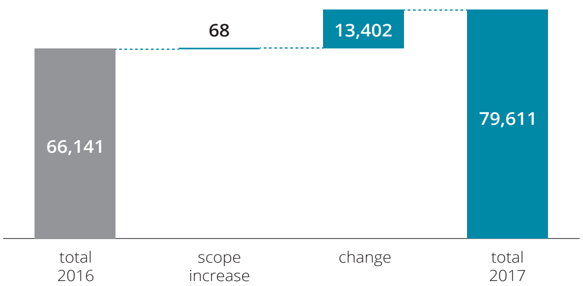
The decline in paper consumption was particularly marked in the CEMEA (down 9.2%) and Ibero-LATAM (down 7.8%) regions. It was achieved through a series of measures in place for a number of years now, including reducing the number of individual printers, growing use of tablets, double-sided printing, electronic signatures for Group employees, in order to avoid unnecessary printing and thus minimize each employee's carbon footprint, and global use of digital documentation.

A number of initiatives introduced by our subsidiaries are globalized, where local legislation permits. For example, the online payslip system introduced by the Portugal subsidiary in 2007 was extended to the Philippines and then to all Group centers in Southern Europe, Scandinavia and South America. More recently, the system was introduced in our subsidiaries in Eastern Europe, Central America and the USA. In 2017, around 90% of Group employees were covered by the online payslip system.

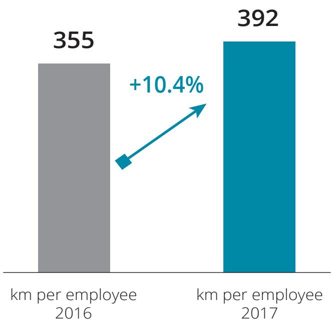
Further details of the paper collection and recycling system may be found in section 4.3.2.3. *Paper recycling*.

5.3.3.4 Air travel

▶ **Trips in thousands of km**



▶ **km per employee**



Air travel in 2017 amounted to 79,611,371 km compared to 66,141,150 km in 2016.

At constant headcount, air travel per employee rose 10.4% from 355 km in 2016 to 392 km in 2017.

The main reason for this increase was the centralization of management in the Ibero-LATAM region, which required a considerable amount of travel while the new system was being set up.

For several years now the Group has been encouraging the use of video-conferencing and Internet phone calls by employees wherever possible, in order to cut down on travel and CO_2 emissions. Otherwise, as far as possible rail travel is preferred to air travel.

5.3.4 Climate change

5.3.4.1 Adaptation to the consequences of climate change and associated financial risks

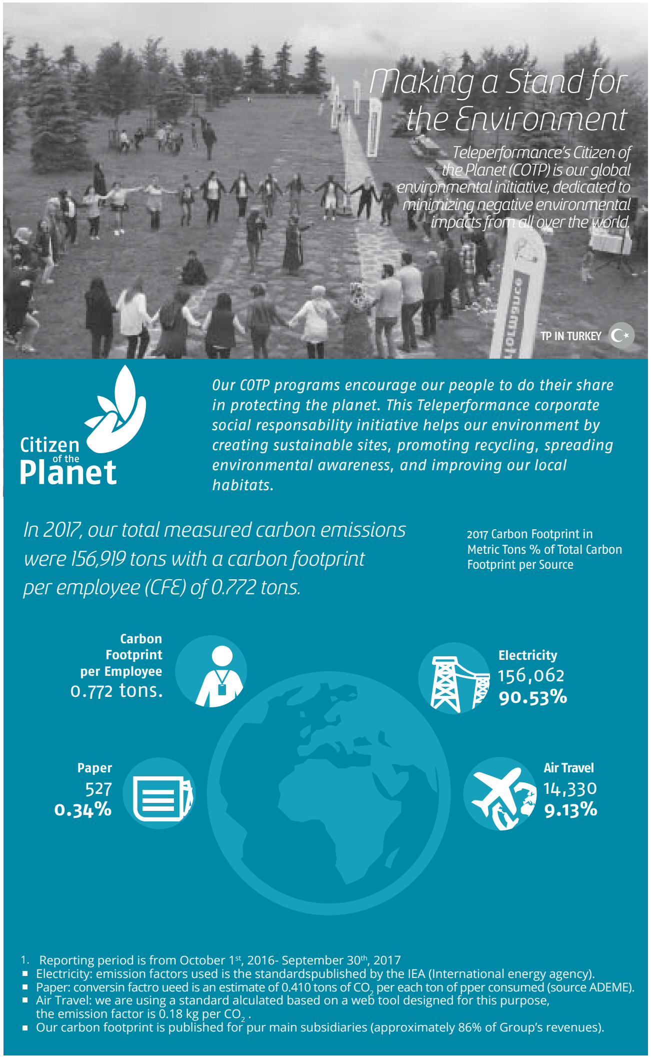
Given the locations of its facilities, the Group has relatively limited exposure to climate change risks.

However, the Philippines subsidiary is located in a region potentially vulnerable to 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 risks of typhoons, earthquakes, fires and other man-made accidents were discussed.

Lastly, *Citizen of the Planet* initiatives, such as tree planting and river cleanup, organized by our Philippines subsidiary contribute to preventing floods and mudslides.

5.3.4.2 Greenhouse gas emissions



At constant consolidation scope, our carbon footprint per employee increased by 0.9% from 2016 to 2017, mainly due to the increase in the number of journeys per employee.

The Group's carbon footprint in terms of emission sources taken into account came to 156,919 tons in 2017.

Our expansion and the increase in our headcount (up 9%) have led to a 9.9% increase in the Group's overall carbon footprint compared to the previous year (142,719 tons in 2016).

5.3.4.3 Land use, noise pollution and protection of biodiversity

As Teleperformance does not use natural resources, its business does not generate material direct emissions into the atmosphere, water or ground and does not create any noise disturbance for the local community.

Nor does our business have a material direct impact on biodiversity.

Nevertheless, Teleperformance endeavors to act at its own level, for example:

- by prioritizing the use of recycled paper;
- by providing employees with used battery and ink cartridge collecting bins;
- by installing metal can and plastic goblet collectors in break rooms and cafeterias;
- as far as possible, Teleperformance UK furnishes its offices and centers with furniture made of wood derived from sustainably managed forests.

Lastly, Teleperformance is involved in a large number of local initiatives aimed at raising global awareness amongst employees about their impact on the environment. Initiatives in 2017 included the following:

- Teleperformance India has been heavily involved in the *Swachh Bharat Abhiyan* (Clean India Mission) campaign launched by the Prime Minister in order to clean up public areas and create an environment conducive to health and well-being; in partnership with local NGOs, every quarter our employees take part in initiatives targeted at different communities in order to foster awareness of the importance of living in a clean environment;
- all of our subsidiaries were invited to organize local initiatives for *Earth Hour,* a global WWF-sponsored environmental movement which, once a year in March, encourages everybody to "turn off the lights" for a symbolic hour;
- in El Salvador, Teleperformance employees and their families cleared a beach of all plastic waste and then helped to release sea turtles back into the sea;
- in partnership with the *Green Line Albania* NGO, employees at our centers in Tirana and Durres, Albania, took part in an initiative to clean the streets of their city.

Furthermore, in 2017, our Mexican subsidiary donated 100,000 pesos to the Metropolitan Area of Monterrey air quality observatory and 40,000 pesos to a reputed environmental organization dedicated to plant, wildlife and priority ecosystem conservation, thus furthering the development of society in harmony with nature.

5.4 Social information

5.4.1 The local, economic and social impact of our business

5.4.1.1 Impact on employment and the economy

Site location strategy

The choice of site locations primarily corresponds to an employment area approach. As the 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 proximity to an airport is also a priority for the centers dedicated to offshore business;
- near to universities, as is the case in Colombia and Russia, in order to facilitate the recruitment of suitable profiles and multilingual personnel;
- with a high unemployment rate.

Local impact

Teleperformance's local impact in terms of employment varies considerably depending on the countries and site locations.

Thus, even with nearly 3,000 workstations, the local impact of the Monterrey (Mexico) subsidiary remains limited in an urban conglomeration with a population of 4 million.

On the other hand, Teleperformance Philippines, which employs over 35,000 people operating from 24 centers spread across the country, is the 2nd largest private-sector employer in the Philippines. Therefore, Teleperformance's impact on the local economy and employment market is considerable, especially in Manila where the Group has 18 centers.

Likewise, in Albania, with over 2,000 employees, our economic and social impact is very strong, as Teleperformance was ranked as the country's 3rd largest private-sector employer in 2017.

On a smaller scale, Group operations in small and medium-sized towns and cities have a noticeable impact: in Northern Ireland, for example, the Newry center with its 900 workstations is the primary employer in this town with a population of around 30,000.

5.4.1.2 Employment impact

Partnerships to promote employment

Teleperformance works in partnership with government employment agencies on a regular basis. For example:

- Teleperformance Argentina is involved in a number of employment initiatives organized by the Tucumán province, where the Group has a large campus; employment agencies send us job applicants, who are put through the usual hiring and selection processes. If Teleperformance hires any of these applicants, the government finances part of their salary for a specified period;
- In 2014, Teleperformance Tunisia launched a program to promote employment amongst long-term unemployed young people. Stemming from a partnership with USAID (*United States Agency for International Development*) and EFE-Tunisia (*Education For Employment*), an international non-profit organization, the program provides free advanced French lessons and an additional module in relational skills, in preparation for employment. The initiative has enabled applicants with an insufficient level of French to rapidly reach the required standard in order to work at Teleperformance. Thanks to this program, 151 young Tunisians were able to integrate into the world of work through being hired by Teleperformance;
- in El Salvador, Teleperformance works closely with the Ministry of Labor and Social Security on developing educational programs to promote and foster skills among the young generation to help them find employment more easily. In addition, we work alongside local authorities by contributing to training programs for adults to help them get jobs at our centers;
- as one of the largest employers in the country, Teleperformance Albania has developed a close partnership with the national employment agency; as the main sponsor of the careers fair organized by the national employment office, every year Teleperformance welcomes the Prime Minister, economy minister and city mayor, whose presence highlights Teleperformance's status as a model employer for the country;
- in Russia, a partnership was set up six years ago with the Labor Ministry and a number of cooperation agreements were signed: three days a week, Teleperformance recruitment Officers visit the national employment agencies to make contact with candidates. Every month, Teleperformance takes part in the job fairs organized in these agencies;
- in the Netherlands, Teleperformance has stepped up contact with local authorities in order to target applications from individuals who have difficulty finding employment.

Links with educational institutions

There are close and regular links between Group centers and nearby educational institutions in most of the cities where Teleperformance operates, especially with higher education institutions.

Many of these partnerships aim to publicize the career 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 signed with schools and professional training centers have enabled a more in-depth collaborative process to be implemented, including:

- for several years now, a Group of around 15 volunteers from our Enniskillen facility in Northern Ireland have been visiting a dozen or so primary and secondary schools in order to talk about life at the Company to the pupils, in cooperation with *Young Enterprise Northern Ireland*, a charity that develops the entrepreneurial skills and aspirations of young people;

- since late 2016, we have attended all job fairs held in the towns and cities where Teleperformance Russia operates;
- in Argentina, the head of Human Resources holds an annual meeting with the director of the region's three largest engineering schools;
- Teleperformance Tunisia has developed partnerships with seven universities and higher education institutions designed to introduce our occupations to students and give them the opportunity of completing two 2-hour in-house training courses, after which they are awarded a certificate;
- Teleperformance Philippines has set up a partnership with over 60 universities and establishments whereby priority is given to hiring candidates from partner establishments, seminars, workshops and interview training sessions are organized and various activities are coordinated between the partners.

In addition, most of our subsidiaries receive interns or students under apprenticeship and professional qualification contracts.

Lastly, there are 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. For example, as part of a drive to help reduce the digital divide, the Group's US subsidiaries donated over 500 PCs to around 20 local schools.

5.4.2 Support, partnership and sponsorship initiatives

5.4.2.1 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 their basic survival needs and further their personal development.

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 and disabled and into cancer research. More recently, Teleperformance has provided assistance to refugees through the COTW scheme.

As part of the *Citizen of the World* initiative, in 2017 Teleperformance donated the equivalent of US$5.7 million in cash and kind, as well as over 1,000 computers.

Aid for natural disaster victims and refugees

Over the past 11 years, Group employees have donated 432,086 volunteer hours – including 89,697 hours in 2017 alone – to help underprivileged people or victims of natural disasters.

For example, just after the Mocoa disaster in April, Teleperformance Colombia launched a collection of non-perishable food and essential supplies to help the communities affected by the mudslide that devastated this city in the country's southern region.

Similarly, our Argentinian subsidiary supplied the authorities with water containers to help victims of the April floods in Tucumán province, where Teleperformance has a campus.

In Portugal, donations were collected for victims of October's destructive wildfires.

Several of our US facilities took part in operations to help victims of hurricanes Harvey and Irma.

During the cold wave that hit Tunisia in January, the Ben Arous and Khereidinne Pacha campuses set up a number of initiatives in aid of the poor in partnership with Red Crescent.

Apart from emergency operations, the subsidiaries regularly partner local or national charity initiatives.

Employees at our UK facilities made generous contributions to fundraising initiatives for the victims of the London and Manchester terrorist attacks.

Lastly, in response to the refugee crisis involving hundreds of thousands of people leaving their homeland in search of a better life elsewhere, Teleperformance UK employees provided specific assistance for single mother refugees. In Greece, monthly collections of clothing and toys for refugee children have been organized for several years.

Aid to the elderly

In October 2017, for the *Plus de Vie* (literally, "more life") fundraiser for hospitalized elderly people, Teleperformance France provided five of its customer relations centers free of charge to register donation pledges from individuals. Many Teleperformance France employees volunteered to train and supervise students taking calls from donors and to help with technical organization. This major charity campaign will finance a large number of projects aimed at combating pain, encouraging family reunions and improving hospital comfort and facilities by installing family areas, hairdresser and beauty salons, cookery workshops and anti-bedsore mattresses. Teleperformance has been a partner of the Hôpitaux de Paris-Hôpitaux de France foundation, which organizes this operation, for 12 years.

For many years now, Teleperformance Philippines has supported the Mary Mother of Mercy Home for the Elderly foundation in San Pedro, while the Colombian subsidiary continues to support the *Consiente Abuelitos* program by providing sanitary products to elderly persons in need with the help of volunteer employees.

Aid for underprivileged children

Teleperformance's commitment, in coordination with local associations and organizations, takes various forms, such as visiting and organizing activities in orphanages and pediatric hospitals, collecting toys, clothing and school accessories, etc.

Among the many initiatives in 2017, the subsidiaries organized or took part in:

- various campaigns for collecting food, toys and clothing to be donated to 29 child aid charity organizations in Brazil;
- a book collection for primary schools in El Salvador;
- a collection to pay for medical care for a teenager wounded in a gun incident at his school in Monterrey, North Mexico, where Teleperformance has a large campus;
- the distribution of Christmas presents and Easter eggs to hospitalized children in the UK;
- a children's trip to the Lisbon Oceanarium organized by SOS Children's Villages;
- accompanying 30 visually impaired children and their families on a visit to Cairo's child center of civilization and creativity;
- employees of Teleperformance Hellas took part in the Athens marathon in aid of the *Make-A-Wish* foundation, which helps children aged 3-17 suffering from serious illnesses to fulfill their dreams;
- for the 7th year running, in partnership with the Delo Zhisni foundation, Teleperformance contributed to the purchase of drugs and surgical instruments for a pediatric hospital in Russia.

Actions in support of disabled people

A large number of local initiatives are organized by the subsidiaries to help disabled people. For example:

- the Tunisian subsidiary has an ongoing partnership with the *Un bouchon, un sourire* [A bottle top, a smile] association which organizes recycling of plastic bottle tops, the proceeds of which are used to fund projects in aid of disabled persons; in Greece and Spain, a similar scheme is used to help child victims of road accidents by providing them with wheelchairs;
- Teleperformance Salvador supports the Padre Vito Guarato shelter, which takes care of children and teenagers suffering from physical or mental disabilities;
- the US and UK subsidiaries regularly organize fundraising campaigns for the war wounded.

Actions in aid of the sick

Teleperformance also provides assistance to the sick. For example, in 2017:

- all US subsidiaries took part in "The Longest Day" collection of donations in aid of Alzheimer sufferers;
- Teleperformance UK continued its partnership with the *Teenage Cancer Trust,* a foundation that provides assistance and support to teenagers suffering from cancer;
- in Spain, Teleperformance worked together with the *Down Madrid* foundation, which aims to offer dignity and equal opportunities to persons suffering from Down syndrome and other intellectual disabilities.

Other charitable initiatives

Other local initiatives are organized for communities in need. Among the various programs implemented worldwide in 2017:

- Teleperformance India organized clothing distributions to people living in slums;
- during the month of Ramadan, Teleperformance Tunisia coordinated collections of food and clothing for two humanitarian organizations, Red Crescent and AMAL;
- employees of Teleperformance Argentina collected funds for *Rugby Sin Fronteras* (Rugby Without Borders), an NGO that encourages disabled people to take up a sport.

5.4.2.2 *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 provide entertainment in the form of an international artistic expression competition designed 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, which are often events in their own right that rally together Teleperformance employees. In 2017, for example, the Teleperformance Salvador final was staged in a theater and took the form of a gala evening where the local finalists were presented with gift vouchers worth US$250.

To mark this year's 10th anniversary of the *For Fun Festival*, two new categories were created: Photography and Short Film.

This year, around 5,000 employees from 32 countries took part in the local qualifying rounds and produced 1,409 videos: 831 in the music category, 144 in art, 133 in dance, 196 in photography and 105 in the short film category.

The 27 local finalists were assessed by a jury consisting of members of Teleperformance University and the 15 winners – 3 per category – received prizes ranging from US$1,500 to US$6,000.

5.4.2.3 *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.

Employees at all subsidiaries are encouraged to practice a sport and to take part in the championships. The aim is to have fun and provide entertainment *via* activities that bring together employees, their families and their friends.

In 2017, the Group boasted 342 soccer teams worldwide, 34 volleyball teams, 73 basketball teams, 93 bowling teams and 38 other teams covering a wide range of sporting disciplines, including American football, badminton, dance, golf, rugby and long-distance running.

5.4.3 Fair practices

5.4.3.1. Market conduct

Teleperformance has introduced a Code of Conduct relating to securities transactions in accordance with the AMF (French Financial Markets Authority) guide on prevention of insider misconduct in listed companies. The guide applies primarily to Group senior management. The procedures implemented are described in section 4.3.1. *Code of Conduct relating to securities transactions.*

5.4.3.2. Actions to prevent fraud and corruption

The Teleperformance Group closely and constantly monitors the practices applied by its employees and subsidiaries to ensure that they continue to be exemplary. Thus, within its sphere of influence, the Teleperformance Group applies the Ten Universal Principles of the United Nations as well as its own Global Essential Compliance and Securities Policies. The anti-corruption policy introduced in 2012 applies to all Group employees and prohibits all forms of corruption (financial, non-financial, favoritism, conflict of interest, *etc.*). The Group's compliance policy also sets out the conduct and practices that are expected with regard to competition and data privacy.

In addition, all Teleperformance employees are required to apply a global ethical charter in their relationships with both suppliers and clients.

Lastly, with the aim of implementing the universal principles, Teleperformance has drawn up a global policy designed to protect all personal data collected and processed within the scope of its operations.

Further details on anti-fraud measures implemented by the Group may be found in section 2.3.3.5 *Internal control and risk management*.

5.4.3.3 Subcontractors

Owing to its activity as an outsourcer, Teleperformance and its subsidiaries make very limited use of subcontractors. In any event, the Group's core business (customer relations) is never subcontracted. However, in some regions payroll operations are partly subcontracted in order to reduce costs: this solution only covers 0.27% of Group revenues.

5.4.3.4 Suppliers

Teleperformance's procurement policy was officially set down in June 2015 and is publicly available for consultation. In line with the Group's values, the policy includes requirements with regard to ethical issues and anti-corruption. It 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 policies and processes on the part of its employees, stakeholders and suppliers. In 2016, an external compliance audit was conducted on our procurement policy as part of the Verego social responsibility certification process.

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 policy 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 United Nations Ten Principles, Teleperformance's procurement policy 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 policy 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 management processes.

In line with the Group's organizational structure, in operational terms the Procurement Department is organized around the Group's three management regions (Ibero-LATAM, EWAP, CEMEA). The three procurement directors are tasked with implementing the social and environmental policy defined as part of the Group's global strategy. Accordingly, each region can implement specific measures in addition to Teleperformance's global recommendations and each regional procurement director provides guidance to each subsidiary within their region regarding the measures taken by the subsidiary in order to take local environmental considerations into account.

Teleperformance's purchases mainly comprise computer hardware and software, telecommunications services, and property and services related to the centers.

5.4.3.5 Measures taken to promote consumer health and safety

The Group's business entails no risk of harm to consumers' health or physical safety.

5.4.3.6 Personal data protection and security

The Group's activity requires subsidiaries, acting as data controllers, to collect, process and transfer personal data regarding our employees. When acting on behalf of its clients, Teleperformance acts as a data processor and collects and processes personal data of the customers of its clients.

The Group must not only meet legal requirements as well as any contractual commitments to its clients, but also more than 300 compliance criteria in the field of security. Non-compliance with statutory and contractual requirements could lead to adverse consequences for the Group's performance.

In 2015, the Group implemented a set of security rules ("Global Essential Compliance and Security Policies" or "GECSPs"), designed to anticipate possible risks of fraud or violation of legal security rules. The Group established an internal compliance audit function, which reviews our operational sites on a rotating 24-month schedule for adherence to the GECSPs and client requirements. In addition, external auditors carry out audits of selected sites in order to assess compliance with the GECSPs and other security processes implemented in our sites.

In addition, a Global Compliance and Security Council, chaired by the Global Deputy Chief Compliance Officer and Chief Privacy Officer meets monthly to review security incidents, if any, ensure regular compliance with the GECSPs, and quarterly to review results of the internal and external audits and other compliance matters. As Teleperformance places special attention on security matters, all regional CEOs and relevant operational and compliance Officers attend the Global Compliance and Security Council meetings.

Also, as of February 1st 2016, Teleperformance appointed a Worldwide Chief Legal Officer and Chief Compliance Officer, who reports directly to the Group Chairman and CEO. Teleperformance also appointed a Global Deputy Chief Compliance Officer and Chief Privacy Officer, who reports to the Chief Legal Officer and Chief Compliance Officer. These Officers provided a report of activities to the Board in 2017 and, beginning in 2018, will provide reports of activities to the Audit and Compliance Committee of the Board.

As part of the Group's ongoing efforts to manage these functions proactively, we have also created the Global Privacy Office. This office is comprised of the Global Deputy Chief Compliance Officer and Chief Privacy Officer, along with 3 regional Senior Vice-Presidents heads of Privacy/Data Protection Officers. The Global Privacy Office is responsible for implementing the Group's global privacy policy and ensuring that Teleperformance is in full compliance with privacy regulations around the world, such as the European Commission's General Data Protection Regulation ("GDPR"), which goes into effect as from May 25th 2018.

Also in 2017, Teleperformance created the Global Technology and Privacy Committee, which is chaired by the Chief Information Security Officer. The members of this Committee are the Global Chief Information Officer and all regional Chief Information Officers, as well as the Global Deputy Chief Compliance Officer and Chief Privacy Officer, and the regional Senior Vice Presidents heads of Privacy/Data Protection Officers. The main function of this Committee is to evaluate all new and existing technologies prior to deployment to ensure that a Privacy Impact Assessment (PIA) has been completed. This process ensures that Teleperformance evaluates the privacy implications of the technologies we use in collecting or processing data as both a Data Processor and a Data Controller.

Teleperformance made a strategic decision in early 2017 to obtain Binding Corporate Rules ("BCRs") certification from the European Commission. Upon implementation of the BCRs, our subsidiaries will agree to follow them (as both Data Controllers and Data Processors) which will allow Teleperformance to transfer and process data globally. The Group's application for BCR certification was approved by the EU in January 2018.

5.4.3.7 Other action in support of human rights

The Teleperformance Group has agreed to abide by the United Nations Global Compact, confirming its adherence to a set of fundamental values, in particular Principles 1 and 2:

1. *Businesses should support and respect the protection of internationally proclaimed human rights; and*
2. *Ensure that they are not complicit in human rights abuses.*

Teleperformance upholds and defends human rights and ensures that these two principles are strictly applied by all of its subsidiaries. Accordingly, in all of its relations with stakeholders, Teleperformance ensures that it is not complicit in human rights abuses.

Our commitment takes the form of encouragement to adopt the behavior advocated in our Code of Ethics, equal opportunities policy and supplier Code, which also stems from our corporate values: Integrity, Respect, Professionalism, Innovation and Commitment.

Our operating procedures are designed to guarantee respect for human rights.

5.5 Social and environmental issues and targets

Teleperformance's 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 responsibility.

The targets are adapted to the stakeholders and issues concerned.

5.5.1 Staff issues and targets

5.5.1.1 Training

The Group places particular importance on training, a core component of its operations.

32,413,418 training hours were provided throughout the Group in 2016. A target increase of 3% had been set for 2017.

→ **This goal was achieved, since 34,189,097 training hours were provided in 2017, an improvement of 5.47%.**

5.5.1.2 Quality of life at work

- Teleperformance's target for 2017-2020 is to win two *Great Place to Work®* awards in each of its three operating regions (CEMEA, EWAP and Ibero-LATAM). In 2017, seven Teleperformance subsidiaries obtained *Great Place to Work®* awards:
  - CEMEA: Teleperformance Hellas (Greece) received the award for the 2nd time;
  - EWAP: Teleperformance India won a prestigious award for the 4th time: *#1 BPO in India by the Great Place to Work Institute*
  - Ibero-LATAM: five subsidiaries received an award: Teleperformance Brazil for the 8th year running, the Mexico and El Salvador subsidiaries for the 4th year running, the Dominican Republic subsidiary for the 3rd year running and Teleperformance Portugal for the 7th time;

→ **The three-year target is well on the way towards achievement, as one region (Ibero-LATAM) has already obtained more than two Great Place to Work® awards.**

- In 2016, 102,701 employees replied to the annual satisfaction survey.

The Group was aiming for a 3% annual increase in that figure.

→ **This goal was achieved, since 113,481 employees replied to the survey in 2017, an increase of 10.47%. Moreover, we increased the number of countries that replied to the survey, from 44 in 2016 to 47 in 2017.**

5.5.1.3 Gender equality

Our goal is to maintain an even overall breakdown between men and women.

In 2016, the ratio was 53% women to 47% men. It remained similar in 2017, namely 52.67% women to 47.31% men.

→ **The equality objective has therefore been maintained.**

5.5.2 Social issues and targets

5.5.2.1 Citizen of the World

For the period from 2017 to 2020, Teleperformance has set itself the target of raising US$4 million a year in cash or kind.

→ **The target for 2017 has been largely exceeded, since over US$5.7 million in cash and in-kind donations was collected during the year.**

5.5.3 Environmental issues and targets

5.5.3.1 Carbon footprint per employee

Given that in 2015 the Group introduced a monitoring system for greenhouse gas emissions, this indicator is regularly monitored with a view to regularly reducing the carbon footprint per employee.

→ **This target was not reached this year, as the carbon footprint per employee at constant consolidation scope increased by 0.9%, from 0.765 ton per employee in 2016 to 0.772 ton in 2017, mainly due to the increased number of employee trips.**

5.6 Report by one of the statutory auditors, appointed as independent third party, on the consolidated Human Resources, environmental and social information included in the management report

This is a free English translation of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

For the year ended 31st December 2017

To the shareholders,

In our capacity as Statutory Auditor of Teleperformance SE, (hereinafter named the "Company"), appointed as independent third party and certified by COFRAC under number 3-1049 [1] , we hereby report to you on the consolidated Human Resources, environmental and social information for the year ended 31st December 2017, included in the management report (hereinafter named «CSR Information»), pursuant to Article L.225-102-1 of the French Commercial Code (*Code de commerce*).

Company's responsibility

The Board of Directors is responsible for preparing a company's management report including the CSR Information required by Article R.225-105-1 of the French Commercial Code in accordance with the procedures used by the Company (hereinafter the «Guidelines»), summarised in the management report and available on request from the Company's head office.

Independence and quality control

Our independence is defined by regulatory texts, the French Code of ethics (*Code de déontologie*) of our profession and the requirements of Article 822-11-3 of the French Commercial Code. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements and applicable legal and regulatory requirements.

Statutory Auditor's responsibility

On the basis of our work, our responsibility is to:

- attest that the required CSR Information is included in the management report or, in the event of non-disclosure of a part or all of the CSR Information, that an explanation is provided in accordance with the third paragraph of Article R.225-105 of the French Commercial Code (Attestation regarding the completeness of CSR Information);
- express a limited assurance conclusion that the CSR Information taken as a whole is, in all material respects, fairly presented in accordance with the Guidelines (Conclusion on the fairness of CSR Information);

Our work involved five persons and was conducted between September 2017 and February 2018 during a five weeks period. We were assisted in our work by our CSR experts.

We performed our work in accordance with the order dated May 13th, 2013 defining the conditions under which the independent third party performs its engagement and with the professional guidance issued by the French Institute of statutory auditors (*Compagnie nationale des commissaires aux comptes*) relating to this engagement and with ISAE 3000 [2] concerning our conclusion on the fairness of CSR Information.

1. Attestation regarding the completeness of CSR Information

Nature and scope of our work

On the basis of interviews with the individuals in charge of the relevant departments, we obtained an understanding of the Company's sustainability strategy regarding Human Resources and environmental impacts of its activities and its social commitments and, where applicable, any actions or programmes arising from them.

We compared the CSR Information presented in the management report with the list provided in Article R.225-105-1 of the French Commercial Code.

For any consolidated information that is not disclosed, we verified that explanations were provided in accordance with Article R.225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the scope of consolidation, *i.e.*, the Company, its subsidiaries as defined by Article L.233-1 and the controlled entities as defined by Article L.233-3 of the French Commercial Code within the limitations set out in the methodological note, presented in 6.1.1 section of the management report.

(1) *"whose scope is available at www.cofrac.fr"*
(2) *ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information*

Conclusion

Based on the work performed and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

2. Conclusion on the fairness of CSR Information

Nature and scope of our work

We conducted about ten interviews with the persons responsible for preparing the CSR Information and, where appropriate, responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability, and taking into account industry best practices where appropriate;
- verify the implementation of data-collection, compilation, processing and control process to reach completeness and consistency of the CSR Information and obtain an understanding of the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and procedures based on the nature and importance of the CSR Information with respect to the characteristics of the Company, the Human Resources and environmental challenges of its activities, its sustainability strategy and industry best practices.

Regarding the CSR Information that we considered to be the most important (3) :

- at parent entity level, we referred to documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in agreement with the other information in the management report;
- at the level of a representative sample of entities selected by us (4) on the basis of their activity, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify that procedures are properly applied and to identify potential undisclosed data, and we performed tests of details, using sampling techniques, in order to verify the calculations and reconcile the data with the supporting documents. The selected sample represents 19% of headcount considered as material data of social issues and 21% of the energy consumption considered as material data of environmental issues.

For the remaining consolidated CSR Information, we assessed its consistency based on our understanding of the Company.

We also assessed the relevance of explanations provided for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes we have used, based on our professional judgement, are sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the CSR information cannot be totally eliminated.

Conclusion

Based on the work performed, no material misstatement has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

(3) Social indicators: Total Headcount, and breakdown by gender and age, Average FTE by category, Employees movements (hires and departures), Number of training hours, Absenteeism rate (agents only).

Environmental indicators: Energy consumption, Greenhouse gas emissions (Scope 1 and 2).

Qualitative information: Organization of social dialogue including information procedures, consultation and negotiation with the employees, Occupational health and safety conditions, Policies implemented regarding training, Organization of the Company to integrate environmental issues and, if appropriate, the assessments and certification process regarding environmental issues, Measures of prevention, recycling, reuse, other forms of recovery and disposal of waste, Consumption of raw materials and measures implemented to improve efficiency in their use, Actions of partnership and sponsorship, Integration of social and environmental issues into the Company procurement policy, Measures implemented to promote consumers health and safety.

(4) Teleperformance Tunisia (Société Tunisienne de Télémarketing and Société Méditerranéenne de Télémarketing), Teleperformance France, Teleperformance Mexico (HTG), Teleperformance CRM (Brazil).

Comments on the financial year

6

GOOD RESULTS

DEBT REDUCTION

FAVORABLE OUTLOOK

6.1 Review of the Group's financial position and results

The accounting principles used by the Group to prepare is consolidated accounts are described in the notes to the consolidated accounts (page 145 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 statement, especially with respect to the following items:

- impairment of intangible assets and goodwill;
- the estimation of the financial liability connected with price adjustment on purchase commitments to minority shareholders;
- 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 of if new information is obtained. Actual results may differ from these estimates.

6.1.1 Alternative performance measures (APMs)

EBITDA before non recurring items *(Earnings before Interest, Taxes, Depreciation and Amortizations)*:

	2017	2016
Operating profit	**355**	**339**
Depreciation and amortization	164	150
Amortization of intangible assets acquired as part of business combination	87	41
Impairment loss on goodwill	67	0
Share-based payments	24	22
Other operating income and expense	23	6
EBITDA BEFORE NON RECURRING ITEMS	**720**	**558**

EBITA before non recurring items *(Earnings Before Interest Taxes and Amortizations)*:

	2017	2016
Operating profit	**355**	**339**
Amortization of intangible assets acquired as part of business combination	87	41
Impairment loss on goodwill	67	0
Share-based payments	24	22
Other operatin income and expense	23	6
EBITA BEFORE NON RECURRING ITEMS	**556**	**408**

Net free cash flow:

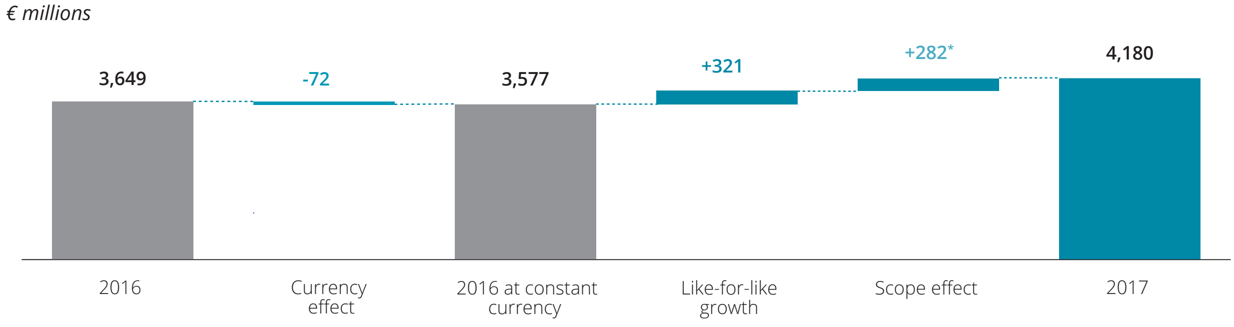
	2017	2016
Net cash flow from operating activities	**516**	**459**
Acquisition of intangible assets and property, plant and equipment	-148	-192
Proceeds from disposals of intangible assets and property, plant and equipement	1	2
Financial interest paid/received	-45	-33
NET FREE CASH FLOW	**324**	**236**

Net debt :

	31/12/2017	31/12/2016
Non-current liabilities		
Financial liabilities	1,387	1,688
Current liabilities		
Financial liabilities	224	261
Cash and cash equivalent	**-285**	**-282**
NET DEBT	**1,326**	**1,667**

Change in like-for-like revenue:

Change in revenue at constant rates and scope of consolidation, corresponding to current year revenue – last year revenue at current year rates – revenue from acquisitions at current year rates/last year revenue at current year rates.



** Relates to LanguageLine Solutions LLC, acquired in the second half of 2016..*

6.1.2 2017 Group's results

6.1.2.1 Business

Group consolidated revenue amounted to €4,180 million, representing a 14.6% increase as reported compared with 2016. This increase includes a €282 million positive contribution from the consolidation of LanguageLine Solutions LLC since September 19th, 2016, as well as a €72 million negative currency effect arising from the decrease against the euro of certain currencies, mainly US dollar, the pound sterling and the Egyptian pound.

▶ 2017 revenues and change by region versus 2016

(in millions of euros)	12/31/2017	12/31/2016	Reported	Like-for-like*
Core services	**3,542**	**3,314**	**+6.9%**	**+8.8%**
English-speaking market & Asia-Pacific	1,607	1,628	-1.3%	+1.6%
Continental Europe, Middle East & Africa	851	802	+6.1%	+8.1%
Ibero-LATAM	1,084	884	+22.6%	+22.4%
Specialized services	**638**	**335**	**-**	**-**
TOTAL	**4,180**	**3,649**	**+14.6%**	**+9.0%**

** At constant exchange rates and consolidation scope.*

▶ Change in annual Group revenues over the last three years

Change (%)	Reported	Like-for-like*
2017	+14.6%	+9.0%
2016	+7.4%	+7.4%
2015	+23.2%	+7.5%

** At constant exchange rates and consolidation scope.*

Core services

Core services revenue amounted to €3,542 million in 2017, a gain of +6.9% as reported. Like-for-like revenue growth came to +8.8% and was led mainly by the Ibero-LATAM region throughout the year.

English-speaking market & Asia-Pacific

Annual revenue for the region amounted to €1,607 million in 2017, representing a like-for-like increase of +1.6% versus 2016.

Teleperformance continued to diversify its client portfolio in the region during the year. The fastest growing client segments in the United States were consumer electronics and e-services, particularly e-tailing and e-transport. Consumer goods and healthcare also contributed to regional revenue growth. Good momentum in these sectors offset a weaker performance from telecommunications activities, particularly offshore. Business was stable year-on-year in the Philippines, reflecting the decision by certain clients to outsource their offshore services to Mexico, whose geopolitical and currency environment was seen as more favorable in 2017.

The downturn in business volumes in the United Kingdom was mainly due to the unfavorable economic and currency environment caused by Brexit, which caused the Group's existing and potential clients to adopt a wait-and-see attitude. However, thanks to the improvements observed during the year, the Group is confident that business will be stronger in 2018.

In Asia-Pacific, annual growth was not as strong as expected because of the slow start-up of the sites recently opened in China and Malaysia. Given the outlook for new business, growth is not expected to pick up again until the second half of 2018.

Ibero-LATAM

In the Ibero-LATAM region, revenue rose by +22.4% like-for-like and by +22.6% as reported to represent €1,084 million in 2017. The net currency impact was limited, as the positive effects of gains in the Brazilian real and Colombian peso against the euro were offset by declines in the US dollar and the Argentine and Mexican pesos, also against the euro.

Teleperformance continued to benefit from the significant investments made in the region in 2016 and 2017 and from the successful diversification of its client portfolio among large local and international companies in various business sectors, including leading players in the new economy.

Operations in Portugal (multilingual platforms), Colombia and Brazil, along with offshore activities in the region, including in Mexico, delivered the highest levels of growth.

To help meet strong demand in the region, the Group established a presence in Peru during the year. In addition to a high-potential domestic market, Peru offers an attractive geographic position, as well as a working population and an environment that are favorable to offshore services.

Continental Europe & MEA

Regional revenue rose by +8.1% like-for-like and by +6.1% as reported. The negative currency effects stemmed mainly from the fall in the Egyptian pound and the Turkish lira against the euro.

Growth accelerated during the second half of the year to reach +10.7% like-for-like in the fourth quarter. The faster pace of expansion reflected brisk sales momentum with global clients. The best performances were primarily achieved in the following geographies:

- in the Mediterranean region, in Greece (multilingual platforms), Egypt and Turkey;
- in Eastern Europe (Russia, Poland and Romania); and
- in Scandinavia.

The region's fastest growing markets are consumer electronics, retail, leisure, financial services, travel agencies, transportation and consumer goods. E-services accounted for a good number of the contracts awarded throughout the year, particularly in retail. Momentum in the region is strong and the economic environment favorable. Business is therefore expected to continue to progress well in 2018.

Specialized services

Annual revenue from Specialized services totaled €638 million in 2017, versus €335 million in 2016. On a like-for-like basis, revenue growth was +10.4%.

LanguageLine Solutions, the leading provider of online interpreting services to the US market, saw its business growth accelerate in the fourth quarter, notably due to the impact of hurricanes in the United States. For the full year, the Company posted revenue growth that was in line with the forecasts provided to the Group during the acquisition process. Business at LanguageLine Solutions is expected to continue to expand at a similar pace in 2018.

TLScontact once again delivered strong business growth, driven by an increase in visa applications and by brisk sales of add-on services. Growth will continue to be sustained by tourist traffic, which is set to remain high in 2018 (particularly out of Asia), but is expected to be impacted by a higher basis of comparison

The LanguageLine Solutions and TLScontact businesses accounted for around 85% of Specialized services revenue in 2017.

6.1.2.2 Results

EBITDA before non-recurring items amounted to €720 million in 2017, up +28.8% year-on-year, for a margin of 17.2% versus 15.3% in 2016.

EBITA before non-recurring items rose by +35.9% to €556 million from €408 million in 2016. EBITA margin before non-recurring items widened by 210 basis points to 13.3% from 11.2% in 2016. Including the contribution of LanguageLine Solutions over 12 months, the margin widened by 50 basis points year-on-year (12.8% pro forma).

The further improvement in the Group's profitability in 2017 reflected the following key trends:

- increased margins for Core services, with bullish business growth in the Ibero-LATAM region, which has the highest margins of the Group's three linguistic regions (mix effect), and a continued gradual recovery in margins in Continental Europe & MEA;
- increased margins for Specialized services, with continued strong growth in outsourced visa application management services (TLScontact) and the first-time consolidation over a 12-month period of LanguageLine Solutions, a high-margin business (mix effect).

The table below shows the EBITA margin by activities:

Current EBITA margin *(in %)*	2017	2016
Core services	**10.3**	**9.7**
English-speaking market & Asia-Pacific	8.8	9.2
Ibero-LATAM	12.3	12.3
Continental Europe, Middle East & Africa	5.0	3.8
Specialized services	**29.9**	**25.9**
TOTAL (INCLUDING *HOLDING*)	**13.3**	**11.2**

Core services

Core services recorded EBITA before non-recurring items of €365 million in 2017, compared with €321 million the previous year. EBITA margin before non-recurring items increased to 10.3%, versus 9.7% in 2016.

English-speaking market & Asia-Pacific

The English-speaking market & Asia-Pacific region posted EBITA before non-recurring items of €141 million in 2017, down from the previous year. EBITA margin before non-recurring items came to 8.8% versus 9.2% in 2016. This primarily reflects:

- an unfavorable geographic mix effect, with growth in domestic business in the United States stronger than growth in offshore business in the Philippines. Offshore activities flattened during the year to the advantage of nearshore business in Mexico (Ibero-LATAM region), a country that currently has high appeal among clients;
- a very gradual ramp-up of the sites opened in China and, more recently, Malaysia;
- an uncertain economic environment in the United Kingdom, which is holding back the Group's revenues and margins.

Given the contracts signed recently and the projects already under way, together with continued cost discipline and the non-recurrence of the negative effects felt in 2017, the Group is confident in its ability to improve margins in the region in 2018.

Ibero-LATAM

EBITA before non-recurring items in the Ibero-LATAM region rose to €134 million in 2017, from €109 million the previous year, and the margin remained high at 12.3%, unchanged from 2016.

Growth in operations in Portugal and Colombia was particularly robust and profitable over the year, while margins continued to improve steadily in Spain.

The region benefited once again from the currency trends that continue to favor nearshore business in Mexico serving the US market.

With the market environment remaining very dynamic, the Group intends to continue to improve its margins in the region.

Continental Europe & MEA

In the continental Europe & MEA region, Teleperformance remained on the steady upward trend in profitability that began in 2012. EBITA before non-recurring items amounted to €43 million in 2017, for a margin of 5.0% versus 3.8% in 2016. The increase reflects two main positive factors:

- strong growth in demand from global clients, notably through the sustained development of multilingual solutions, and very good margin improvements in a number of countries in Southern and Eastern Europe, including Turkey, Egypt and Romania. The mix effect stemming from strong growth in business in Greece and Russia was also positive;
- ongoing improvement in profitability driven by strict cost discipline in certain countries, such as Germany and the Nordics, and to a lesser extent Italy with the development of its offshore solutions in Albania. The Group strengthened its offshore portfolio by setting up operations in Kosovo to serve the German market, thereby improving the competitiveness of its offering in the region.

In light of the promising economic environment and its positioning in the region, the Group is confident that margins will continue to improve in 2018.

Specialized services

Specialized services reported EBITA before non-recurring items of €191 million in 2017, compared with €87 million the previous year. EBITA margin before non-recurring items increased to 29.9%, versus 25.9% in 2016.

The change was primarily due to the first-time consolidation of LanguageLine Solutions over a 12-month period in 2017.

If the contribution from LanguageLine Solutions had been included over the full 12 months in 2016, revenue and EBITA before non-recurring items for that year would have been €3,910 million and €178 million respectively, for a margin of 29.9%.

Specialized services margins are expected to remain high in 2018.

6.1.2.3 Résults

Operating profit rose to €355 million, versus €339 million in 2016. This included:

- amortization of intangible assets on acquisitions in an amount of €87 million, up from the previous year due to the acquisition of LanguageLine Solutions LLC;
- an impairment loss on goodwill in an amount of €67 million;
- €24 million in accounting expenses on the performance share plans;
- €23 million in other non-recurring expenses mainly corresponding to the estimated costs relating to the reorganization of the French business and to a provision made in respect of a non-compete agreement.

The financial result represents a net expense of €50 million, versus €39 million in 2016.

Income tax expense amounted to €122 million excluding the effect of the US tax reform resulting in a profit of €131 million. In 2017, the Group recognized an income tax credit of €9 million.

Net profit attributable to minority interests represented €2 million.

Net profit Group share came to €312 million for the year, up 46.0% from €214 million reported in 2016. Diluted earnings per share amounted to 5.31, up from €3.67 in 2016.

The Board of Directors will recommend that shareholders at the annual general meeting on February 28th, 2018 approve an increase in the 2017 dividend to €1.85 per share from the €1.30 paid in respect of 2016. This would correspond to a payout ratio of 35% unchanged from the prior year.

6.1.3 Cash flow and capital structure

During the first half of 2017, the Group made a bound issue of €600 million at a nominal interest rate of 1.50%, redeemable in 2024, in order to complete the refinancing of its acquisition of LanguageLine Solutions LLC.

Consolidated financial structure as of December 31st, 2017

▶ Long-term capital

As of December 31st *(in millions of euros)*	**2017**	2016	2015
Shareholders' equity	1,922	1,921	1,765
Non-current financial liabilities	1,387	1,688	469
Total non-current capital	3,309	3,610	2,234

▶ short-term capital

As of December 31st *(in millions of euros)*	**2017**	2016	2015
Current financial liabilities	224	261	151
Cash and cash equivalents	285	282	257
Cash surplus, net of current financial liabilities	61	21	106

Our main financial liabilities are subject to covenants, which were all complied with as of December 31st, 2017.

▶ Source and amount of cash flow

As of December 31st *(in millions of euros)*	**2017**	2016	2015
Internally generated funds from operations	574	442	400
Change in working capital requirements	-58	17	-9
Cash flow from operating activities	**516**	**459**	**391**
Investment and capital expenditure	-152	-1,582	-174
Proceeds from disposals	1	3	12
Cash flow from investing activities	**-151**	**-1,579**	**-162**
Change in equity interest in controlled companies	-39	-33	-5
Dividends paid/purchases of treasury stock	-76	-85	-58
Interest expense	-45	-33	-17
Net change in financial liabilities	-293	1,341	-57
Cash flow from financing activities	**-453**	**1,190**	**-137**
CHANGE IN CASH AND CASH EQUIVALENTS	**-88**	**70**	**92**

Internally generated funds from operations amounted to €574 million, versus €442 million in 2016 because of growth in business and results. This growth generated a working capital requirement up to €58 million versus a working capital of €17 million in 2016.

Net capital expenditure raised to €147 million from €190 million in the previous year *i.e.* 3.5% of the revenue vs 5.2% in 2016. In 2016, many investments were committed to create or expand contact centers serving key markets in the Group's three regions.

Group net free cash flow improved significantly to €324 million from €236 million in 2016, despite the rise in interest paid.

After the payment of €75 million in dividends, net debt stood at €1,326 million at December 31st, 2017 *versus* €1,667 million the previous year.

6.1.4 Key figures of the main subsidiaries

The key figures of the subsidiaries whose revenue exceeded 10% of the Group's consolidated revenue are presented below:

Selected financial data	Teleperformance USA *(in thousands of US dollars)*
Non-current assets	874,052
Current assets	446,271
Total assets	**1,320,323**
Shareholder's equity	402,600
Non-current liabilities	705,264
Current liabilities	212,459
Total equity and liabilities	**1,320,323**
Revenue	972,120
NET PROFIT	**35,781**

6.2 *Review of the Company's financial position and results*

6.2.1 Balance sheet

6.2.1.1 Receivables from subsidiaries and affiliates

Teleperformance has made a number of loans to its subsidiaries during 2017 in relation to their cash management, in a total amount of €38 million, principally to:

- Luxembourg Contact Centers, of €9 million;
- LanguageLine Solutions (incorporated in the United Kingdom), of £7.5 million (€8.4 million);
- In & Out (incorporated in Italy), of €6 million;
- Teleperformance Canada, of CAD9 million (€6.0 million);
- Teleperformance Malaysia, of €3.1 million;
- GN France, of €2 million.

6.2.1.2 Derivative financial instrument and hedging operations

The accounting principles applying to derivative financial instruments and to hedging operations were modified by ANC regulation n° 2015-05 dated July 2nd, 2015 which was required to be applied to financial statements in respect of years commencing on or after January 1st, 2017. The Company has applied the regulation since January 1st, 2017 with retrospective effect, but with no impact on opening shareholders' equity.

The Company has elected to apply the simplified transitional option under which only those contracts in force at January 1st, 2017 were required to be restated.

6.2.1.3 Shareholders' equity

The share capital at December 31st, 2017 amounted to €144,450,000, comprising 57,780,000 shares, each of a €2.50 nominal value.

6.2.1.4 Financing arrangements

The Company has a syndicated credit facility of €300 million which expires in February 2022. Draw-downs under the facility may be made either in euros or in US$, and are repayable *in fine*. At December 31st, 2017, no outstanding amounts had been drawn down under the facility, compared with €35 million at December 31st, 2016.

The Company also has two US private placements, obtained in 2014 and 2016, redeemable *in fine* with the following principal conditions:

- a US$160 million tranche at a fixed interest rate of 3.64%, redeemable in December 2021;
- a US$165 million tranche at a fixed interest rate of 3.98%, redeemable in December 2024;
- a US$75 million tranche at a fixed interest rate of 3.92%, redeemable in December 2023;
- a US$175 million tranche at a fixed interest rate of 4.22%, redeemable in December 2026.

On September 16th, 2016, Teleperformance obtained a loan of US$500 million repayable in four equal installments on August 20th, 2018 and August 19th, 2019, 2020 and 2021.

The company has also made a bond issue of €600 million at a nominal interest rate of 1.50%, redeemable on April 3rd, 2024. This bound allowed the reimbursement of the bridge credit facility of €668 million issued on September 16th, 2016, initially for a period of 24 months.

The premium due on redemption of the bonds is presented as an asset in an amount of €3.2 million and will be amortized over the period to redemption.

Finally, on November 23rd, 2017, Teleperformance subscribed to commercial paper issues in a total amount of €105 million.

On July 28th, 2017, the Company repaid the loan of US$135 million from Crédit Agricole.

As of December 31st, 2017 the Company was in compliance with all applicable financial ratios.

6.2.1.5 Invoices received or issued whose payment is overdue at the year-end (schedule prescribed under Article D.441-4-1)

	Article D.441-1 (1): Invoices received whose payment is overdue at the year-end						Article D.441-1 (2) Invoices issued whose payment is overdue at the year-end					
	Not overdue	1-30 days	31-60 days	61-90 days	Over 90 days	Total overdue	Not overdue	1-30 days	31-60 days	61-90 days	Over 90 days	Total overdue
(A) Overdue payments by tranche												
No. invoices						**81**						**166**
Total amount of invoices overdue, excluding VAT		1,694	1,352	23	200	**3,269**		12,686	46	0	1,505	**14,237**
Overdue invoices as a % of year's purchases, excluding VAT		3.72%	2.97%	0.06%	0.44%	**7.19%**						
Overdue invoices as a % of year's revenues, excluding VAT								11.86%	0.04%	0.00%	1.41%	**13.31%**
(B) Amount of disputed or unrecorded invoices excluded from (A)												
No. of invoices excluded												
Total amount of invoices excluded												
(C) Credit terms used (contractual or legal – Article L.441-6 and Article L.443-1 of the French Commercial Code)												
Credit terms used in the calculation of overdue amounts	☐ Contractual: ☒ Legal: 30 days						☒ Contractual: on receipt ☐ Legal:					

6.2.2 Income

6.2.2.1 Business

The Company carries out a holding activity vis-à-vis its subsidiaries and also performs management, control, support and advisory functions for Group companies, receiving fees for these services. Teleperformance also collects a brand royalty charged to all of its subsidiaries.

Total revenue amounted to €107.0 million versus €70.7 million in 2016, an increase of 51.4%. The increase in royalty income is principally due to the increase in consolidation scope.

2017 gross operating profit amounted to €50.7 up €27.7 million from €23.0 million in 2016, mainly due to 2 events:

- 2016 expense of €13.2 million concerning above-mentioned loan issuance expenses;
- the increase in royalties and management fees billed to subsidiaries due to their greater levels of activity.

6.2.2.2 Financial result

2017 net financial income amounted to €44.8 million, versus €40.6 million in 2016, and breaks down as follows:

	2017	2016
Dividends	37.9	32.6
Net interest income	15.5	18.0
Net write-offs	-3.1	-3.8
Foreign exchange gains and losses	18.5	10.6
Provisions against subsidiaries	-24.0	-16.8
TOTAL	**44.8**	**40.6**

Following the remeasurement as of December 31st, 2017 of its investments in subsidiaries and affiliates, the Company made a provision of €70.0 million on its shares in Teleperformance France and released existing provisions totaling €45.9 million, principally concerning its Spanish and Italian subsidiaries.

In 2017 and 2016, the Company waived receivables due from its subsidiary Teleperformance France concerning intellectual property royalties and management fees, for €2.7 million and €3.5 million, respectively.

6.2.2.3 Net profit

Underlying earnings before tax came in at a profit of €95.4 million compared to a profit of €63.6 million in 2015.

After a 2016 income tax expense of €24.4 million (€19.3 million in 2016), 2017 resulted in a net profit of €71.3 million against a 2016 net profit of €41.7 million

6.2.2.4 Tax result

The tax group formed by Teleperformance and its French subsidiaries made a tax profit of €51.7 million in 2017. The Company has no more tax losses available for offset against future taxable income as the balance of €2.8 million outstanding at the end of 2016 was utilized in 2017.

In accordance with the provisions of Article 223 quarter of the French General Tax Code, it is stipulated that the overall amount of costs and expenses falling under the Article 39 of the French Tax Code amounts to €21,092 for the financial year ended December 31st, 2017. These costs and expenses represent an income tax amount of €7,262.

6.3 Trends and Outlook

6.3.1 Outlook

Confident about the year ahead, Teleperformance has set the following annual financial targets for revenue and margins:

- like-for-like revenue growth above +6%;
- further growth in EBITA margin before non-recurring items to at least 13.5% of revenue

The Group is also confident about its ability to continue to generate a strong level of cash flow during the year, enabling it to pursue its dynamic development strategy while maintaining strict financial discipline.

6.3.2 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 2.1. *Risk Factors* of this Registration Document.

7 Consolidated financial statements

7.1 Consolidated statement of financial position

(in millions of euros)	Notes	**12/31/2017**	12/31/2016*
ASSETS			
Non-current assets			
Goodwill	*D*	1,676	1,938
Other intangible assets	*C.2*	946	1,172
Property, plant and equipment	*C.1*	423	476
Financial assets	*G.2*	43	55
Deferred tax assets	*E.2*	28	31
Total non-current assets		**3,116**	**3,672**
Current assets			
Current income tax receivable		62	46
Accounts receivable – Trade	*C.3*	896	871
Other current assets	*C.3*	93	100
Other financial assets	*G.2*	38	24
Cash and cash equivalents	*G.4*	285	282
Total current assets		**1,374**	**1,323**
TOTAL ASSETS		**4,490**	**4,995**

(in millions of euros)	Notes	**12/31/2017**	12/31/2016*
EQUITY AND LIABILITIES			
Equity			
Share capital	*F.1*	144	144
Share premium		575	575
Translation reserve		-165	100
Other reserves		1,356	1,092
Equity attributable to owners of the Company		**1,910**	**1,911**
Non-controlling interests		12	10
Total equity		**1,922**	**1,921**
Non-current liabilities			
Provisions	*I.2*	15	13
Financial liabilities	*G.4*	1,387	1,688
Deferred tax liabilities	*E.2*	234	444
Total non-current liabilities		**1,636**	**2,145**
Current liabilities			
Provisions	*I.2*	52	39
Current income tax		90	61
Accounts payable – Trade	*C.9*	141	126
Other current liabilities	*C.9*	425	442
Financial liabilities	*G.4*	224	261
Total current liabilities		**932**	**929**
TOTAL EQUITY AND LIABILITIES		**4,490**	**4,995**

* *Restated following the finalization of the measurement of the fair values of the identifiable assets and liabilities acquired of LanguageLine Solutions LLC, see note B2.*

7.2 Consolidated statement of income

(in millions of euros)	Notes	2017	2016
Revenues	*C.10*	**4,180**	**3,649**
Other revenues	*C.10*	8	5
Personnel		-2,746	-2,435
External expenses	*C.11*	-700	-642
Taxes other than income taxes		-22	-19
Depreciation and amortization		-164	-150
Amortization of intangible assets acquired as part of a business combination		-87	-41
Impairment loss on goodwill		-67	
Share-based payments	*C.4*	-24	-22
Other operating income and expenses	*C.12*	-23	-6
Operating profit		**355**	**339**
Income from cash and cash equivalents		1	1
Interest on financial liabilities		-60	-35
Net financing costs	*G.3*	**-59**	**-34**
Other financial income and expenses	*G.3*	9	-5
Financial result		**-50**	**-39**
Profit before taxes		**305**	**300**
Income tax	*E.1*	9	-83
Net profit		**314**	**217**
Net profit - Group share		**312**	**214**
Net profit attributable to non-controlling interests		2	3
Earnings per share *(in euros)*	*F.3*	**5.40**	**3.73**
Diluted earnings per share *(in euros)*	*F.3*	**5.31**	**3.67**

7.3 Consolidated statement of comprehensive income

(in millions of euros)	2017	2016
NET PROFIT	**314**	**217**
May not be reclassified to profit or loss in a subsequent period		
May be reclassified to profit or loss in a subsequent period		
Gains (losses) on foreign exchange hedges (before tax)	11	-1
Income tax on gains (losses) on foreign exchange hedges	-4	0
Translation differences	-265	31
Other recognized income and expenses	**-258**	**30**
TOTAL COMPREHENSIVE INCOME	**56**	**247**
Group share	54	244
Attributable to non-controlling interests	2	3

7.4 Consolidated statement of cash flows

(in millions of euros)	Notes	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit – Group share		312	214
Net profit attributable to non-controlling interests		2	3
Income tax expense (credit)		-9	83
Net financial interest expense		53	29
Non-cash items of income and expense	*H.1*	363	196
Income tax paid		-147	-83
Internally generated funds from operations		***574***	***442***
Change in working capital requirements	*H.2*	***-58***	***17***
Net cash flow from operating activities		**516**	**459**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of intangible assets and property, plant and equipment		-148	-192
Loans made			-10
Proceeds from disposals of intangible assets and property, plant and equipment		1	2
Loans repaid			1
Acquisition of subsidiaries	*H.3*	-4	-1,380
Net cash flow from investing activities		**-151**	**-1,579**
CASH FLOWS FROM FINANCING ACTIVITIES			
Acquisition net of disposal of treasury shares		-1	-17
Change in ownership interest in controlled entities		-39	-33
Dividends paid to parent company shareholders		-75	-68
Financial interest paid/received		-45	-33
Increase in financial liabilities		1,729	2,696
Repayment of financial liabilities		-2,022	-1,355
Net cash flow from financing activities		**-453**	**1,190**
Change in cash and cash equivalents		**-88**	**70**
Effect of exchange rates on cash held		**92**	**-45**
Net cash at January 1st	*H.5*	**279**	**254**
Net cash at December 31st	*H.5*	**283**	**279**

7.5 Consolidated statement of changes in equity

	Attributable to owners of the Company							
(in millions of euros)	Share capital	Share premium	Translation reserve	Retained earnings	Impact of financial hedging instruments	Equity attributable to owners of the Company	Non-controlling interests	Total
AT DECEMBER 31ST, 2015	**143**	**575**	**69**	**978**	**-7**	**1,758**	**7**	**1,765**
Translation differences from foreign operations			31			31		**31**
Net profit				214		214	3	**217**
Actuarial gains/ (losses) on employee benefits				-1		-1		**-1**
TOTAL RECOGNIZED INCOME AND EXPENSES	**0**	**0**	**31**	**213**	**0**	**244**	**3**	**247**
Operations on non-controlling interests				-26		-26		**-26**
Fair value of incentive plan share awards	1			20		21		**21**
Treasury shares				-17		-17		**-17**
Dividends (€1.20 per share)				-68		-68		**-68**
AT DECEMBER 31ST, 2016	**144**	**575**	**100**	**1,100**	**-7**	**1,912**	**10**	**1,922**
AT DECEMBER 31ST, 2016*	**144**	**575**	**100**	**1,099**	**-7**	**1,911**	**10**	**1,921**
Translation differences from foreign operations			-265			-265		**-265**
Net profit				312		312	2	**314**
Net gain on foreign exchange hedges (after tax)					7	7		**7**
TOTAL RECOGNIZED INCOME AND EXPENSES	**0**	**0**	**-265**	**312**	**7**	**54**	**2**	**56**
Operations on non-controlling interests						0		**0**
Fair value of incentive plan share awards				21		21		**21**
Treasury shares				-1		-1		**-1**
Dividends (€1.30 per share)				-75		-75		**-75**
AT DECEMBER 31ST, 2017	**144**	**575**	**-165**	**1,356**	**0**	**1,910**	**12**	**1,922**

* *Restated following the finalization of the measurement of the fair values of the identifiable assets and liabilities acquired of LanguageLine Solutions LLC, see note B2.*

7.6 Notes to the consolidated financial statements

(in millions of euros)

CONTENTS OF THE NOTES TO THE CONSOLIDATED COMPAGNY FINANCIAL STATEMENTS

Highlights of 2017

During the first half of 2017, the Group issued a bond of €600 million at a nominal interest rate of 1.50%, redeemable in 2024, in order to complete the refinancing of its acquisition of LanguageLine Solutions LLC.

The US tax reform adopted at the end of December 2017 has had the following two principal impacts on the financial statements (see note E. *Income tax* for the related amounts):

- the remeasurement of deferred taxes recognized by US subsidiaries using a federal tax rate of 21% compared with the previous rate of 35%;
- the recognition of tax expense on the undistributed results of the foreign subsidiaries of US companies.

A. Principal accounting policies, judgements and estimates

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, 2017 include the Company and its subsidiaries, together referred to as "the Group".

The financial statements were approved by the Board of Directors on February 28th, 2018, and will be submitted to the shareholders' meeting to be held on April 20th, 2018.

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, 2017 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:

- amendments to IAS 12, on the recognition of deferred tax assets for unrealized losses;
- amendments to IAS 7 concerning the statement of cash flows;

are required to be applied from January 1st, 2017 but their adoption has not had a significant impact on the consolidated financial statements.

The Group has not elected to early adopt the following standards:

- IFRS 15 "Revenue from contracts with customers";
- IFRS 9 "Financial instruments".

These standards are required to be applied from January 1st, 2018.

The Group has completed its assessment of the impact of IFRS 15 on its revenues and does not expect a significant impact on its financial statements from its adoption in view of the nature of the Group's business.

The Group has also commenced its assessment of the impact of IFRS 9 "Financial instruments" and does not expect a significant impact on its financial statements following its adoption, in particular in respect of the presentation and recognition of credit risk. The Group uses foreign exchange hedging instruments on a regular basis and the adoption of IFRS 9 should result in a reduction of the volatility it experiences in the related results of these operations.

The assessment of the impact of the new standard IFRS 16 on leases, which comes into effect on January 1st, 2019, is still in progress. Its impact is expected to be limited principally to the Group's real estate lease contracts. On the basis of the current status of the initial analyses and of the lease portfolio as at December 31st, 2016, the impact on the amount of financial liabilities is expected to be an increase in the range of approximately €500 – €600 million. The Group intends to elect to apply the modified retrospective method in respect of its transitional application. The use of a practical solution to compute and manage the adjustments required under the standard is in course of implementation.

The accounting policies applied by the Group in these consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended December 31st, 2016, with the exception of the new standards, amendments and interpretations set out above.

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 amount 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:

- impairment of intangible assets and goodwill;
- the measurement of share-based payments expense;
- provisions for risks 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 Impairment

Non-financial assets

Non-financial assets of the Group (non-current assets) are reviewed at each reporting date to determine the amounts of any impairment losses that should be recognized.

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.4 Determination of fair values

Certain accounting policies and disclosures require determining the fair value of financial and non-financial assets and liabilities. Additional information about assumptions used in determining fair value is disclosed, where necessary, in the specific notes for the asset or liability involved. In general, fair values for significant asset and liability categories are determined as follows:

Property, plant and equipment

The fair value of property, plant and equipment that is recognized following a business combination, principally 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 assets

The fair value of brand names and software acquired during a business combination is based on the discounted present value of estimated royalties avoided through their acquisition.

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.

Accounts receivable – Trade 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 principally using the market price of the share at the grant date, the expected dividends and the post-vesting retention period, as well as performance conditions when these are market conditions.

The service and performance conditions necessary for vesting are not considered when determining fair value when these are not market conditions.

NOTE A.5 Glossary

EBITA or current EBITA: (*Earnings Before Interest, Taxes and Amortization*): Operating profit before amortization of intangible assets acquired as part of a business combination, goodwill impairment charges and 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: the total of goodwill, intangible assets and property, plant and equipment, and items of working capital.

Non-recurring items: principally comprises restructuring costs, incentive share award plan expense, costs of closure of subsidiary companies, transaction costs for the acquisition of companies, and all other expenses that are unusual by reason of their nature or amount.

Net financial indebtedness or Net debt: the total of current and non-current financial liabilities, less cash and cash equivalents.

B. Scope of consolidation

NOTE B.1 Accounting policies and methods

B.1.1 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when it is exposed, or has the rights, to variable returns from its involvement with an entity and has the ability to affect those returns through its power over it.

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.

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.

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 financial 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 reporting 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 in profit or loss on disposal of the foreign operations.

B.1.3 Business combinations

Following changes to 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.

Since January 1st, 2010, the Group has applied revised IFRS 3 prospectively. A business combination may therefore be recognized, at the election of the Group, according to either of the following two options set out in IFRS 3R:

- 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 elected to measure non-controlling interests as the proportionate interest in identifiable assets and liabilities for its acquisitions made 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 current 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, transaction costs, 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 consolidation scope

The Group made no significant acquisition or disposal during 2017. It did however make a niche acquisition in the case of Wibilong, a French start-up which is a pioneer in the field of collaborative brand and consumer solutions. Wibilong realized revenues of approximately €1 million in 2016 and has been fully consolidated with effect from November 2017.

At the beginning of September 2017, the Group finalized its measurement of the fair values of the identifiable assets and liabilities acquired of LanguageLine Solutions LLC. The principal restatement concerns the US tax rate in respect of intangible assets which had been slightly over-estimated.

The following schedule sets out the revised fair values of the identifiable assets and liabilities of LanguageLine Solutions LLC as of the date of acquisition:

In millions of US$	**Fair values at 09/19/2016**
Non-current assets	
Intangible assets	983
Property, plant and equipment	9
Deferred tax assets	2
Other non-current assets	4
Total non-current assets	**998**
Current assets	
Current tax assets	4
Accounts receivable – Trade	77
Other current assets	6
Cash and cash equivalents	10
Total current assets	**97**
TOTAL ASSETS	**1,095**

In millions of US$	**Fair values at 09/19/2016**
Non-current liabilities	
Provisions	1
Deferred tax	378
Total non-current liabilities	**379**
Current liabilities	
Provisions	6
Accounts payable – Trade	8
Other current liabilities	20
Total current liabilities	**34**
TOTAL LIABILITIES	**413**
NET ASSETS, ACQUIRED 100%	**682**
ACQUISITION PRICE	**1,538**
GOODWILL	**856**

Following these changes, a number of line items in the consolidated statement of financial position of the Company as of December 31st, 2016 have been restated, as follows:

Consolidated statement of financial position, December 31st, 2016 (selected line items)	As published	Restatements	After restatements
Non-current assets			
Goodwill	1,952	-14	1,938
Intangible assets	1,175	-3	1,172
Property, plant and equipment	476		476
Financial assets	55		55
Deferred tax assets	30	1	31
Total non-current assets	**3,688**	**-16**	**3,672**
Non-current liabilities			
Provisions	13		13
Financial liabilities	1,688		1,688
Deferred tax liabilities	464	-20	444
Total non-current liabilities	**2,165**	**-20**	**2,145**
Provisions (current)	34	5	39
Total equity	**1,922**	**-1**	**1,921**

The notes to the consolidated financial statements have been updated to reflect the restated amounts.

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.3 *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 substantially all the risks and rewards of ownership are classified as finance leases.

Any other lease agreement is an operating lease. Such leased assets are not recognized in the Group's statement of financial position. The Company has no real estate held under a finance lease agreement.

Subsequent expenditure

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.

Depreciation

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. Improvements made to buildings held on an operating lease are depreciated over the shorter of the lease period and the useful life.

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 reporting period.

Land is not depreciated.

Property, plant and equipment is analyzed as follows:

Cost	Land & buildings	Telephone and IT equipment	Other	In progress	Total
AT DECEMBER 31ST, 2015	**402**	**473**	**211**	**12**	**1,098**
Change in consolidation scope*	1	4		2	7
Transfer	19	14	-16	-17	0
Increase	57	65	29	27	178
Decrease	-7	-19	-5	0	-31
Translation differences	-2	3	-1	-1	-1
AT DECEMBER 31ST, 2016	**470**	**540**	**218**	**23**	**1,251**
Transfer	20	-3	6	-26	-3
Increase	42	48	24	26	140
Decrease	-12	-23	-15		-50
Translation differences	-46	-47	-17	-2	-112
AT DECEMBER 31ST, 2017	**474**	**515**	**216**	**21**	**1,226**

Accumulated depreciation and impairment losses	Land & buildings	Telephone and IT equipment	Other	In progress	Total
AT DECEMBER 31ST, 2015	**-192**	**-351**	**-127**		**-670**
Change in consolidation scope*		1			1
Transfer	-9	-9	18		0
Expense	-46	-62	-23		-131
Decrease	7	19	4		30
Translation differences		-2	-3		-5
AT DECEMBER 31ST, 2016	**-240**	**-404**	**-131**		**-775**
Transfer	-3	7	-5		-1
Expense	-52	-64	-27		-143
Decrease	11	22	15		48
Translation differences	22	36	10		68
AT DECEMBER 31ST, 2017	**-262**	**-403**	**-138**		**-803**

Carrying amount	Land & buildings	Telephone and IT equipment	Other	In progress	Total
AT DECEMBER 31ST, 2015	**210**	**122**	**84**	**12**	**428**
AT DECEMBER 31ST, 2016	**230**	**136**	**87**	**23**	**476**
AT DECEMBER 31ST, 2017	**212**	**112**	**78**	**21**	**423**

* *The line item "Change in consolidation scope" relates to the acquisition of LanguageLine Solutions LLC in September 2016.*

"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 non-current assets held under finance leases is not significant.

NOTE C.2 Other intangible assets

These mainly include:

- brand names, customer relationships and technologies measured and recognized as part of a business combination;
- software acquired by the Group with a finite useful life, which is recognized at cost less accumulated depreciation and impairment losses (see accounting policy, note A.3 *Impairment*).

Expenditure relating to internally generated brands is expensed when incurred.

Subsequent expenditure

Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits of the specific asset. All other costs are expensed as 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 on which they are available for use. The estimated useful lives are as follows:

Software	3 to 6 years
Brand names	3 to 10 years
Customer relationships	9 to 15 years

Other intangible assets are analyzed as follows:

Gross	Software	Brand names and customer relationships	Other	Total
AT DECEMBER 31ST, 2015	**157**	**331**	**2**	**490**
Change in consolidation scope	70	808		878
Transfer	3		-1	2
Increase	14			14
Decrease	-5			-5
Translation differences	6	58		64
AT DECEMBER 31ST, 2016	**245**	**1,197**	**1**	**1,443**
Change in consolidation scope			2	2
Transfer	21			21
Increase	12			12
Decrease	-28			-28
Translation differences	-21	-144		-165
AT DECEMBER 31ST, 2017	**229**	**1,053**	**3**	**1,285**

Accumulated amortization and impairment	Software	Brand names and customer relationships	Other	Total
AT DECEMBER 31ST, 2015	**-122**	**-86**	**-1**	**-209**
Transfer	-3		1	-2
Expense	-19	-42		-61
Decrease	5			5
Translation differences	-3	-1		-4
AT DECEMBER 31ST, 2016	**-142**	**-129**	**0**	**-271**
Transfer	-15		-2	-17
Expense	-30	-77	-1	-108
Decrease	28			28
Translation differences	10	19		29
AT DECEMBER 31ST, 2017	**-149**	**-187**	**-3**	**-339**

Carrying amount	Software	Brand names and customer relationships	Other	Total
AT DECEMBER 31ST, 2015	**35**	**245**	**1**	**281**
AT DECEMBER 31ST, 2016	**103**	**1,068**	**1**	**1,172**
AT DECEMBER 31ST, 2017	**80**	**866**	**0**	**946**

At December 31st, 2017, brand names and customer relationships amounted to €87.6 million and €778.8 million, respectively.

Following the acquisition of LanguageLine Solutions LLC in 2016, a total amount of €866.6 million was allocated to the brand name, the customer relationships and the technologies developed internally. It was determined, after analysis, that the LLS brand name has an indefinite life and it is therefore not amortized. The carrying amount of this asset at December 31st, 2017 was €87.6 million.

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.

	12/31/2017			12/31/2016
	Gross	Write-downs	Net	Net
Accounts receivable – Trade	901	-5	896	871
Other receivables	20	-10	10	12
Taxation recoverable	39		39	37
Advances and receivables on non-current assets	3		3	8
Prepaid expenses	41		41	43
TOTAL	**1,004**	**-15**	**989**	**971**

▶ Accounts receivable – Trade is analyzed by geographical region as follows:

	12/31/2017	12/31/2016
English-speaking & APAC	362	385
Ibero-LATAM	253	227
Continental Europe & MEA	190	169
Specialized services	91	90
TOTAL	**896**	**871**

▶ The payment schedule of Accounts receivable – Trade is as follows:

	12/31/2017	12/31/2016
Not yet due	700	706
Overdue< 30 days	136	114
Overdue< 60 days	30	21
Overdue< 90 days	13	10
Overdue< 120 days	10	13
Overdue> 120 days	7	7
TOTAL	**896**	**871**

Factoring arrangements

Under a factoring agreement in place, 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 will respect 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 outstanding amounts concerned totaled €48.1 million and €50.5 million at December 31st, 2017 and 2016, respectively.

Under the agreements, 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, which were in effect during 2017, under which incentive shares are allocated free of charge to Group employees and company officers.

The fair value of the incentive plan shares, measured on the grant date by an independent actuary, is recognized as share-based payment 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 share award plans – Authorization given at the shareholders' general meeting of April 28th, 2016

The Board of Directors' meetings on April 28th and November 2nd, 2016 approved free awards of 1,065,808 incentive plan shares to Group personnel, including company officers of subsidiary companies, under the authorization given at the shareholders' general meeting of April 28th, 2016, limited to a maximum of 2.5% of the share capital of the Company at the grant date. The Board meeting on April 28th, 2016 also approved the setting-up of a long-term incentive plan for the senior management personnel who are company officers of the Company, with the free award of 350,000 shares. The two plans have identical conditions for vesting.

The features of these plans are as follows:

	04/28/16 plan	11/02/16 plan
Date of Board meeting allocating the awards	04/28/2016	11/02/2016
Vesting period	04/28/2016 to 04/28/2019	11/02/2016 to 11/02/2019
Grant date	04/28/2016	11/02/2016
Number of share awards*	1,264,300	151,508
Number of canceled shares**	-152,259	-11,632
Number of outstanding share awards at December 31st, 2017	1,112,041	139,876
Fair value of each share award at the grant date (taking into account the market condition)	€48.51	€72.40
Fair value of each share award at the grant date (without taking into account the market condition)	€75.20	€88.80
including for company officers of the Company	*350,000*	*0*
***including for company officers of the Company*	*-70,959*	*0*

Vesting of the free share awards is conditional on the beneficiaries remaining with the Group until at least the end of the vesting period and on meeting performance conditions relating to the financial years between 2016 and 2018.

The Board of Directors has defined four performance criteria as set out below; the number of shares allocated is determined on the basis of the average of the percentages obtained by the three best-performing criteria.

As one of the four criteria is a market condition (the change in the share price compared with the SBF 120 share index), this is required to be taken into accountin the calculation of the fair value of the incentive share awards.

However, it is uncertain whether this market condition will be applied, as only three of the four criteria will in fact be used in the final determination of the number of shares allocated. Two fair values have therefore been calculated, with and without the inclusion of the market condition. As of December 31st, 2017, it is considered probable that the market condition will be required to obtain the highest number of shares and the amount of expense recognized in respect of the plans is therefore based on the fair values indicated above, of €48.51 and €72.40 per share, which results in 2017 expense of €21.5 million.

Percentage obtained	0%	50%	75%	100%
Average increase in revenues at constant exchange rates and consolidation scope	Under 3.5%	Between 3.5% and 5.0% (inclusive)		Over 5.0%
Average rate of EBITA margin, excluding non-recurring items	Under 10.3%	Over 10.3% but less than 10.4%	10.4% or over, but less than 10.5%	10.5% or over
Change in Teleperformance SE's share price compared with the SBF 120 share index	Negative	Between 0% and 2.5% (inclusive)		Over 2.5%
Qualititive condition	0-25 points	25 points or more, but less than 35 points		From 35 to 45 points

The Board of Directors' meeting on June 23rd, 2017 approved free awards of 11,600 incentive plan shares to a company officer of a subsidiary, under the authorization given at the shareholders' general meeting of April 28th, 2016. Vesting of these free share awards is conditional on the beneficiary remaining with the Group until at least the end of the vesting period and on meeting certain performance conditions. The related expense in respect of this plan amounted to €0.2 million in 2017.

Following the resignation of Mr. Paulo César Salles Vasques from all of his appointments, with the exception of those of non-executive Chairman and director of Teleperformance CRM SA, the Group's Brazilian subsidiary, he has renounced his entitlement to 70,959 shares out of the total award of 175,000 shares granted to him under the long-term incentive plan set up at the Board meeting on April 28th, 2016. This has resulted in the immediate recognition of expense of €1.8 million relating to the residual vesting period of the renounced shares. Half of his remaining share awards, representing 52,021 shares, are subject to additional non-market performance conditions in respect of his assignments in Brazil.

NOTE C.5 Short-term employee 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 short-term cash-settled profit-sharing and bonus schemes 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 Employee termination payments

Termination payments are recognized as expenses when the Group is committed, with no realistic possibility of withdrawal, to a formal detailed plan to lay off employees before their normal retirement date.

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 as incurred.

Such expenses totaled €12.2 million in 2017 compared with an amount of €9.8 million in 2016.

NOTE C.8 Other long-term employee benefits

The only long-term employee benefits of the Group are the post-employment benefits that are described 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.

	12/31/2017	12/31/2016
Accounts payable – Trade	141	126
Other payables	162	158
Taxes payable	57	56
Accrued expenses	173	160
Other operating liabilities	33	68
TOTAL	**566**	**568**

Other operating liabilities at December 31st, 2017 include the negative fair values of derivative financial instruments entered into for the purpose of hedging foreign currency exposures, for €5.7 million, compared with €23.9 million at the end of 2016.

NOTE C.10 Income

Revenues

Revenues from services rendered are measured at the fair value of the consideration received or receivable taking into account trade rebates and other discounts granted by the Group.

Consideration is received in the form of cash or cash equivalents, and income arising in the course of ordinary activities is determined as the amount of cash or cash equivalents received or receivable.

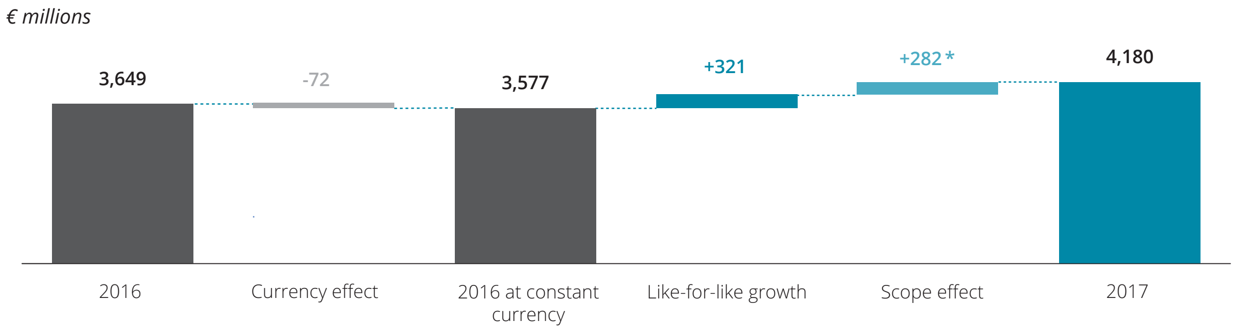
These revenues are recognized in the statement of income in proportion to the stage of completion of the transaction at the reporting date.

When contract billings are based on time spent, revenues are estimated using the actual billable time.

When contract billings are based on call volumes handled, or the number of workstations or staff allocated, revenues are estimated using billable volumes.

For certain contracts, our service is rendered through the sale of our customers' products (e.g. insurance, bank cards.) The related revenues are recognized only when definitively acquired.

Revenues subject to quantitative targets are recognized only when these have been met.



* *Relates to LanguageLine Solutions LLC, acquired in the second half of 2016.*

Group revenues amounted to €4,180.4 million in 2017, representing an increase (on the basis of published figures) of 14.6% compared to 2016.

At constant scope and exchange rates, the increase was 9.0%.

Other revenues

Other revenues mainly consist of government grants that are recognized in the statement of financial position under Other receivables when there is reasonable assurance that they will be received and that the Group will comply with the conditions attached to them. Grants that compensate the Group for costs incurred are recognized in the statement of income 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 statement of income over the useful life of the asset.

Following the introduction in 2012 of the French tax credit for competitiveness and employment (*Crédit d'impôt pour la compétitivité et l'emploi – CICE*), the Group opted to recognize it under Other revenues.

In 2017, grants amounted to €7.7 million compared with €5.2 million in 2016, including €2.8 million for the *CICE* in each year.

NOTE C.11 External expenses

These consist mainly of property rents and charges, telecommunications, other rentals, travel and entertainment, and fees.

Operating leases

Payments made under operating leases are recognized in the statement of income on a straight-line basis over the term of the lease agreement. Any lease incentives received (such as temporary rent holidays) are also recognized in income over the same period.

The Group rarely owns its call centers and finance lease agreements are therefore a little-used form of financing. Most call centers are held on operating leases, and the related commitments are disclosed in note I.4 *Guarantees and other contractual obligations*.

	2017	2016
Property rents and charges	-209	-196
Telecommunication	-102	-93
Hire and maintenance of equipment	-75	-66
Travel and entertainment	-51	-46
Office cleaning and security	-47	-44
Operating expenses	-38	-43
Staff recruitment	-30	-34
Fees	-42	-33
Consumable supplies	-17	-15
Other	-89	-72
TOTAL	**-700**	**-642**

NOTE C.12 Other operating income and expenses

This line item includes income and expenses that are unusual in terms of their rarity or amount. It mainly includes capital gains and losses on disposal of intangible assets and property, plant and equipment, certain restructuring and termination costs, significant litigation, acquisition transaction and closure costs of subsidiaries, etc.

	2017	2016
Other operating income		0
Other operating expenses	-23	-6
TOTAL	**-23**	**-6**

Other operating expenses in 2017 comprise principally the estimated costs relating to the reorganization of the French business and to a provision made in respect of a non-compete agreement.

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.

With effect from January 1st, 2017, Group activity as followed by the Chief Executive Officer is now split into the following two segments:

- the Core services segment which includes customer care, technical support and new customer acquisitions and is divided into three principal management regions:
  - English-speaking & APAC, which covers the activities in the following countries: Canada, USA, United Kingdom, South Africa, China, Indonesia, India, Philippines, Singapore, Jamaica, Guyana, Australia and Malaysia;
  - Ibero-LATAM, which covers the activities in the following countries: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Peru, Mexico, Spain and Portugal;
  - Continental Europe & MEA, which covers the activities in the countries of the EMEA region with the exception of the United Kingdom, Spain and Portugal;
- the Specialized services which includes the interpreting services of LanguageLine Solutions, the visa application management services for government departments offered by TLScontact, GN Research's analytics solutions and the accounts receivable credit management services of AllianceOne Receivables Management (ARM) in North America.

Segment information is set out below:

Inter-segment operations are not significant and are not identified separately.

As a result of the new operational organization, the 2016 comparable amounts have been restated accordingly.

	Core services				Specialized services	TOTAL
2017	English-speaking & APAC	Ibero-LATAM	Continental Europe & MEA	Holding companies		
Revenues	**1,607**	**1,084**	**851**		**638**	**4,180**
Operating profit	**124**	**130**	**-38**	**14**	**125**	**355**
Capital expenditure	51	47	30	1	19	148
Intangible assets and Property, plant and equipment (carrying amounts)	1,004	282	207	2	1,550	3,045
Depreciation and amortization of non-current assets	-92	-47	-28	-1	-83	-251
Impairment loss on goodwill			-67			-67

	Core services				Specialized services	TOTAL
2016 proforma	English-speaking & APAC	Ibero-LATAM	Continental Europe & MEA	Holding companies		
Revenues	**1,628**	**884**	**802**		**335**	**3,649**
Operating profit	**144**	**89**	**31**	**8**	**67**	**339**
Capital expenditure	85	59	37		11	192
Intangible assets and Property, plant and equipment (carrying amounts)	1,175	312	273	2	1,824	3,586
Depreciation and amortization of non-current assets	-92	-41	-26		-32	-191
Impairment loss on goodwill						0

D. Goodwill

NOTE D.1 Accounting policies and methods

In a business combination, goodwill is calculated as disclosed in note B.1.3 *Business combinations*.

Impairment

The recoverable amount 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 CGU or groups of CGUs exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

An impairment loss recognized in respect of a CGU (or groups of CGUs) is allocated to a reduction in the carrying amount of assets in the CGU (or groups of CGUs) in the following order:

- goodwill; then
- other intangible assets and property, plant and equipment, proportionate to their carrying amounts.

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 discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Discount rates are post-tax rates applied to cash flows after tax, and result in the determination of recoverable amounts identical to those that would have been obtained using pre-tax rates to cash flows excluding tax.

The Group determines its discount rates by taking into account the average risk-free rates with a maturity of between 20 and 30 years observed over 12 months, the market risk premium, and Teleperformance's average weekly beta over 2 years (given the absence of comparable enterprises). The risk-free rate and the risk premium are specific to each geographical area with similar characteristics.

An impairment loss in respect of goodwill may not be reversed.

NOTE D.2 Determination of the principal cash-generating units ("CGUs") or groups of cash-generating units

Subsidiaries are grouped together 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, 2017, the principal CGUs were determined to be as follows:

North America CGU

This CGU is formed by the Core services subsidiaries located in the USA and Canada, and the offshore subsidiaries in India, the Philippines, Jamaica and Guyana. The recoverable amount represented by this CGU is €1,655 million.

Nearshore CGU

This CGU is formed by the Core services businesses of subsidiaries located in Mexico, Costa Rica, El Salvador and the Dominican Republic. The recoverable amount represented by this CGU is €724 million.

Central Europe CGU

This CGU is formed by the Core services businesses of subsidiaries located in Germany, Switzerland and the Netherlands. The recoverable amount represented by this CGU is €92 million.

United Kingdom CGU

This CGU is formed by the Core services businesses of subsidiaries located in the United Kingdom and the offshore subsidiary in South Africa. The recoverable amount represented by this CGU is €303 million.

French Speaking Market (FSM) CGU

This CGU is formed by the Core services business of the French subsidiary and the production subsidiaries in Tunisia, Morocco, Lebanon and Madagascar. These companies were brought together in 2008 under common management and a single brand name. The recoverable amount represented by this CGU is €47 million.

LanguageLine Solutions CGU

This CGU was created in 2016 following the acquisition of LanguageLine Solutions LLC in September 2016 and belongs to Specialized services business. The recoverable amount represented by this CGU is €2,051 million.

As disclosed in note B.2 *Change in consolidation scope*, the Group has finalized the measurement of the fair values of the identifiable assets and liabilities acquired, which resulted in goodwill and a brand name with an indefinite life, with carrying amounts of €713.9 million and €87.6 million, respectively, at December 31st, 2017.

Other CGUs

There are 13 other CGUs, including the Spanish market, Southern Europe, Eastern Europe, TLScontact and ARM, but which represent individually less than 3% of total goodwill.

NOTE D.3 Determination of the recoverable amount of CGUs

The recoverable value of CGUs is represented by the value in use.

The Group has not used any other measurement methods, for example that of fair value less costs to sell.

Recoverable amounts are determined by geographical region, calculated using the estimated cash flow forecasts of the next five years. The cash flows of the first year are based on the following year's budget. The cash flows of the following two years are obtained from the three-year plans prepared and approved by CGU and Group managements respectively. Those of the final two years are based on the three-year plans integrating growth and profitability rates judged to be reasonable for the specific CGU. The terminal values calculated after five years assume perpetual future growth equal to inflation and are based on the cash flows of the final year. The cash flows are discounted to present value using the weighted average cost of capital (WACC) of each geographical region.Reasonableness checks are made to ensure that the WACC is consistent with the ROCE (see note A.5 *Glossary*).

In the event that cash flow forecasts have been shown subsequently on a number of occasions to be inaccurate or when there is uncertainty in respect of a particular market, the Group may decide to limit the forecasts to a three-year horizon.

In 2017, due to the shortfall on the Central Europe CGU budget and to uncertainty surrounding the principal customer of the FSM CGU, the forecasts used in calculating the recoverable amounts were therefore limited to a three-year horizon.

Impairment losses on goodwill were recognized on the Central Europe and FSM CGUs, amounting to €44 million and €23 million, respectively.

NOTE D.4 Change in goodwill and Allocation of goodwill by CGU

Changes in goodwill in 2016 and 2017 are set out below:

Goodwill	Gross	Accumulated impairment losses	Carrying amount
AT DECEMBER 31ST, 2015	**1,146**	**-23**	**1,123**
Change in consolidation scope*	766		766
Translation differences	49		49
AT DECEMBER 31ST, 2016	**1,961**	**-23**	**1,938**
Change in consolidation scope*	4		4
Translation differences	-200	1	-199
Impairment losses		-67	-67
AT DECEMBER 31ST, 2017	**1,765**	**-89**	**1,676**

* *The line items "Change in consolidation scope" relate to the acquisitions of LanguageLine Solutions LLS in September 2016 and of Wibilong in November 2017.*

The following schedule sets out the allocation of goodwill and the discount rate for the principal CGUs.

	Goodwill				**Discount rate**	
	12/31/2017		12/31/2016		**2017**	2016
	Gross	**Carrying amount**	**Gross**	**Carrying amount**		
LanguageLine Solutions LLC	714	714	810	810	6.9%	
North America & FHCS	587	571	714	698	6.9%	7.3%
Nearshore	106	106	118	118	9.1%	10.0%
Central Europe	93	49	94	94	5.7%	5.7%
United Kingdom	68	68	70	70	6.0%	7.0%
FSM	53	30	53	53	5.8%	6.4%
Other	144	138	102	95		
TOTAL	**1,765**	**1,676**	**1,961**	**1,938**		

The reduction in the discount rates between 2016 and 2017 is principally due to a reduction in the beta risk utilized in the calculations.

NOTE D.5 Sensitivity analysis

In order to identify CGUs at risk of impairment, the Group performs sensitivity analyses on all CGUs incorporating an increase in the discount rates selected or a reduction of 200 base points in the EBITA rates used in the calculation of the terminal values.

In the event that a CGU is identified under this test, additional sensitivity analyses are performed using further changes in operational assumptions e.g. revenue growth.

At the end of 2017, the goodwill allocated to the Europe Central and FSM CGUs was subject to impairment write-downs. These CGUs were alone in being identified as at risk of impairment as of December 31st, 2017. The carrying amount of the related goodwill as of that date was €49 million and €30 million, respectively. As disclosed in note D.3 *Determination of the recoverable amount of CGUs*, the assumptions used in the impairment testing of these CGUs were applied to forecasts with three-year horizons. The profitability rates used in computing the terminal values were represented by ROCEs which were substantially less than the discount rate (WACC) and it is therefore highly unlikely that the former could reduce further without being compensated by a reduction in the WACC (and this, on calculations to infinity). The most pertinent operational assumption for the sensitivity analysis was therefore considered to be that for revenue growth.

The following table shows the impact of reductions of 100 and 200 basis points in revenue growth over the three forecast years, with a starting point for the revenue growth used in the terminal value calculations represented by the inflation rate of 2%. The amounts in the table show the difference between the CGU's recoverable and carrying amounts. A negative amount therefore indicates a further potential impairment loss.

Sensitivity analysis	-100 pt	-200 pt
Central Europe CGU	-3	-5
FSM CGU	-2	-5

E. Income tax

NOTE E.1 Income tax expense

Income tax expense reported in the income statement comprises current and deferred tax except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

The French levy on the added value of companies (CVAE) and certain foreign taxes such as the Italian IRAP come within the scope of IAS 12 and are therefore recognized as a tax expense.

As a result, current tax comprises:

- the expected amount of tax payable on the taxable income of the period (determined using tax rates that have been enacted or substantively enacted at the reporting date);
- any adjustment of the amount of tax payable in respect of previous years;
- CVAE, IRAP etc.

In 2017, the Group recognized an income tax credit of €9.3 million, compared with income tax expense of €82.8 million in 2016. This change is due principally to the effect of the US tax reform on the measurement of deferred tax liabilities, as disclosed in the following schedule.

	2017	2016
Consolidated net profit	**314**	**217**
Current tax expense	160	97
Deferred tax expense (credit)	-169	-14
Profit before tax	**305**	**300**
Standard rate of tax in France	34.43%	34.43%
Expected tax expense	**-105**	**-103**
CVAE	-2	-2
IRES/IRAP	-1	-1
Tax on dividends	3	-2
Effect of foreign jurisdictions' tax rates	25	24
US tax on retained earnings	-15	
Change in US tax rate	147	
Impairment loss on goodwill	-23	
Other permanent differences, other items	-17	-1
Change in unrecognized deferred tax assets	-3	2
TOTAL	**9**	**-83**

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 substantively enacted at the reporting 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	including assets from tax losses
AT DECEMBER 31ST, 2015	**36**	**110**	**-74**	**15**
Change in consolidation scope	7	338	-331	
Recognized in profit or loss	5	-9	14	
Translation differences	-1	21	-22	
Offset of assets and liabilities	-16	-16	0	
AT DECEMBER 31ST, 2016	**31**	**444**	**-413**	**7**
Recognized in profit or loss	-9	-178	169	
Translation differences	-2	-40	38	
Offset of assets and liabilities	8	8	0	
AT DECEMBER 31ST, 2017	**28**	**234**	**-206**	**7**

Deferred tax liabilities related to intangible assets recognized as part of a business combination amounted to €224.4 million at December 31st, 2017 (€432.0 million at December 31st, 2016).

Deferred tax assets amounted to €27.6 million at December 31st, 2017 (€31.2 million at December 31st, 2016) including amounts relating to tax losses carried forward of €6.8 million.

The Group has tax losses of approximately €103 million, of which €91 million have no expiry date.

Deferred tax assets of €20.8 million at December 31st, 2017 (€22.6 million at December 31st, 2016) relating to tax losses carried forward were not recognized as their recovery was not considered probable.

The US tax reform adopted at the end of December 2017 had the following two principal effects on the 2017 financial statements:

- remeasurement of the deferred taxes recognized in US Group companies using a federal income tax rate of 21%, compared with the previous rate of 35%, resulting in a profit of €146.8 million;
- recognition of expense of €15.5 million on the undistributed earnings of the foreign subsidiaries of US companies. The related payments will be spread over a period of eight years.

F. Equity and Earnings per share

NOTE F.1 Share capital

Share capital at December 31st, 2017 amounted to €144,450,000 consisting of 57,780,000 shares, with a nominal value of €2.50 each, fully paid-up.

	12/31/2017	12/31/2016
Number of shares issued and fully paid up	57,780,000	57,780,000
including treasury shares of	25,400	14,000
Dividend distributions in respect of the financial year*	106.9**	75.1
Dividend per share *(in €)*	1.85**	1.30

* *Based on the number of shares in issue at December 31st.*
** *As proposed to the shareholders' meeting on April 20th, 2018.*

There were no movements on the share capital of Teleperformance during 2017.

NOTE F.2 Treasury shares

Treasury shares are shown as a deduction from total equity. On disposal, the proceeds, net of transaction costs and income tax, are recognized in equity.

At December 31st, 2017, the Group held 25,400 treasury shares acquired under the liquidity contract for a total of €3.0 million. This amount is shown as a deduction 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.

Diluted earnings per 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 adjustments concern the incentive share awards granted to employees when the required performance conditions have been met at the end of the financial year.

	2017	2016
Net profit – Group share	**312**	**214**
Weighted average number of shares used to calculate basic earnings per share	57,767,405	57,263,301
Dilutive effect of share awards	986,702	954,552
Weighted average number of shares used to calculate diluted earnings per share	58,754,107	58,217,853
Basic earnings per share *(in €)*	**5.40**	**3.73**
Diluted earnings per share *(in €)*	**5.31**	**3.67**

▶ Weighted average number of shares used to calculate basic and diluted earnings per share

	2017	2016
Ordinary shares in issue at January 1st	57,780,000	57,201,690
Treasury shares held	-12,595	-178,561
Shares issued	0	240,172
TOTAL	**57,767,405**	**57,263,301**

G. Financial assets and liabilities

NOTE G.1 Accounting policies and methods

G.1.1 Financial assets

Current and non-current financial assets comprise the following:

- loans and receivables measured at amortized cost: this category principally includes advances to staff and guarantee deposits paid mainly in the context of commercial property leases. On initial recognition, these loans and 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;
- net asset warranties obtained as part of an acquisition: when the warranty relates to a specific asset or liability of the target entity at the date of a business combination, it is recognized separately from goodwill and is measured using the same method as the item being warranted.

G.1.2 Financial liabilities

Non-current financial liabilities include loan transactions with banks or other financial institutions, bond issues and liabilities to certain minority interests.

Current financial liabilities comprise similar transactions as those described above but with settlement 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 loan, and subsequently taken into account in calculating the effective interest rate and recognized in the income statement over the period of the loan.

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.

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 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 the unwinding of discounted provisions, foreign exchange losses, decreases in fair value of financial assets at fair value through profit or loss, and 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. In the event that a loan may be reimbursed by anticipation, the probable residual duration of the loan is estimated at each reporting date and used to spread the any issue expenses under the effective interest rate method.

G.1.5 Derivative financial instruments

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.

Financial instruments used to hedge the fair value of financial borrowings are recognized as financial liabilities.

Financial instruments used to hedge other transactions are recognized as other current or non-current assets and 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, except for cash flow hedges.

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 through 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 result 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 result.

NOTE G.2 Financial assets

	Current	Non-current	Total 12/31/2017	Total 12/31/2016
Loans	11		11	12
Derivative financial instruments	9		9	3
Guarantee deposits	9	43	52	53
Indemnification asset	9		9	11
Gross financial assets	**38**	**43**	**81**	**79**
Write-downs			0	
CARRYING AMOUNT	**38**	**43**	**81**	**79**

The indemnification asset of €9.3 million (US$11.1 million) relates to the acquisition of Aegis USA Inc. in 2014 (see note I.2 *Change in provisions*).

NOTE G.3 Financial result

	2017	2016
Income from cash and cash equivalents	**1**	**1**
Interest expense	-49	-24
Bank commissions	-11	-11
Financing costs	**-60**	**-35**
Net financing costs	**-59**	**-34**
Foreign exchange gains	33	30
Foreign exchange losses	-24	-35
Other financial income (expenses)	**9**	**-5**
FINANCIAL RESULT	**-50**	**-39**

The increase in interest expense is principally related to the acquisition of LanguageLine Solutions LLC in September 2016.

NOTE G.4 Financial liabilities

Note G.4.1 Loans from financial institutions, bonds and US private placements (USPPs)

▶ Analysis by category of loan

At December 31st, 2017, the Group had obtained and utilized financing totaling €1,593.3 million, as follows:

Category of loan	Amount in currency at 12/31/2017	Currency	Amount in € at 12/31/2017	Interest type	Rate	Maturity	Financial covenant
Teleperformance SE							
Bond	600	€	600	Fixed*	Coupon of +1.50%	2024.04	no
US private placement Tranche A	75	USD	63	Fixed	+3.92%	2023.12	yes
US private placement Tranche B	175	USD	146	Fixed	+4.22%	2026.12	yes
Bank loan	500	USD	417	Floating	LIBOR $ +1.7%	2021.08	yes
US private placement Tranche A	160	USD	133	Fixed	+3.64%	2021.12	yes
US private placement Tranche B	165	USD	138	Fixed	+3.98%	2024.12	yes
Commercial paper	105	€	105	Fixed	-0.15%	2018.03	no
Syndicated multi-currency facility**		€	0	Floating	EURIBOR +0.6%	2022.02	yes
		USD	0	Floating	LIBOR $ +1.50%	2022.02	yes
Total			1,602				
Loan issuance expense/premiums & discounts			-10				
Total Teleperformance SE			**1,592**				
Other Group companies							
Bank loan			1				
Total Other Group companies			**1**				
TOTAL GROUP			**1,593**				

* *A swap of fixed to floating interest rates has been contracted over €200 million.*
** *A facility of €300 million is unutilized at 12/31/2017.*

▶ Schedule of loans by principal currency and type of interest rate

Type of interest rate	Total	€	USD	CLP	COP	MAD
▪ fixed	1,179	699	479	1		
▪ floating	414		414			
AT DECEMBER 31ST, 2017	**1,593**	**699**	**893**	**1**	**0**	**0**

Type of interest rate	Total	€	USD	CLP	COP	MAD
▪ fixed	580	30	545	2	2	1
▪ floating	1,301	703	595		3	
AT DECEMBER 31ST, 2016	**1,881**	**733**	**1,140**	**2**	**5**	**1**

▶ Covenants

The following financial liabilities are subject to financial covenants:

- syndicated multi-currency facility of €300 million;
- bank loan of US$500 million;
- two US private placements of US$250 million and US$325 million.

At December 31st, 2017, the relevant ratios were as follows:

	Contractual	Actual
Consolidated net debt/Total equity	≤ 0.90x	0.69x
Consolidated net debt/Consolidated EBITDA	≤ 2.50x	1.88x

Note G.4.2 Net financial indebtedness: Schedule of debt maturities

	12/31/2017	Current	Non-current*	12/31/2016	Current	Non-current
Bank loans	418	106	312	1,314	171	1,143
Commercial paper	105	105		30	30	
USPP	480		480	545		545
Bond	600		600	0		
Loan issuance expense/premiums & discounts	-10	-4	-6	-8	-7	-1
Cross Currency Interest Swap on loan	5	5		17	17	
Bank overdrafts and advances	2	2		3	3	0
Due to minority shareholders	0	0	0	39	39	
Other borrowing and financial liabilities	11	10	1	9	8	1
Total financial liabilities	**1,611**	**224**	**1,387**	**1,949**	**261**	**1,688**
Marketable securities	32	32		7	7	
Cash and bank	253	253		275	275	
Total cash and cash equivalents	**285**	**285**		**282**	**282**	
NET DEBT	**1,326**	**-61**	**1,387**	**1,667**	**-21**	**1,688**

* *Due after 5 years: €946 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 (€1.3 million and €1.8 million at December 31st, 2017 and 2016, respectively).

The Group has also made a payment of €38.5 million during the first half of 2017 relating to the balance of deferred consideration due on the acquisition of minority interests.

Note G.4.3 Interest rate risk

The Group has an exposure to interest rate risks on its financial liabilities and its short-term liquid investments. The following schedule identifies the amounts subject to interest rate risk:

Net debt	12/31/2017	Fixed rate	Subject to interest rate risk	12/31/2016	Fixed rate	Subject to interest rate risk
Total financial liabilities	1,611	1,179	432	1,949	619	1,330
Cash and cash equivalents	-285		-285	-282		-282
NET DEBT	**1,326**	**1,179**	**147**	**1,667**	**619**	**1,048**

A change of 100 basis points in the interest rate would have had an impact of €3.3 million in 2017 and of €9.2 million in 2016.

NOTE G.5 Foreign exchange hedging operations

Revenues and operating expenses of Group companies may be denominated in a currency other than their functional currency. In order to reduce exposure to exchange rate risk, hedge contracts have been entered into, principally between the following currencies:

- the US dollar and the Mexican peso;
- the US dollar and the Colombian peso;
- the Philippine peso and the US dollar;
- the Colombian peso, the Turkish lira, the Tunisian dinar and the euro.

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 pool and the euro (in particular the US dollar) as well as certain loans between Teleperformance SE and its subsidiaries.

The principal derivative financial instruments in place at the year-end are as follows:

Derivative financial instruments at December 31st, 2017	Notional amount in currency	Notional amount in € at 12/31/2017	Fair value in € at 12/31/2017	In equity	In 2017 profit or loss
Hedge of forecast transactions					
USD/PHP 2017	1,298	22	1		1
USD/PHP 2017*	4,160	70	0		0
COP/USD 2017*	14	12	0		0
MXN/USD 2017	13	10	0		0
EUR/TND 2018	57	19	0	0	0
COP/USD 2018	33	28	1	0	0
COP/EUR 2018	15	15	0	0	0
USD/PHP 2018	8,150	136	4	3	1
USD/PHP 2018*	1,725	29	0		0
USD/MXN 2018	422	18	-1	-1	0
USD/MXN 2018*	106	4	0		0
MXN/USD 2018	47	39	-2	-2	0
MXN/USD 2018*	11	9	0		0
USD/INR 2018	11	9	0	0	0
EUR/USD 2018	13	10	0	0	0
Cross Currency Interest Swap EUR/USD	55	46	-5		-5
USD interest caps	400	334	0		0
Interest rate swap, fixed to floating	200	200	0		0
€ interest cap	120	120	0		0
Hedge of intra-group loans					
▪ in USD	268	224	5		5
▪ in PHP	7,059	118	-3		-3
Cash pool hedges					
▪ in USD	165	138	-2		-2

* *Not eligible for hedge accounting.*

Derivative financial instruments at December 31st, 2016	Notional amount in currency	Notional amount in € at 12/31/2016	Fair value in € at 12/31/2016	In equity	In 2016 profit or loss
Hedge of forecast transactions					
USD/MXN 2016	10	9	-1		-1
USD/MXN 2017	40	38	-2	-2	0
USD/MXN 2017*	5	4	0		0
MXN/USD 2016	197	9	-1		-1
MXN/USD 2017	706	32	-3	-3	0
MXN/USD 2017*	140	6	0		0
USD/PHP 2016	2,395	46	0		0
USD/PHP 2017	9,105	174	-6	-5	-1
USD/PHP 2017*	1,900	36	-1		-1
COP/EUR 2017	24	24	0	0	0
COP/EUR 2017*	4	4	0		0
COP/USD 2017	43	41	0	0	0
COP/USD 2017*	7	6	0		0
USD/INR 2017	21	20	0	0	0
USD/INR 2017*	4	4	0		0
EUR/TND 2017	52	21	0	0	0
Cross Currency Interest Swap EUR/USD	85	81	-17		-17
USD interest caps	400	380	0		0
Hedge of intra-group loans					
▪ in GBP	6	7	1		1
▪ in USD	140	133	-7		-7
▪ in PHP	4,486	86	1		1
Cash pool hedges					
▪ in MXN	1,570	72	-1		-1
▪ in USD	45	43	0		0

* *Not eligible for hedge accounting.*

At December 31st, 2017, the fair value of derivative financial instruments amounted to -€1.7 million (December 31st, 2016: -€37.7 million) of which €9.0 million is presented in Other financial assets, €5.7 million in Other current liabilities and €5.0 million in Other financial liabilities.

Counterparty credit risk (Credit Value Adjustment – CVA) and own credit risk (Debt Value Adjustment – DVA) are taken account of 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 financial liabilities by category

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.

The following schedules show the carrying amounts of financial assets and financial liabilities and their fair values, by level of hierarchy:

	Accounting category					Fair value			
12/31/2017	Financial instruments at fair value through profit or loss	Derivative financial instruments	Loans and receivables	Financial liabilities at amortized cost	Total	Lev 1	Lev 2	Lev 3	Total
FINANCIAL INSTRUMENTS: ASSETS									
I - Financial assets at fair value	**32**	**9**	**0**	**0**	**41**	**32**	**9**	**0**	**41**
Exchange rate hedging instruments		9			**9**		9		**9**
Marketable securities	32				**32**	32			**32**
II - Financial assets at amortized cost	**0**	**0**	**1,270**	**0**	**1,270**	**253**	**1,017**	**0**	**1,270**
Loans			11		**11**		11		**11**
Guarantee deposits			8		**8**		8		**8**
Indemnification asset			9		**9**		9		**9**
Accounts receivable - Trade			896		**896**		896		**896**
Other assets			93		**93**		93		**93**
Cash and bank			253		**253**	253			**253**
FINANCIAL INSTRUMENTS: LIABILITIES									
I - Financial liabilities at fair value	**0**	**11**	**0**	**0**	**11**	**0**	**11**	**0**	**11**
Loan hedging instruments		5			**5**		5		**5**
Exchange rate hedging instruments		6			**6**		6		**6**
II - Financial liabilities at amortized cost	**0**	**0**	**2**	**2,173**	**2,175**	**2**	**2,173**	**0**	**2,175**
Bank loans				418	**418**		418		**418**
Commercial paper				105	**105**		105		**105**
USPP loans				480	**480**		480		**480**
Bond				600	**600**		600		**600**
Other financial liabilities				11	**11**		11		**11**
Bank overdrafts and advances			2		**2**	2			**2**
Accounts payable - Trade				140	**140**		140		**140**
Other liabilities				419	**419**		419		**419**

	Accounting category					Fair value			
12/31/2016	Financial instruments at fair value through profit or loss	Derivative financial instruments	Loans and receivables	Financial liabilities at amortized cost	Total	Lev 1	Lev 2	Lev 3	Total
FINANCIAL INSTRUMENTS: ASSETS									
I - Financial assets at fair value	**7**	**3**	**0**	**0**	**10**	**7**	**3**	**0**	**10**
Exchange rate hedging instruments		3			**3**		3		**3**
Marketable securities	7				**7**	7			**7**
II - Financial assets at amortized cost	**0**	**0**	**1,322**	**0**	**1,322**	**275**	**1,047**	**0**	**1,322**
Loans			12		**12**		12		**12**
Guarantee deposits			53		**53**		53		**53**
Indemnification asset			11		**11**		11		**11**
Accounts receivable - Trade			871		**871**		871		**871**
Other assets			100		**100**		100		**100**
Cash and bank			275		**275**	275			**275**
FINANCIAL INSTRUMENTS: LIABILITIES									
I - Financial liabilities at fair value	**0**	**41**	**0**	**0**	**41**	**0**	**41**	**0**	**41**
Loan hedging instruments		17			**17**		17		**17**
Exchange rate hedging instruments		24			**24**		24		**24**
II - Financial liabilities at amortized cost	**0**	**0**	**3**	**2,442**	**2,445**	**3**	**2,442**	**0**	**2,445**
Bank loans				1,314	**1,314**		1,314		**1,314**
Commercial paper				30	**30**		30		**30**
USPP loans				545	**545**		545		**545**
Other financial liabilities				9	**9**		9		**9**
Bank overdrafts and advances			3		**3**	3			**3**
Accounts payable - Trade				126	**126**		126		**126**
Other liabilities				418	**418**		418		**418**

There were no transfers between the different levels of fair value for assets and liabilities measured using this method.

NOTE G.7 Financial risk management

The Group has an exposure 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 and Compliance Committee.

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

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 and other receivables

The Group's exposure to credit risk is mainly influenced by the individual characteristics of its customers. Sales to the principal customer of the Group account for 6.9% of Group global revenues. In addition, sales to telecommunications sector customers and Internet access providers represent a total of 16.7% of Group revenues for Core services segment. No country accounts for over 10% of customer receivables with the exception of the United States which represented approximately 38% of total customer receivables as of December 31st, 2017.

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 and other receivables.

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

Guarantees

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

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 slightly over 60% 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 operations are authorized and overseen by the Group's Finance Department.

The Group obtains its financing in the form of loans, credit lines and bond issues with high-grade financial institutions, with maturities ranging from 2018 through 2026 as disclosed in note G.4 *Financial liabilities*.

The outstanding balance available on the multi-currency (€, US$) syndicated facility as of December 31st, 2017 amounted to €300 million.

Net debt at December 31st, 2017 was €1,326.3 million, compared with €1,666.8 million at the end of 2016.

Given the maturities of our borrowings and the Group's capacity to generate free cash flow, liquidity risk is considered to be low.

Additional disclosures relating to liquidity risk are set out in note G.4 *Financial liabilities.*

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, generally the US dollar, which is not the functional currency of the Group company concerned.

The Group hedges this risk mainly in respect of rate changes between the Mexican, Philippines and Colombian pesos, and the US dollar. Additional disclosures on these hedging operations are given in note G.5 *Currency hedging operations*.

The Group is also exposed to exchange risk on loans denominated in currencies other than the euro or the functional currencies of Group entities.

Group policy is as follows:

- the Group hedges loans made to subsidiaries with loans or advances in the same currency and with the same maturities, or with foreign exchange contracts;
- the principal bank loans of 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.

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

The translation effect on the consolidated revenues of the Group is disclosed in note G.8 *Exposure to exchange risk from translation of foreign subsidiaries' financial statements on consolidation* which shows the breakdown of revenues by currency over the last two years.

The impact of changing foreign exchange rates on the Group's revenues, profit before tax and net profit - Group share is disclosed in note G.8 *Exposure to exchange risk from translation of foreign subsidiaries' financial statements on consolidation*.

Interest rate risk

See note G.4 *Financial liabilities.*

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, 2017 amounted to €31.8 million, principally represented by money market or mutual funds.

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 determined as follows:

	12/31/2017	12/31/2016
Net debt	1,326	1,667
Equity	1,922	1,921
GEARING RATIO	**0.69**	**0.87**

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 French stock exchange regulator. The amount of funds committed to this arrangement is €3.0 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 from translation of the financial statements of foreign subsidiaries on consolidation

In order to indicate the exposure of the Group to exchange risk from translation of the financial statements of foreign subsidiaries on consolidation, an analysis of Group revenues by principal currency in 2017 and 2016 is set out in the following schedule:

	2017		2016	
Revenues	Amount	%	Amount	%
Euro	919	22.0%	856	23.5%
US dollar	1,888	45.2%	1,624	44.5%
Brazilian real	243	5.8%	185	5.1%
Mexican peso	95	2.3%	85	2.3%
£ sterling	293	7.0%	291	8.0%
Colombian peso	165	3.9%	124	3.4%
Yuan	96	2.3%	92	2.5%
Autres	481	11.5%	392	10.7%
TOTAL	**4,180**	**100%**	**3,649**	**100%**

Sensitivity of profit before tax and equity to a change of 1% in the exchange rate of the euro against other currencies

The Group estimates that an increase or decrease of 1% in the exchange rate of the euro against other currencies would have impacted 2017 profit before tax and equity by approximately €2.7 million and €9.5 million, respectively.

Effect of changes in exchange rates

The effect of changes in exchange rates on statement of income line items is as follows:

	2017	2016 at 2017 rates	2016
Revenues	4,180	3,577	3,649
Operating profit	355	329	339
Financial result	-50	-34	-39
NET PROFIT	**314**	**213**	**217**
Net profit – Group share	312	209	214

At December 31st, 2017, the Group's exposure to exchange risk may be summarized as follows:

	12/31/2017				12/31/2016			
	Assets	Liabilities	Net position before hedging	Net position after hedging	Assets	Liabilities	Net position before hedging	Net position after hedging
Euro	626	1,876	-1,250	-1,250	668	2,156	-1,488	-1,505
USD	2,844	401	2,443	2,441	3,311	616	2,695	2,684
BRL	114	37	77	77	110	27	83	82
MXN	127	19	108	107	128	38	90	87
GBP	176	37	139	139	188	33	155	156
COP	98	27	71	71	103	31	72	72
PHP	102	41	61	63	129	39	90	84
Other	394	119	275	274	355	93	262	261
TOTAL	**4,481**	**2,557**	**1,924**	**1,922**	**4,992**	**3,033**	**1,959**	**1,921**

NOTE G.9 Foreign currency exchange rates

Principal currencies	Country	Average 2017 rate	Closing rate at 12/31/2017	Average 2016 rate	Closing rate at 12/31/2016
EUROPE					
£ sterling	United Kingdom	0.88	0.89	0.82	0.86
AMERICAS AND ASIA					
Brazilian real	Brazil	3.60	3.97	3.86	3.43
Colombian peso	Colombia	3,332.00	3,577.00	3,376.00	3,155.00
US dollar	United States	1.13	1.20	1.11	1.05
Mexican peso	Mexico	21.33	23.66	20.66	21.77
Philippines peso	Philippines	56.94	59.80	52.55	52.27

The statement of income of LanguageLine Solutions LLC was consolidated for the period from September 19th to December 31st, 2016 at an average rate of $1.089 = €1; the rate used for the conversion of the opening statement of financial position was $1.117 = €1.

H. Cash flows

NOTE H.1 Non-cash items of income and expense

	2017	2016
Depreciation and amortization	251	191
Impairment loss on goodwill	67	
Increase in provisions, net of releases	22	-15
Unrealized gains and losses on financial instruments	1	-2
Share-based payments	22	22
TOTAL	**363**	**196**

NOTE H.2 Change in working capital requirements

	2017	2016
Accounts receivable - Trade	-109	-45
Accounts payable - Trade	37	50
Other	14	12
TOTAL	**-58**	**17**

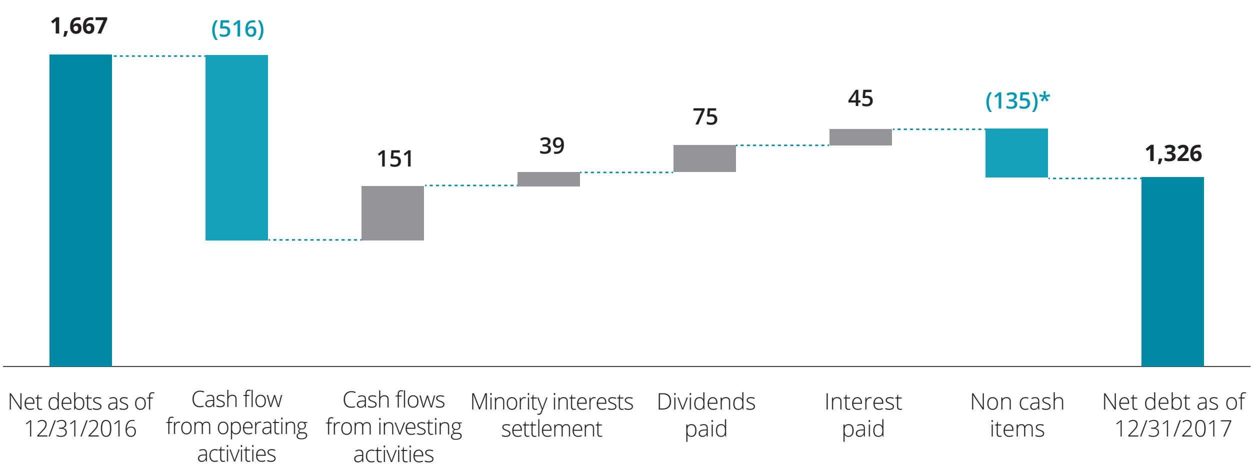
The increases in Accounts receivable – Trade and Accounts payable -Trade are principally due to the increase in the level of activity.

NOTE H.3 Acquisition of subsidiaries

At the beginning of November 2017, the Group acquired Wibilong, a French start-up which is a pioneer in the field of collaborative brand and consumer solutions.

NOTE H.4 Explanation of the change in net debt in 2017

€ millions



** Including effect of exchange rate €92 million*

NOTE H.5 Analysis of cash and cash equivalents presented in the consolidated statement of cash flows

	Total 2017	Total 2016
Bank overdrafts and advances	-2	-3
Marketable securities	32	7
Cash and bank	253	275
CASH AND CASH EQUIVALENTS	**283**	**279**

I. Provisions, litigation, commitments and other contractual obligations

NOTE I.1 Accounting policies and methods

A provision is recognized in the statement of financial position when the Group has a present legal or constructive obligation resulting from a past event, the obligation can be reliably estimated and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount of the provision represents management's best estimate of the outflow required, and is discounted when the time value effect is significant.

Provisions relating to post-employment benefits, in particular defined benefit plans which represent most of the Group's provisions for future expenses, are recognized as follows:

The net obligation of the Group is calculated separately for each plan by estimating the amount of future benefits that employees have earned in return for services rendered as of the reporting date. This amount is discounted to determine its present value, and the fair value of any plan assets is deducted. 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 obligations are measured using the projected unit credit method.

Actuarial gains and losses are recognized as Other recognized income and expenses in comprehensive income.

NOTE I.2 Change in provisions

			Releases				
	12/31/2016	Increases	utilized	unutilized	Translation differences	Other	12/31/2017
NON-CURRENT							
Retirement benefits	12	3			-1		14
Other expenses	1						1
Total	**13**	**3**	**0**	**0**	**-1**	**0**	**15**
CURRENT							
Risks	37	10	-8	-2	-4		33
Other expenses	2	17					19
Total	**39**	**27**	**-8**	**-2**	**-4**	**0**	**52**
TOTAL	**52**	**30**	**-8**	**-2**	**-5**	**0**	**67**

			Releases				
	12/31/2015	Increases	utilized	unutilized	Translation differences	Other	12/31/2016
NON-CURRENT							
Retirement benefits	10	2					12
Other expenses	0	1					1
Total	**10**	**3**	**0**	**0**	**0**	**0**	**13**
CURRENT							
Risks	68	10	-29	-20	-1	9	37
Other expenses	2	1	-1				2
Total	**70**	**11**	**-30**	**-20**	**-1**	**9**	**39**
TOTAL	**80**	**14**	**-30**	**-20**	**-1**	**9**	**52**

Provisions for risks at December 31st, 2017 include a contingent liability of €9.8 million (US$11.7 million), in respect of risks identified during the Aegis USA Inc. acquisition process in 2014, including tax risks of €9.3 million. An equivalent asset of €9.3 million has been recognized, as these are covered by a contractual net asset warranty.

Provisions for risks also include other risks in a total amount of €23.9 million, of which €11.5 million relates to personnel-related risks, principally concerning lawsuits with former employees, particularly in Argentina, Brazil and France.

The provisions for other expenses at December 31st, 2017 include principally a provision for the reorganization of the French business.

As legal proceedings are ongoing for most of these disputes, their settlement date is uncertain.

NOTE I.3 Post-employment benefits: defined benefit plans

These principally concern:

- the lump-sum payments made to employees on their retirement under the provisions of French national wage agreements and labor law;
- defined benefit pension plans in Norway, Greece, India, the Philippines, El Salvador and certain Mexican entities.

Commitments related to the lump-sum benefits in France are measured with the following actuarial assumptions:

	2017	2016
Discount rate	1.29%	1.31%
Rate of annual increase in remuneration	1.5%/2.5%	1.5%/2.5%
Rate of employer social charges	38%/45%	38%/45%

The other commitments are individually not significant and are measured by actuaries taking into account local conditions.

Change in the actuarial liability in 2017 and 2016:

	France	Other countries	Total
At December 31ST, 2015	**6**	**4**	**10**
In 2016 profit or loss	1	1	2
In other comprehensive income			0
At December 31ST, 2016	**7**	**5**	**12**
In 2017 profit or loss	1	2	3
In other comprehensive income	-1	1	0
Translation differences		-1	-1
At December 31ST, 2017	**7**	**7**	**14**

The liability at December 31st, 2017 presented as Other countries principally concerns our subsidiaries in Greece, El Salvador and India, for amounts of €1.7 million, €1.6 million and €1.4 million, respectively.

The amount of the liability in the consolidated statement of financial position, representing the benefit obligation less the fair value of plan assets was:

- €7.8 million at December 31st, 2013;
- €9.8 million at December 31st, 2014;
- €9.8 million at December 31st, 2015;
- €12.1 million at December 31st, 2016;
- €14.4 million at December 31st, 2017.

Analysis of plan assets

	2017	2016
Actuarial liability	**18**	**16**
Equities	10.9%	6.7%
Bonds	13.2%	12.2%
Money market	14.0%	23.6%
Hold to maturity bonds	27.2%	31.7%
Loans & Receivables	23.3%	18.1%
Real estate	10.0%	7.4%
Other	1.4%	0.3%
Plan assets	**4**	**4**
Provision in the statement of financial position	**14**	**12**

Company officers represent an amount of €0.2 million in the provision for retirement benefits at December 31st, 2017.

NOTE I.4 Guarantees and other contractual obligations

Guarantee commitments

Teleperformance SE issued a performance guarantee in November 2013 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.

Teleperformance SE has issued a performance guarantee in December 2013 to Apple Inc. relating to the obligations of certain subsidiaries undertaken in respect of a commercial contract. The guarantee was given 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 calendar year preceding the date of the loss event.

In October 2017, Teleperformance Europe Middle-East and Africa SAS, a subsidiary of Teleperformance SE, issued a comfort letter in favor of Klarna in connection with a new commercial agreement entering into effect from January 1st, 2018 covering services to be supplied by it and subsidiaries of Teleperformance SE in Sweden, Finland, Denmark, Germany, the Netherlands, the United Kingdom and Austria.

Teleperformance SE has issued a performance guarantee to Barclays Bank PLC with respect to the obligations of its subsidiary TP Portugal under a commercial contract. The guarantee was signed in 2014 and will remain in force for the duration of the contract.

In July 2017, Teleperformance Portugal SA, a subsidiary of Teleperformance SE, entered into a promissory lease agreement concerning office premises under construction. In this context, guarantees have been issued by Teleperformance SE and its subsidiary, under the form of a joint and several guarantee for a total amount limited to €42 million and for the duration stated in the agreement.

In 2017, Teleperformance SE has issued a comfort letters in favor of Canon, a partner with which Ypiseria 800-Teleperformance A.E., a subsidiary of Teleperformance SE, has entered into a new commercial relationship.

Net asset warranties received in connection with the acquisition of shareholdings

The agreements entered into for the acquisitions of Aegis USA Inc., City Park Technologies, LanguageLine Holding LLC and Wibilong SAS contain net asset warranties intended to indemnify the acquirer against any prior existing liabilities that were not disclosed at the time of the acquisitions.

The duration of each commitment is generally between twelve months and three years from the date of completion of the acquisitions except in certain cases for tax-related liabilities for which the duration of the commitments corresponds to the date of prescription of each potential liability.

These commitments are guaranteed by either:

- certain amounts held by a bank in escrow, to be released in full after one, two or three years from the date of acquisition, as applicable, in the absence of any request for indemnification; or
- a first demand guarantee issued by a high-grade bank, expiring after 18 months from the date of acquisition, as applicable, in the absence of any request for indemnification; or
- representations and warranty insurance covering certain of the warranties for either three or six years after the date of acquisition, depending on the nature of the warranty.

Assets secured against financial liabilities

There were no Group assets pledged as collateral for borrowings at the end of 2017.

▶ Maturity of contractual obligations recognized in the statement of financial position

	Total 12/31/2017	Under 6 months	6 - 12 months	Total 2018	2019 to 2022	After
Bank loans	418	2	104	106	312	
Commercial paper	105	105		105		
USPP loans	480			0	134	346
Bonds	600			0		600
Bank overdrafts and advances	2	2		2		
Other loans and financial liabilities	11	10		10	1	

	Total 12/31/2016	Under 6 months	6 - 12 months	Total 2017	2018 to 2021	After
Bank loans	1,314	43*	128	171	1,143	
Commercial paper	30	30		30		
USPP loans	545			0	151	394
Bank overdrafts and advances	3	3		3		
Other loans and financial liabilities	24	7	17	24		
Due to minority interests	39	39		39		

* *Including €35 million drawn down on the revolving credit line of €300 million maturing on February 3rd, 2021.*

▶ Maturity of operating lease obligations (not recognized in the statement of financial position)

	Total 12/31/2017	Under 6 months	6-12 months	Total 2018	2019	2020	2021	2022	After
Operating leases	597	74	74	148	125	103	72	54	95

	Total 12/31/2016	Under 6 months	6-12 months	Total 2017	2018	2019	2020	2021	After
Operating leases	587	72	72	144	134	103	73	43	90

The commitments represent future real estate lease payments as stipulated in each lease agreement over the shorter of the lease term or the minimum term at the end of which the lease may be terminated without penalty.

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. Amounts provided at December 31st, 2017 total €21.4 million.

J. Related party disclosures

NOTE J.1 Related party transactions

There are no transactions with related parties that are significant and/or entered into at conditions that are not at arm's length.

NOTE J.2 Remuneration of company officers (Executive Committee – Comex)

Remuneration of company officers in respect of the 2017 and 2016 financial years is summarized as follows:

Remuneration	**2017**	2016
Short-term benefits	18	15
Contract termination payments	9	
Incentive share award grants		36
TOTAL	**27**	**51**

The Group has obtained non-compete agreements from some of its senior management personnel. In respect of Mr. Daniel Julien, the Group Chairman and Chief Executive Officer, his commitment was modified at the end of 2017 and is now for a period of two years, for which he would be entitled to receive an amount representing two years' remuneration subject to his respecting a nine-month notice period.

K. Audit fees of the statutory auditors of Teleperformance SE (excluding those paid to members of their international networks)

The audit fees of the statutory auditors of Teleperformance SE in respect of the 2017 financial year are analyzed as follows:

	KPMG		Deloitte & Associés	
(in thousands of euros)	Audit certification	Services other than audit certification(1)	Audit certification	Services other than audit certification(2)
Issuer	398	150	392	131
Fully consolidated subsidiaries	99	8	126	
TOTAL	**497**	**158**	**518**	**131**

(1) Nature of non-audit services rendered by KPMG to the parent company and its subsidiaries: issue of comfort letter, engagements for the verification of the existence and the fairness of certain personnel, environmental or societal information to be submitted to independent third party entities, consultation relating to anti-corruption compliance measures, consultation in respect of the adoption of an accounting standard, attestations issued in respect of financial ratios.

(2) Nature of non-audit services rendered by Deloitte & Associés to the parent company and its subsidiaries: issue of comfort letter, due diligence engagement, attestation issued in respect of financial information, attestation issued in respect of financial ratios.

L. Events after the reporting date

At the beginning of February 2018, the Company renegotiated favorably the covenants applicable to certain of its financial liabilities (see note G.4 Financial liabilities). The revised covenants will be applicable for the June 30th, 2018 closing and subsequently.

M. Scope of consolidation

Consolidated companies		% interest	% control
Parent company	**Teleperformance SE**	100	100
CORE SERVICES			
Continental Europe & MEA			
Albania	CC Albania Sh.p.K	100	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
	Teleperformance Germany At Home Solutions GmbH	100	100
	Teleperformance Germany Financial Services GmbH	100	100
Denmark	Teleperformance Denmark A/S	100	100
Egypt	Service 800 Egypt for Communication (Teleperformance) SAE	96	96
Finland	Teleperformance Finland OY	100	100
France	Teleperformance France	100	100
	Teleperformance Europe Middle East and Africa	100	100
	Teleperformance Intermediation	100	100
Greece	Ypiresia 800 Teleperformance Anonimi Etaireia Parohis Ypiresion	100	100
	Direct Response Service SA	100	100
	Mantel SA	100	100
	Customer Value Management (CVM)	100	100
Italy	In & Out S.p.A.	100	100
Lebanon	Teleperformance Lebanon S.A.L	100	100
Lithuania	UAB "Teleperformance LT"	100	100
Kosovo	Twenty4help Kosovo sh. p. k.	100	100
Luxembourg	Teleperformance Germany Sarl	100	100
Madagascar	Teleperformance Madagascar	99	99
Morocco	*Société Anonyme* Marocaine d'Assistance Client S. A	100	100
Norway	Teleperformance Norge AS	100	100
Netherlands	PerfectCall BV	100	100
	PerfectCall Financial Services BV	100	100
Poland	Teleperformance Polska Spółka z ograniczoną odpowiedzialnością	100	100
	TPG Katowice Spolka Z Ograniczona Odpowiedzialnoscia	100	100
Czech Republic	Lion Teleservices CZ, a. s	100	100
Romania	The Customer Management Company SRL	100	100
	S 800 Customer Service Provider SRL	100	100
	Service 800 contact center – Agent de Asigurare SRL	100	100
Russia	Direct Star LLC	100	100
Sweden	Teleperformance Nordic AB	100	100
Slovakia	Lion Teleservices SK, spol. s r.o.	100	100
Switzerland	SCMG AG	100	100
Tunisia	Société Tunisienne de Telemarketing	100	100
	Société Méditerranéenne de Teleservices	100	100
Turkey	Metis Bilgisayar Sistemliri Sanayi ve Ticaret A.S	100	100
Ukraine	Limited Liability Company «KCU»	100	100
English-speaking & Asia Pacific			
Australia	Teleperformance Australia Pty Ltd	100	100
South Africa	TP South Africa Trading (PTY) Ltd	100	100

Consolidated companies		% interest	% control
Canada	MMCC Solutions Canada company	100	100
China	North Asia United CRM Technologies (Beijing), Ltd	85	100
	Beijing Interactive CRM Technology Service Limited	85	100
	North Asia United CRM Technologies (Xian), Ltd	85	100
	Nanning North Asia United CRM Technologies Co., Ltd	85	100
	Teleperformance Information Technologies (Kunming) Co., Ltd	85	100
	Guangdong North Asia United CRM Technologies Limited	85	100
Guyana	Guyana call Center Inc	100	100
Hong Kong	Hong Kong Asia CRM Limited	85	85
India	CRM Services India Private Limited	100	100
Indonesia	P.T. Telemarketing Indonesia	100	100
Malaysia	Teleprformance Malaysia SDN.BHD	100	100
Philippines	Telephilippines incorporated	100	100
	TPPH – FHCS, Inc.	100	100
	TPPH-CRM Inc.	100	100
United Kingdom	Teleperformance Holdings Limited	100	100
	Teleperformance Limited	100	100
	MM Group Ireland Limited	100	100
Singapore	Telemarketing Asia (Singapore) PTE Ltd	100	100
USA	TP USA, Inc	100	100
	Americall Group, Inc	100	100
	Merkafon Management Corporation	100	100
	Teleperformance Delaware, Inc	100	100
	TP USA – FHCS, Inc	100	100
Ibero-LATAM			
Argentina	Citytech SA	100	100
Brazil	Teleperformance CRM SA	100	100
	SPCC – Sao Paulo Contact Center Ltda	100	100
Chile	TP Chile S. A	100	100
Colombia	Teleperformance Colombia SAS	100	100
Costa Rica	Costa Rica Contact Center CRCC S.A	100	100
Spain	Teleperformance Espana SAU	100	100
	Twenty4Help Knowledge Service Espana S.L	100	100
	Teleperformance Mediacion de Agencia de Seguros, S.L	100	100
	Teleperformance Servicios Auxiliares, S.L.U	100	100
Mexico	TP Nearshore, S. DE R.L. de C.V.	100	100
	Merkafon de Mexico, S.A. DE C.V.	100	100
	Impulsora Corporativa Internacional, 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 ("HTC")	100	100
Peru	Teleperformance Peru S.A.C.	100	100
Portugal	Teleperformance Portugal, S.A.	100	100
El Salvador	Compania Salvadoreña de Teleservices, Sociedad Anónima de Capital Variable	100	100
SPECIALIZED SERVICES			
TLS Contact			
Luxembourg	TLS Group SA	100	100
South Africa	TLScontact South Africa (PTY) Ltd	100	100

Consolidated companies		% interest	% control
Albania	TLScontact Albania Sp.h.k	100	100
Algeria	SARL TLS Contact	100	100
Germany	TLScontact Deutschland GmbH	100	100
Armenia	TLScontact AM Limited Liability Company	100	100
Azerbaijan	TLScontact Azerbaijan LLC	100	100
Belorussia	Unitary Enterprise Providing Services «TLSContact»	100	100
China	Beijing TLScontact Consulting Co, Ltd	100	100
Egypt	TLScontact Egypt	100	100
Spain	TLScontact España SL	100	100
France	TLScontact France	100	100
	TLScontact Algérie	100	100
Gabon	TLScontact Gabon	100	100
Georgia	TLScontact Georgia LLC	100	100
Hong Kong	TLScontact Limited	100	100
Mauritius	TLScontact (Mau) Ltd	100	100
Indonesia	PT. TLScontact Indonesia	99	99
Ireland	TLScontact (Ireland) Ltd	100	100
Italy	TLScontact Italia S.R.L	100	100
Kazakhstan	TLScontact Kazakhstan Limited Liability Partnership	100	100
Kenya	TeleContact Limited	100	100
Lebanon	TLScontact Lebanon SARL	100	100
Madagascar	TLScontact Madagascar	100	100
Morocco	TLScontact Maroc SARLAU	100	100
Montenegro	LLC «TLScontact » d.o.o. Podgorica	100	100
Nigeria	TLScontact Processing Services Limited	100	100
Uganda	TLS Contact Limited	100	100
Uzbekistan	TLS Contact Limited Liability Company	100	100
Philippines	TLScontact Philippines Corporation	100	100
United Kingdom	TLScontact (UK) Limited	100	100
	Teleperformance Contact Limited	100	100
	Application Facilitation Services Limited	100	100
Russia	LLC TLScontact (RU)	100	100
Serbia	TLScontact doo Beograd-Stari Grad	100	100
Sierra Leone	TLScontact (SL) Ltd	100	100
Switzerland	TLScontact Switzerland GmbH	100	100
Tanzania	TLScontact (Tanzania) Ltd	100	100
Thailand	TLScontact International Co, Ltd	100	100
	TLScontact Enterprises (Thaïlande) Co, Ltd	100	100
Tunisia	TLScontact Tunisie	100	100
	Société Tunisienne d'assistance et de services (STAS)	100	100
Turkey	TLS Danismanlik HVTLS	100	100
Ukraine	TLScontact Ukraine Limited Liability Company	100	100
Vietnam	TLSContact Vietnam Company Limited	100	100
GN Research			
Albania	Albania Marketing Services Sh.p.K	67	100
Germany	GN Research Germany GmbH	67	100
France	GN Research France	67	100
Italy	GN Research S.p.A. a socio unico	67	100
Luxembourg	GN Research SA	67	67

Consolidated companies		% interest	% control
Alliance One Receivables Management			
Canada	AllianceOne Limited	100	100
Jamaica	Outsourcing Management International Inc, Ltd	100	100
USA	AllianceOne Incorporated ("AllianceOne")	100	100
	AllianceOne Receivables Management, Inc ("ARMI")	100	100
LanguageLine Solutions LLC			
United Kingdom	Language Line Services UK Limited	100	100
USA	Language Line holdings II, Inc.	100	100
Wibilong			
France	Wibilong S.A.S	84.43	84.43
OTHER			
Luxembourg	Luxembourg Contact Center S.A.R.L	100	100
Netherlands	Dutch Contact Centers BV	100	100
USA	Teleperformance Group Inc.	100	100

All Group companies are fully consolidated.

7.7 Statutory auditors' report on the consolidated financial statements

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

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

For the year ended December 31st, 2017

To the annual general meeting of Teleperformance SE,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of Teleperformance SE for the year ended December 31st, 2017.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31st, 2017 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the audit and Compliance Committee.

Basis for opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *statutory auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1st 2017 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5-1 of Regulation (EU) No 537/2014 or in the French Code of Ethics (*Code de déontologie*) for statutory auditors.

Justification of assessments – key audit matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring your attention to the key audit matter relating to risk of material misstatement that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed this risk.

This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on specific items of the consolidated financial statements.

Impairment of goodwill

(Note D to *the consolidated financial statements*)

Identified risk

As of December 31st, 2017 goodwill are recorded in the statement of financial position for a net carrying amount of €1,676 million, *i.e.* 37% of total assets.

Goodwill are allocated to cash generating units (CGUs) or groups of CGUs and tested for impairment at least annually. An impairment loss is recognized in the statement of income whenever the carrying amount of CGUs or groups of CGUs exceeds its recoverable value. As of December 31st, 2017, the Group has impaired the value of the FSM and Central Europe goodwill for €67 million (€23 million and €44 million respectively).

The recoverable amount of the CGUs and groups of CGUs is based on the value in use, assessed using the discounted cash flows method. Future cash flows are determined over a 5 year period. Cash flows for the first three years are based on the three year plan prepared by CGUs management and approved by Group management. Cash flows for the following two years are derived from the three-year plan on the basis of growth and profit rates considered reasonable for the related CGUs. Depending on the circumstances, the Group can limit the use of cash flows over a three-year period. The terminal value is based on the cash flows of the last year and assumes perpetual growth rate equal to inflation.

Sensitivity analyses are performed by the Group by simulating an erosion of the recoverable value through an increase in the discount rate or a decrease in the EBITA rate (as set out in note A.5) in the terminal value. When a sensitive CGU is identified, further analysis are performed to assess the sensitivity to changes in operational assumptions such as the revenue growth.

We considered the impairment of goodwill to be a key audit matter considering the weight of these assets on the consolidated statement of financial position, the importance of management's judgments to determine the assumptions relating to cash flow forecasts, discount and long-term growth rates and the sensitivity of the recoverable value to changes in the underlying assumptions.

Our audit approach

For the significant cash generating units or for those presenting a specific risk of impairment that we deemed material, our work consisted in:

- obtaining an understanding of the process by which the impairment tests are performed and assessing the appropriateness of the Group's valuation methodology with the applicable accounting standard;
- reconciling the carrying value of the CGUs or groups of CGUs used for impairment testing purposes with the consolidated accounts;
- assessing the reasonableness of future cash flows through:
  - an analysis of the appropriateness of the forecast process by comparing actual realisation with initial forecasts;
  - a reconciliation of the budget and the forecasts used to determine the future cash flows with those approved by Group management;
- assessing the appropriateness of the long term growth rates and discount rates used for each CGU or Group of CGUs with the assistance of our valuation experts;
- performing our own sensitivity analysis on EBITA rates used in the calculation of terminal values and on discount rates.

Verification of the information pertaining to the group presented in the management report

As required by law we have also verified in accordance with professional standards applicable in France the information pertaining to the Group presented in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Report on other legal and regulatory requirements

Appointment of the statutory auditors

We were appointed as statutory auditors of Teleperformance SE by the annual general meeting held on May 31st, 2011.

As at December 31st, 2017 Deloitte & Associés and KPMG Audit IS were in the nineteenth year and thirty-first year of total uninterrupted engagement respectively, which are the eleventh year since securities of the Company were admitted to trading on a regulated market, due to the mergers and acquisitions of audit firms that occured before our appointement as statutory auditors.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The audit and Compliance Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory auditors' responsibilities for the audit of the consolidated financial statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the audit and Compliance Committee

We submit a report to the audit and Compliance Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the audit and Compliance Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this audit report.

We also provide the audit and Compliance Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for statutory auditors. Where appropriate, we discuss with the audit and Compliance Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense and Neuilly-sur-Seine, on the February 28th, 2018

The statutory auditors

French original signed by

KPMG AUDIT IS	Deloitte & Associés
Jacques Pierre Partner	Philippe Battisti Partner

Parent company financial statements

8

8.1 Balance sheet – Assets, at December 31st

(in thousands of euros)	*Notes*	2017 Cost	2017 Acc. depn., amort. and provisions	2017 Net	2016 Net
Intangible fixed assets	*2*	3,923	3,737	186	257
Tangible fixed assets	*2*	5,110	3,231	1,879	1,396
Financial fixed assets					
Investments in subsidiaries and affiliates	*3.1*	1,999,195	274,664	1,724,531	1,731,035
Receivables from subsidiaries and affiliates	*3.2*	1,187,670		1,187,670	1,420,518
Other		381		381	31
Total financial fixed assets		3,187,246	274,664	2,912,582	3,151,584
Total fixed assets		**3,196,279**	**281,632**	**2,914,647**	**3,153,237**
Current assets					
Accounts receivable – Trade	*6*	14,452		14,452	14,002
Other receivables	*6 and 7*	85,783	942	84,841	45,533
Marketable securities	*4*	5,254		5,254	7,164
Derivative financial instruments – positive fair values	*4.1*	26,413		26,413	
Cash and bank	*5*	87,463		87,463	128,294
Prepaid expenses	*6*	9,767		9,767	550
Total current assets		**229,132**	**942**	**228,190**	**195,543**
Bond redemption premiums		3,171		3,171	
Unrealized exchange losses	*12*	75,242		75,242	104,664
TOTAL ASSETS		**3,503,824**	**282,574**	**3,221,250**	**3,453,444**

8.2 Balance sheet – shareholders' equity and liabilities, at December 31st

(in thousands of euros)	*Notes*	**2017**	2016
Share capital	*8*	144,450	144,450
Issue, merger and contribution premiums		575,727	575,727
Legal reserve		14,445	14,315
Other reserves		86,884	86,884
Retained earnings		18,001	51,512
Net income for the period		71,341	41,706
Regulated provisions		6	
Total shareholders' equity	*8*	**910,854**	**914,594**
Provisions for contingencies and expenses	*9*	5,257	5,048
Financial liabilities	*10*	2,047,786	2,334,423
Advances received		9	
Accounts payable – Trade	*11*	23,482	13,000
Tax, personnel and social security liabilities	*11*	13,652	5,021
Other liabilities	*11*	107,714	75,126
Derivative financial instruments – negative fair values	*11*	23,346	
Deferred income	*11*	5,192	
Total liabilities*		**2,221,181**	**2,427,570**
Unrealized exchange gains	*12*	83,958	106,232
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**3,221,250**	**3,453,444**
* *amount due in more than one year*		*1,665,830*	*1,825,204*

8.3 Income statement, year ended December 31st

(in thousands of euros)	Notes	2017	2016
Revenues	15	106,964	70,671
Release of depreciation, amortization and provisions		458	1,247
Other income		14	27
Total operating income		**107,436**	**71,945**
Purchases and external expenses		45,584	39,323
Taxes other than income taxes		1,494	1,021
Wages and social charges		8,200	7,390
Depreciation, amortization and increase in provisions		752	556
Other expenses		723	666
Total operating expenses		**56,753**	**48,956**
Net income from operations		**50,683**	**22,989**
Net income from investments in subsidiaries and affiliates		37,921	32,625
Interest income from loans		66,630	46,376
Other interest and related income		124,269	142,337
Release of provisions and transferred expenses		49,884	8,928
Total financial income*		**278,704**	**230,266**
Amortization and increase in provisions		72,794	23,610
Interest and related expenses		161,156	166,024
Total financial expenses**		**233,950**	**189,634**
Net financial income	16	**44,754**	**40,632**
Profit on ordinary activities before income taxes		**95,437**	**63,621**
Net amount of:			
▪ capital gains/ (losses) on disposal of fixed assets		-134	-3,131
▪ other non-operating income and expenses		457	493
Exceptional result	17	**323**	**-2,638**
Income taxes	18.2	24,419	19,277
NET INCOME		**71,341**	**41,706**
** including income from Group companies*		*151,767*	*85,064*
*** including expenses from Group companies*		*82,103*	*34,754*

8.4 Notes to the parent company financial statements

CONTENTS OF THE NOTES TO THE COMPANY FINANCIAL STATEMENTS

Note 1 Accounting principles, rules and methods

The parent company financial statements are based on information available at the time of preparation and are presented in compliance with the principles and methods of the revised general chart of accounts in force since October 16th, 2014 and of ANC regulation No. 2014-03 revised, 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 accounting principles applying to derivative financial instruments and to hedging operations were modified by ANC regulation n° 2015-05 dated July 2nd, 2015 which was required to be applied to financial statements in respect of years commencing on or after January 1st, 2017.

The Company has applied the regulation since January 1st, 2017 with retrospective effect, but with no impact on opening shareholders' equity.

The Company has elected to apply the simplified transitional option under which only those contracts in force at January 1st, 2017 were required to be restated.

NOTE 1.1 Highlights of the financial year

During 2017, the Company made a bond issue of €600 million at a nominal interest rate of 1.50%, redeemable on April 3rd, 2024, in order to complete the refinancing of its acquisition of LanguageLine Solutions LLC.

NOTE 1.2 Investments in subsidiaries and affiliates

Investments in subsidiaries and affiliates are recognized at acquisition cost, including transaction costs.

Teleperformance carries out impairment tests of its investments in subsidiaries and affiliates at each reporting date. The recoverable amount of investments in subsidiaries and affiliates is represented by their value in use. This is determined on the basis of the Company's share of equity in each investment, adjusted using discounted estimated future cash flows when these result in a lower amount. The cash flows of the first year are based on the budget approved by Group management. For the following two years, cash flows are based on forecasts prepared by the management of each subsidiary 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 and are based on the cash flows of the final year of the forecast.

In the event that cash flow forecasts have been shown on a number of occasions to be inaccurate or when there is uncertainty in respect of a particular market, the Company may decide to limit the forecasts to a three-year horizon.

Cash flows are discounted using the weighted average cost of capital of the geographical zone in which the subsidiary is based.

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.

The 2017 impairment testing resulted in the following changes to the amount of accumulated impairment losses:

(in thousands of euros)	Increase	Decrease
Teleperformance France	70,000	
Teleperformance Spain S.A.U		22,500
In & Out S.p.A (Italy)		20,000
Teleperformance Intermediation		2,000
Teleperformance Europe, Middle East and Africa		1,312
Fonomerk (Spain)		133
TOTAL	**70,000**	**45,945**

The principal discount rates, which are applied are specific to each geographical zone, are as follows:

United Kingdom	6.0%
Central Europe	5.7%
France	5.8%
North America	6.9%
Southern Europe	7.5%

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 the disposal of shares, which are included in the exceptional result.

NOTE 1.3 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.

NOTE 1.4 Interest and exchange risk management

The Company is exposed to exchange and/or interest rate risks through the following transactions:

- loans and borrowings with its subsidiaries denominated in foreign currency in the context of financing transactions;
- receivables and payables with its subsidiaries denominated in foreign currency from transactions in the normal course of business;
- centralized cash-pooling accounts denominated in foreign currency;
- loans from financial institutions.

The Company uses derivative financial instruments, contracted with a number of financial institutions of good standing, to manage its exposure to these risks. These financial instruments comprise principally currency swaps, forward currency sales and purchases, and exchange options, interest rate swaps and a Cross Currency Interest Swap.

In compliance with regulation ANC n°2015-05 dated July 2nd, 2015, the Company applies hedge accounting when a hedge relationship has been so identified in the management system and when the qualifying criteria are fulfilled. The Company recognizes derivative financial instruments to which hedge accounting is not applied in accordance with the principles applying to unrelated open positions.

When hedge accounting is applicable, the fair value of derivative financial instruments is recognized in a symmetrical manner with the hedged item.

Gains and losses realized on expired hedge instruments when the hedged item remains on the balance sheet are deferred (as deferred income or prepaid expenses) until the hedged item is realized.

When the Company has unrelated open positions, the fair value of the financial instruments is recognized on the balance sheet and a provision for unrealized losses is made when this is negative, unless offset by unrealized gains arising from an overall net exchange position.

As part of its strategy for the management of the Group's exchange risk, the Company hedges the forecast transactions of its subsidiaries using derivative exchange instruments contracted with financial institutions and the subsidiaries concerned. These transactions are accounted for as unrelated open positions.

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 loans and financial liabilities".

NOTE 1.6 Incentive share award plans

The Board of Directors' meetings on April 28th and November 2nd, 2016 approved free awards of 914,300 and 151,508 incentive plan shares, respectively, to Group personnel, including company officers of Group subsidiaries, under the authorization given at the shareholders' general meeting of April 28th, 2016, limited to a maximum of 2.5% of the share capital of the Company at the grant date.

Vesting of the free share awards is conditional on the beneficiaries remaining with the Group until at least the end of the vesting period and on meeting certain performance conditions relating to the financial years from 2016 to 2018.

The Board of Directors' meeting on June 23rd, 2017 approved the free award of 11,600 incentive plan shares to a company officer of a Group subsidiary, under the authorization referred to above. Vesting of the free share award is conditional on the beneficiary's continued presence until at least the end of the vesting period and on meeting certain performance conditions.

Note 2 Tangible and intangible fixed assets

	12/31/2017			12/31/2016		
(in thousands of euros)	Cost	Accumulated depreciation, amortization and impairment losses	Net	Cost	Accumulated depreciation, amortization and impairment losses	Net
Intangible fixed assets	3,923	3,737	186	3,923	3,666	257
Tangible fixed assets	5,110	3,231	1,879	4,857	3,461	1,396
▪ Land	305		305	305		305
▪ Buildings	3,480	2,492	988	3,645	2,788	857
▪ Other	1,325	739	586	907	673	234
TOTAL	**9,033**	**6,968**	**2,065**	**8,780**	**7,127**	**1,653**

NOTE 2.1 Cost

(in thousands of euros)	At 01/01/2017	Increases	Decreases	At 12/31/2017
Intangible fixed assets	3,923			3,923
Tangible fixed assets	4,857	932	679	5,110
▪ Land	305			305
▪ Buildings	3,645	456	621	3,480
▪ Other	907	476	57	1,326
TOTAL	**8,780**	**932**	**679**	**9,033**

NOTE 2.2 Accumulated depreciation, amortization and impairment losses

(in thousands of euros)	At 01/01/2017	Increases	Decreases	At 12/31/2017
Intangible fixed assets	3,666	71		3,737
Tangible fixed assets	3,461	449	679	3,231
▪ Land	0			0
▪ Buildings	2,788	325	621	2,492
▪ Other	673	123	57	739
TOTAL	**7,127**	**520**	**679**	**6,968**

NOTE 2.3 Expected useful lives

All tangible and intangible fixed assets are depreciated or amortized on a straight-line basis, based on their category and expected useful life in the business:

	Expected useful life
INTANGIBLE FIXED ASSETS	
▪ Software	3 - 5 years
TANGIBLE FIXED ASSETS	
▪ Buildings*	15 - 25 years
▪ Building Improvements	8 - 10 years
▪ IT Equipment	3 - 5 years
▪ Other	5 - 10 years
▪ ▪ Miscellaneous improvements	5 - 10 years
▪ ▪ Automobiles	5 years
▪ ▪ Office Furniture	10 years

* *According to the nature of the building and the type of component.*

Note 3 Financial fixed assets

▶ Gross amount

(in thousands of euros)	At 01/01/2017	Increases	Decreases	At 12/31/2017
Investments in subsidiaries and affiliates	1,981,644	17,685	134	1,999,195
Receivables from subsidiaries and affiliates	1,420,847	66,839	300,016	1,187,670
Other	31	350		381
TOTAL	**3,402,522**	**84,874**	**300,150**	**3,187,246**

▶ Accumulated impairment losses

(in thousands of euros)	At 01/01/2017	Increases	Decreases	At 12/31/2017
Investments in subsidiaries and affiliates	250,609	70,000	45,945	274,664
Receivables from subsidiaries and affiliates	329		329	0
Other	0			0
TOTAL	**250,938**	**70,000**	**46,274**	**274,664**

NOTE 3.1 Investments in subsidiaries and affiliates – change in gross amount

GROSS AMOUNT AT JANUARY 1ST, 2017	**1,981,644**
Acquisitions, price adjustments and subscriptions to share capital increases	**17,685**
Acquisition of shares in Teleperformance Wibilong	4,819
Acquisition of shares in Teleperformance Peru	3,796
Share capital increase in In & Out Spa	9,000
Share capital increase in Teleperformance Germany SARL	70
Disposals and share capital reductions	**134**
Fonomerk	134
GROSS AMOUNT AT DECEMBER 31ST, 2017	**1,999,195**

NOTE 3.2 Receivables from subsidiaries and affiliates

Teleperformance has made a number of loans to its subsidiaries during 2017 in relation to their cash management, in a total amount of €38 million, principally to:

- Luxembourg Contact Centers, of €9 million;
- LanguageLine Solutions (incorporated in the United Kingdom), of £7.5 million (€8.4 million);
- In & Out (incorporated in Italy), of €6 million;
- Teleperformance Canada, of CAD 9 million (€6.0 million);
- Teleperformance Malaysia, of €3.1 million;
- GN France, of €2 million.

(in thousands of euros)	At 01/01/2017	Increases	Decreases	At 12/31/2017	Amount due after one year
Fonomerk	329		329	0	
Luxembourg Contact Centers	2,174	9,081	11,255	0	
Teleperformance Holdings Ltd	7,268	39	7,307	0	
IMC Korea	0			0	
Service 800 Egypt	10,018		10,018	0	
Service 800 Romania	3,804	80	54	3,830	
In & Out S.p.a	1,003	6,000	7,003	0	
Teleperformance Finland	402		402	0	
TLS Luxembourg	0			0	
Teleperformance USA	636,235	27,793	155,101	508,927	396,362
Teleperformance Denmark	747		747	0	
Lion Teleperformance Czech Republic	380	10	10	380	
Teleperformance Group Inc (USA)	740,670		99,347	641,323	330,003
Teleperformance Lebanon	301	752	92	961	178
Teleperformance Poland	251	10	261	0	
Teleperformance Madagascar	3,151	1,247	51	4,347	
Société méditerranéenne de Telemarketing (Morocco)	2,005	5	5	2,005	
Teleperformance Norway	551		551	0	
Teleperformance Lithuania	1,078	174	137	1,115	
Teleperformance intermédiation Tunisia	50		50	0	
Teleperformance Canada	6,360	6,084	6,440	6,004	
SCMG (Switzerland)		834	49	785	
Metis (Turkey)	4,070	471	770	3,771	
GN Research France		2,006		2,006	
LanguageLine Services (United Kingdom)		8,474		8,474	
Teleperformance Malaysia		3,109	37	3,072	
Dutch Contact Centers (Netherland)		670		670	
TOTAL	**1,420,847**	**66,839**	**300,016**	**1,187,670**	**726,543**
Including share capital increases			7,000		
Including interest		733	16,833		
Including exchange differences		28,054	191,798		
Including new loans / repayments		38,052	84,056		
Including liquidations			329		

Note 4 Marketable securities

Marketable securities amounted to €5.3 million.

They are invested in money market and mutual funds with a market value of the same amount as of December 31st, 2017.

At December 31st, 2017, the Company also held 25,400 own shares under a liquidity agreement with a carrying value of €3 million. Related purchases and sales in 2017 are set out in the following schedule:

Number of treasury shares held at January 1st, 2017	14,000
Number of shares bought in 2017 under the buy-back program commencing April 28th, 2016	191,248
Number of shares sold in 2017 under the buy-back program commencing April 28th, 2016	198,248
Number of shares bought in 2017 under the buy-back program commencing June 23rd, 2017	595,853
Number of shares sold in 2017 under the buy-back program commencing June 23rd, 2017	577,453
Number of treasury shares held at December 31st, 2017	25,400
Carrying value of treasury shares held at December 31st, 2017	3,023,512.05

Note 5 Derivative financial instruments

In accordance with the new ANC regulation (n° 2015-05 dated July 2nd, 2015) which took effect from January 1st, 2017 applying to derivative financial instruments and to hedging operations, the positive and negative fair values of financial instruments are presented in separate line items "Derivative financial instruments" among the balance sheet assets or liabilities, respectively, with a corresponding entry in "Other liabilities" or "Other receivables", respectively.

Derivative financial instruments *(in thousands of euros)*	**Notional amount in foreign currency**	**Notional amount in euros at 12/31/2017**	**Fair value in euros at 12/31/2017**	**Positive fair values**	**Negative fair values**
WITHOUT HEDGE ACCOUNTING					
Currency hedges of subsidiaries' forecast transactions					
USD/PHP 2017	6,808,704	113,867	1,669	2,269	-600
COP/USD 2017	24,000	20,017	241	314	-73
COP/EUR 2017	11,600	11,600	-346	8	-354
MXN/USD 2017	213,112	9,007	136	209	-73
USD/MXN 2017	25,192	21,011	321	421	-100
USD/INR 2017	9,500	7,923	283	303	-20
COP/USD 2018	40,000	33,361	566	811	-245
COP/EUR 2018	18,050	18,050	-29	192	-221
USD/PHP 2018	25,654,000	429,032	1,202	4,861	-3,659
MXN/USD 2018	1,226,700	51,845	1,516	2,487	-971
USD/MXN 2018	136,200	113,595	3,103	5,315	-2,212
USD/INR 2018	13,500	11,259	261	279	-18
EUR/USD 2018	32,300	26,932	71	234	-163
€ interest cap	120,000	120,000	-379		-379
Other			-70	625	-695
MXN cash pool account hedge	1,280,000	54,098	-126	1,733	-1,859
Sub-total			**8,419**	**20,061**	**-11,642**
WITH HEDGE ACCOUNTING					
***Cross Currency Interest* Swap EUR/USD**	55,000	45,872	-4,762		-4,762
Interest rate swap, fixed to floating	200,000	200,000	249		
Intragroup loan hedges					
▪ in USD	253,138	211,124	5,750	5,750	
▪ in PHP	4,244,087	70,977	-4,750	41	-4,791
▪ in TRY	15,000	3,299	541	541	
Cash pool account hedge					
▪ in USD	165,000	137,615	-2,151		-2,151
Other				20	
Sub-total				**6,352**	**-11,704**
TOTAL				**26,413**	**-23,346**

Note 6 Maturity of receivables

(in thousands of euros)	Gross amount at 12/31//2017	Due under 1 year	Due between 1 and 5 years	Due after 5 years
Fixed assets				
▪ Receivables from subsidiaries and affiliates	1,187,670	461,127	592,001	134,542
▪ Other financial assets	381	350	31	
Current assets				
▪ Accounts receivable – Trade	14,452	14,452		
▪ Current accounts: cash pooling	51,504	51,504		
▪ Adjustment account for financial instrument fair values	21,195	21,195		
▪ Other operating receivables	12,094	12,094		
including accrued income of: 5,848				
▪ Miscellaneous receivables	990	48	942	
▪ Prepaid expenses*	9,767	9,767		
TOTAL	**1,298,053**	**570,537**	**592,974**	**134,542**

* *including 9,517 K€ in respect of hedge accounting (see note 1.4).*

Note 7 Impairment losses on assets (excluding financial fixed assets)

(in thousands of euros)	At 01/01/2017	Increases	Decreases	At 12/31/2017
Accounts receivable – Trade	0			0
Subsidiaries' current accounts	0			0
Miscellaneous receivables	942			942
TOTAL	**942**	**0**	**0**	**942**

Note 8 Change in shareholders' equity

(in thousands of euros)	At 01/01/2017	Appropriation of 2016 net income	Dividend distribution	2017 net income	Other changes	At 12/31/2017
Share capital	144,450					144,450
Issue, merger and contribution premiums	575,727					575,727
Legal reserve	14,315	130				14,445
Other reserves – not distributable	25					25
Other reserves	86,859					86,859
Retained earnings	51,512	41,576	-75,087			18,001
Net income for the period	41,706	-41,706		71,341		71,341
Regulated provisions					6	6
TOTAL SHAREHOLDERS' EQUITY	**914,594**	**0**	**-75,087**	**71,341**	**6**	**910,854**

The share capital at December 31st, 2017 amounted to €144,450,000, comprising 57,780,000 shares, each of a €2.50 nominal value.

Regulated provisions are in respect of fiscal depreciation which is classified as exceptional expense and presented on the line item Depreciation, amortization and increase in provisions, net of releases.

Note 9 Provisions for contingencies and expenses

(in thousands of euros)	At 01/01/2017	Increases	Decreases A	Decreases B	At 12/31/2017
Unrealized foreign exchange losses	3,610	1,080	3,610		1,080
Unrealized losses on hedging instruments		1,334			1,334
Employer contributions on free share awards		1,173			1,173
Employee retirement benefits	1,438	232			1,670
TOTAL	**5,048**	**3,819**	**3,610**	**0**	**5,257**

A: *Release utilized.*
B: *Release not utilized.*

NOTE 9.1 Employee retirement benefits

Commitments for payment of retirement and post-employment benefits arising from labor agreements and legal requirements are classified as provisions for contingencies and expenses, and have been measured using the projected unit credit method, under the following actuarial assumptions:

Discount rate	1.29*
Annual rate of increase in salaries	2.50%
Rate of social charges	45%

* *iBoxx € Corporates AA 10+ rate at December 29th, 2017 (source Markit.com).*

Actuarial differences are recognized immediately in the income statement.

Change in the provision for retirement benefits

At the beginning of the year	**1,438**
+ service cost	162
+ interest	19
+ actuarial gains and losses	51
including changes in assumptions	*74*
including new participants	*34*
incuding withdrawals in the year	*-57*
AT THE END OF THE YEAR*	**1,670**

* *including 178 K€ for the benefit of a company officer.*

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 included in the Registration Document *(document de référence)*.

At December 31st, 2017, the Company was in compliance with all of these financial ratios.

The Company has a syndicated credit facility of €300 million which expires in February 2022. Draw-downs under the facility may be made either in euros or in US$, and are repayable *in fine*. At December 31st, 2017, no outstanding amounts had been drawn down under the facility, compared with €35 million at December 31st, 2016.

On July 28th, 2017, the Company repaid the loan of US$135 million from Crédit Agricole.

The Company also has two US private placements, obtained in 2014 and 2016, redeemable *in fine* with the following principal conditions:

- a US$160 million tranche at a fixed interest rate of 3.64%, redeemable in December 2021;
- a US$165 million tranche at a fixed interest rate of 3.98%, redeemable in December 2024;
- a US$75 million tranche at a fixed interest rate of 3.92%, redeemable in December 2023;
- a US$175 million tranche at a fixed interest rate of 4.22%, redeemable in December 2026.

On September 16th, 2016, Teleperformance obtained a loan of US$500 million repayable in four equal installments on August 20th, 2018 and August 19th, 2019, 2020 and 2021.

The Company has also made a bond issue of €600 million at a nominal interest rate of 1.50%, redeemable on April 3rd, 2024.

The related issue expenses of €2.1 million were fully expensed in 2017.

The premium due on redemption of the bonds is presented as an asset in an amount of €3.2 million and will be amortized over the period to redemption.

Finally, on November 23rd, 2017, Teleperformance subscribed to commercial paper issues in a total amount of €105 million.

NOTE 10.1 Loans from financial institutions

(in thousands of euros)	**At 12/31/2017**	At 12/31/2016
LOANS FROM FINANCIAL INSTITUTIONS		
■ Bonds	600,000	
■ Syndicated credit facility	0	35,000
■ Bank loan of US$135 million	0	128,071
■ 7-year US private placement of US$160 million	133,411	151,788
■ 10-year US private placement of US$165 million	137,580	156,532
■ 7-year US private placement of US$75 million	62,537	71,151
■ 10-year US private placement of US$175 million	145,919	166,018
■ Bridging loan of €667.6 million	0	667,556
■ 7-year bank loan of US$500 million	416,910	474,338
Sub-total	**1,496,357**	**1,850,454**
■ Accrued bond interest	6,700	
■ Accrued loan interest	2,401	4,757
■ Bank overdrafts and advances	172	1
TOTAL	**1,505,630**	**1,855,212**

NOTE 10.2 Other loans and financial liabilities

(in thousands of euros)	**At 12/31/2017**	At 12/31/2016
OTHER LOANS AND FINANCIAL LIABILITIES		
■ Current accounts: cash pooling	257,989	284,671
■ Commercial paper denominated in €	105,000	30,000
■ Loans from subsidiaries		
■ Loans from Philippines in a total amount of 6,744 KPHP	112,792	82,127
■ Loans from USA for a total of US$25 million		23,717
■ Loans denominated in € from Albania	5,500	
■ Loans denominated in € from Luxembourg	48,630	23,805
■ Loans from UK for £9 million	10,144	5,934
■ Accrued loan interest	1,896	2,140
■ Fair value of financial instruments*		26,564
■ Other	205	251
TOTAL	**542,156**	**479,209**

* *Presented as a non-financial liability in 2017 following the adoption of ANC 2015-05.*

Note 11 Maturity of liabilities

(in thousands of euros)	At 12/31/2017	Due under 1 year	Due between 1 and 5 years	Due after 5 years
FINANCIAL LIABILITIES				
■ Loans from financial institutions	1,505,630	113,501	446,094	946 035
■ Loans and other financial liabilities	542,156	438,182	103,867	107
Sub-total, financial liabilities	**2,047,786**	**551,683**	**549,960**	**946 142**
Advances received	9	9		
Accounts payable –Trade(1)	23,482	23,482		
Tax, personnel and social security	13,652	13,652		
Other liabilities(2)(3)(4)	107,714	42,214	65,500	
Derivative financial instruments – negative fair values	23,346	23,346		
Deferred income(5)	5,192	5,192		
TOTAL	**2,221,181**	**659,578**	**615,460**	**946,142**
(1) including accrued invoices	*13,137*	*13,137*		
(2) including accrued expenses	*1,807*	*1,807*		
(3) including income taxes saved on subsidiaries' tax losses utilized	*79,515*	*14,009*		
(4) including adjustment accounts for financial instrument fair values	*26,393*	*26,393*		
(5) In respect of hedge accounting (see note 1.4).				

Note 12 Unrealized exchange gains and losses on assets and liabilities denominated in foreign currencies

(in thousands of euros)	Unrealized exchange losses	Unrealized exchange gains	Net	Provision for unrealized exchange losses
UNDER HEDGE ACCOUNTING				
Loans to subsidiaries	66,286	12,771		
Loans from subsidiaries		13,997		
Loans from financial institutions	7,604	54,904		
Sub-total	**73,890**	**81,672**	**-7,782**	**0**
OTHER RECEIVABLES AND LIABILITIES				
Loans to subsidiaries	157	1,964		63
Loans from subsidiaries	115	258		95
Loans from financial institutions	634			634
Accounts receivable – Trade	446	6		446
Accounts payable – Trade		58		
TOTAL	**75,242**	**83,958**		**1,238**

Note 13 Exposure of the Company to interest rate risks

The Company's exposure to interest rate risks at December 31st, 2017 is summarized as follows:

(in thousands of euros)	Gross amount	Due under 1 year	Due between 1 and 5 years	Due after 5 years
FINANCIAL ASSETS				
▪ Group loans and advances	1,187,670	461,127	592,001	134,542
▪ Current accounts: cash pooling	51,504	51,504		
Total financial assets, including:	**1,239,174**	**512,631**	**592,001**	**134,542**
▪ *at a fixed rate*				
▪ *at a floating rate*[(2)]	*1,239,174*	*512,631*	*592,001*	*134,542*
FINANCIAL LIABILITIES				
▪ Loans from financial institutions	1,505,630	113,501	446,094	946,035
▪ Loans and other financial liabilities	542,155	438,182	103,866	107
Total financial liabilities, including:	**2,047,785**	**551,683**	**549,960**	**946,142**
▪ *accrued interest and other liabilities*	11,375	11,268		107
▪ *at a fixed rate*[(1)]	1,184,445	105,500	133,410	946,035
▪ *at a floating rate*[(2)]	851,965	435,415	416,550	

(1) including €200 million concerning the bond issue with a fixed to floating interest rate swap.
(2) Floating rates are based on EURIBOR, LIBOR US$ or LIBOR £ (with maturities between three months and one year), and the Central Bank of the Philippines' rate applying to long-term loans.

Note 14 Exposure of the Company to exchange risks

The Company's exposure to exchange risks at December 31st, 2017 is summarized as follows:

(in thousands)	Currency amounts at 12/31/2017	Less: hedged loans	Exchange risk exposure
GROUP LOANS AND ADVANCES			
US dollars	1,383,497	1,358,137	25,360
Swiss francs	900		900
£ sterling	7,519		7,519
Canadian dollars	9,000		9,000
Turkish lira	15,000	15,000	0
Malaysian ringgits	3,000		3,000
LOANS FROM FINANCIAL INSTITUTIONS			
US dollars	1,075,000	1,050,000	25,000
LOANS FROM SUBSIDIARIES			
Philippine pesos	6,744,401	4,244,087	2,500,314
£ sterling	9,000		9,000

Note 15 Revenues

	2017		2016	
(in thousands of euros)	France	Rest of the World	France	Rest of the World
Royalties and management fees	2,337	100,765	2,900	67 058
Rents and rental charges	476		454	
Other	3,223	164	16	243
TOTAL	**6,036**	**100,929**	**3,370**	**67,301**

As the parent company of the Group, the activity of Teleperformance SE is that of a holding company in respect of its subsidiaries; it also provides management, supervisory, assistance and advisory functions for Group companies, in return for which it receives management fees. Teleperformance also receives Intellectual property royalties which are charged to all Group subsidiaries.

The increase in royalty income is principally due to the increase in consolidation scope.

Note 16 Financial result

	2017			2016
(in thousands of euros)	Income	Expense	Net	Net
Dividends	37,921		37,921	32,625
Provisions on shareholdings	45,946	70,000	-24,054	-17,850
Other impairment provisions	329	381	-52	3,918
Financial debt waiver		3,088	-3,088	-6,722
Provisions for unrealized exchange losses	3,610	1,080	2,530	-751
Provisions for unrealized losses on financial instruments		1,334	-1,334	
Foreign exchange gains and losses	115,845	98,513	17,332	11,373
Interest on short-term investments	75,053	59,546	15,507	18,038
Disposal of marketable securities		8	-8	1
TOTAL	**278,704**	**233,950**	**44,754**	**40,632**

In 2017, the Company waived a receivable due from its subsidiary Teleperformance France in respect of 2017 brand royalties and management services.

The Company has also written off the receivable of €0.3 million due by its Spanish subsidiary Fonomerk which has been put into liquidation.

Note 17 Exceptional result

	2017			2016
(in thousands of euros)	Income	Expense	Net	Net
Capital operations	873	545	328	-3,648
▪ Tangible and intangible fixed assets			0	0
▪ Financial fixed assets		134	-134	-3,131
▪ Other	873	411	462	-517
Revenue operations			0	0
Depreciation, amortization and increase in provisions, net of releases		6	-6	1,010
TOTAL	**873**	**551**	**322**	**-2,638**

Note 18 Income taxes

NOTE 18.1 French tax Group

The companies in the 2017 French tax Group are as follows:

- Teleperformance;
- Teleperformance France;
- Teleperformance emea;
- Teleperformance intermédiation.

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 mechanism are immediately transferred by Teleperformance to the relevant loss-making subsidiaries. Prior tax savings outstanding of €43.9 million (recognized as a liability*) will also be transferred back in the event of a subsidiary exiting the tax Group or utilizing the tax losses itself.

* *See note 11, foot-note (3) including income taxes saved on subsidiaries' tax losses utilized.*

NOTE 18.2 Analysis of 2017 income tax expense

		Income taxes					
			Restatements				
(in thousands of euros)	Pre-tax income	Theoretical expense	Fiscal adjustments	Effect of tax Group	Other items (dividend taxes, tax assessments)	Actual expense	Net income
Profit on ordinary activities	95,439	41,120	-12,141	-1,309	-3,402	24,267	71,170
▪ Standard rate (34.43%)	119,493	41,120	-12,141	-1,309	-3,402	24,267	95,224
▪ Long-term rate (0%)	-24,054	0				0	-24,054
Exceptional result	322	152	0	0	0	152	171
▪ Standard rate (34.43%)	456	152				152	305
▪ Long-term rate (0%)	-134					0	-134
TOTAL	**95,761**	**41,272**	**-12,141**	**-1,309**	**-3,402**	**24,420**	**71,341**

The French Group tax result showed a profit of €51.7 million in 2017, before offsetting tax losses brought forward of €2.8 million. At December 31st, 2017, there remain no more tax losses available to offset future French Group taxable income.

The 2017 tax charge was €24.4 million, compared with €19.3 million in 2016.

NOTE 18.3 Unrecognized deferred tax assets and liabilities at December 31st, 2017

TYPE	At beginning of year		Change		At end of year	
(in thousands of euros)	Asset	Liability	Asset	Liability	Asset	Liability
CHANGES IN UNRECOGNIZED DEFERRED TAX ASSETS AND LIABILITIES						
I. Certain or potential timing differences						
1 – Items not currently deductible						
1.1 – Deductible in the following year						
▪ Unrealized exchange gains	1,783		807	1,783	807	
▪ Provisions for losses on derivative financial instruments			506		506	
▪ Other	1,278		426	1,278	426	
1.2 – Deductible in subsequent years						
▪ Retirement benefits	495		575	495	575	
2 – Income not currently taxed						
▪ Unrealized exchange losses		1,243	1,243	372		372
TOTAL	**3,556**	**1,243**	**3,557**	**3,928**	**2,314**	**372**
NET CHANGE IN UNRECOGNIZED DEFERRED TAX ASSETS, NET OF LIABILITIES					**-371**	
II. Other potential deductions						
1 – Tax losses carried forward	2,831			2,831	0	
III. Tax group effect						
1 – Tax savings to be transferred back to subsidiaries		7,638	7,638	14,009		14,009

Note 19 Commitments

NOTE 19.1 Guarantees *(in thousands of euros)*

In favor of private or public organizations:

In respect of commitments of French subsidiaries	Total	Expiry date
UBS real estate KMBH (Teleperformance France)	398	03/07/2020
Cuvier Montreuil (GN Research France)	181	03/31/2025
TOTAL	**579**	

In favor of financial institutions:

In respect of commitments of foreign subsidiaries	Beneficiary banks	Total	Expiry date
Citytech Argentina	HSBC	1,502	01/31/2019
Citytech Argentina	Bank Boston	2,501	01/31/2019
Beijing TLScontact Consulting	BNP Paribas China Beijing Branch	1,403	05/12/2018
TP Chile	HSBC Chile	2,251	07/21/2018
TP Chile	Citi Bank Banco de Chile	1,568	07/20/2019
Service 800 Egypt	CA Egypt	2,501	06/30/2018
Service 800 Egypt	CA Egypt	417	03/21/2018
North Asia United CRM Technologies Ltd	HSBC China Beijing Branch	2,550	04/23/2018
LCC	SG Bank & Trust	1,000	12/31/2019
Metis Bilgisayar Sistemleri	HSBC Turkey	2,085	02/23/2019
Metis Bilgisayar Sistemleri	HSBC Turkey	1,918	10/25/2019
TOTAL		**19,696**	

NOTE 19.2 Guarantee commitments

Teleperformance SE issued a performance guarantee in November 2013 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.

Teleperformance SE issued a performance guarantee in December 2013 to Apple Inc. relating to the obligations of certain subsidiaries undertaken in respect of a commercial contract. The guarantee was given 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 calendar year preceding the date of the loss event.

Teleperformance SE issued a performance guarantee to Barclays Bank PLC with respect to the obligations of its subsidiary TP Portugal under a commercial contract. The guarantee was signed in 2014 and will remain in force for the duration of the contract.

In July 2017, Teleperformance Portugal SA, a subsidiary of Teleperformance SE, entered into a promissory lease agreement concerning office premises. In this context, Teleperformance SE issued a joint and several guarantee for a total amount limited to €36 million and for the duration stated in the agreement.

In 2017, Teleperformance SE has issued comfort letters to Canon, a partner with which Ypiresia 800 – Teleperformance A.E., a subsidiary of the Company, had entered into a commercial relationship.

Finally, Teleperformance SE has given comfort letters to a number of banks to guarantee commitments of its subsidiaries located in Mexico, Colombia, Australia, Egypt, France, Italy, Greece, Peru, Luxembourg, Brazil, Spain, Germany, Tunisia and England in a total amount of €46.6 million.

NOTE 19.3 Net asset warranties received in connection with the acquisition of shareholdings

The agreement entered into for the acquisition of Wibilong SAS contains net asset warranties intended to indemnify the acquirer against any prior existing liabilities that were not disclosed at the time of the acquisition.

The duration of each commitment is generally of two years from the date of completion of the acquisition except in certain cases for tax-related liabilities for which the duration of the commitment corresponds to the date of prescription of each potential liability.

These commitments are guaranteed by:

- amounts held by a bank in escrow, to be released in full after two years from the date of acquisition, in the absence of any request for indemnification; or
- representations and commitments covering certain guarantees.

NOTE 19.4 Other commitments

The French individual rights to training program (DIF) has been superseded from January 2015 by the introduction of the individual training account (CPF). The outstanding entitlement of 2,241 hours existing under the DIF as of December 31st, 2014 may be utilized until December 31st, 2020. During 2017, 354 training hours were utilized.

The outstanding commitment in respect of the CPF amounted to 1,931 hours at the end of 2017.

Note 20 Work-force

At December 31st, 2017, the Company's work-force consisted of 44 persons, representing 40 managers and 4 other employees. The change during the year was as follows:

Employment categories	At December 31st, 2016	Change	At December 31st, 2017
Other	5	-1	4
Managers	42	-2	40
TOTAL	**47**	**-3**	**44**

Note 21 Remuneration of company officers

The total amount of all types of remuneration paid in 2017 amounted to 93 K€ compared with 87 K€ in 2016.

The amount of directors' fees paid to directors in 2017 in respect of the 2016 financial year amounted to 600 K€ compared with 600 K€ paid in 2016.

Note 22 Audit fees of the statutory auditors of Teleperformance SE

The audit fees of the statutory auditors of Teleperformance SE in respect of the 2017 financial year are analyzed as follows:

(in thousands of euros)	KPMG		Deloitte & associés	
	Audit certification	Services other than audit certification	Audit certification	Services other than audit certification
TOTAL	**398**	**150**	**392**	**131**

Nature of non-audit services rendered by KPMG to the parent company and its subsidiaries: issue of comfort letter, engagements for the verification of the existence and the fairness of certain personnel, environmental or societal information to be submitted to independent third party entities, consultation relating to anti-corruption compliance measures, consultation in respect of the adoption of an accounting standard, attestations issued in respect of financial ratios.

Note 23 Balances and transactions with Group companies

Balance sheet *(in thousands of euros)*	Net amount at 12/31/2017
ASSETS	
▪ Investments in subsidiaries and affiliates	1,724,531
▪ Receivables from subsidiaries and affiliates	1,187,670
▪ Accounts receivable – Trade	14,451
▪ Other receivables	51,504
LIABILITIES	
▪ Financial liabilities	435,260
▪ Accounts payable – Trade	9,315
▪ Other liabilities	79,514

Income statement *(in thousands of euros)*	Net amount at 12/31/2017
INCOME	
▪ Net income from investments in subsidiaries and affiliates	37,921
▪ Other financial income	67,899
▪ Release of provisions	45,946
EXPENSES	
▪ Financial expenses	12,102
▪ Increase in provisions	70,000

Note 24 Related parties

As all relevant transactions were entered into at arms' length conditions, no further information is disclosed with respect to related parties.

8.5 *Schedule of subsidiaries and investments, December 31st, 2017*

(in thousands of euros)	Gross amount of share-holding	Carrying value of share-holding	Dividends received	Loans and advances	Commit-ments given	% Holding
I DETAILED INFORMATION						
Subsidiaries with the gross amount of its shareholding exceeding 1% of the parent company's share capital						
A. Subsidiaries (more than 50% owned by the Company)						
Teleperformance intermédiation 21-25 rue Balzac – 75008 Paris	6,647	4,847				100
Teleperformance Europe, Middle-East and Africa 21-25 rue Balzac – 75008 Paris	9,609	4,745				100
Teleperformance France 12-14, rue Sarah Bernhardt – 92600 Asnières-sur-Seine	354,276	86,276				100
Compania Salvadoreña de Teleservices S.A. de C.V Edificio Plaza Olímpica Avenida Olímpica y Pasaje 3 Segundo Nivel San Salvador – El Salvador	6,000	6,000	12,543			100
Luxembourg Contact Centers S. de. L. 32 rue Jean-Pierre Brasseur L-1258 Luxembourg	132,277	132,277				100
Teleperformance Holdings Limited Spectrum House, Bond Street BS1 3LG Bristol – United Kingdom	108,525	108,525				100
SPCC –Sao Paulo Contact Center Ltda Prédio 25, Espaço 01, Mezanino, Sala A Lapa, CEP 05069 – 010 Sao Paulo – Brazil	62,365	62,365				100
Teleperformance Espagne S.A.U. Avenida de Burgos 8A – 28036 Madrid – Spain	29,780	29,780				100
YPIRESIA 800 Teleperformance Thisseos 330 – 17675 Kallithea – Greece	5,572	5,572	12,000			100
Teleperformance Portugal SA Parque das Naçoes, Lais dos argonautas Lote 2.34.01, 1990 – 011 Lisbon – Portugal	7,754	7,754	11,400			95
Teleperformance Nordic AB St Eriksgatan 115 – 11385 Stockholm – Sweden	6,586	6,586	975			100
Telemarketing Asia (Singapore) Pte Ltd 29 Tai Seng Avenue, 534119 Singapore	3,221	3,221				100
In & Out S.p.A. *Via* Di Priscilla 101 – 00199 Rome – Italy	58,405	58,405				100
Teleperformance Peru Av La Floresta N°497, Piso 5°, San Borja Lima – Peru	3,796	3,796				99
Wibilong 10, rue de Castiglione – 75001 Paris - France	4,819	4,819				84
Teleperformance Colombia S.A.S. Calle 70 A 4 41 – Bogota DC – Colombia	72,058	72,058				100
Citytech S.A 1 Bouchard 680, piso 10 – Buenos Aires – Argentina	7,517	7,517				88
Teleperformance Group Inc. 1601 Washington Av. Suite 400 – Miami Beach FL 33139 – USA	1,118,060	1,118,060		641,323		100
B. Shareholdings (10 - 50% of the share capital held by the Company): none						
II CUMULATIVE INFORMATION						
A. Subsidiaries not set out in section I:						
a) French subsidiaries (in total)	none					
b) Foreign subsidiaries (in total)	1,928	1,928		6,675		
B. Shareholdings not set out in section I: none						

(in thousands of local currency)	Local currency	2017 share capital	Total 2017 equity excluding share capital	2017 statut-ory net income	2017 revenues
I DETAILED INFORMATION					
Subsidiaries with the gross amount of its shareholding exceeding 1% of the parent company's share capital					
A. Subsidiaries (more than 50% owned by the Company)					
Teleperformance intermédiation 21-25 rue Balzac – 75008 Paris	EUR	3,750	-363	66	1,796
Teleperformance Europe, Middle-East and Africa 21-25 rue Balzac – 75008 Paris	EUR	2,500	2,372	1,403	87,137
Teleperformance France 12-14, rue Sarah Bernhardt – 92600 Asnières-sur-Seine	EUR	59,000	-43,485	-46,992	143,330
Compania Salvadorena de Teleservices S.A. de C.V Edificio Plaza Olímpica Avenida Olímpica y Pasaje 3 Segundo Nivel San Salvador – El Salvador	US$	12	43,798	20,041	95,206
Luxembourg Contact Centers S. de. L. 32 rue Jean-Pierre Brasseur L-1258 – Luxembourg	EUR	130,500	183,203	56,761	0
Teleperformance Holdings Limited Spectrum House, Bond Street BS1 3LG Bristol – United Kingdom	GBP	62,704	7,362	527	0
SPCC –Sao Paulo Contact Center Ltda Prédio 25, Espaço 01, Mezanino, Sala A Lapa, CEP 05069 – 010 Sao Paulo – Brazil	BRL	156,500	115,858	13,249	0
Teleperformance Espagne S.A.U. Avenida de Burgos 8A – 28036 Madrid – Spain	EUR	8,751	-1,967	529	59,401
YPIRESIA 800 Teleperformance Thisseos 330 – 17675 Kallithea – Greece	EUR	2,100	46,799	22,929	158,114
Teleperformance Portugal SA Parque das Naçoes, Lais dos argonautas Lote 2.34.01, 1990 – 011 Lisbon - Portugal	EUR	885	43,053	21,525	202,685
Teleperformance Nordic AB St Eriksgatan 115 – 11385 Stockholm – Sweden	SEK	277	176,632	21,433	564,369
Telemarketing Asia (Singapore) Pte Ltd 29 Tai Seng Avenue, 534119 Singapore	SGD	4,000	4,655	655	11,356
In & Out S.p.A. *Via* Di Priscilla 101 – 00199 Rome – Italy	EUR	2,828	1,188	-8,105	86,660
Teleperformance Peru Av La Floresta N°497, Piso 5°, San Borja Lima – Peru	PEN	14,271	506	506	9,468
Wibilong 10, rue de Castiglione – 75001 Paris - France	EUR	277			
Teleperformance Colombia S.A.S. Calle 70 A 4 41 – Bogota DC – Colombia	MCOP	134,265	203,234	31,313	551,375
Citytech S.A 1 Bouchard 680, piso 10 - Buenos Aires – Argentina	ARS	8,220	114,147	21,381	1,138,712
Teleperformance Group Inc. 1601 Washington Av. Suite 400 – Miami Beach FL 33139 – USA	US$	452	1,418,437	96,034	0
B. Shareholdings (10 - 50% of the share capital held by the Company): none					
II CUMULATIVE INFORMATION					
A. Subsidiaries not set out in section I:					
a) French subsidiaries (in total)					
b) Foreign subsidiaries (in total)					
B. Shareholdings not set out in section I: none					

2017 Exchange rates	Closing	Average
ARS	22.3054	18.7241
BRL	3.9729	3.6041
MCOP	3.577	3.3324
GBP	0.8872	0.8761
PEN	3.8831	3.6779
SEK	9.8438	9.6369
SGD	1.6024	1.5582
US$	1.1993	1.1293

8.6 *Statutory auditors' report on the financial statements*

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

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

For the year ended December 31st, 2017.

To the annual general meeting of Teleperformance SE,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of Teleperformance SE for the year ended December 31st, 2017.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31st, 2017 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the audit and compliance committee.

Basis for opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1st, 2017 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5-1 of Regulation (EU) No 537/2014 or in the French Code of ethics (*Code de déontologie*) for statutory auditors.

Emphasis of matter

Without qualifying the above opinion, we draw attention to the following matter described in Note 1.1 *Accounting principles, rules and methods* to the financial statements relating to a change in accounting method resulting from the first application of regulation 2015-05 issued by the ANC on July 2nd, 2015 relating to derivative financial instruments and hedging operations.

Justification of assessments – key audit matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring your attention to the key audit matter relating to risk of material misstatement that, in our professional judgment, was of most significance in our audit of the financial statements of the current period, as well as how we addressed this risk.

This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on specific items of the financial statements.

Impairment of investments in subsidiaries

(Notes 1.2 and 3 *to the annual financial statements*)

Identified risk

As of December 31st, 2017 investments in subsidiaries were recorded in the balance sheet for a net carrying amount of €1,725 million, *i.e.* 53% of total assets.

The company carries out impairment tests of its investments in subsidiaries at each reporting date. The recoverable amount of investments in subsidiaries is represented by their value in use. This is determined either on the basis of the company's share of equity in each investment, possibly revalued, or on the basis of discounted future cash flows method adjusted for net debt. Future cash flows are determined over a 5 year period. Cash flows for the first three years are based on the three year plan prepared by the management of subsidiaries and approved by Group management. Cash flows for the following two years are derived from the three year plan on the basis of growth and profit rates considered reasonable for the related subsidiaries. Depending on the circumstances, the group can limit the use of cash flows over a three-year period. The terminal value is based on the cash flows of the last year and assumes perpetual growth rate equal to inflation.

The 2017 impairment review has resulted in an impairment provision of €70 million on the investments in Teleperformance France.

We considered the impairment of investments in subsidiaries to be a key audit matter considering the weight of these assets on the balance sheet, the importance of management's judgments to determine the assumptions relating to cash flows forecasts, discount and long-term growth rates.

Our audit approach

For the significant investments in subsidiaries or for those for which a specific risk of impairment has been identified, our work consisted in:

- obtaining an understanding of the process by which the value in use of the company's investment in subsidiaries has been estimated;
- when the value in use has been estimated using the company's share of equity:
  - a reconciliation of the share of equity used for impairment testing purposes with the financial statement of the related subsidiary;
  - an assessment of the appropriateness of any revaluation made;
- when the value in use has been estimated using a discounted cash flows approach:
  - assessing the reasonableness of future cash flows by analyzing the ability of the company to estimate future cash flows by comparing actual realizations with initial forecasts;
  - reconciling the forecasts used to determine the future cash flows with those approved by group management;
  - assessing the appropriateness of the long-term growth rates and discount rates used with the assistance of our valuation experts;
  - reconciling the net indebtness used for impairment testing purposes with the subsidiary accounts.

Verification of the management report and of the other documents provided to the shareholders

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

Information given in the management report and in the other documents provided to Shareholders with respect to the financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents provided to the shareholders with respect to the financial position and the financial statements.

Information relating to corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-3 and L.225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L.225-37-3 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlling and controlled companies. Based on this work, we have the following comment on the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a public purchase or exchange offer, provided pursuant to Article L.225-37-5 of the French Commercial Code, we have verified their compliance with the source documents communicated to us. Based on our work, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on other legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Teleperformance SE by the annual general meeting held on May 31st, 2011.

As at December 31st, 2017 Deloitte & Associés and KPMG Audit IS were in the nineteenth year and thirty-first year of total uninterrupted engagement respectively, which are the eleventh year since securities of the Company were admitted to trading on a regulated market, due to the mergers and acquisitions of audit firms that occured before our appointement as statutory auditors..

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit and Compliance is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory auditors' responsibilities for the audit of the financial statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit and Compliance Committee

We submit a report to the Audit and Compliance Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Compliance Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the audit and compliance with the declaration provided for in Article 6 of Regulation (EU) No 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for statutory auditors. Where appropriate, we discuss with the audit and compliance committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense and Neuilly-sur-Seine, on the February 28th, 2018
The statutory auditors

French original signed by

KPMG AUDIT IS	Deloitte & Associés
Jacques Pierre Partner	Philippe Battisti Partner

8.7 Five-year summary

(In euros)	2013	2014	2015	2016	2017
I SHARE CAPITAL AT THE END OF THE YEAR					
Share capital	143,150,475	143,004,225	143,004,225	144,450,000	144,450,000
Number of shares issued	57,260,190	57,201,690	57,201,690	57,780,000	57,780,000
Maximal number of potential shares					
– by exercice of subscription rights					
– by allocation of incentie plan shares	781,539			1,034,208	990,476
II SELECTED INCOME STATEMENT INFORMATION					
REVENUES, excluding VAT	51,408,682	57,397,383	67,520,049	70,670,559	106,964,855
Net income (loss) excluding income taxes, depreciation and amortization, and provisions	60,480,524	69,534,471	149,573,842	73,962,829	119,422,233
Income taxes	7,886,077	12,383,835	22,083,024	19,276,634	24,418,956
Net income (loss) after income taxes, depreciation and amortization, and provisions	34,942,177	49,492,955	120,002,281	41,705,613	71,341,012
Dividends distributed	45,808,152	52,625,554	68,642,028	75,114,000	106,893,000
III SELECTED INFORMATION PER SHARE					
Net income (loss) excluding depreciation and amortization, and provisions	0.92	1.00	2.23	0.95	1.64
Net income (loss) after income taxes, depreciation and amortization, and provisions	0.61	0.87	2.10	0.72	1.23
Dividends distributed	0.80	0.92	1.20	1.30	1.85*
IV STAFF					
Number of salaried staff	47	47	46	47	44
Total remuneration	7,062,140	5,780,319	4,291,841	5,200,098	4,955,371
Amount of employee fringe benefits (social security, staff benefits)	3,238,602	2,441,474	1,902,873	2,189,472	3,244,785

* *To be proposed to the AGM to be held on April, 20th 2018.*

Additional information

9

9.1 *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, which details are contained in the table presented in section 9.5 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.”

March 2, 2018

Daniel Julien

Chairman and Chief Executive Officer

9.2 *Statutory auditors*

Primary auditors	First appointment date	Date of expiry of current term of office
KPMG Audit IS Tour Eqho, 2, avenue Gambetta 92066 Paris La Défense Tel: +33 1 55 68 68 68	5/31/2011	2023 shareholders’ meeting
Deloitte & Associés 185, avenue Charles de Gaulle 92524 Neuilly-sur-Seine – France Tel: +33 1 40 88 28 00	5/31/2011	2023 shareholders’ meeting

The terms of office of the alternate statutory auditors of KPMG Audit ID and BEAS expired at the end of the shareholders’ meeting held on June 23rd, 2017. Pursuant to the Article L.823-1 of the French Commercial Code amended by the Law No 2016-1691 dated December 9th, 2016 called “Sapin 2” law, their renewal was not carried out.

9.3 Cross-reference table of the Registration Document

▶ **Pursuant to the provisions of the annex I of the No. 809/2004 European Regulation**

		Pages	Section
9/	**Operating and financial review**		
9.1	Financial position	158; 163	6.1; 6.2
9.2	Net income from operations	158; 163	6.1; 6.2
9.2.1	Significant factors	158; 163; 165	6.1; 6.2; 6.3
9.2.2	Material changes in net revenue or sales	158; 163; 165	6.1; 6.2; 6.3
9.2.3	External factors	158; 163; 165	6.1; 6.2; 6.3
10/	**Cash flow and capital structure**		
10.1	Information on capital	162;167; 213	6.1.3; 7; 8
10.2	Cash flows	162; 170	6.1.3; 7.4
10.3	Information on the borrowing requirements and funding structure of the issuer	163; 193; 223	6.2.1.4; 7.6; 8.4
10.4	Restrictions on the use of capital resources	37	2.1.3
10.5	Anticipated sources of funds		n/a
11/	**Research and development, patents and licenses**	12	1.2
12/	**Trend information**		
12.1	Most significant recent trends since the end of the last fiscal year	165	6.3
12.2	Events likely to significantly influence trends	165	6.3
13/	**Profit forecasts or estimates**		
13.1	Principal assumptions		n/a
13.2	Independent auditors report		n/a
13.3	Forecast or estimated profit		n/a
13.4	Statement on profit forecast in a prospectus		n/a
14/	**Administrative, executive management and supervisory bodies**		
14.1	Information concerning members	72; 100	4.1.3; 4.1.4
14.2	Conflicts of interests	91	4.1.3.5
15/	**Remuneration and benefits**		
15.1	Remuneration and benefits in kind	101	4.2
15.2	Provisions for retirement obligations	108	4.2.2.2
16/	**Functioning of the Board and management**		
16.1	Duration of the terms of offices	74	4.1.3.1
16.2	Services agreements relating to members of the administrative, executive or supervisory bodies	91	4.1.3.6
16.3	Information about the Audit and Remuneration Committees	97	4.1.3.7.4
16.4	Compliance to the applicable corporate governance regime	71	4.1.1
17/	**Employees**		
17.1	Number and breakdown of salaried personnel	130	5.2.1
17.2	Shareholdings and stock-options	55; 60	3.2.4.3; 3.3.1.3
17.3.	Arrangement involving the employees' participation to the share capital	131	5.2.3
18/	**Major shareholders**		
18.1	Shareholding of the issuer	59	3.3.1
18.2	Existence of different voting rights	51	3.1.2.3
18.3	Direct or indirect control of the issuer	59	3.3
18.4	Agreements whose implementation could lead to a change of control	62	3.3.3
19/	**Related-party transactions**	204; 230	7.6; 8.4

9.4 Cross-reference table to the annual financial report

Pursuant to Article L.451-1-2 of the French Monetary and Financial Code

		Pages	Section
A	**Annual Financial Report**		
1/	**Management report** *(see details in 9.5)*		
	Analysis of the evolution of revenues	157	6
	Analysis of the results	157	6
	Analysis of the financial position	157	6
	Key performance indicators of financial and non financial nature	123; 167; 213	5; 7; 8
	Indicators on the use of financial instruments	167	7
	Major risk factors and uncertainties	33; 165	2.1; 6.3.2
	Financial risks related to the impact of climate change and presentation of the measures taken to reduce it (low-carbon strategy) by the Company and the Group	142	5.3.1
	Internal control and risk management procedures related to the preparation and processing of accounting and financial information of the Company and the Group	40	2.3
	Hedging objective and policy of transactions for which the hedging accounting of the Company and the Group is used Exposure to price risk, credit risk, liquidity risk and cash flow risk of the Company and the Group Use of financial instruments of the Company and the Group	37	2.1.3
	Share repurchases by of the Company	54	3.2.3.4
2/	**Consolidated financial statements**	167	7
3/	**Parent company financial statements**	213	8
4/	**Statutory auditors' report on the Company's financial statements and the consolidated financial statements**	209; 233	7.7; 8.6
5/	**Statements of the person responsible for the annual financial report**	238	9.1
B	**Description of the share repurchase program**	54	3.2.3.4

9.5 *Cross-reference table to the management report*

Applicable provisions		Comments on the financial year	Section
French Commercial Code	L.225-100-1	Objective and comprehensive analysis of the development of the Company's and Group's business, earnings and financial position	6
French Commercial Code	L.225-100-1	Non-financial KPIs specifically relevant to the Company's business activity	5; 6; 7; 8
French Commercial Code	L.233-6	Significant new shareholdings acquired during the year in companies with registered offices located in France	1.2.5.3
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	7.6
French Commercial Code	L.232-1 and L.233-26	Foreseeable changes in the Company's and the Group's position	6.3
French Commercial Code	L.233-6	Activity of subsidiaries and shareholding by branch of activity	1.2
French General Tax Code	243 bis	Dividends distributed in respect of the last three financial years and amounts of distributed income eligible and non-eligible for the 40% tax rebate in respect of the same periods	3.5.2
French General Tax Code	223 *quater*	Amount of non-tax deductible expenses and charges	6.2.2.4
French Monetary and Financial Code	L.511-6 and R.511-2-1-3	Amount of intercompany loans (and auditors' certification)	n/a
Applicable provisions		**Group presentation information**	
French Commercial Code	L.225-100-1	Description of the main risks and uncertainties to which the Company is exposed	2.1
French Commercial Code	L.225-100-1	Main characteristics of internal control and risk management procedures related to the preparation and processing of accounting and financial information of the Company and the Group	2 .3
French Commercial Code	L.225-100-1	Hedging objective and policy of transactions for which the hedging accounting of the Company and the Group is used	2.1.3
French Commercial Code	L.225-100-1	Use of financial instruments by the Company: financial risk management objectives and policy	2.1.3
French Commercial Code	L.225-100-1	Corporate exposure to price, credit, liquidity and cash flow risks	2.1.3
French Commercial Code	L.225-102-1, L.225-102-2, R.225-105 and R.225-105-1	Social and environmental impact of the Company's activity (including "Seveso" sites) including the consequences of the Company's activities and the use of goods and services that the Company produces on climate change; societal commitment promoting sustainable development, circular economy, the fight against food wasting, the fight against discrimination, as well as promoting diversity.	5
French Commercial Code	L.225-102-4 and L.225-102-5	Plan related to reasonable diligence measures to identify risks and to prevent serious violations of human rights and fundamental freedoms, of health and safety of persons and of the environment, resulting from the activities of the Company and those of companies it controls within the meaning of Article L. 233-16 II, directly or indirectly, as well as the activities of subcontractors or suppliers with whom an established commercial relationship is maintained, when these activities are linked to this relationship.	5
French Commercial Code	L.225-102-1	Collective agreements concluded within the Company and their impact on the economic performance of the Company as well as the working conditions of employees.	n/a
French Commercial Code	L.225-100-1	Indications of financial risks related to the impact of climate change and presentation of the measures taken by the Company and the Group to reduce it by implementing a low-carbon strategy in all components of its activity.	5.3.4
French Commercial Code	L.232-1 and L.233-26	Research and development activities	1.2

Applicable provisions		Information on the Company and share capital	
French Commercial Code	L.233-29, L.233-30 and R.233-19	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	3.2.3.4
French Commercial Code	R.228-90, R.225-138 and R.228-91	Adjustments, if any, for securities giving access to the capital and stock-options in the event of share repurchases or financial transactions	n/a
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 and the nominative shares owned directly by employees pursuant to the provisions of Article L.225-197-1 of the French Commercial Code	3.3.1.3
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 of the Company's results	8.7
French Commercial Code	L.233-6	Subsidiaries earnings	8.5
Applicable provisions		**Other information**	
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 or the voting rights	3.3
French Commercial Code General Regulation of the AMF	L.621-18-2 223-26	Summary statement on securities transactions by persons exercising managerial responsibilities and closely related persons	4.3.4
French Commercial Code	L.233-13	Companies controlled and share of the capital of the Company they hold	3.2.3.3
French Commercial Code	L.232-1	Statement of existing branches	n/a
French Commercial Code	L.441-6-1, D.441-4 and A 441-2	Payment terms of suppliers and clients	6.2 .1.5
Applicable provisions		**Documents attached**	
French Commercial Code	L.225-102-3	Report on the payments made in favor of authorities of each countries or territories on which the Company carries out its activities.	n/a
French Commercial Code	L.225-37-2 to L.225-37-5	Report on corporate governance	4

9.6 Cross-reference table to the corporate governance report

Applicable provisions		Elements related to remuneration	Section
French Commercial Code	L.225-37-2 and L.225-82-2	Principles and criteria for determining, allocating and granting the fixed, variable and exceptional elements of the total remuneration and the benefits of all kind of the Chairman and Chief Executive Officer and Deputy Chief Executive Officer, in respect of their positions	4.2.2
French Commercial Code	L.225-37-3	Total remuneration and benefits of all kind paid to each executive director during the financial year	4.2.2.1
French Commercial Code	L.225-37-3	Description of fixed, variable and exceptional elements of the total remuneration and the benefits of all kind as well as the criteria determining them or the circumstances under which they are granted	4.2.2.1
French Commercial Code	L.225-37-3 and D.225-104-1	Commitments of any kind made by the Company in favor of its executive directors related to remuneration, payments or benefits due or liable to be due upon the assumption, termination or alteration of these responsibilities or at a later date, in particular pension commitments and other life benefits	4.2.2.2
French Commercial Code	L.225-184	Options granted, subscribed to or purchased during the year by executive officers and by the first ten non-executive officers of the Company, and options granted to all employee beneficiaries by category	n/a
French Commercial Code	L.225-185	Terms and conditions pertaining to the exercise of options by executive officers and directors and lock-in conditions	n/a
French Commercial Code	L.225-197-1	Lock-in conditions pertaining to performance shares granted to executive directors	4.1.3.1
Applicable provisions		**Elements related to the composition, functioning and powers of the Board**	
French Commercial Code	L.225-37-4	List of all offices held and duties performed by each director in all companies during the financial year	4.1.3.3
French Commercial Code	L.225-37-4	Relevant agreements, concluded 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 shareholders 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)	4.5
French Commercial Code	L.225-37-4	Table summarizing currently valid authorizations given by the shareholders' meetings to the Board of Directors in respect of capital increases	4.1.3.7.2
French Commercial Code	L.225-37-4	Choice on one of the methods of exercising the general management in case of modification	4.1.2
French Commercial Code	L.225-37-4	Composition, conditions for preparing and organizing the works of the Board of Directors	4.1.3.7
French Commercial Code	L.225-37-4	Application of the principle of gender balance within the Board	4.1.3.1
French Commercial Code	L.225-37-4	Limitations by the Board of Directors to the powers of the Chief Executive Officer, if any	4.1.4.1
French Commercial Code	L.225-37-4	Reference to a corporate governance code and application of the comply or explain principle as well as the consultation place of said Code	4.1.1
French Commercial Code	L.225-37-4	Specific conditions relating to the attendance of shareholders at general meetings	4.4.1
French Commercial Code	**L.225-37-5**	**Factors liable to have an impact in the event of a public offering**	4.4.2

9.7 Cross-reference table on 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, amended by the Decree No. 2016-1138 of August 19th, 2016

	Pages	Section
STAFF INFORMATION		
Workforce		
Total workforce (breakdown by gender and geographic region)	130	5.2.1.1
Hiring (permanent and fixed-term contracts, any hiring problems encountered)	130	5.2.2.2
Dismissals (grounds, re-assignment measures, rehiring, support plans)	130	5.2.2.2
Remuneration (changes, social security charges, profit-sharing and incentive plans, employee savings plan)	130; 131	5.2.2.1; 5.2.3
Work organization		
Organization of working hours (working hours for full-time and part-time employees, overtime, outsourced workforce)	131	5.2.4.1
Absenteeism (grounds)	132	5.2.4.3
Labor relations		
Social dialog organization (rules and procedures for employee notification, consultation and negotiation)	132	5.2.5.1
Overview of collective agreements	132	5.2.5
Health, safety and security		
Health, safety and security conditions at work	135	5.2.6
Agreements signed with trade unions and staff representatives regarding health, safety and security at work	135	5.2.6
Frequency and severity rates of industrial accidents and record of occupational illnesses	135; 136	5.2.6.1; 5.2.6.2; 5.2.6.3; 5.2.6.4; 5.2.6.5
Promotion of and compliance with ILO fundamental conventions		
Compliance with the freedom of association principle and the right to collective bargaining	126	5.1.3
Elimination of discrimination in respect of employment and occupation	126; 139	5.1.3; 5.2.9
Elimination of forced or compulsory labour	126	5.1.3
Effective abolition of child labour	126	5.1.3
Training		
Training policies implemented	138	5.2.7
Total hours of training	138	5.2.7
Equal treatment		
Measures taken in favor of equality between men and women	139	5.2.9.1
Measures taken in favor of employment and integration of disabled workers	140	5.2.9.2
Anti-discrimination policy	141	5.2.9.4

	Pages	Section
ENVIRONMENTAL INFORMATION		
Global environmental policy		
Company organization to take into account environmental issues and assessment and certification procedures	142	5.3.1
Employee training and awareness measures regarding environmental protection	142	5.3.1
Resources assigned to the prevention of environmental risk and pollution	147	5.3.4.1
Amount of provisions and guarantees for environmental risks	147	5.3.4.1
Pollution and waste management		
Prevention, reduction or compensation measures regarding atmospheric, aqueous and terrestrial pollution seriously affecting the environment		n/a
Noise pollution	148	5.3.4.3
Measures implemented with regard to all other forms of pollution inherent to a specific activity	144	5.3.2.2
Circular economy		
i) Prevention and management of waste		
Measures of prevention, recycling, reutilization, and other forms of recycling and disposal of waste	143	5.3.2
Actions to fight against food wasting	143	5.3.2.1
ii) Sustainable use of resources		
Water consumption and supply in view of local restrictions	145	5.3.3.2
Raw materials consumption and measures implemented to improve consumption efficiency	145	5.3.3
Energy consumption, measures implemented to improve energy efficiency and use of renewable energies	145	5.3.3
Land use	148	5.3.4.3
Climate change		
Greenhouse gas emissions	147	5.3.4.2
Adaptation to the consequences of climate change	147	5.3.4.1
Protection of biodiversity		
Measures implemented to preserve or promote biodiversity	148	5.3.4.3

	Pages	Section
SOCIAL INFORMATION		
Local, economic and social impact of our business		
Impact of the Company's activity on employment and regional development	149	5.4.1
Impact of the Company's activity on local and neighboring communities	149	5.4.1
Stakeholder relations		
Conditions of discussions with stakeholders (professional inclusion associations, teaching establishments, environmental protection associations, consumer and local residents' associations)	149	5.4.1
Partnership and sponsorship activities	150	5.4.2
Subcontractors and suppliers		
Integration of social and environmental factors in the procurement strategy	152	5.4.3.3; 5.4.3.4
Importance of subcontracting and integration of CSR in relationships with suppliers and subcontractors	152	5.4.3.3; 5.4.3.4
Fair practices		
Anti-corruption measures	152	5.4.3.2
Measures implemented in relation to consumer health, safety and security	153	5.4.3.5; 5.4.3.6
Other action in support of human rights	153	5.4.3.7

9.8 *General observations*

In this Registration Document, unless stipulated to the contrary, the terms "Company" and "Teleperformance" refer to Teleperformance SE 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 6.3 *Trends and Outlook*.

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 2.1 *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 2.1 *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 2.1 *Risk Factors* of the present document 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

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