2013 REGISTRATION DOCUMENT

Teleperformance

Transforming Passion into Excellence

TELEPERFORMANCE

REGISTRATION DOCUMENT 2013

Including financial annual report

TABLE OF CONTENTS

TELEPERFORMANCE

REGISTRATION DOCUMENT
INCLUDING ANNUAL FINANCIAL REPORT

Teleperformance, world leader in outsourced multi-channel customer experience, provides companies worldwide with expert solutions in customer acquisition, customer care, technical support and debt collection.

As of December 31st, 2013, the Group had 110,000 computerized workstations and close to 149,000 employees across 229 contact centers in 46 countries. Operating in 63 languages and dialects, the Group manages programs on behalf of major multinational companies from various sectors. Consolidated revenues for 2013 amounted to € 2.433 billion.

AMF | AUTORITÉ DES MARCHÉS FINANCIERS

This registration document was filed with the Autorité des marchés financiers on February, 28th 2014 in accordance with Article 212-13 of the AMF's General Regulation.

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

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

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. Information relating to the 2012 financial year:

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

2. Information relating to the 2011 financial year:

- the management report, the consolidated accounts as well as the report of the statutory auditors on the accounts, contained in the registration document filed on March 5th, 2012 under number D.12-0129;
- the company accounts for Teleperformance, the analysis of the accounts as well as the report of the statutory auditors on the accounts, contained in the registration document filed on March 5th, 2012 under number D.12-0129; and
- the special report of the statutory auditors on regulated agreements and commitments, contained in the registration document filed on March 5th, 2012 under number D.12-0129.

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.

MESSAGE FROM THE CHAIRMAN

"2013: Delivering Strong Growth, Margin Improvement, and Building for the Future".

Dear Shareholders,

I am specifically pleased to present our Teleperformance 2013 results for three reasons:

- We enjoyed a strong organic like-for-like growth of +7.9 %. This is significantly above market average and reflects well on our management of the business while reinforcing our position as the world leader in our industry.

- Despite additional expenses associated with strong growth including increased CAPEX and program ramp-up costs, we were still able to improve our EBITA margin.

- Moreover, we made a big step in changing our corporate governance starting with the split between the Chairmanship and CEO responsibilities. This helps prepare us for the next 20 years of leadership in a smooth, organized and stable manner.

Paulo César Salles Vasques is an impressive group leader of the next generation of our senior management. He was chosen unanimously by the board as our new group CEO and is now in charge of the helm.

It's my pleasure to report that the 3 year executive transition period organized by our board is progressing as well as possible. Paulo and I fully share the same passion for people, success and results excellence.

Finally, the board will recommend to the general assembly of shareholders to increase the dividend distribution ratio to 35 %, bringing the dividend to 0.80 euros per share.

Teleperformance is the ongoing successful adventure of multiple stakeholders including our clients, our shareholders, our people and our partners... to each and every one of you, a heartfelt thank you for being part of our remarkable journey!

Daniel Julien

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Dear Shareholders,

Teleperformance is the indisputable number one global leader in multichannel customer experience management.

What does this really mean to our shareholders, clients, people and all of our stakeholders?

From a tangible operating perspective being the worldwide leader means:

- Teleperformance has 149,000 professionals working in 230 customer centers across 46 countries.
- This means we are one of the largest private sector employers in the world providing our clients with the largest scale and geographic operating footprint in our industry.
- Teleperformance serves our clients and their customers in more than 150 world markets in 63 languages and dialects.
- This means we literally interact with 30 % of the world's total population every year with an unmatched experience and understanding of cultural nuances and customer expectations in all major industry sectors.
- Teleperformance has a strong growth dynamic, healthy P & L, no debt and solid free cash flow generation.
- This means we are a dependable and well managed asset for our shareholders with the capabilities and resources needed to invest in people, technology and innovation to continuously optimize our significant business potential.

But there is much more to the Teleperformance story…

At Teleperformance, our mission is to deliver caring, personal and efficient help to customers all around the world. We find solutions for the-day-to-day issues consumers and businesses encounter with our clients' products and services.

We have a simple philosophy: to serve is an honor, a commitment and an art! We see every interaction as an opportunity to create a great customer experience!

It's an honor to serve because we have been entrusted on behalf of the world's largest companies and most prestigious brands to interact with their customers. We value this privilege!

It's a real commitment to serve because we know that failure is not an option. We know that our success requires our "obsessive dedication" to immediately solve the challenges and needs for each of the 2 billion customers we communicate with annually.

It's an art to serve because our success comes from the right combination of people selection, training, monitoring and inspiration, high technology, attention to details, discipline and empathy.

To serve is an opportunity because in every moment of truth, on each interaction, we seek to create positive differentiation for our clients and brands that entrust us with their customers.

In the last 35 years, we have grown from a small entrepreneurial business to become the world's number one industry leader. And our remarkable journey continues. In 2013, our organic growth, financial results and our client satisfaction and retention levels have all reached new heights as you will discover in this report.

Daniel Julien and I share the same passion: we want Teleperformance to be stronger, smarter, and even more relevant and successful for many decades to come.

Since June 2013, we have been progressively integrating the knowledge and experience of our senior management with the millennium generation at key positions within the group.

This has already produced many tangible benefits including:

- the development of multichannel solutions.
- the implementation of our euro multilingual contact centers.
- the creation of our customer experience lab.
- the release of fully integrated and proprietary CRM software.
- the launch of interactive kiosks and mobile apps with click to chat, click to call, ...etc.

More than ever, we know that the future of customer experience management is Teleperformance at our best: inspired, educated, dedicated and efficient. Our DNA, values, culture and our great people give me complete confidence we will continue to lead our industry into the future.

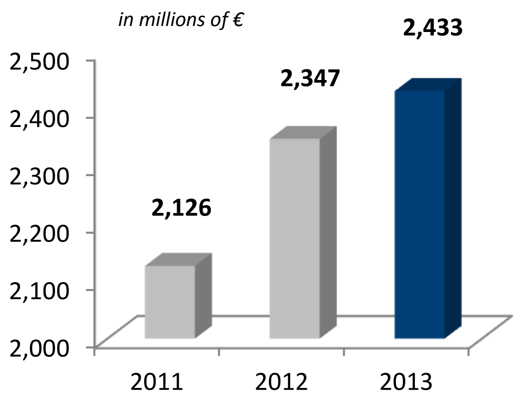
Together, we continue to transform our passion into excellence!

Paulo César Salles Vasques

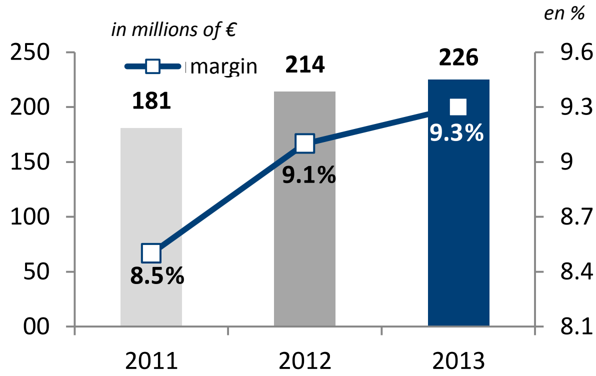
1. Introduction to the Group

1.1 Key financial figures

Revenue

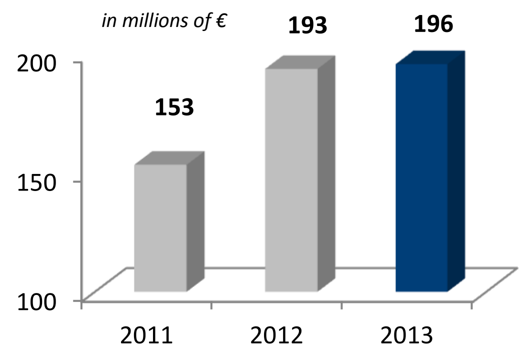


Current EBITA *



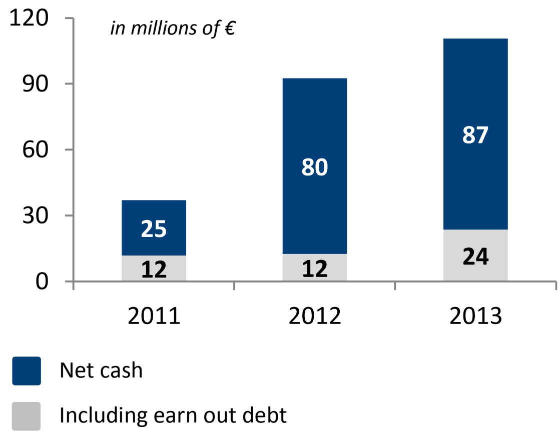
** Current EBITA: Operating profit before depreciation of goodwill and amortization of intangible assets relating to acquisitions & non-recurring items (restructuring costs, bonus share allotment plan costs and costs related to closures of subsidiaries…)*

Operating profit*

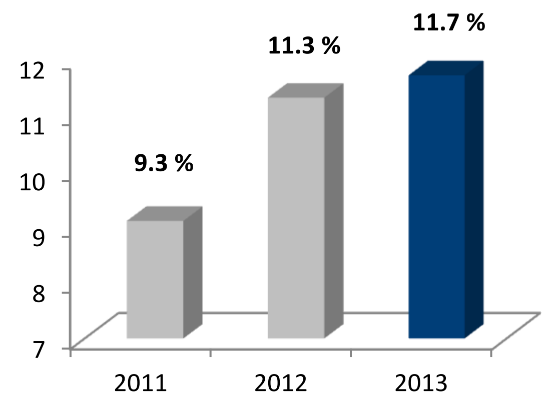


** including restructuring costs for:*
in 2011: € 12 million
in 2012: € 2 million
in 2013: € 4 million

Net cash

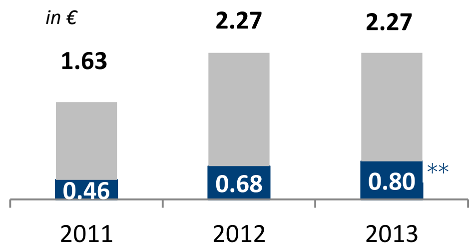


Return On Capital Employed (ROCE*)



** ROCE: current EBITA after tax / capital employed*

Diluted result and dividend per share *



** Weighted average number of shares used to calculate earnings per share:*
in 2011: 56,315,719 ;
in 2012: 56,164,213
in 2013: 56,778,402

*** as proposed at the shareholders' meeting on May 7th, 2014*

	2013	2012	2011
Key consolidated figures (in millions of euros)			
Revenue	2,433	2,347	2,126
Organic growth (in %)	*+ 7.9 %*	*+ 6.9 %*	*+ 3.5 %*
Current EBITA	226	214	181
(in % of revenue)	*9.3 %*	*9.1 %*	*8.5 %*
Operating profit	196	193	152
(in % of revenue)	*8.1 %*	*8.2 %*	*7.2 %*
Net profit	129	129	95
Net profit – Group share	129	127	92
Data per share (€)			
Basic earnings per share	2.27	2.30	1.63
Diluted earnings per share	2.27	2.27	1.63
Dividend per share *	0.80	0.68	0.46
Assets (in millions of euros)			
Total non-current assets	1,103	1,139	1,119
including goodwill	*674*	*712*	*710*
Total current assets	788	784	755
Total assets	1,891	1,923	1,871
Shareholders' equity and net financial indebtedness (in millions of euros)			
Attributable to equity holders of the parent	1,392	1,377	1,273
Non-controlling interests	4	6	4
Total shareholders' equity	1,396	1,383	1,277
Net financial indebtedness			
- Net cash **	87	80	25
Cash flow (in millions of euros)			
Internally generated funds from operations	236	229	151
Net cash flow from operating activities	190	203	184
Capital expenditure (net)	- 126	- 108	- 96
Net free cash flow	64	95	88

* *As proposed at the shareholders' meeting held on May 7th, 2014*
** *Cash and cash equivalents net of current and non-current financial liabilities*

1.2 Company background

1978 – The Teleperformance Group was founded in Paris by Daniel Julien, current Chairman of the Group. During the initial years, the company's principal activity consisted in providing telemarketing services to French clients operating mainly in the media, financial services and insurance industries.

1986 – The company became the French market leader and began to expand globally by opening subsidiaries in Belgium and Italy.

1988 – The company continued to expand in Europe, with new subsidiaries opened in Spain, Germany, Sweden and the UK.

1989 – Daniel Julien and Jacques Berrebi joined forces at the head of Rochefortaise 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 loyalty centers and carried out its first customer satisfaction surveys.

1993 – Teleperformance opened its first contact center in the US.

1995 – Teleperformance became the European market leader and continued to strengthen its position in the following years with new subsidiaries in Switzerland, Norway, Greece, Finland, the Netherlands and Denmark.

1996 – Teleperformance gained a foothold in Asia with the opening of contact centers in the Philippines, followed by Singapore. The Group thereby became a leading global player in outsourced customer management.

1998 – Teleperformance launched operations in Latin America with acquisitions in Argentina and Brazil, followed four years later by an acquisition in Mexico.

2003 – The Group shift its operations focus back on contact centers, gradually selling off its marketing services and health communication operations. In the same year, Teleperformance became the No. 2 global customer experience management provider.

2004 – The Group continued its expansion by setting up operations in Eastern Europe: Poland, the Czech Republic and Slovakia, followed by Russia two years later.

2007 – The Group became the world leader in outsourced customer experience management thanks to the rapid growth of its international operations, both organically and through acquisitions.

2008 – Teleperformance acquired The Answer Group, a high-level provider of technical support to the US market in the telecommunications, internet access, cable TV, specialized retail and OEM industries.

2009 – Teleperformance reorganized its operations in France. The companies Cashperformance, Comunicator, Infomobile, TechCity Solutions France, Teleperformance France, Teleperformance Midi-Aquitaine, Teleperformance Nord and Teleperformance Rhône-Alpes were merged to form Teleperformance France.

2010 – Teleperformance further strengthened its presence in the UK with the acquisition of beCogent, a company specializing in the retail, financial service, telecommunications and internet access sectors. At the same time, Teleperformance continued to expand in Latin America with the acquisition of Teledatos in Colombia in 2009 and the creation of a start-up in Costa Rica.

2011 – Teleperformance adopted a new corporate form with a Board of Directors; Daniel Julien became its 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 continues its rapid development at the international level in high-growth markets with the opening of eight new contact centers in Latin America, Portugal and Spain and 6 campuses in the USA and in the Philippines.

The Board of Directors, at its meeting held on May 30th, 2013, decided after due consideration to separate the roles of Chairman of the Board and Chief Executive Officer and appointed Mr. Daniel Julien as Chairman of the Board and Mr. Paulo César Salles Vasques as Chief Executive Officer. Teleperformance thus complies with its commitment taken in 2011 with regard to its shareholders.

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

1.3 Operations and Strategy

1.3.1 World leader in outsourced customer experience management

1.3.1.1 Outsourced customer experience management

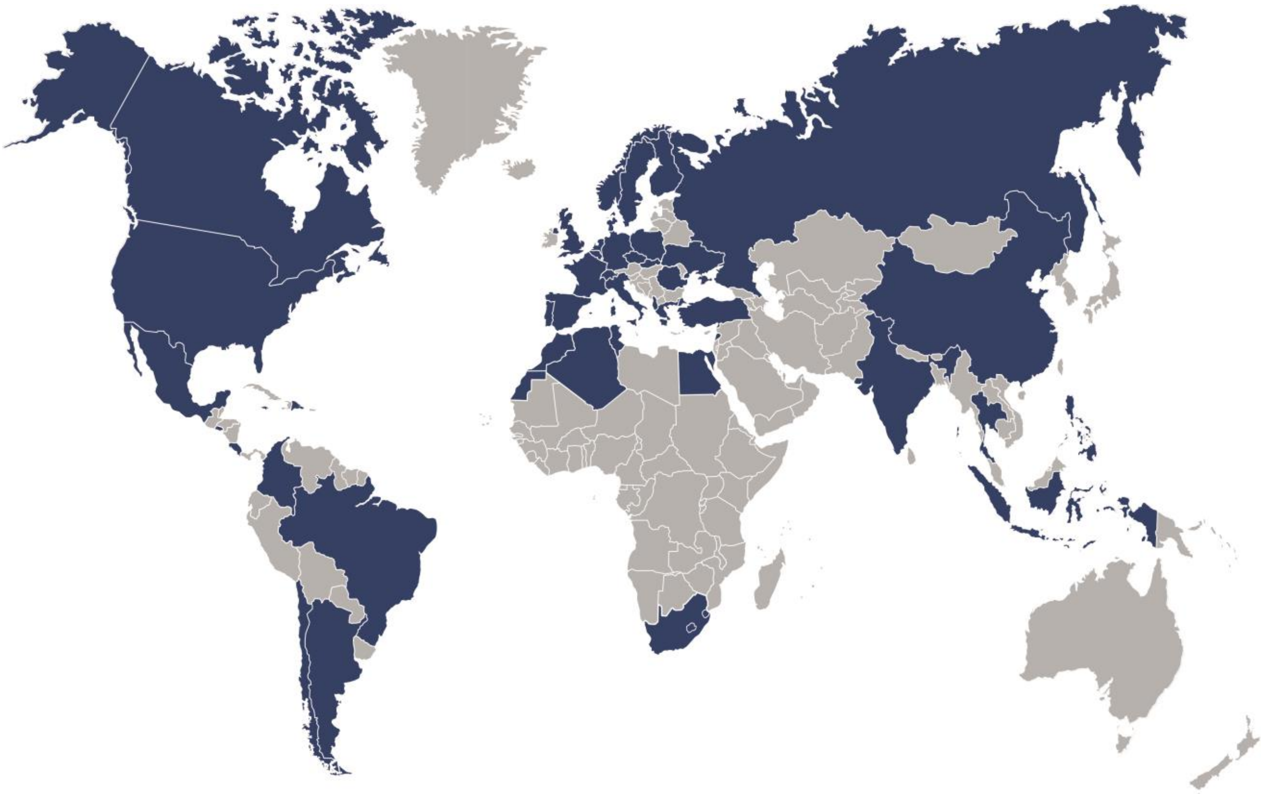
The Group delivers integrated solutions to corporations and administrative bodies worldwide to manage all aspects of the customer-relations cycle on their behalf. Teleperformance provides solutions in particular in the fields of customer relationships (requests for information, subscriptions and signing-up,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

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

1.3.1.2 A worldwide presence

On December 31st, 2013, Teleperformance recorded consolidated revenues of 2.4 billion euros. The Group has approximately 110,000 computerized workstations serving more than 150 markets and has almost 149,000 employees across 229 contact centers in 46 countries. The Group manages programs in more than 63 languages and dialects on behalf of major international companies operating in various industries.

Group operations worldwide at December 31st, 2013



In its structure as well as in its external information, the Group is divided into 3 major linguistic regions:

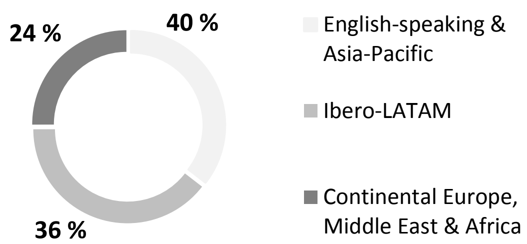
- the English-speaking and Asia-Pacific region (EWAP)
- the Ibero-LATAM region
- and the Continental Europe, Middle East & Africa (CEMEA) region, in turn, is divided into 3 sub-regions:
    - the French-speaking market
    - Southern Europe
    - Northern and Eastern Europe

Organization of countries by linguistic region

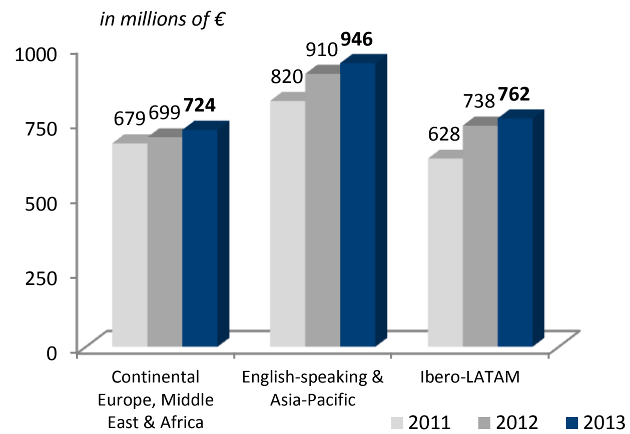
English-speaking and Asia-Pacific	***Ibero-LATAM***	***Continental Europe, Middle-East & Africa***
Canada	Argentina	French-speaking market
USA	Brazil	France
Jamaica	Chile	Morocco
	Colombia	Tunisia
China		Southern Europe
Hong Kong	Costa Rica	Albania
India	Mexico	Egypt
Indonesia	Dominican Rep.	Greece
Philippines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

** 100 % subsidiary of Teleperformance specializing in the management of the face-to-face customer experience, in particular with respect to the management of visa applications.*

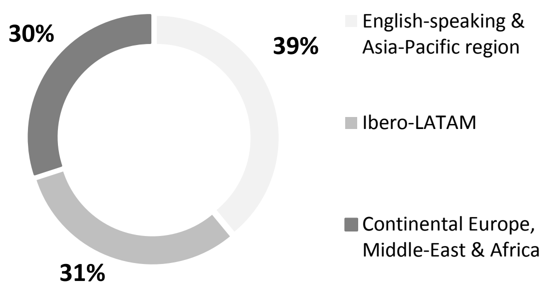
Breakdown of total workforce on December 31st, 2013 by linguistic region



Breakdown of revenue over the last three years



Breakdown of 2013 revenues by linguistic region (€ 2,433 million)



The Group's workforce is mainly deployed across high-growth strategic markets. The United States, the Philippines, Mexico and Brazil account for 50 % of the Group's workforce.

With nearly 149,000 employees across the Group's three language regions, Teleperformance ranks amongst the top 150 employers worldwide.

Total workforce of the first 10 countries of establishment on December 31st, 2013

Country	***Number of employees***
Philippines	20,706
USA	19,990
Mexico	17,530
Brazil	13,043
United Kingdom	8,970
Colombia	8,078
Tunisia	5,670
Italy	4,314
France	4,089
India	3,926

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

Teleperformance offers its customers a unique range of customer experience management solutions at the global level thanks to an integrated domestic and offshore operations network, including nearshore, in 22 countries.

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

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

Breakdown of revenues by program type

(in % of revenue)	***2013***	***2012***	***2011***
domestic	71 %	74 %	74 %
nearshore/offshore	29 %	26 %	26 %

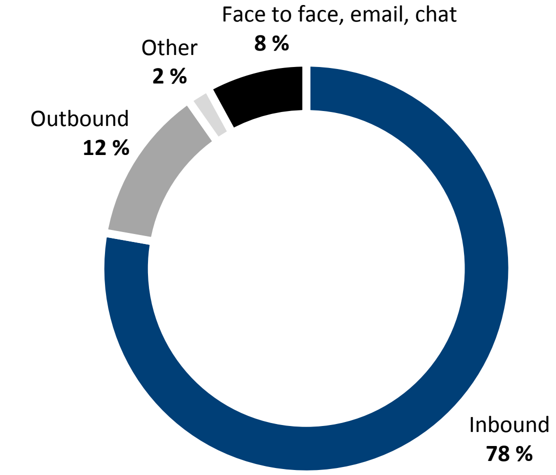
1.3.1.4 A balanced operations portfolio

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

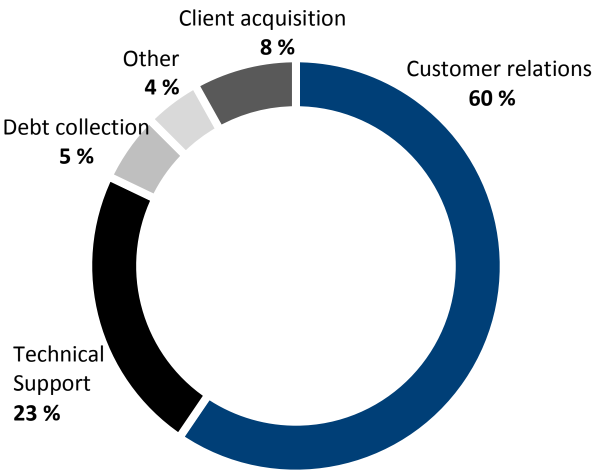
The predominance of inbound business in the revenues allows for a certain recurrence in the Group's revenues, taking into account the duration of the contracts tied to inbound activities that is much longer than that of contracts tied to outbound.

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

Breakdown of revenues by contact type



Breakdown of revenues by service type



A diversified client portfolio

With nearly 700 clients, Teleperformance has the most diversified portfolio in the sector.

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

Breakdown of revenues by business sector

(in % of annual revenues)	***2013***	***2012***	***2011***
Telecommunications, Internet	32.9 %	33.6 %	37.1 %
Pay TV	13.8 %	16.1%	14.3 %
Technology, electronics, media	14.4 %	13.4%	11.5 %
Financial services	9.5 %	9.1%	9.2 %
Health and insurance	5.1 %	4.7 %	5.0 %
Energy	4.2 %	4.4 %	3.8 %
Retail, e-commerce	3.8 %	3.0 %	3.4 %
Travel agencies, hotel	3.7%	3.1 %	2.8 %
Public sector	3.2%	3.0 %	2.8%
Others	9.4%	9.6%	10.1%
Total	**100%**	**100%**	**100%**

The change in client portfolio by business sector across the last three years shows a more pronounced diversification, in particular with the relative decrease or stagnation of the contribution of historical sectors such as telecommunications, Internet and pay TV, and the growth of other sectors such as electronics, health and insurance, distribution and travel agencies. The concentration of the client portfolio tends to decrease.

Breakdown of client portfolio

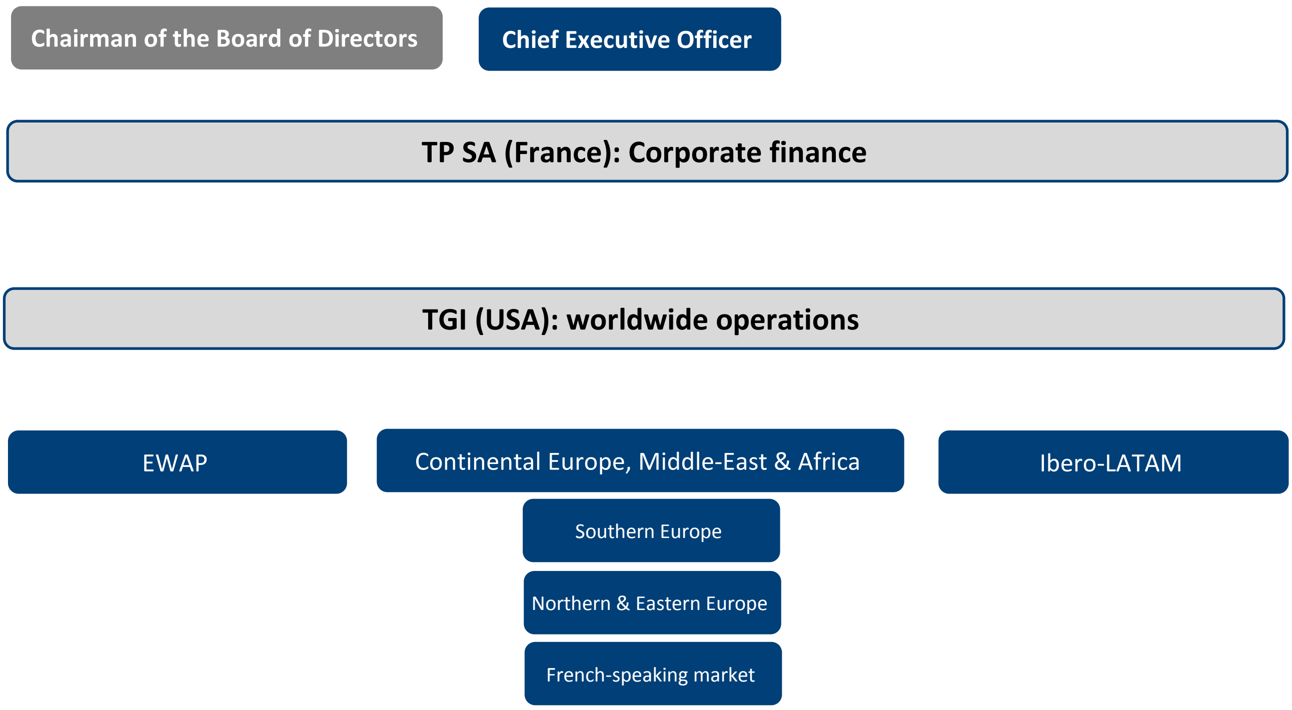
	2013	***2012***	***2011***
Top client *	7 %	6 %	7 %
Top 5	22 %	23 %	23 %
Top 10	34 %	35 %	36 %
Top 20	48 %	50 %	49 %
Top 50	68 %	70 %	68 %
Top 100	83 %	84 %	81 %

* AT & T

1.3.1.5 International organization and management

Organization

The Group is divided into 3 major linguistic regions: the English-speaking and Asia-Pacific region, the Ibero-LATAM region and the Continental Europe, Middle East and Africa region. Given its specific features, the latter is in turn divided into 3 distinct sub-regions since the start of 2014. The organization also comprises directors who assume functional responsibilities (finance, marketing, development and information systems) and global duties and who are posted in different regions of the world. All of these executive officers, who are of various nationalities and who are very experienced in their fields of specialization, constitute the Executive Committee, which is chaired by the CEO.



Management team

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

The Executive Committee

Fabricio Coutinho	Chief Marketing Officer
Brigitte Daubry	Chairman of the French-speaking market
Lyle Hardy	Chief Information Officer
Alejandro Perez	Chairman of the Ibero-LATAM region
Olivier Rigaudy	Chief Financial Officer
Yannis Tourcomanis	Chairman of the Southern Europe region
Alan Truitt	Chief Development Officer
Norbert Van Liemt	Chairman of the Northern and Eastern Europe region
Brent Welch	Chairman of the English-speaking and Asia-Pacific region

1.3.2 The market and the Group's position

1.3.2.1 Definition and outlook of the Group's markets

Customer experience management represents a worldwide market of 305 billion dollars, outsourced to the tune of 26 % (internal and external source - IDC and Kaulkin & Ginsberg).

The outsourced market thus represents 79 billion dollars. It is divided into two market segments: the customer interaction management market on one hand, and the debt collection market on the other hand.

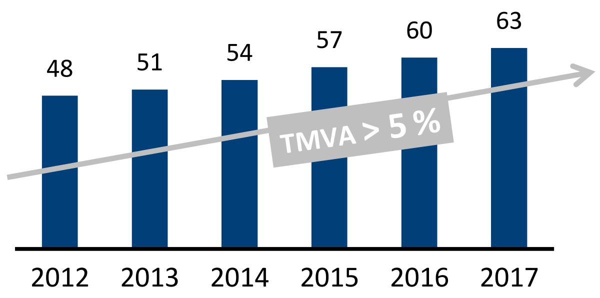
The outsourced debt collection market is estimated at 28 billion dollars (source Kaulkin & Ginsberg). Teleperformance derives 5 % of its revenues from this market.

The customer interaction market encompasses the fields of customer relations, technical support and customer acquisition. It is worth an estimated 51 billion dollars and grows more than 5 % on average per year (source: IDC and Kaulkin & Ginsberg). Teleperformance derives 95 % of its revenues from this market.

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

Outlook of the customer interaction management market (2012-2017)

in billion US dollars



source: IDC Worldwide – May 2013

The mobile Internet revolution, reflected in the swift development of mobile communications devices, smartphones and tablets, reinforces these growth perspectives. It derives from the multiplication of interactions between brands and consumers and dedicated customer services in numerous fields:

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

1.3.2.2 Group's competitive environment and position

Teleperformance is the world leader in the outsourced customer experience market, which remains highly fragmented. With revenues in excess of 2.4 billion euros, the Group's worldwide market share stands at 4 %. It increases to 6 % if we focus solely on the customer relations management sector while excluding debt collection.

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

Rank *	Company	Country
1	Teleperformance	France
2	Atento	Spain
3	Convergys **	USA
4	EGS	USA
5	Contax	Brazil
6	Sitel	USA
7	West Corporation	USA
8	Teletech	USA
9	Sykes	USA
10	Stream **	USA

* *on the basis of 2012 revenues*
** *announcement of acquisition of Stream by Convergys in January 2014, becoming number 2 in the worldwide market, after Teleperformance*

1.3.3 Group's mission statement and strategy

1.3.3.1 Mission statement and strategic foundations

Teleperformance is defined as a Group of people at other people's service, to help them find solutions to their daily problems. To achieve this and develop its business, the Group's strategy rests on the development of its human capital and a culture of customer satisfaction. These two pillars guarantee the quality, security and reliability of the service provided and reflect the Group's five values: *Integrity, Respect, Professionalism, Innovation* and *Commitment*.

The Group's human resources development policy ("People Strategy") is defined by a constant quest for excellence in recruiting, building employee loyalty, developing talent and enhancing employees' skills. The group's goal is to enable everyone to perform their duties well and for the Group to achieve its objectives. This strategy relies on hands-on management and extensive employee satisfaction surveys. Various initiatives have thus been launched to improve working conditions and employee integration while ensuring the professional and personal fulfillment of employees.

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

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

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

1.3.3.2 Development strategy

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

The Group has three strategic axes:

- geographic development focused on the United States and emerging countries (BRICS)
- development of sectorial expertise to diversify its operations portfolio (health, finance, distribution) in particular with better marketing and commercial resources (research, teams, processes)
- development of the multichannel offer (voice, chat, e-mail, face-to-face, social networks) to better address the specific features of certain sectors (issuing of visas, etc.) and the challenges presented by the mobile Internet revolution.

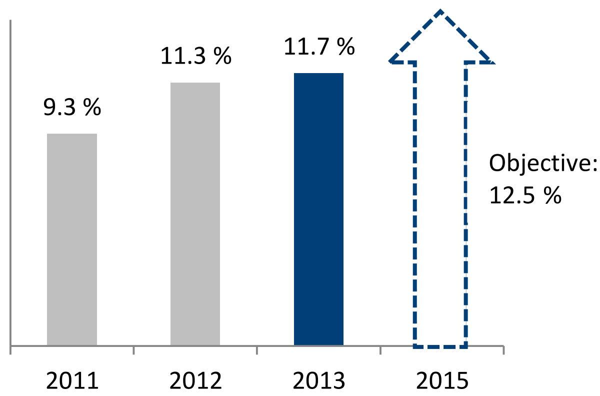
This strategy should allow for sustainable and profitable development of its operations, through organic growth and targeted acquisitions.

The Group's acquisitions strategy primarily targets medium-sized companies offering a robust business and financial model and synergies with the Group's client base and business activity. The United States, which represent approximately 50 % of the worldwide customer experience management market, represent the primary region for these acquisitions.

1.3.3.3 Target in terms of Return on Capital Employed

The objective of this strategy is to create wealth for all stakeholders, whether employees and customers or shareholders, and to secure its position as world leader.

Variation in Return on Capital Employed across the last three financial years and 2015 objectives



1.3.4 Significant events in 2013

1.3.4.1 Change in governance

With the aim of ensuring proper governance, at its meeting held on May 30th, 2013, the Board of Directors, after due consideration, decided to separate the roles of Chairman of the Board and Chief Executive Officer.

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

1.3.4.2 Activity and results

The annual objectives have been achieved with a + 7.9 % organic growth in revenues and a margin of 9.3 %, up 20 basis points compared with the previous year. These figures confirm the appropriateness of the Group's strategic development choices.

The new growth in activity and profitability of the Group in 2013 reflected the following changes:

- continued momentum in activity within the Ibero-LATAM, English-speaking and Asia-Pacific regions
- gradual recovery of certain markets in Europe and continued commercial success of multilingual solutions in Southern Europe
- satisfactory increase in results despite the adverse impact of currency depreciation in emerging countries and in the US, both regions where the Group is firmly established.

The Group generated a net free cash flow of 64.3 million euros. The financial structure is solid with net cash of 87 million euros as of December 31st, 2013.

More details are provided in the comments on the financial year (page 132, paragraph 5.1 *Review of the Group's financial position and results*)

1.3.4.3 Development and investments

New sites and increasing production capacity

In 2013, the Teleperformance Group continued its expansion in 15 different countries by opening 16 new sites and by increasing the number of workstations on existing sites.

- Continental Europe, Middle East and Africa regions: two new sites were opened to meet the strong demand for multilingual solutions
- English-speaking and Asia-Pacific region: 6 new sites were created and capacity was increased on 7 existing sites
- Ibero-LATAM region: it was again in this fast-growing region that Teleperformance focused its investments in 2013. 8 new contact centers were created.

Capital expenditure

The development of the Group's production capacity in the Ibero-LATAM, North America and the Philippines regions was reflected by a significant increase in the Group's capital expenditure in 2013 as compared to previous years.

2013	*2012*	*2011*
126.1	108.4	95.5

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

The Group intends to intensify its expansion in Asia, specifically with a project that is currently being implemented in China.

Acquisitions of significant interests and controlling interests

During the 2013 financial year, Teleperformance acquired minority interests in its subsidiary TLS and in its subsidiary in Turkey.

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

1.3.4.4 Awards

In 2013, Teleperformance, once again, received numerous awards from prestigious institutions and reputable independent consultancy firms across the world, both for its leadership and the excellence of its service in its market as well as for its human resource development strategy, innovation capacity and commitment to social and environmental responsibility.

- Teleperformance named by IDC as a leader in customer experience in its 2013 report "IDC MarketScape Customer Care BPO Services"
- 2013 Frost & Sullivan Market Share Leadership award – Colombia
- 2013 Frost & Sullivan ICT Service Provider of the Year award – Asia-Pacific
- 2013 Frost & Sullivan Customer Value Leadership award – Argentina
- 2013 Frost & Sullivan Competitive Strategy Innovation & Leadership award - Brazil
- 2013 Frost & Sullivan Customer Value Enhancement award – Asia-Pacific
- 2013 Frost & Sullivan Customer Value Enhancement award – EMEA
- 2013 Frost & Sullivan Contact Center of the Year award – North America
- 2013 awarded One of the Best Companies to Work For by the Great Place to Work Institute – Brazil, India, Greece & Portugal
- 2013 Teleperformance Portugal receives 4 awards from Contact Center World:
    - "Best Contact Center in the World"
    - "Best Customer Service in the World"
    - "Best Outbound Campaign in the World"
    - "Best Contact Center Design" and "Best Outbound Campaign"
- 2013 Best Use of Social Media in the Contact Center EMEA awarded to Teleperformance UK by Contact Center World
- 2013 awarded Service Leader for Outsourcing by CRM Magazine
- 2013 EOA Corporate Social Responsibility – Teleperformance is nominated for its social and environmental responsibility strategy in EMEA region
- 2013 True Leaders award given to Teleperformance Hellas (Athens), Greece
- 2013 *grand prix* for financial transparency awarded to Teleperformance for best improvement in the quality of its financial information.

1.4 Real property and facilities

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

The Group owns the following premises:

- 949 square meters building located in Lyons (France)
- 4,000 square meters building located in Le Mans (France)
- 4,330 square meters building located in Bogota (Colombia)
- 8,733 square meters building located in Shreveport (United States)
- 10,842 square meters building located in Fort Lauderdale (United States)

The Group has 110,000 workstations and carries out its operations across 229 contact centers established in 46 countries.

In 2013, the Group invested 39 million euros in facilities build-out services for all of these sites.

1.5 Organization Chart (at December 31st, 2013)

1.5.1 Teleperformance SA and its subsidiaries

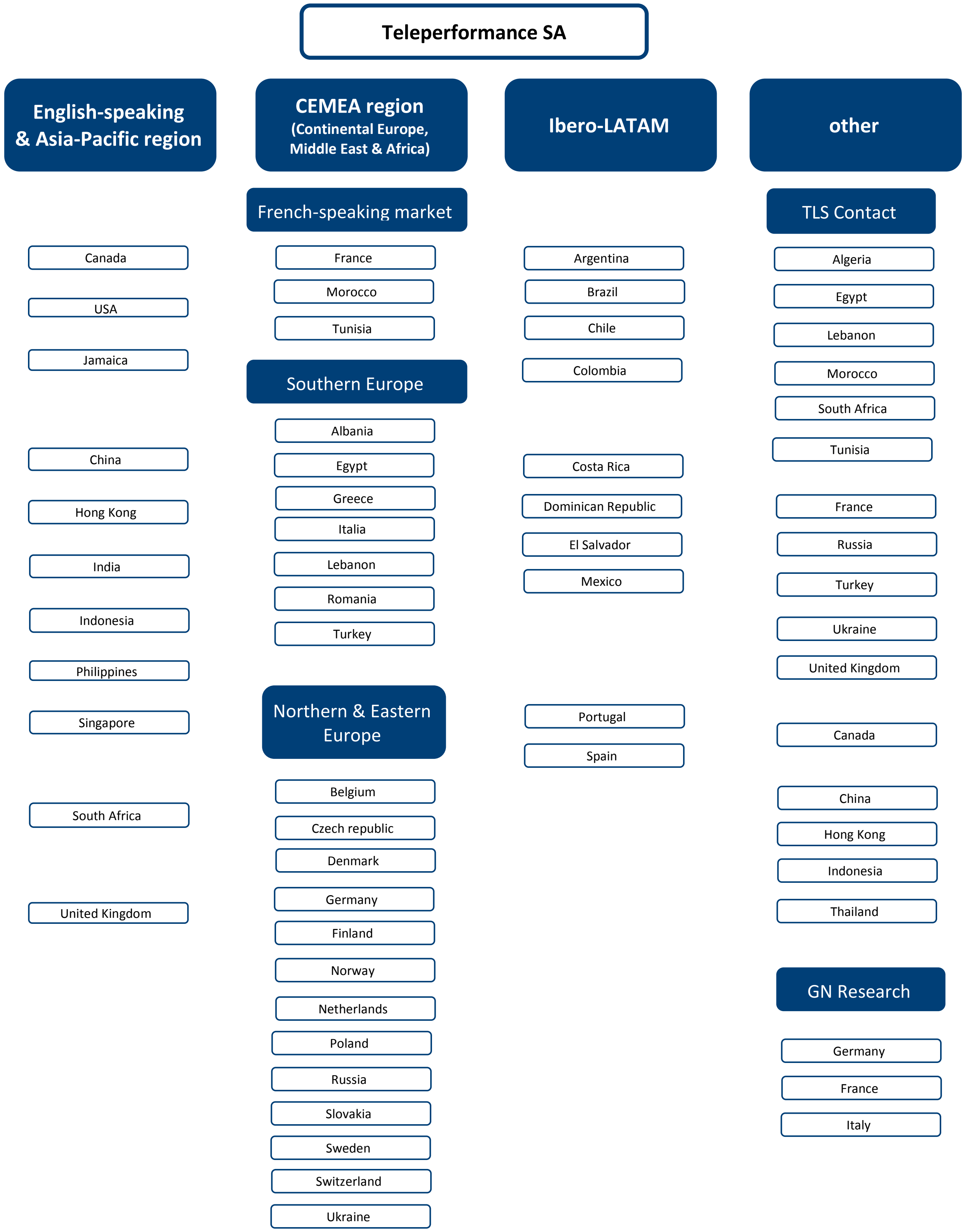
The parent company Teleperformance SA carries out a holding activity for its subsidiaries and also performs management, control, support and advisory functions for the Group's companies and collects fees in this respect.

Moreover, Teleperformance collects a brand royalty charged to all members of the network. Note 14 *Relationships with connected firms* in the appendix to the financial report (page 198 of this reference document) provides details on the company's relationship with its subsidiaries.

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

Detailed information on Teleperformance's main subsidiaries is summarized in the table of subsidiaries and shareholdings attached to the financial report (pages 202 and 203 of this reference document).

1.5.2 Operational Organization Chart



The percentage shareholdings are specified on pages 180 to 183 of the appendix to the consolidated financial statements part 6.6 § J. *Scope of consolidation.*

1.6 Risk Factors

1.6.1 Financial Risk management

1.6.1.1 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 is applied to its subsidiaries. Cash pool member companies now represent approximately 75 % of Group revenues.

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

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

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

The Group's financial position is very solid at the end of 2013, with net cash resources of € 86.8 million, which includes net cash of € 3.7 million at the Group's subsidiary in Argentina, a country which has implemented currency transfer restrictions.

The liquidity risk is therefore judged to be very low.

In 2012, the Group obtained a five-year syndicated multi-currency credit facility of € 300 million with effect from July 1st, 2012 from six leading financial institutions repayable in fine and which had been drawn down in an amount of € 20 million as of December 31st, 2013.

Disclosures about liquidity risk are set out in note B7 *Net financial indebtedness*.

1.6.1.2 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.

Client receivables and other current assets

The Group's exposure to credit risk is mainly influenced by the individual characteristics of the clients. Sales to the biggest client of the Group account for 6.8 % of revenues. Sales to telecommunications customers and internet access providers represent a total of 33.1 % of revenues. Receivables with United States customers represent slightly over a quarter of total customer receivables; no other country accounts for over 10 %.

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

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

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

Guarantees

The Group provides performance guarantees on contracts when requested by certain customers, as disclosed in note E *Commitments and other contractual obligations*.

1.6.1.3 Foreign exchange risk

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

The Group hedges this risk mainly in respect of changes in exchange rates between the Mexican peso, the Canadian and Australian dollars, the Philippines and Colombian pesos, and the US dollar. Additional disclosures are set out in note B9 *Financial instruments*.

The Group is also exposed to exchange risk on its borrowings and purchase commitments for non-controlling interests denominated in currencies other than the euro or the functional currencies 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.
- the principal bank loans granted to Group companies are denominated in the functional currency of the borrower.
- interest due on borrowings is denominated in the same currency as the cash flows generated by the underlying operations of the Group, primarily the euro, the US dollar and the £ sterling. This provides an economic hedge without resorting to the use of derivatives.

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

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

The translation effect on the consolidated revenues of the Group is disclosed in note G *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 attributable to equity holders of the parent are disclosed in notes C1 *Effect of changes in foreign exchange rates* and G *Exposure to exchange risk from translation of foreign subsidiaries' financial statements on consolidation.*

1.6.1.4 Interest rate risk

The Group's low exposure to changes in interest rates is due to the low level of short-term debt, and does not require systematic use of derivative instruments or interest rate hedges. The interest rate risk is monitored at Group level by the parent company's Finance Department.

The Group's exposure to a 1 % interest rate change based on its loans from financial institutions and finance lease liabilities on December 31st, 2013 is disclosed in note B7 *Net financial indebtedness.*

1.6.1.5 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, 2013 amounted to € 58.7 million, principally represented by money market funds classified as "euro monetary" by the French stock exchange regulator, the AMF.

On December 31st, 2013, the Group held a total of 123,961 treasury shares, of which 7,000 were acquired under the share liquidity agreement (carrying amount: € 0.3 million), 58,500 were purchased in order to be canceled (carrying amount: € 1.0 million) and a further 58,461 treasury shares, with a carrying amount of € 0.9 million, purchased to cover the incentive plan share awards approved by the AGM held on May 31st, 2011.

1.6.2 Risks relating to operations

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

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

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

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

1.6.2.1 Business related risks

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

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

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

- time-proven management and unmatched credibility
- human resources development strategy that guarantees quality and reliability of service
- highly customer-oriented culture
- uniquely integrated network combining domestic and offshore solutions (including nearshore)
- constant innovation strategy aimed at increasing the added value of the Group's offer
- worldwide presence to accompany the Group's global clients

1.6.2.2 Risks associated with regulatory and legislative changes

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

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

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

Indeed, for several years now the Group has implemented action plans to develop its inbound call or email activities aimed at increasing the recurrence of the activity. Indeed, these operations entail the implementation of longer contracts. Inbound call operations now represent 78 % of revenues, and currently constitute the Group's primary operations (cf. 1.3.1.4 *A balanced operations portfolio*).

1.6.2.3 Risk relating to possible client dependency

Although Teleperformance's business depends on its ability to renew its contracts and to sign new ones with profitable terms, no client of the Group represents more than 7 % of revenues, this amount being the contribution of the AT&T contract, as the Group's biggest client.

With a portfolio of almost 700 clients, Teleperformance has the most diversified portfolio of the sector. The client portfolio concentration tends to decrease across the last two years (see. 1.3.1.4 *A balanced operations portfolio*).

1.6.2.4 Risks on clients loyalty

Teleperformance's activity depends on its ability to retain and renew contracts with existing clients and to successfully obtain and negotiate new contracts. This ability is generally assessed in light of various criteria such as quality, security, cost and any item enabling differentiation from competitors. As of December 31st, 2013, the Group's noted average duration of relationships with clients was between 10 to 12 years according to the focus.

This loyalty stems from a Group culture that is strongly focused on the client and is reflected in stringent procedures, a sound knowledge of the client's expectations and a highly reactive organization: specific management of strategic client accounts, frequent activity reports, marketing research laboratory, frequent and detailed client satisfaction surveys, implementation of fast intervention operational cells.

1.6.2.5 Risk relating to data security and protection

Securing the technological platform

Teleperformance delivers its services to clients through a complex technological platform that integrates various aspects of information technologies: telephone services, computer systems and high-level software.

A significant number of subsidiaries of the Group (85 %, representing 95 % of workstations) are connected to a network through dedicated lines.

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

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

Personal data protection

This activity leads the Group's subsidiaries to collect, process or communicate personal information pertaining to the Group's customers' relationships (prospective clients, customers, etc.). The Group must not only meet its contractual commitments towards its clients, but also comply with legislation that is very strict in terms of personal data protection. Non-compliance with statutory and contractual requirements could lead to adverse consequences for the Group's performance.

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

- complying with the legislation in force in respect of the collection, processing and transmission of data
- avoiding unauthorized access

1.6.2.6 Risks relating to human resources, employees and executive officers

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

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

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

In a business sector that is marked by strong mobility, the Group has sought to develop its hiring capacity (employees, executives, etc.) and loyalty programs. It is in a strong position to do so: as market leader and with its ability to offer employees a high-end work environment, frequently recognized by numerous awards, corporate benefits, dedicated training and promotion perspectives within a global Group.

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

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

1.6.3 General risks

1.6.3.1 Risks relating to growth through acquisition of companies

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

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

The amount goodwill posted to the balance sheet as of December 31st 2013 amounts to 674 million euros and represents 36 % of the total amount of the balance sheet.

During fiscal year 2013, a goodwill depreciation of 2.8 million euros was booked regarding Argentina. (cf. Note to the consolidated statements B.1 *Intangible assets,* page 162).

1.6.3.2 Risks to which the Group is exposed by operating internationally

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

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

On the basis of ratings published at the end of January 2014 by COFACE, which constantly monitors the evolution of emerging countries and releases ratings per country, the Group's concentrations per production zone are as follows:

- 80 % of its activity in countries where the environment is considered to be favorable and exhibiting low or acceptable risks
- 13 % * of its activity in countries where the environment may include factors of uncertainty; these countries comprise, in particular, Tunisia, Russia, El Salvador and Southern European countries
- 7 % of its activity in countries where economic and political outlooks are considered to be very uncertain; these are mostly small countries as well as Greece, Argentina and Egypt.

** This figure decreased in 2013 mainly due to the improvement of the Philippines rating despite the downgrading of the Tunisia rating.*

1.6.3.3 Other risks

Suppliers

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

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

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

Legal risks

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

The Company and our subsidiaries:

- are not affected by specific legal regulations and/or licenses for the conduct of our business, with the exception of those mentioned above in the section on business-related risks;
- are not affected by other litigation, arbitration or government proceedings, including proceedings the Company may have been aware of, pending proceedings or proceedings threatening the Company, likely to have, or having had in the past 12 months, a noticeable impact upon the financial position or profitability of the Company and/or the Group, except for the employment-related risks referred to below.

Employment risks

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

In accordance with applicable accounting principles, these disputes are recognized under provisions for risks. They amounted to 9.0 million euros in 2013 and mainly concerned disputes with former employees, in particular, in Argentina and France.

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

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

1.6.4 Insurance – Risk leverage

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

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

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

Total premiums paid for 2013 amounted to € 4.4 million.

1.6.4.1 General civil liability and professional indemnity insurance

This insurance cover was set up and is managed centrally at Group level. All Group subsidiaries have been included in the worldwide civil liability scheme.

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

1.6.4.2 Property damage and business interruption insurance

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

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

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

1.6.4.3 Other insurance policies

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

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

1.7 Legal and arbitration proceedings

In the ordinary course of its business, the Group is involved or risks being involved in various administrative or court proceedings. Within the scope of some of these proceedings, monetary claims are made or might be made against the Group. Provisions have been booked for these claims in accordance with International Financial Reporting Standards (various provisions totaling € 12 million had been booked as of December 31st, 2013). The Group estimates that the provisions booked for the risks, disputes and arbitral proceedings of which it is aware or that are already pending are sufficient so as not to affect the Group's consolidated financial position should we lose the cases.

To the best of the Company's knowledge, subject to information contained in this Registration document, there are, as of the date of this annual report, no exceptional events or proceedings by a Government, court or arbitral tribunal, including any proceedings of which the Company is aware, that are pending or that are threatened, that might have or have over the last 12 months had a significant effect on the financial position or profitability of the Company or the Group.

2. Information on the Company and its share capital

2.1 Information on the Company

2.1.1 General information about the Company

Corporate name

Teleperformance S.A.

Registration location and number

Paris Trade and Companies Register no. 301 292 702
APE business activity code: 7311Z

Registered office

21-25, rue Balzac - 75008 Paris, France

Telephone: +33 1 53 83 59 00

Legal form – applicable law

Société Anonyme (French public limited company) registered in France subject to all French legislation covering commercial companies and, in particular, the provisions of the French Commercial Code.

Date of incorporation and term

The company was incorporated on October 9th, 1910. The term will expire on October 9th, 2059, unless the corporate term is extended or wound up early.

Fiscal year

From January 1st to December 31st every year.

Access to legal documents and regulated information

The issuer's legal documents may be consulted at the head office (21-25, rue Balzac - 75008 Paris, France).

Both permanent and one-off regulated information is available on the Company's website at www.teleperformance.com, section "Regulated Information".

2.1.2 Incorporation and articles of association

2.1.2.1 Corporate purpose

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

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

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

2.1.2.2 Administration and general management of the Company

Board of Directors

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

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

The term of office of directors is three years. As an exception to the above and exclusively in order to allow for the implementation and continued application of the scheduling of directors' terms of office, ordinary general meetings shall have the power to appoint one or more directors for a term of two (2) years.

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

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

In accordance with the law, the members of the Board of Directors and permanent representatives of legal persons must ensure that the company's shares they hold are registered shares. This obligation also applies to the minor children and spouses of members who are individuals and to the minor children and spouses of the permanent representatives of legal entity members.

Chairman of the Board of Directors

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

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

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

Executive management

- Executive management model

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

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

- Chief Executive Officer

The Chief Executive Officer must be an individual and may be (but is not required to be) chosen from amongst the Directors.

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

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

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

- Deputy Chief Executive Officer

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

The Board of Directors may (but is not required to) choose the Deputy Chief Executive Officers from amongst the Directors.

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

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

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

Form of securities

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

Shares are fully negotiable save where legislative 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.

Save where 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, all shareholders have the same number of voting rights as the number of shares they own or represent.

A double voting right is granted to all paid up shares which can be demonstrated to have been registered for a period of at least four years in the name of the same shareholder of French nationality or from a member state of the European Union. As an exception and subject to the same conditions, the double voting right may be granted to shareholders of a different nationality who have been individually approved by the Board of Directors. The Board of Directors can refuse to grant this approval and also withdraw it without having to give reasons for its decision.

The provision concerning double voting rights was introduced in the Company's articles of association at the June 26th, 1985 extraordinary general meeting; this meeting established a 5-year period to hold shares, which was reduced to 4 years by a resolution of the June 17th, 1996 extraordinary general meeting.

The double voting right automatically ceases for any share which has been converted to a bearer share or transferred and is only recovered by the new owner (providing it satisfies the nationality or approval conditions stipulated in the previous subparagraph) by registration in the shareholder's name for a period of four years. Nevertheless, the period fixed is not suspended and the acquired right is preserved for a transfer of a registered share resulting from a succession, the sharing out of matrimonial property or an inter vivos gift to a spouse or a relative close enough to inherit an estate, providing, in these cases, that the new holder satisfies the conditions of nationality or approval stipulated in the previous paragraph.

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 right can be exercised within the beneficiary company or companies if their articles of association stipulated this.

2.1.2.4 General meetings

Convening general meetings

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

The company will publish the information and documents required by law in the *Bulletin des announces légales obligatoires* (Mandatory Legal Notices Bulletin) and on its website, within the time limits laid down by law.

If a meeting has been unable to deliberate because the required quorum was not present, the second meeting and if necessary the second adjourned meeting is convened at least ten clear days in advance using the same procedures as the first. The notice and invitations to attend this second meeting must reproduce the date and the agenda of the first meeting.

Agenda

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

However, one or more shareholders are entitled to have points or draft resolutions included in the agenda, pursuant to current statutory 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

Under the terms of article 25 of the articles of association, all shareholders are entitled to participate personally or by proxy in general meetings and debates, regardless of the size of their shareholding, just by showing proof of identity, provided that, pursuant to the seventh paragraph of article L. 228-1 of the French Commercial Code, by the third business day preceding the meeting at 00:00 am Paris time, their shares are fully paid up in respect of all installments due and their shareholding is registered in their name or the name of the intermediary holding the shares on their behalf, either in the registered shares accounts held by the Company or n the bearer shares accounts held by the approved intermediary.

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

2.1.2.5 Earnings

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

At least one twentieth of net income less any retained losses brought forward shall be deducted from net income and posted to a reserve fund known as "legal reserve". This transfer to the legal reserve shall cease to be compulsory when the said reserve reaches an amount equal to one-tenth of share capital. The account transfer 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, general meetings are entitled to appropriate from earnings before dividend distribution any amounts which they deem appropriate, either to be carried forward to the next fiscal year, or to be posted to one or more general or specific reserve accounts, for which the meeting shall freely determine the appropriation or use.

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

General 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 fiscal year end. This period can be prolonged by judicial decision.

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

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

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

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

2.1.2.6 Identifying holders of securities

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

2.1.2.7 Crossing shareholder thresholds

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

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

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

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

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

2.2 Share Capital

2.2.1 Value of issued share capital

As of December 31st, 2013, the Company's share capital amounted to € 143,150,475, divided into 57,260,190 fully paid-up shares of the same class, each with a par value of € 2.50.

As of December 31st, 2013, these 57,260,190 shares represented 58,134,089 theoretical (or gross) voting rights and 58,010,128 actual (or net) voting rights.

2.2.2 Securities not representing share capital

None

2.2.3 Authorized and non-issued share capital

Ongoing delegations and authorizations given below were granted by the May 30th, 2013 combined general meeting as follows:

	Date of general meeting (resolution number)	*Maximum nominal amount (€)*	*Duration (expiry)*
Issues with preferential subscription rights for shareholders			
Capital increase by issue of shares and equity securities, for which the primary feature is not a debt security, with maintenance of the shareholder preferential subscription right	May 30th, 2013 (18th)	40 million	26 months (July 29th, 2015)
Issues reserved for employees and, where applicable, executive directors			
Shares issued free of charge to employees and/or executive directors	May 30th, 2013 (21st)	2 % of share capital *	38 months (July 29th, 2016)
Share issue reserved for members of a company or group savings scheme	May 30th, 2013 (22nd)	2 million (1)	26 months (July 29th, 2015)
Other issues			
Capital increase via capitalization of issue premiums, reserves or retained earnings	May 30th, 2013 (17th)	142 million	26 months (July 29th, 2015)

* *Used in 2013 in respect of 840,000 shares, or 1.46 % of share capital.*

2.2.4 Treasury shares

2.2.4.1 Current authorizations

	Date of general meeting (resolution number)	*Duration (expiry)*	*Terms*
Share repurchases	May 30th, 2013 (15th)	18 months (November 29th, 2014)	Maximum purchase price per share: € 38 Limit of 10 % of the total number of shares
Cancellation of shares	May 30th, 2013 (16th)	26 months (July 29th, 2015)	10 % of the total number of shares on date of cancellation decision

2.2.4.2 Treasury shares

As of December 31st, 2013, the Company held 123,961 treasury shares broken down as follows per objective:

- 7,000 shares in connection with the liquidity contract;
- 58,461 shares allocated to share incentive plans set up in 2011, 2012 and 2013;
- 58,500 shares held for purposes of cancellation.

As of February 25th, 2014, the Company held 123,960 treasury shares broken down as follows per objective:

- 6,999 shares in connection with the liquidity contract;
- 58,461 shares allocated to share incentive plans set up in 2011, 2012 and 2013;
- 58,500 shares held for purposes of cancellation.

2.2.4.3 Control of own shares

None

2.2.4.4 Share buy-back program

Update on the current buy-back program

The May 30th, 2013 combined general meeting authorized the Company's Board of Directors to purchase its own shares, for an 18 month term, and terminated the previous authorization granted by the October 4th, 2012 extraordinary general meeting.

In accordance with this authorization, the Board of Directors, meeting on May 30th, 2013, resolved to introduce a new share buy-back program limited to 10 % of share capital at a maximum purchase price per share of € 38.

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

- Cancel the repurchased shares in accordance with the authority conferred by the 16th resolution of the May 30th, 2013 general meeting;
- Ensure that stock option purchase plans and/or bonus share or similar plans cover employees and/or directors as well as all share allocations under a Company or group savings or similar plan in conjunction with employee profit sharing programs and/or any other forms of share issues to Company employees and/or directors;
- Ensure the coverage of issues of equity securities;
- Hold the shares for the purposes of subsequently tendering them as consideration or in exchange in respect of an acquisition (up to 5 % of share capital);
- Authorize an investment services provider, acting independently, to trade in the Company's shares pursuant to a liquidity contract in compliance with the code of ethics approved by the AMF (French financial market regulator);
- In general, carry out any transaction permitted under current regulations.

Liquidity contract

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

As at December 31st, 2013, assets held in the liquidity account were as follows: 7,000 shares and € 2,603,546.52.

Share buy-back in connection with other objectives

None

Summary of the Company's treasury share purchase and sale transactions during 2013

Number of shares purchased	2,153,094
Average purchase price	€ 33.52
Number of shares sold during the year	2,177,610
Average sale price	€ 33.57
Trading costs	€ 24,000 (excl. taxes)
Number of treasury shares held as of December 31st, 2013	123,961
Percentage of share capital held by the Company as of December 31st, 2013	0.21 %
Book value of treasury shares held as of December 31st, 2013 *	€ 2,125,402.51
Market value of treasury shares held as of December 31st, 2013 **	€ 5,491,427.30
Total nominal value of treasury shares as of December 31st, 2013	€ 309,902.50
Number of shares canceled over the last 24 months	0

* Book value before impairment
** Based on closing price as of December 31st, 2013, i.e. € 44.30

1,073,500 treasury shares were used during 2013 for the following purposes:
- 1,050,500 existing performance shares were purchased definitively on July 27th, 2013,
- 23,000 existing performance shares were purchased definitively on November 30th, 2013.

New share buy-back program

It is proposed to the general meeting to be held on May 7th, 2014 to renew the authorization for the Company to buy back its own shares on the following terms:

Share buy-back program objectives:

- Ensure 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 employees and/or corporate officers;
- Ensure coverage of securities giving entitlement to the allocation of Company shares pursuant to current regulations;
- Hold shares purchased for the purpose of subsequently tendering them as consideration or in exchange in conjunction with mergers or acquisitions; the number of shares purchased for this purpose may not exceed 5 % of the Company's share capital;
- Stimulate the secondary market or increase the liquidity of the Teleperformance share with the assistance of an investment services provider under a liquidity contract in compliance with the Code of Conduct established by the AMAFI (French Financial Markets Association) and approved by the AMF (French Financial Markets Regulator),
- Cancel the repurchased shares, pursuant to the authorization granted by the May 30th, 2013 combined general meeting of shareholders under its 16th extraordinary resolution;
- Carry out, in general, any transaction permitted under current regulations.

Terms of buying back shares:

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

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

The maximum percentage of shares which may be repurchased under the proposed authorization at the May 7th, 2014 general meeting is 10 % of the total number of shares comprising share capital (or 57,260,190 shares as of the date of this registration document), it being specified that this limit shall be applied as of the date of purchase, in order to take account of any transactions that increase or reduce share capital occurring during the term of the program. The number of shares taken into account for the calculation of this limit shall be the number of shares purchased less the number of shares resold during the term of the program for purposes of the liquidity objective.

Given that the company may not hold more than 10 % of share capital, in view of the number of treasury shares at January 31st, 2014 amounting to 123,960 shares (0.22 % of share capital), the maximum number of shares that can be purchased stands at 5,602,059 shares, or 9.78 % of share capital unless existing treasury shares are transferred or canceled.

The maximum purchase price proposed to the May 7th, 2014 general meeting is set at € 60 per share. Accordingly, the maximum value of share repurchases is set at € 343,561,140 based on 57,260,190 shares.

Term of the share buy-back program:

In accordance with the resolution which will be submitted for approval to the May 7th, 2014 extraordinary and ordinary general meeting, the share buy-back program will be implemented over a period of 18 months following the date of this meeting expiring on December 5th, 2015.

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

2.2.5 Potential share capital

2.2.5.1 Securities granting access to the Company's share capital

None

2.2.5.2 Stock options

Options granted by the Company

None

Options granted by companies controlled by the Company

None

2.2.5.3 Performance shares issued free of charge

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

Details of the performance share plans

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

Performance shares issued granted during 2011:

Plan dated July 27th, 2011 (Plan no. 1)

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

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

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

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

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

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

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

Plan dated November 30th, 2011 (Plan no. 2)

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

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

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

Performance shares granted during 2012:

Plan dated June 1st, 2012 (Plan no. 3)

On May 29th, 2012, the Company's Board of Directors decided to introduce a third performance share plan involving up to 2,000 Teleperformance shares allotted to one employee of a subsidiary, with deferred effect as from the effective date of the beneficiary's employment contract, i.e. June 1st, 2012.

The final vesting of these shares is subject to the fulfillment of performance criteria consisting of the beneficiary's subsidiary achieving budgeted revenues for the 2012 and 2013 fiscal years. The term of the vesting period for this plan is two years.

Plan dated July 30th, 2012 (Plan no. 4)

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

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

Performance shares granted during 2013:

Plan dated July 30th, 2013 (Plan no. 5)

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

The Board of Directors decided to make the definitive vesting of allotted shares conditional on the achievement of performance criteria based on achievement at constant exchange rates of 16.0 % growth in consolidated revenues and 27.0 % growth in consolidated EBITA for the period from January 1st, 2013 to December 31st, 2015 and ROCE of 12.5 % as of December 31st, 2015 (refer to Note C.3 *Share-based payments* to the consolidated financial statements).

Performance shares granted during 2014:

Plan dated February 25th, 2014 (Plan no. 6)

At its February 25th, 2014 meeting, the Board of Directors decided to introduce a performance share plan subject to performance criteria, covering a total of 22,500 Teleperformance shares in favor of one beneficiary. The vesting period for this plan is three years, until February 25th, 2017. The definitive vesting of shares is subject to performance criteria based on financial targets of a subsidiary of the Group.

Synthesis of the performance share plans

	Plan 1	**Plan 2**	**Plan 3**	**Plan 4**	**Plan 5**	**Plan 6**
Date of general meeting	5/31/2011	5/31/2011	5/31/2011	5/31/2011	5/30/2013	5/30/2013
Board meeting date	7/27/2011	11/30/2011	5/31/2012	7/30/2012	7/30/2013	2/25/2014
Allotment date	7/27/2011	11/30/2011	6/1/2012	7/30/2012	7/30/2013	2/25/2014
Total number of potential share allotments	1,099,000	30,500	2,000	2,000	840,000	22,500
Total number of beneficiaries	100	10	1	1	126	1
of which total number allotted to executive directors:						
- Daniel Julien	170,000	-	-	-	-	-
- Paulo César Salles Vasques *	N/A	-	-	-	-	-
Definitive vesting date	7/27/2013	11/30/2013	6/1/2014	7/30/2014	7/30/2016	2/25/2017
Expiry of the retention period	7/27/2015	11/30/2015	6/1/2016	7/30/2016	7/30/2018	2/25/2019
Performance criteria	YES	YES	YES	YES	YES	YES
Nature of shares allotted	Existing shares	Existing shares	Existing shares	Existing shares	New or existing shares	New or existing shares
Cumulative number of entitlements to canceled or lapsed shares	48,500	7,500	-	-	-	-
Number of definitively vested shares at December 31st, 2013	1,050,500**	23,000**	-	-	-	-
Number of outstanding rights at December 31st, 2013	-	-	2,000	2,000	840,000	22,500

** CEO since May 30th, 2013.*
*** The February 26th, 2013 Board of Directors meeting noted that the performance criteria for these plans had been fully met.*

As at December 31st, 2013, based on all plans there were 844,000 rights to bonus shares that may be acquired by beneficiaries (after deducting acquired shares or canceled rights of beneficiaries who have left the Group).

At the same date, given that the Company had bought back shares allocated to the performance share grants as authorized by the May 31st, 2011 general meeting, these grants have no dilutive effect on earnings.

With regard to Plan no. 5 dated July 30th, 2013 and Plan no. 6 dated February 25th, 2014, the definitive vesting of shares may have no dilutive effect on earnings in respect of existing shares or, in the case of new shares, may lead to the issue of 862,500 new shares, representing a potential maximum share capital increase of € 2,156,250, which represents a maximum potential dilution of 1.50 %.

Performance shares awarded to the top ten non-director employees

During 2013, the ten non-director employees of the Group who were allotted the more performance shares received a total of 254,000 shares.

Performance shares granted by companies that are controlled by the Company

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

2.2.6 Changes in share capital over the past five years

		Amount			Cumulated share capital	
Description	***Date***	***Nominal (€)***	***Issue premium or capital contribution (€)***	***Number of new shares issued***	***Shares***	In euros
Share capital at 12/31/2008	12/31/2008				56,382,847	140,957,117.50
Bonus share award (May 3rd, 2007 plan)	5/4/2009	2.50	N/A	20,500	56,403,347	141,008,367.50
Exercise of stock options	6/30/2009	2.50	2,859,682.84	192,701	56,596,048	141,490,120.00
Bonus share award (January 10th, 2008 plan)	1/11/2010	2.50	N/A	2,000	56,598,048	141,495,120.00
Payment of dividend in shares	7/12/2013	2.50	19,546,431.84	662,142	57,260,190	143,150,475.00

2.3 Shareholding

2.3.1 Evolution of breakdown of share capital and voting rights

The tables below show the number of shares and corresponding percentages of share capital and voting rights held by the principal known shareholders of Teleperformance SA during the last three financial years. To the Company's knowledge, no material change occurred between December 31st, 2013 and the filing date of this Registration Document.

2.3.1.1 Changes in the breakdown of share capital and voting rights at December 31st, 2013

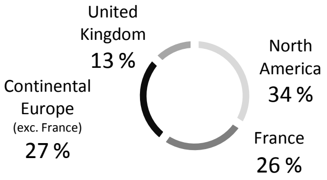
at December 31st, 2013	***Share capital***		***Theoretical voting rights***		***Actual voting rights***	
	number	***%***	***number***	***%***	***number***	***%***
Participanten Dochterfonds (ING)	3,268,600	5.7 %	3,268,600	5.6 %	3,268,600	5.6 %
Tweedy Brown Company LLC	2,100,000	3.7 %	2,100,000	3.6 %	2,100,000	3.6 %
Acadian Asset Management	1,817,700	3.2 %	1,817,700	3.1 %	1,817,700	3.1 %
International Value Advisors, LLC	1,802,800	3.1 %	1,802,800	3.1 %	1,802,800	3.1 %
Gryphon int. Inv Corp.	1,435,134	2.5 %	1,435,134	2.5 %	1,435,134	2.5 %
Daniel Julien	827,314	1.4 %	1,484,628	2.6 %	1,484,628	2.6 %
Main identified shareholders	11,251,548	19.6 %	11,908,862	20.5 %	11,908,862	20.5 %
Other shareholders (public)	45,884,681	80.1 %	46,101,266	79.3 %	46,101,266	79.3 %
Treasury shares	123,961	0.2 %	123,961	0.2 %	-	
TOTAL	**57,260,190**	**100 %**	**58,134,089**	**100 %**	**58,010,128**	**100 %**

2.3.1.2 Changes in the breakdown of share capital and voting rights in the last 3 years

at December 31st	***2013***			***2012***			***2011***		
	number of shares	***% shares***	***% actual voting rights***	***number of shares***	***% shares***	***% actual voting rights***	***number of shares***	***% shares***	***% actual voting rights***
Participanten Dochterfonds (ING)	3,268,600	5.7 %	5.6 %	3,000,000	5.3 %	5.3 %	3,959,087	7.0 %	6.9 %
Tweedy Brown Company LLC	2,100,000	3.7 %	3.6 %	1,583,600	2.8 %	2.8 %	1,615,100	2.9 %	2.8 %
Acadian Asset Management	1,817,700	3.2 %	3.1 %	1,561,900	2.8 %	2.8 %	0	0 %	0 %
International Value Advisors, LLC	1,802,800	3.1 %	3.1 %	4,585,600	8.1 %	8.1 %	4,967,900	8.8 %	8.6 %
Gryphon int. Inv Corp.	1,435,134	2.5 %	2.5 %	2,490,300	4.4 %	4.4 %	2,266,900	4.0 %	3.9 %
Edinburgh Partners	0	0 %	0 %	0	0 %	0 %	624,500	1.1 %	1.1 %
Daniel Julien	827,314	1.4 %	2.6 %	658,314	1.2 %	2.2 %	658,314	1.2 %	2.1 %
Jacques Berrebi	0	0 %	0 %	0	0 %	0 %	1,000,900	1.8 %	3.3 %
Main identified shareholders	11,251,548	19.6 %	20.5 %	13,879,714	24.5 %	25.6 %	15,092,701	26.7 %	28.7 %
Other shareholders (public)	45,884,681	80.1 %	79.5 %	41,496,357	73.3 %	74.4 %	40,373,386	71.3 %	71.3 %
treasury shares	123,961	0.2 %	0 %	1,221,977	2.2 %	0 %	1,131,961	2.0 %	0 %
TOTAL	**57,260,190**	**100 %**	**100 %**	**56,598,048**	**100 %**	**100 %**	**56,598,048**	**100 %**	**100 %**

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

Geographical breakdown of institutional shareholders at 11/30/2013 *



* *Based on a Teleperformance shareholder identity study as of November 30th, 2013, which identified 11,614 shareholders, including 265 institutional investors*

At November 30th, 2013, institutional investors accounted for 86 % of the Company's share capital.

2.3.1.3 Company shares held by employees

In accordance with the provisions of Article L. 225-102 of the French Commercial Code, we hereby inform you that, as of December 31st, 2013, employees of the Company and related companies within the meaning of Article L. 225-180 of said Code no longer hold any shares in the Company.

2.3.1.4 Major changes in the breakdown of share capital

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

Following the end of the last financial year

None

In 2013

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

In 2012

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

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

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

In 2011

On February 11th, 2011, GIM Dassault SAS declared that on February 9th, 2011, it passed below the of 5 % shareholding and voting rights thresholds in the Company and held 1,050,000 shares representing the same number of voting rights, i.e. 1.86 % of share capital and 1.78 % of voting rights in the Company.

On July 12th, 2011, International Value Advisers LLC, acting on behalf of funds and clients under management, declared that on July 6th, 2011, it passed above the 5 % shareholding and voting rights thresholds in the Company and held 2,982,910 shares representing the same number of voting rights, i.e. 5.27 % of share capital and 5.06 % of voting rights.

Edinburgh Partners Ltd, acting on behalf of funds and clients under management, declared that on September 15th, 2011, it passed below the 5 % voting rights threshold in the Company and held, on behalf of said funds and clients, 2,864,981 shares representing the same number of voting rights, i.e. 5.06 % of share capital and 4.86 % of voting rights in the Company.

Edinburgh Partners Ltd, acting on behalf of funds and clients under management, declared for statutory reporting purposes that on September 16th, 2011, it passed below the 5 % shareholding threshold in the Company and on behalf of said funds and clients held, as of September 16th, 2011, 2,799,981 shares representing the same number of voting rights, i.e. 4.95 % of share capital and 4.75 % of voting rights in the Company.

On September 30th, 2011, Edinburgh Partners disclosed that it held 2,249,981 shares and an equal number of voting rights, i.e. 3.98 % of the Company's share capital, thus dropping below the 5 % threshold.

2.3.2 Shareholders' agreement

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

2.3.3 Change of control of the Company

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

2.4 Stock market listing

2.4.1 Listing references

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

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

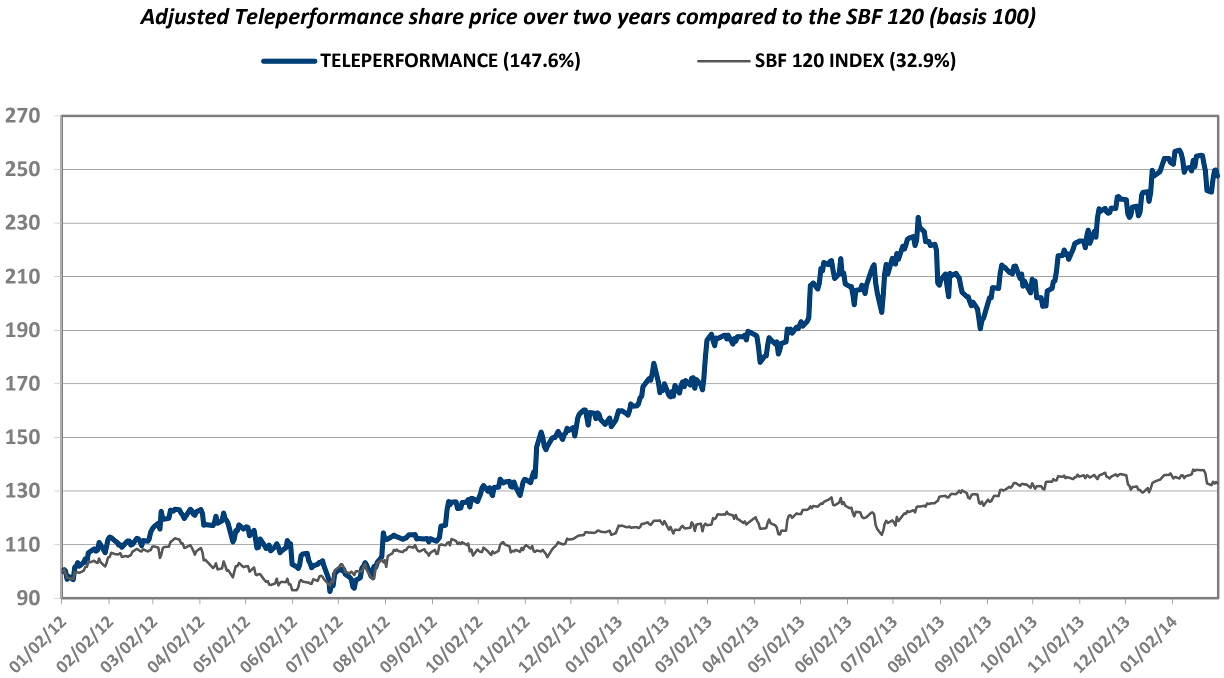
Teleperformance shares are included in the following indexes: SBF 120, Next 150, CAC Mid 60, CAC All Shares, CAC Mid & Small and CAC Consumer Services.

2.4.2 Information on traded volumes and share price movements

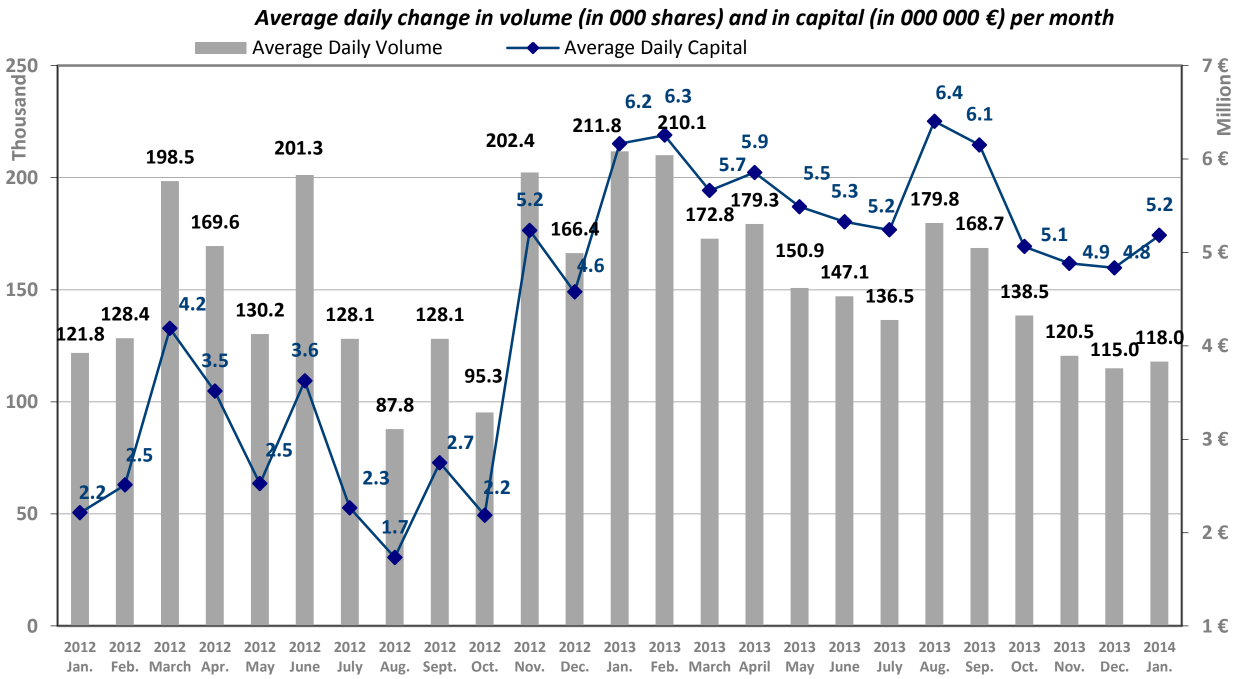
2.4.2.1 Monthly evolution of Teleperformance share price over the last 18 months (*source: NYSE Euronext Paris*):

	Higher price (in €)	*Lower price (in €)*	*Closing price (in €)*	*Number of shares traded*	*Value traded (in €)*	*Number of trading sessions*
2012						
August	20.16	19.43	19.67	2,019,956	39,864,810	23
September	22.65	19.46	22.29	2,562,850	54,960,860	20
October	23.69	21.91	23.33	2,191,668	50,282,490	23
November	27.15	23.15	26.76	4,452,803	115,188,300	22
December	28.25	26.32	27.42	3,162,287	86,946,970	19
2013						
January	31.45	27.53	29.36	4,660,313	135,584,300	22
February	31.63	28.80	31.53	4,201,663	125,103,300	20
March	33.49	31.49	33.24	3,456,697	113,237,900	20
April	33.87	31.15	33.42	3,766,067	122,972,700	21
May	38.29	33.22	36.35	3,318,878	120,763,800	22
June	37.96	34.48	36.98	2,941,522	106,550,100	20
July	40.93	34.61	36.40	3,139,871	120,545,700	23
August	37.18	32.70	34.10	3,955,415	140,883,000	22
September	37.93	34.78	35.76	3,542,906	129,148,400	21
October	39.31	34.31	39.06	3,184,671	116,414,700	23
November	42.22	37.99	41.89	2,530,954	102,545,500	21
December	44.80	40.50	44.30	2,299,368	96,690,390	20
2014						
January	45.60	40.76	43.40	2,596,565	113,996,800	22

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



2.4.2.3 Adjusted monthly average volumes traded per day



2.5 Dividends

2.5.1 Dividend pay-out policy

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

In accordance with the law, unclaimed dividends lapse and are paid over to the State following a 5-year period.

2.5.2 Dividends paid in respect of the last five fiscal years

Dividend for fiscal year *	Gross dividend per share	Total **	Distribution rate
2008	€ 0.44	€ 24,808,452.68	21 %
2009	€ 0.33	€ 18,676,695.44	21 %
2010	€ 0.33	€ 18,677,355.84	26 %
2011	€ 0.46	€ 26,035,102.80	28 %
2012	€ 0.68	€ 38,486,672.64	30 %

* *Paid the following year.*
** *Including unpaid dividends on the Company's treasury stock posted to 'Retained earnings'.*

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

It is reminded that the May 30th, 2013 general meeting approved, in its 4th resolution, the option to pay out the dividend in respect of 2012, 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 Company's share capital by a total nominal amount of € 1,655,355.

The Board of Directors has decided to submit to the shareholders' meeting to be held on May 7th, 2014 a dividend of € 0.80 per share in respect of 2013.

2.6 Financial Communication

2.6.1 Financial communication policy

The Group is committed to maintaining a sustainable and trust-based relationship with all shareholders, including French and foreign individuals and legal entities. 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 reporting platforms have been set up and frequent meetings are organized throughout the year with the financial community.

The Group, which has signed the United Nations global charter, is also concerned to inform the market of its commitment in terms of social and environmental responsibility and has dedicated a whole section of this report (pages 103 to 130) to these topics.

A key feature of 2013 was the Group's continued efforts to improve the quality of its reporting to the financial community.

During the year, the Group significantly added to its Registration Document, particularly in respect of social and environmental responsibility, and redesigned its website, which now reflects best practice.

These improvements were rewarded in October 2013 when the Group won the Paris *Grand Prix 2013* for the best improvement in the SBF120 for transparency of regulated information.

In addition, during the year the Group significantly developed relations with the French and international financial community, given that the number of meetings with institutional investors increased by a factor of three compared to the prior year.

2.6.2 Dedicated information accessible to all shareholders

The financial information and reporting platforms are made available online to all shareholders in the

Investor Relations section of the Group's website (www.teleperformance.com), which is an extensive database of the Group's financial communication.

This information includes:

- All financial and strategic information provided to the financial markets: quarterly information, press releases, audio and video recordings and broadcasts of result presentations and conferences on dedicated topics,
- All regulated information circulated in compliance with the European *Transparency* directive of December 15th, 2004, which includes the Registration Document comprising the annual financial report and the half-yearly report, filed with the French Financial Markets Authority (*Autorité des marchés financiers*), the Articles of Association and information concerning corporate governance,
- General meeting documentation (meeting notice, draft resolutions, ballot, meeting notice brochure).

This information may be mailed upon request submitted via the Group website or communicated to the investor relations management team by e-mail, telephone or mail.

Legal information (Articles of Incorporation, minutes of shareholders' meetings and auditors' reports) are available at the Legal Affairs Department, at the Company's registered office.

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

2.6.3 Regular meetings with institutional investors and financial analysts

The investor relations department, together with various senior Group executives and in compliance with reporting best practices, regularly holds information meetings with institutional investors and financial analysts, including SRI (*socially responsible investing*) specialists, in France and abroad. Every quarter, the Group presents its results and/or revenues to the financial community via:

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

In addition, Group senior management correspond frequently with the financial community throughout the year via meetings, conference calls, investor roadshows and conferences on specific topics in the major European and US financial centers.

2.6.4 General meetings

The annual general meeting, which in 2013 was held at the *Étoile Saint Honoré* business center in Paris, is a key opportunity for shareholders to speak with Group management on the year's operations. For shareholders, the annual general meeting is also a chance to play an active role in the Group.

Procedures for calling general meetings, preparing and publishing agendas as well rules for entry to general meetings are given below in section 2.1.2.4 *General Meetings*.

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

2.6.5 Registration of securities in the holder's name

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

No management fees

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

Guaranteed personalized information

Registered shareholders are guaranteed personalized information regarding:

- notices to attend general meetings, with systematic dispatch of the meeting notice, single postal voting form and proxy voting form, admission ticket request form and the statutory information documents,
- the management of securities, taxation and the organization of the general meeting. A helpline is available for shareholders non-stop from 9.00 am to 18.00 pm, Monday to Friday, on 0826 109 119.

Easier access to the general meeting

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

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

More information regarding security registration may be obtained from:

Registered securities management
BNP Paribas Securities Services
Actionnariat Teleperformance
Grands moulins - 9 rue du débarcadère - 93500 Pantin, France
From France: 0 826 109 119
From abroad: +33 1 55 77 40 57
paris.bp2s.service.actionnaires.nominatif@bnpparibas.com

2.6.6 Indicative schedule for financial publications

May 7th, 2014
Annual general meeting of shareholders

May 13rd, 2014
Q1 Revenues

May 14th, 2014
Ex-dividend date

May 19th, 2014
Dividend payment

July 28th, 2014
2014 half-year results

November 12th, 2014
2014 Q3 revenues

2.6.7 Investor relations contact

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

3. Corporate Governance

3.1 Presentation of the Board of Directors

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

With the aim of ensuring proper governance, at its meeting held on May 30th, 2013, after due consideration, the Board of Directors decided to separate the functions of Chairman of the Board and Chief Executive Officer.

The Board of Directors considered that this structure was the most appropriate for the period of transition lying ahead.

This form of governance, together with a three-year transition period, provides a clear distinction between strategic decision-making and control functions, which lie within the scope of the Board, and operational and executive functions, which are the responsibility of senior management.

3.1.1 Internal regulations

At its May 30th, 2013 meeting, during which it decided to separate the roles of Chairman of the Board and Chief Executive Officer, the Board of Directors amended its internal regulations adopted on May 31st, 2011. The purpose of these internal rules is to specify the role and the operating procedures of the Board of Directors, in compliance with the statutory provisions, Articles of Association and corporate governance rules applicable to companies whose securities are traded on a regulated market. The main recommendations of these internal rules are described below.

Membership

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

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

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

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

- not to be an employee or executive director of the company, or an employee or director of its parent or a company that the latter consolidates, and not having been in such a position for the previous five years
- not to be an executive director of a company in which the company holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive director of the corporation (currently in office or having held such office for less than five years) is a director
- not to be a client, supplier, investment banker or commercial banker that is material to the company or its group, or for a significant part of whose business the corporation or its group accounts

- not to be related by close family ties to an executive officer
- not to have been an auditor of the corporation within the previous five years
- not to have been a director of the company for more than twelve years.

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

For the purposes of interpreting this paragraph:

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

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

Term of office

In accordance with the provisions of Article 14 of the Articles of Association, members of the Board of Directors are appointed for a 3-year term, which expires at the close 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 term of two years, on an exceptional basis, and solely to enable the implementation or continuation of the staggering of directors' appointments. The Board of Directors shall seek to propose the appointment or re-appointment of directors to the ordinary shareholders' meeting on a rolling basis, in order to avoid the simultaneous expiry of all of the directors' terms of office.

Role of the Board of Directors

Missions

Pursuant to statutory and regulatory provisions, the Articles of Association and its internal rules, the Board of Directors shall specifically assume the following duties:

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

Executive Management

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

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

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

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

Monitoring of executive management

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

Determining strategic choices

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

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

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

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

- dividend payments.

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

Opinion on the appropriateness of management decisions

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

As part of this assignment, the Board of Directors:

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

Directors' rights and obligations

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

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

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

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

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

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

Managing conflicts of interest

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

Board meetings

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

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

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

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

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

Minutes of proceedings

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

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

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

Committees

LThe 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 has decided to set up two standing committees: the Audit Committee and the Remuneration and Appointments Committee. Each Committee reports to the Board of Directors on its work and informs the Board of any points that it considers problematic or requiring a decision, thereby assisting the Board's discussions. At each Board meeting, the Chairman of each Committee shall provide each Board member in attendance with a report on the Committee's work since the last Board meeting.

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

Assessment

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

3.1.2 Composition of the Board of Directors

In accordance with the recommendations of the AFEP-MEDEF Code, the majority of the members of the Board of Directors are independent directors. The Board of Directors currently consists of twelve members, seven of whom are independent.

The Board of Directors met four times in 2013, including a three-day seminar held for the purpose of reviewing operating strategy. The attendance rate at the Board of Directors' meetings was 96 % (see table page 70).

3.1.2.1 List of directors in office as of December 31st, 2013

name	*principle position in the Company*	*age*	*date of first appointment (*) and latest renewal*	*Expiry of term of office (**)*	*Membership of a Committee*	*Number of shares as of Dec. 31, 2013*
Daniel Julien (b)	Chairman of the Board of Directors	61	May 31st, 2011	2015 AGM	-	827,314
Paulo César Salles Vasques (b)	Director and Chief Executive Officer	44	May 30th, 2013	2016 AGM	-	65,000
Emily Abrera (a)(b)	Director	66	BoD Nov 27th, 2012 May 30th, 2013	2015 AGM	-	1,000
Alain Boulet (a)	Director	64	May 31st, 2011 May 30th, 2013	2016 AGM	Audit Committee	1,000
Daniel Bergstein (a)(b)	Director	70	May 31st, 2011	2015 AGM	Remuneration and Appointments Committee (Chairman)	7,500
Bernard Canetti (a)	Director	64	May 31st, 2011 May 30th, 2013	2016 AGM	Audit Committee (Chairman)	1,000
Philippe Dominati	Director	59	May 31st, 2011	2015 AGM	-	2,134
Philippe Ginestié	Director	71	May 31st, 2011	2015 AGM	Remuneration and Appointments Committee	2,789
Jean Guez	Director	68	May 31st, 2011	2015 AGM	Audit Committee	1,000
Robert Paszczak (a)(b)	Director	63	May 31st, 2011 May 30th, 2013	2016 AGM	Remuneration and Appointments Committee	1,014
Mario Sciacca (a)(b)	Director	71	May 31st, 2011 May 30th, 2013	2016 AGM	Audit Committee	1,000
Stephen Winningham (a)(b)	Director	64	May 31st, 2011 May 30th, 2013	2016 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 at its meeting held on May 31st, 2011.
(**) The Company has adopted a system of staggering directors' appointments, which explains why expiry dates vary depending on the director.
(a) Independent director.
(b) Non-French director.

For the sake of good governance, the Board of Directors decided after due consideration to separate the roles of Chairman of the Board and Chief Executive Officer at its meeting held on May 30th, 2013. The Board considered that this structure was the most suitable for the period of transition lying ahead. During this meeting, Daniel Julien was appointed Chairman of the Board, while Paulo César Salles Vasques was appointed Chief Executive Officer.

At the Shareholders' Meeting to be held on May 7th, 2014, the appointments of two women, Ms. Christobel E. Selecky and Ms. Angela Sierra-Moreno as Board members in addition to the members currently in office, will be proposed. Their terms of office will be three years expiring at the close of the meeting held in 2017 to approve the financial statements of the previous year.

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

Independent directors

At its meeting held on February 26th, 2013, the Board of Directors took the view, on the recommendation of the Remuneration and Appointments Committee, that Emily Abrera, Daniel Bergstein, Bernard Canetti, Robert Paszczak, Mario Sciacca, Stephen Winningham and Alain Boulet were independent directors, as defined by the AFEP-MEDEF Corporate Governance Code, to which the Company refers, and by the Board's internal rules. At its meeting held on February 25th, 2014, the Board reviewed the independence of its members and confirmed that the aforementioned directors continue to be qualified as independent directors. At the same meeting, the Board of Directors reviewed the situations of Ms. Selecky and Ms. Sierra-Moreno, whose appointments are proposed, and concluded that they are both independent.

Family ties

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

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

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

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

3.1.2.2 Biographies of directors in office

Daniel Julien

Chairman of the Board of Directors

French and US nationalities

Daniel Julien was born on December 23rd, 1952, and holds an Economics Degree from Paris X University. In 1978, he founded the Teleperformance telemarketing company in a Paris office with only 10 telephone lines, at the age of only 25. By 1985, only a few years later, a series of organic growth transactions and acquisitions had boosted Teleperformance to the position of market leader in France. The Group opened subsidiaries in Belgium and Italy the following year. In 1988, the Group continued its European development by adding subsidiaries in Spain, Germany, Sweden and the United Kingdom, and in 1995 it became the European market leader. In 1993, under the leadership of its founder, the Group continued its international expansion by opening a call center in the United States, followed by Asia in 1996 and then Latin America, including Mexico in 2002 and Argentina and Brazil in 2004. The Group founded by Daniel Julien has been the global leader in the customer relations management market since 2007.

Daniel Julien was Chairman of Teleperformance SA's Management Board. He was Chairman and CEO of Teleperformance SA from May 2011 to May 2013. He was appointed Chairman of the Board of Directors on May 30th, 2013, following the separation of the positions of Chairman of the Board and Chief Executive Officer, in order to comply with the corporate governance recommendations as fully as possible and begin the process of handing over the reins to the next generation. To ensure a smooth handover, the Board of Directors unanimously asked Daniel Julien to remain fully involved and to retain his management positions at Teleperformance Group Inc. (the operational headquarters in the United States) under the same conditions for the next three years.

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

Paulo César Salles Vasques

Director and Chief Executive Officer

Brazilian nationality

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

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

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

Emily Abrera

Director

Philippine nationality

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

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

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

Alain Boulet

Director and Member of the Audit Committee

French nationality

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

Daniel Bergstein

Director and Chairman of the Remuneration and Appointments Committee

US nationality

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

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

Bernard Canetti

Director and Chairman of the Audit Committee

French nationality

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

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

Philippe Dominati

Director

French nationality

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

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

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

Philippe Ginestié

Director and Member of the Remuneration and Appointments Committee

French nationality

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

Philippe Ginestié taught at the La Paz (Bolivia) Law and Science Faculties from 1967 to 1968. He was a member of the Peat Marwick Mitchell group's legal and tax department from 1969 to 1971.

Philippe Ginestié founded the Ginestié legal advisory firm in 1973. In 1982, the firm became Ginestié-Paley-Vincent and then Ginestié-Magellan-Paley-Vincent in 2005. He was the majority shareholder of Dictionnaires Le Robert from 1978 to 1981.

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

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

Jean Guez

Director and Member of the Audit Committee

French nationality

Jean Guez was born on November 25th, 1945, and is a graduate of the Montpellier Business School and the Paris Institute of Corporate Administration. He also holds a Degree in Chartered Accountancy. From October 1967 he worked as a trainee chartered accountant at SETEC (Paris) in 1967, and then at Peat Marwick Mitchell (KPMG) from December 1968. In 1972, after qualifying as a chartered accountant and statutory auditor, he joined SO.CO.GE.RE as Chief Executive Officer, a position he held until 1982, when he joined Sofintex as a Managing Partner. He then became a partner of the BDO France group in 2000, and then of the Deloitte group in 2006. He is currently a Managing Partner at Conseil CSA. Jean Guez was appointed to the Supervisory Board of Teleperformance SA on January 29th, 2010, and became a director on May 31st, 2011, following the change in the Company's governance structure adopted by the shareholders' meeting.

Robert Paszczak

Director and Member of the Remuneration and Appointments Committee

US nationality

Robert Paszczak was born on August 10, 1950, and obtained a Degree in Finance from Northern Illinois University (United States) in 1972. After working his way up 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 that he held until 1991, when he was appointed as a 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 for the Gary-Wheaton Group. Lastly, between 1995 and 2009, following additional mergers, he held successive positions as Senior Vice-President at First National Bank of Chicago, American National Bank & Trust Company of Chicago, Bank One Corporation and JP Morgan Chase Bank. He was appointed Vice-Chairman of Wheaton Bank & Trust (Wintrust Financial) in March 2010, and became Chairman of the Board in 2013. Robert Paszczak is heavily involved in the charitable organizations.

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

Mario Sciacca

Director and member of the Audit Committee

Italian nationality

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

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

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

Stephen Winningham

Director

US nationality

Stephen Winningham was born December 1st, 1949, and holds Economics Degrees from the University of Columbia and New York University. He has thirty years of international experience in the banking field. He began his career in the investment banking sector at Citibank, NA, before moving to Drexel Burnham Lambert. He then held management positions at PaineWebber Inc. and Kidder Peabody & Co. in New York, which have since then merged with the UBS Group. He was Managing Director of Salomon Brothers-Citigroup from 1996 to 2007, when he was based in New York and Hong Kong. He became Managing Director of Lloyds Banking in London in 2007, specifically responsible for global finance institutions, and then for key accounts in 2009. Stephen Winningham has been a Managing Director and Co-Head of the Corporate Finance Department at Houlihan Lokey in London since February 2012.

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

3.1.2.3 Information regarding directors whose appointments are proposed to the Shareholders' Meeting to be held on May 7th, 2014

Christobel E. Selecky

US nationality

Christobel Selecky was born on March 9th, 1955, and holds a Bachelor's Degree in Political Science and Philosophy from the University of Delaware (United States) and a Masters' Degree in Public Relations and Communications from Syracuse University (New York). Ms. Selecky has over 30 years' experience in the healthcare sector as a director, manager and company founder. In 1981, she joined FHP International Corporation, a NASDAQ-listed company that administered managed healthcare plans, operated medical and dental clinics, hospitals, and pharmacies, and sold health and workers compensation insurance. She became the President of FHP's largest business unit, the California Health Plan, with $ 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, governmental entities, public sector employee retirement schemes, unions and trusts. The company grew to $ 130 million in annual revenues and provided its services to more than 1 million people in the United States. She has been working as an independent consultant since 2010, and provides strategic advice and recommendations to teams of managers and investors involved or seeking to become involved in the healthcare sector at both national and international level.

Deeply involved in the charitable sector, Ms. Selecky is a member of the Board of Trustees of United Cerebral Palsy, a national US not-for-profit organization for the defense of the disabled, the Chair-elect of the Board of Directors of the Population Health Alliance, a not-for-profit organization that promotes public healthcare activities through advocacy, research and education, and is an Advisory Committee member of URAC, an organization that promotes healthcare quality.

Other directorships held

current directorships	***Directorships expired within the last five years***
<u>Teleperformance Group</u> none	<u>Teleperformance Group</u> none
<u>Other</u> - American Specialty Health (United States), *director and member of the Audit, Compensation, Quality and Corporate Ethics Committees* - Memorial Care Innovation Fund (United States), *Director*	<u>Other</u> - LifeMasters Supported Selfcare Inc. (United States), *Chairman, member of the Management, Audit, Compensation and Quality Committees* - Houlihan Lokey (United States), *member of the Advisory Committee*

Angela Maria Sierra-Moreno

Colombian nationality

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

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

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

Other directorships held

current directorships	***Directorships expired within the last five years***
<u>Teleperformance Group</u> none	<u>Teleperformance Group</u> none
<u>Other</u> - LASA SA (Colombia), *director* - Prestigio (Colombia), *director* - Dinamica (Colombia), *director*	<u>Other</u> - ARCESA, *director*

3.1.2.4 Other directorships held by current directors

	current directorships	***Directorships expired within the last five years***
Daniel Julien	<u>Teleperformance Group</u> - Teleperformance Group Inc. (United States), *Chairman* <u>Other</u> - Frens Inmobiliaria, S.A. de C.V. (Mexico), *director* - DJ Plus Operadora Inmobiliaria, S. de R.L. de C.V. (Mexico), *director* - DJ Plus S. de R.L. de C.V. (Mexico), *director*	<u>Teleperformance Group</u> - within French companies in the Group: *Chairman of the Board of Directors, Chairman of the Supervisory Board, Chairman* and *CEO* of Teleperformance SA *; member of the Supervisory Board* of Teleperformance France SAS, *Member of the Board of Directors* of Teleperformance EMEA SAS (France) - within foreign companies in the Group: *director* of Telemarketing Asia (Singapore) Pte, Colombia Multi Media Center, TP MMCC Solutions Canada, MMCC Solutions Inc., FST (Argentina), Teledatos Zona Franca SA, In & Out Spa (Italy), Merkafon Management Corporation, Merkafon International, Merkafon de Mexico, Plurimarketing, Teledatos SA, Citytech, Teleperformance CRM, Americall Group Inc., TP Nearshore, Sao Paulo Contact Center, TPUSA, Iberphone, Hong Kong Asia United CRM, North Asia United CRM Technologies (Beijing) Ltd, MM Teleperformance Holdings, TP Chile, Telephilippine Inc., Alliance One Inc., MMCC Solutions Philippines, Service 800 Teleperformance, Americall Group Inc., GN Research Italia, GN Research Luxembourg, US Solution Group Inc., Teleperformance Nordic <u>Other</u> none
Paulo César Salles Vasques	<u>Teleperformance Group</u> - Teleperformance CRM S.A. (Brazil), *Chairman* - Teleperformance Group Inc. (United States), *director* - SPCC, Sao Paulo Contact Center Ltda (Brazil), *director* <u>Other</u> none	<u>Teleperformance Group</u> - *member of the Management Board* of Teleperformance SA - *director* of Citytech S.A. (Argentina) <u>Other</u> none
Emily Abrera	<u>Teleperformance Group</u> none <u>Other</u> - Foundation for Communication Initiatives (Philippines), *Chairman* - CCI Asia, *Chairman of the Board* - Pioneer Insurance, *director* - Splash Corporation, *director*	<u>Teleperformance Group</u> none <u>Other</u> - *president of the Board* of McCann Worldgroup Asia-Pacific Region - *director of* ABS-CBN Corporation, Aboitiz Transport Corporation and Bank of the Philippine Islands (BPI)
Daniel Bergstein	<u>Teleperformance Group</u> - Teleperformance Group Inc. (United States), *director* <u>Other</u> - Cequel Data Center LLC (United States), *director* - Cequel III LLC (United States), *director* - Foundation Fighting Blindness (United States), *director*	<u>Teleperformance Group</u> *Chairman of the Supervisory Board* of Teleperformance SA <u>Other</u> - *Partner at* Paul Hastings - *member of the Supervisory Board* of Catalyst Partners Inc. - *director* of *Cebridge connections LLC & Towervision Ltd*

Alain Boulet	Teleperformance Group none Other none	Teleperformance Group none Other none
Bernard Canetti	Teleperformance Group none Other - Centre Européen de Formation SAS (France), *Chairman* - Xynergy SAS (France), *Chairman* - Productions Jacques Canetti and Editions Majestic (France), *director*	Teleperformance Group *member of the Supervisory Board* of Teleperformance SA Other - *Chairman* of Provea SAS, Éditions Atlas SAS and Éditions Atlas Inc. - *director* of Marathon SAS
Philippe Dominati	Teleperformance Group - Teleperformance France SAS (France), *Chairman of the Supervisory Board* Other - Isado SARL (France), *manager* - Trocadéro SCP (France), *manager* - Caisse d'Epargne SLE Paris Ouest (France), *director*	Teleperformance Group - *member of the Supervisory Board* of Teleperformance SA - *director* of Akoa, Akoa Interactive, IDCC, Pédagogie du management and Groupe Présence + Other - *director* of Akoa, Akoa Interactive, IDCC, Pédagogie du management, Groupe Présence + and Theolia
Philippe Ginestié	Teleperformance Group none Other - Cotrafi, *director* - Gontrand Hong Kong (China), *director* - Ginerativ EURL (France), *manager* - SCI Château de Montaren (France), *manager* - GMG SARL (France), *joint-manager*	Teleperformance Group *member of the Supervisory Board* of Teleperformance SA Other - *member of the Supervisory Board* of Aurel Leven and NextStage Private Equity - *director* of Dynaction and CG Group
Jean Guez	Teleperformance Group - Société Tunisienne de Telemarketing (Tunisia), *director* - S.M.T. SA (Tunisia), *director* - SAMAC SA (Morocco), *director* - LCC (Luxemburg), *director* Other - Cabinet SCA, *manager* - SCI Anne Pierre, *manager* - SCI Sinimmo, *manager*	Teleperformance Group *member of the Supervisory Board* of Teleperformance SA Other - *manager* of Cabinet MG Sofintex - *director* of Société fiduciaire d'expertise comptable de gestion et de révision
Robert Paszczak	Teleperformance Group - none Other - Wheaton Bank and Trust (Wintrust Group) (United States), *Chairman of the Board* - Euclid Beverage (United States), *director*	Teleperformance Group *member of the Supervisory Board* of Teleperformance SA Other *senior vice president* de JP Morgan Chase Bank SA
Mario Sciacca	Teleperformance Group none Other - Next Spa Rome-Italy (Italy), *vice-Chairman*	Teleperformance Group *member of the Supervisory Board* of Teleperformance SA Other - *vice-Chairman* of groupe Jakala and B2U SRL Milano-Italy - *Chairman* of Catiturama Spa, Gala Events Srl, JP Solutions, Shux-LE Srl and Next Group
Stephen Winningham	Teleperformance Group none Other Houlikan Lokey (United Kingdom), *managing director*	Teleperformance Group *member of the Supervisory Board* of Teleperformance SA Other - *managing director* of Global Communications Group (Citigroup Investment Banking) and Lloyds Banking Group - *director* of Guaranteed Export Finance Corporation Plc, First Securitisation Company Ltd and Lloyds TSB Mtch Ltd

3.1.2.5 Conflicts of interest

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

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

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

3.1.2.6 Contracts, service agreements and interests held in Group companies

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

The agreements listed below are ordinary agreements concluded on arm's-length terms.

The consulting firm in which Jean Guez is a partner entered into a technical assistance agreement with LCC on January 1st, 2010; this agreement was terminated on June 30th, 2012. A technical assistance agreement was entered into with Teleperformance SA on July 1st, 2012. Services were invoiced under this agreement for the amount of € 150,000 excluding tax for the 2013 financial year.

Philippe Ginestié is a partner in a law firm that provides legal services on the Group's behalf. Services were invoiced under this agreement for the amount of € 36,192.83 excluding tax for the 2013 financial year.

Daniel Julien has the following shareholdings:

- a 30 % interest in a company that owns a building leased to Merkafon de Mexico S.A. de C.V. (Mexico). The total rental income for the said building amounted to US$ 1,559,586 in 2013 compared to US$ 1,586,738 in 2012
- a 35 % interest in companies that own a building leased to Servicios Hispanic Teleservices S.C. (Mexico). The total rental income for the said building amounted to US$ 558,377 in 2013 compared to US$ 546,636 in 2012.
- 33.3 % and 2 % interests in companies that own a building leased to Citytech S.A. (Argentina). The total rental income for the said building amounted to US$ 660,100 in 2013 compared to US$ 897,400 in 2012.

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

Loans and guarantees granted to members of the Board of Directors

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

It is reminded that Teleperformance Group Inc. granted a loan of US$ 5 million to Paulo César Salles Vasques under market conditions in 2012, well before his appointment as director and Chief Executive Officer of Teleperformance SA. This loan amounted to US$ 3.8 million at December 31st 2013 and is repayable in 2016 at the latest.

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

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

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

3.1.2.7 Assessment of the work of the Board of Directors

In accordance with the recommendations of the AFEP-MEDEF code, the Board of Directors carries out a formal assessment of its organizational structure and operations, and those of its Committees, on a regular basis, and at least once every three years, with the assistance of the

Remuneration and Appointments Committee. At such a time, the Committee may request an assessment performed by an external consultant. A formal assessment of this kind was performed in November 2012, and its conclusions were presented and discussed at the Board of Directors' meeting on November 28th, 2012. In addition, every year the Board assigns an item on the agenda to a discussion or debate concerning its work.

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

3.2 Presentation of the executive management

On May 30th, 2013, the Board of Directors decided after due consideration to separate the roles of Chairman of the Board of Directors and Chief Executive Officer.

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

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

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

As of the date when this Registration Document was prepared, the members of the Executive Committee were:

Paulo César Salles Vasques	Chief Executive Officer, Chairman of the Executive Committee
Fabricio Coutinho	Chief Marketing Officer
Brigitte Daubry	Chairman of the French-speaking market
Lyle Hardy	Chief Information Officer
Alejandro Perez	Chairman of the Ibero-LATAM region
Olivier Rigaudy	Chief Financial Officer
Yannis Tourcomanis	Chairman of the Southern Europe region
Alan Truitt	Chief Business Development Officer
Norbert Van Liemt	Chairman of the Northern and Eastern Europe region
Brent Welch	Chairman of the English-speaking and Asia-Pacific region

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

This report will be presented to the ordinary shareholders' meeting of Teleperformance SA on May 7th, 2014, in accordance with the provisions of Article L. 225-37 of the French Commercial Code. It is intended to report on:

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

This report was drawn up with the assistance of senior management, the Legal Department and the Internal Audit Department. The work required for drawing up this report necessarily relied on interviews with the managers of the various departments and on written information feedback (description of organizations and procedures, audit plans etc.). This report was presented to the Audit Committee prior to its approval by the Board of Directors at its meeting held on February 25th, 2014, and sent to the statutory auditors.

All the information included in this report regarding the conditions for preparing and organizing the work performed by the Board of Directors, and the internal control and risk management procedures implemented by the Company and the Teleperformance Group, concerns the financial year ended December 31st, 2013.

3.3.1 Conditions for preparing and organizing the work performed by the Board – corporate governance

3.3.1.1 Corporate governance code

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

Recommendations of the AFEP-MEDEF code set aside or not applied	***Teleperformance's practices and their justifications***
Representation of men and women (§6.4) As regards the representation of men and women, the aim is that each board should achieve and maintain at least 20 % representation of each gender by the end of the shareholders' general meeting held to approve the 2013 financial statements.	The Board of Directors currently consists of twelve directors including one woman. The appointment of two further women directors will be proposed to the shareholders' meeting of May 7th, 2014, bringing the number of directors from 12 to 14 and the percentage representation of each gender above the 20 % threshold.
Allocation of performance shares (§23.2.4) Subject performance shares allotted to executive directors to the purchase of a specified quantity of shares when allotted shares become unlocked.	Given the share lock-in imposed on executive directors (described in section 3.5.2.4 of the 2013 Registration Document) and the large number of shares held by Daniel Julien (827,314 shares as of December 31st, 2013) and by Paulo César Salles Vasques (65,000 shares as of December 31st, 2013), the Board of Directors, on the proposal of the Remuneration and Appointments Committee, judged that it was not necessary to make the allotment of performance shares to executive directors conditional on the purchase of a number of shares when the allotted performance shares became unlocked.
Non-compete compensation (§23.2.5) - Non-compete compensation must not exceed a limit of two years' remuneration (fixed + variable). - The board must provide for a stipulation authorizing non-implementation of this agreement when the director leaves.	The Board considers that the two-year period set out in the AFEP-MEDEF recommendations is not appropriate in the particular case of a founder-director, and that the amount of the non-compete compensation must take into account the legitimate interests of the Company and the Group. The Board of Directors, on the recommendation of the Remuneration and Appointments Committee, has decided not to re-examine the terms governing the non-compete commitment of Mr. Paulo César Salles Vasques prior to his appointment as CEO and the June 2013 amendment to the AFEP-MEDEF code.

3.3.1.2 Governance structure

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

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

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

During its discussions and work on the separation of the roles of Chairman and Chief Executive Officer, the Board of Directors unanimously took the view that such a handover period was necessary and indispensable for the Group. In fact, the Board took the view that the complexity and sophistication of the Group's environment and businesses required Daniel Julien to actively hand over his knowledge and expertise regarding the Group that he himself founded in 1978. The Board therefore asked Daniel Julien to remain fully involved and to retain his management positions at Teleperformance Group Inc. (the operational headquarters in the United States) under the same conditions over the next three years. Since May 30th, 2013, Daniel Julien has been actively passing on to Paulo César Salles Vasques his in-depth knowledge of the Group and the specific features of its regions and management teams, as well as the knowledge of world markets that he has acquired over 35 years. This stage is expected to end in mid-2016.

In his capacity as Chairman of the Board of Directors, Daniel Julien organizes and directs the work of the Board, on which he reports to the general meeting of shareholders. He ensures the due operation of the Board and sees to it that good governance principles and practices are complied with. He specifically ensures that the directors have the capacity to fulfill their assignments. The Chief Executive Officer keeps the Chairman regularly informed of material events relating to the Group's operations, especially with regard to strategy, organizational structure and investment plans. The Chairman also ensures that the quality of the shareholder relationship is maintained, in close coordination with the measures taken by the Chief Executive Officer in this regard. In addition, Daniel Julien retains an operating role within Teleperformance Group Inc., the US subsidiary. As a result, all these assignments involve the Chairman in the service of the Group, and his involvement is taken into account when reviewing and determining his remuneration.

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

A. Operation of the Board of Directors and Committees

Membership

The Board of Directors consists of twelve members. Seven of its members are foreign nationals. Seven directors among the members of the Board of Directors, namely Emily Abrera, Daniel Bergstein, Bernard Canetti, Robert Paszczak, Mario Sciacca, Stephen Winningham and Alain Boulet, are classified as independent directors, as defined by the Board's internal rules and the recommendations of the AFEP-MEDEF code.

The Board of Directors reviews the independence of its members every year, on the recommendation of the Remuneration and Appointments Committee, and specifically discusses the significance of all business relationships between a director and the Company or Group. The Board of Directors endeavors to ensure that least half of its members meet the definition of independence in the AFEP-MEDEF corporate governance code, according to which a member of the Board of Directors is classified as independent "when he or she has no relationship of any kind whatsoever with the corporation, its group or its management that may compromise the exercise of his or her free judgment".

In the context of this definition, the Board of Directors classifies one of its members as independent or non-independent in view of the prior opinion issued by the Remuneration and Appointments Committee, which is responsible for reviewing the personal situation of the director concerned on the basis of the independence criteria listed in Article 9.4 of the AFEP-MEDEF code.

Information on the Company's individual directors, and specifically the list of their offices, is provided in Sections 3.1.2.1 *List of directors in office as of December 31st, 2013*, 3.1.2.2 *Biographies of directors in office* and 3.1.2.4 *Other directorships held by current directors* of the Registration Document for the 2013 financial year.

Term of office

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

Gender balance

The Board of Directors currently consists of twelve members. The appointment of two female directors will be proposed to the general meeting of May 7th, 2014 in order to bring the proportion of women Board members above 20 % and meet both the applicable statutory requirements and the recommendations of the AFEP-MEDEF code.

Following said general meeting, subject to the approval of the shareholders, the Board of Directors would then be comprised of 3 women out of 14 members, representing 21 % of women.

Age limit

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

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

Ownership of shares in the Company

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

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

The number of shares held by the directors is set out in section 3.1.2 of the 2013 Registration Document and amounts to the equivalent of one year's directors' fees.

The Board of Directors' internal rules

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

- the role, operation and resources of the Board of Directors
- the independence criteria pertaining to directors
- the obligations incumbent upon directors, especially regarding confidentiality and the management of conflicts of interest
- the Board of Directors' standing committees.

The main provisions of the Board of Directors' internal rules are set out in Section 3.1.1. *Internal regulations* of the 2013 Registration Document.

Conditions for preparing the work of the Board – confidentiality

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

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

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

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

Meetings and operations of the Board of Directors in 2013

The Board of Directors met four times during the 2013 financial year, as in 2012, including for a three-day seminar held for the purpose of reviewing operating strategy. The directors' attendance rate was 96 %. On average, Board meetings lasted between three and four hours.

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

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

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

The following table provides a breakdown of individual members' attendance rate.

Members	Feb. 26th, 2013	May 30th, 2013	July 30th, 2013	Nov. 25th, 2013	total
Daniel Julien	Yes	Yes	Yes	Yes	100 %
Paulo César Salles Vasques (1)	N/A	Yes	Yes	Yes	100 %
Emily Abrera	Yes	Yes	Yes	Yes	100 %
Daniel Bergstein	Yes	Yes	Yes	Yes	100 %
Alain Boulet	Yes	Yes	Yes	Yes	100 %
Bernard Canetti	Yes	Yes	Yes	Yes	100 %
Philippe Dominati	Yes	No	Yes	Yes	75 %
Philippe Ginestié	Yes	Yes	Yes	No	75 %
Jean Guez	Yes	Yes	Yes	Yes	100 %
Robert Paszczak	Yes	Yes	Yes	Yes	100 %
Mario Sciacca	Yes	Yes	Yes	Yes	100 %
Stephen Winningham	Yes	Yes	Yes	Yes	100 %
Attendance rate	100 %	92 %	100 %	92 %	**96 %**

(1) Director since May 30th, 2013.

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 four meetings:

- **Board meeting of February 26th, 2013:**
  - Preparation and approval of the parent company and consolidated financial statements for the year ended December 31st, 2012, management forecasts and 2013 budget
  - 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
  - Convening of the combined general meeting of May 30th, 2013, setting the agenda for the meeting and approving the resolutions and various reports
  - Review of the fulfillment of performance criteria provided for by the performance incentive share plans of July 27th, 2011 and November 30th, 2011
  - Review of directors' independence criteria and re-examination of the independence of directors
  - Determination of the variable remuneration awarded to the Chairman and CEO for 2012 and of his fixed and variable remuneration and performance criteria for 2013.

- **Board meeting of May 30th, 2013:**
  - Review of the information on Q1 revenues
  - Separation of the roles of Chairman of the Board of Directors and Chief Executive Officer; appointment of Daniel Julien as Chairman of the Board and Paulo César Salles Vasques as Chief Executive Officer
  - Determination of the fixed and variable remuneration payable to the Chief Executive Officer, subject to performance criteria
  - Amendment of the Board of Directors' internal rules
  - Implementation of the share repurchase program
  - Determination of the directors' fees for the 2012 financial year.

- **Board meeting of July 30th, 2013:**
  - Review and approval of the consolidated financial statements for the 6 months ended June 30th, 2013 and the management forecasts
  - Allotment of performance shares, subject to performance criteria
  - Authorization of implementation of the long term incentive plan by the US subsidiary, TGI
  - Authorization for the grant of a guarantee
  - Recording of the number of treasury shares to be finally allotted to beneficiaries under the July 27th, 2011 performance shares plan.

- **Board meeting of November 25th, 2013:**
    - Review of information on Q3 revenues
    - Review of the 2014 provisional budget
    - Authorization of the non-compete agreement between Teleperformance SA, Teleperformance Group Inc. and Paulo César Salles Vasques
    - Authorization for the grant of guarantees
    - Annual discussion on the functioning on the Board of Directors
    - Discussion of the professional and wage non-discrimination policy
    - Gender balance on the Board: update on the appointment of two female directors
    - Review of operating strategy
    - Recording of the number of treasury shares to be finally allotted to beneficiaries under the November 30th, 2011 incentive share plan

The Board of Directors' Committees

The Board of Directors is assisted in the performance of its assignments by two special committees, the Audit Committee and the Remuneration and Appointments Committee. The work performed by the Committees, which report on their work after each of their meetings, assists the Board of Directors in its discussions and decision making. The Board Committees work on assignments entrusted to them by the Board. They actively prepare the Board's work, make recommendations and issue any opinions and recommendations to the Board, but do not have decision-making powers.

The Audit Committee

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

Composition

The Audit Committee consists of at least three members of the Board of Directors, appointed by the Board. It does not include any executive directors.

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

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

Bernard Canetti	Chairman of the Audit Committee, *independent*
Alain Boulet	Member of the Audit Committee, *independent*
Jean Guez	Member of the Audit Committee
Mario Sciacca	Member of the Audit Committee, *independent*

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

The four members have the specific financial and accounting skills required to perform their duty of due diligence. The skills are characterized by their professional experience, which they have acquired in senior management positions, working for an audit firm or in the capacity of chartered accountant or statutory auditor, as described in section 3.1.2 *Membership of the Board of Directors* of the 2013 Registration Document.

Reporting

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

Missions

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

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

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

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

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

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

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

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

Audit Committee meetings in 2013

The Audit Committee met four times in 2013; the meetings were attended by all of its members.

The statutory auditors attended all four meetings.

Members	*Feb. 21st, 2013*	*May 27th, 2013*	*July 25th, 2013*	*Nov. 22nd, 2013*	*Total attendance*
Alain Boulet	Yes	Yes	Yes	Yes	100 %
Bernard Canetti	Yes	Yes	Yes	Yes	100 %
Mario Sciacca	Yes	Yes	Yes	Yes	100 %
Jean Guez	Yes	Yes	Yes	Yes	100 %
Attendance rate	100 %	100 %	100 %	100 %	100 %

The Audit Committee reviewed the following items in 2013:

- 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 program of reviews carried out by the statutory auditors, the findings of those reviews and the accounting options selected
  - approval of the parent company and consolidated financial statements for the year ended December 31st, 2012
  - approval of the summary consolidated financial statements for the 6 months ended June 30th, 2013
  - the statutory auditors certified without qualification the consolidated financial statements for the year ended December 31st, 2012 and identified no misstatements in the summary consolidated financial statements for the six months ended June 30th, 2013.
- 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 control and risk management system
  - review of the internal audit plan for the 2013 financial year
  - overview of the assignments performed by the Internal Audit Department
  - the Group Treasury Department's report.
- The financial information preparation process:
  - KPMG review of best practices relating to the financial statement consolidation process
  - overview of procedures rolled out in 2013
  - overview of the 2013 internal control self-assessment questionnaires
  - results and follow-up of the self-assessment questionnaires completed by the subsidiaries.
- 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, 2012
  - 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
  - review of the rotation of the office of statutory auditor with powers of signature.

The Remuneration and Appointments Committee

Composition

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

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

Daniel Bergstein	Chairman, *independent*
Philippe Ginestié	Member
Robert Paszczak	Member, *independent*

The Committee can invite anyone that it chooses to take part in some or all of its meetings. The Committee decides whether to hear its invitees individually or as a group. The Committee's meetings take place in the absence of the executive director, except if the Committee wishes to hear him.

Assignments

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

- all the remuneration and benefits awarded to executive directors, including determining the variable portion by assessing the definition of the rules for setting this variable portion and the annual application of these rules
- the overall policy for allotting performance shares, together with the conditions attached to the final vesting of these shares
- planned succession
- candidates for membership of the Board of Directors, their classification and the annual review of whether they are classified as independent in accordance with the criteria defined by the AFEP-MEDEF code.

Meetings of the Remuneration and Appointments Committee in 2013

The Remuneration and Appointments Committee met three times in 2013, and the attendance rate was 89 %.

membres	Feb. 18th, 2013	May 28th, 2013	Nov. 24th, 2013	Total
Daniel Bergstein	Yes	Yes	Yes	100 %
Philippe Ginestié	Yes	Yes	No	67 %
Robert Paszczak	Yes	Yes	Yes	100 %
Attendance rate	100 %	100 %	67 %	89 %

The Committee's work and discussions focused mainly on the following issues in 2013:

- reviewing the independence of the directors
- renewing directors' terms of office, and appointment of Paulo César Salles Vasques as Director to the annual general meeting
- separating the roles of Chairman and Chief Executive Officer
- the fixed and variable 2012 and 2013 remuneration for the executive directors
- the allotment of performance shares to certain Group employees and senior executives
- the introduction of a Long-Term Incentive Plan to be implemented by the TGI Inc. subsidiary
- the non-compete agreement between Teleperformance SA, TGI Inc. and Paulo César Salles Vasques
- the rules for allocating directors' fees
- the representation of men and women on the Board
- reviewing female applications for the position of director in view of the appointments to be submitted to the ordinary general meeting called to approve the 2013 financial statements
- the introduction of "say on pay" in France.

Assessment of the work performed by the Board of Directors

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

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

Moreover, in accordance with the recommendations of the AFEP-MEDEF code, the Board assigns an item on the agenda to a discussion or debate on its work every year. A discussion of the Board's work in respect of the 2013 financial year was held at the November 25th, 2013 Board meeting. As a result, the directors confirmed the need for a transition process between the Chairman and the Chief Executive Officer, and noted that this process was taking place under optimal conditions as to the timing and quality of this transition. All the directors appreciate the quality and transparency of the Board's discussions, and note the progress accomplished since the last formal assessment, especially in terms of information quality. Suggested areas for improvement include continued increase in the number of female and international Board members.

B. Executive management structure

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

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

3.3.1.3 Remuneration policy

Remuneration awarded to members of the Board of Directors

The Board of Directors allocates the amount of directors' fees decided by the shareholders' meeting held on May 30th, 2013, which is limited to an overall cap of € 300,000, until further decision, between its members, taking into account their membership of the Board and its Committees, the physical presence of directors and Committee members at meetings and the remoteness of their geographical location.

The current allocation rules are as follows: every director receives a full-year fee that includes a gross fixed portion amounting to € 2,000, or € 10,000 if they are resident abroad, and a variable portion amounting to € 3,000 per meeting, which is paid subject to their attendance. Every Committee member receives a variable fee for a gross amount of € 3,000 per meeting, which is paid subject to their attendance. The Committee Chairman receives a full-year additional attendance fee for a gross amount of € 4,000. The fee is paid in one installment at the end of the Board meeting following the annual general meeting. The variable portion is greater than the fixed portion, in accordance with the recommendations of the AFEP-MEDEF code.

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

An individual breakdown of the directors' fees paid during the 2012 and 2013 financial years is provided in Section 3.5.1.2 *Directors' fees and other remuneration paid to directors* of the 2013 Registration Document.

Remuneration policy for executive directors

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

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

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

When drawing up its proposals and recommendations, the Remuneration and Appointments Committee relies on general and sector-based comparative studies performed by external and independent consultants, based on a sample of US, European and international companies operating in business sectors that are identical or similar to those of Teleperformance and its subsidiaries. Specifically, the Committee takes into account the location of the senior managers and competing companies, and the nature and dominant size of the market. These factors justify the application of a remuneration model along North American lines.

The components of the remuneration awarded to executive directors are set out in Section 3.5.2 *Remuneration of executive directors* of the 2013 Registration Document.

3.3.1.4 Specific conditions relating to the attendance of shareholders at general meetings

The terms and conditions of shareholder participation in *General Meetings* are set out in chapter 2, section 2.1.2.4.

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

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

- Capital structure: see section 2.3 *Shareholding*
- Restrictions provided for by Articles of Association on the exercise of voting rights and share transfers or clauses in agreements brought to the Company's notice in application of Article L.233-11 of the French Commercial Code: None
- Direct or indirect holdings in the Company's capital of which it is aware under Articles L.233-7 and L.233-12 of the French Commercial Code: see section 2.3 *Shareholding*
- The list of holders of any security providing special rights of control and a description thereof: None.
- The means of control provided for in a putative employee shareholding system when the rights of control are not exercised by the employees: None.
- Shareholder agreements known to the Company that may involve restrictions on share transfers and the exercise of voting rights: see section 2.3 *Shareholding*
- 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 *Board of Directors* and 2.1.2.8 *Changes in share capital, shareholder rights and articles of association*
- The powers of the Board of Directors, particularly in relation to share issuance or buyback: see section 2.2 *Share Capital*
- Company agreements that are modified or terminated by any change of control except where such disclosure, unless required by law, would cause serious detriment to its interests: see section 2.3.3 *Change of control of the Company*
- Agreements providing for compensation to Board members or employees if they resign or are dismissed without real and serious cause or if their employment terminates as the result of a public offering: None.

3.3.2 Risk management and internal control procedures

3.3.2.1 Choice of reference system

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

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

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

3.3.2.2 Risk management and internal control definition and objectives

Definition of internal control

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

Internal control encompasses a set of resources, behaviors, procedures and actions that contribute to control over the Group's activities, the efficiency of its operations and efficient use of its resources, and enable the Group to assess all significant operational, financial and compliance risks appropriately.

The system that has been defined and implemented within the Group specifically aims to ensure:

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

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

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

Internal control and risk management

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

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

The risk management system is a component of internal control.

3.3.2.3 Risk management and internal control system components

Introduction

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

These objectives have been broken down into seven Fundamental Principles. They are set out in an Internal Guide that has been provided to the relevant Group managers and employees to enable them to understand and adhere to the organization's general policy. These elements notably include the Group's positioning and mission, its values, management model, its human resources policy and social responsibility.

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

Control environment and organization

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

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

Teleperformance values

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

They are made known to all Group employees. Teleperformance lays great stress on our managers' ability to live up to these values on a daily basis. We conduct training sessions specifically focused on these values, so that every manager may understand how they translate into actions and decisions.

In 2013, all senior executives received a code of ethics covering Teleperformances's values and principles for respecting diversity in dealings with those third parties with which the Group is involved.

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

Organization and responsibilities

The Group is split into three broad linguistic regions: the English-speaking and Asia-Pacific regions, the Ibero-LATAM region, and the Continental Europe, Middle East and Africa region (CEMEA). In view of CEMEA's specific features, since the start of 2014 it has been further divided into two separate sub-regions: Northern and Eastern Europe, and Southern Europe and the French-speaking market.

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

The Executive Committee's role mainly consists of implementing decisions taken by the Board of Directors and senior management. The Committee gives advice to the Chief Executive Officer and arranges the drafting of, and follows up on, policies that enable the Group to achieve its various objectives in terms of global development, technological choices, implementation of consistent operational processes across the board and the development of human resources.

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

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

Human resources management

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

Our human resources policy for the 149,000 Teleperformance employees is defined by a constant quest for excellence in recruiting, building employee loyalty, developing talent and enhancing employees' skills. Our aim is to enable everyone to perform their duties well and the Group to achieve its objectives.

This policy relies on hands-on management and employee satisfaction surveys across the board. In 2013, employee satisfaction surveys were carried out among more than 77,000 employees in 42 countries. This enabled the Group to continue rolling out numerous processes in order to improve working conditions and employee integration while ensuring the professional and personal fulfillment of employees, which serves as a guarantee of a quality service.

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

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

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

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

These activities ensure the level of skills required in all areas and contribute to the development of our employees, in order to continue to enhance the Group's image for employees while offering them the possibility to quickly assume responsibilities in one of our 229 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 and ensure that the development of information systems is consistent with Group objectives.

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

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

Management and industry procedures

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

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

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

TOPS (Teleperformance Operational Processes and Standards)

Teleperformance Operational Processes and Standards form part of a daily performance management system. They enable the Group to optimize performance and quality, while managers are able to dedicate the majority of their working time to their Contact Center Advisors. *TOPS* were devised by the Group to streamline the management of operations across the Group and thus improve quality control.

TOPS were implemented throughout all subsidiaries. These processes can use the Group's integrated software suite for service management (*CCMS*). *TOPS* provide 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. *BESTs* also reinforce best practice in human resources management and projects for all Teleperformance operations worldwide.

COPC (Customer Operations Customer Centers): a business standard

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

Our Company has worked in close collaboration with Customer Operations Performance Center Inc. (COPC), based in Amherst, New York, and has developed its own in-house team of COPC-approved coordinators and COPC-certified 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 Germany, France and Tunisia have been awarded this certification.

ISO 9001: a management standard

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

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

Changes in the AMF *Internal Control Reference Framework* to make it conform better to ISO 9001 show the areas of convergence and complementarity between the two sets of standards. In that light, this ISO standard does a great deal to stabilize the control environment on which our internal control system is based.

Information-sharing

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

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

Group information and procedures are also regularly communicated to the managers of all subsidiaries at international seminars or presentations. These rules are also repeated at meetings of the boards of directors. Subsidiary executives are expected to relay instructions from Group Management to their employees.

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

Risk management system

Definition

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

Risk management objectives

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

Organizational framework

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

Group Management is particularly vigilant when preparing and circulating these management tools. These tools enable 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 analysed in the *Risk Factors* section of the Registration Document along with the measures that can be used to limit the consequences.

A synthesis of those risks was presented to the Audit Committee in February 2014. This presentation documents the main risks identified with the help of the Group's management model that aims to reduce those risks, whether the risk is an accounting, financial, human resources, technological or sales development risk or a risk that relates to our business sector.

In addition, a formal analysis of the subsidiaries' main financial control procedures was undertaken once again and presented to the Audit Committee in July and November 2013. These procedures cover the main risks identified as being liable to affect the preparation of the published financial and accounting information. This formal analysis relies on the self-assessment system implemented by each subsidiary as described in Section 3.4.5.3. *Process of preparing accounting and financial reporting.*

Management

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

Control activities

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

Centralized control procedures

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

Financial procedures

Section 3.4.5.3 *Process of preparing accounting and financial reporting* gives details of the financial procedures related to the processing of financial information.

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

Legal procedures

The Group's Legal Department has for several years implemented a monitoring system for the brands used and registered by companies within the Group, and in particular a system for a worldwide monitoring of our corporate name, our domain names and the Teleperformance brand. The purpose is to be able to contest registrations of brands or other intellectual property rights by competitors and to avoid misuse of these assets, especially on the Internet.

A procedure defining the powers of the subsidiary CEOs to commit their subsidiaries legally *vis-à-vis* third parties has been implemented under the supervision of the holding company's Legal Department and the Group's senior management.

In a drive to reduce the legal risks inherent in contracts, the Group defined a series of best practices for drafting certain provisions that present a particular risk and for drafting bids in response to requests for proposals. Any departure from these rules requires specific approval. In addition, all global contracts with clients are reviewed by the Group's lawyers before being signed, such that risks are limited and drawn to the attention of management.

With respect to the protection of personal data, the Group applies a global policy in order to ensure that personal data is collected, processed and transferred within the Group in accordance with applicable legislation.

In 2013, the Group's Legal Department introduced a system to monitor and manage the legal affairs of its subsidiaries and holdings throughout the world. The implementation of the system also involved establishing procedures and guidelines designed to optimize the central management of information so as to provide a better overview of the Group's structure.

IT and security procedures

The Group has streamlined its security technology to reflect best market practices and to introduce the technology requested by its clients under contracts or the technology required pursuant to applicable regulations. This technology aims to reduce the introduction of malware, protect personal data and detect and prevent intrusions.

The Information Systems Department uses an in-house technological tool to monitor the security directives and action plans implemented each year. The certifications requested by clients also serve as a guarantee that strict control procedures will be applied in order to ensure compliance with security and/or quality standards and processes at all times.

The Group also has a dedicated global operational Fraud Prevention and Detection Department made up of over 80 professionals who are trained to deal with security issues.

The IT security team implements comprehensive anti-fraud programs for customers throughout the entire business relationship. These programs focus on technological innovation, such as rapid detection of fraud and secure exchange of identifiable personal information between the caller and the customer.

Physical security procedures are also in place in our centers.

Sales procedures

To manage its sales processes, Teleperformance has created a set of best practices to follow in order to standardize the approach to managing requests for proposals. Key international RFPs are handled directly by specialized staff.

Decentralized procedures

Local internal control procedures are decentralized at the individual subsidiary level, where the management team is responsible for their implementation to prevent risks and comply with local legislation. The team also ensures that these procedures operate smoothly, in accordance with instructions given by senior management, which are reviewed at the meetings of each subsidiary's Board of Directors (or equivalent body).

Oversight of the internal control system

Group senior management

The Executive Committee monitors the internal control system to ensure that the system is relevant and suited to the Group's objectives. The Committee incorporates the Group's support functions and linguistic regions management and is supervised by the Board of Directors.

This includes regular reviews on the part of management and supervisory staff. It falls within the scope of their day-to-day activities and ensures that each organizational process is consistent with the Group's vision and strategy.

The role of internal audit

In 2013, audit assignments were carried out in the subsidiaries of the Group or in respect of specific matters by the Internal Audit Department, according to the annual audit plan and priorities set by management during the year. These audits focused primarily on the control procedures implemented at the local level.

As part of its work, the Internal Audit team defines action plans with each subsidiary's management, under the supervision of Group management, to ensure that internal control procedures are continually improved.

3.3.2.4 The parties involved in internal control

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

The Board of Directors

The Board of Directors has several duties: it upholds the interests of employees applies the company's policies and conducts any required audits and controls. The Board also represents shareholders. Pursuant to its duties, the Board of Directors closely monitors the Group's results on a regular basis, and reviews all types of risks relating to its business whether they are financial, commercial, operational, legal or personnel-related risks.

At its May 30th, 2013 meeting, the Board adopted a new corporate governance structure by separating the roles of Chairman of the Board and Chief Executive Officer.

The Executive Committee and local management

The Executive Committee includes the linguistic region and support managers.

The Executive Committee is responsible for devising and monitoring policies and procedures to enable the Group to achieve its various objectives, and control procedures to make sure that these internal rules, together with all the rules governing the Group's business and corporate activities, are followed.

Guidelines and procedures are communicated to the subsidiaries' local management, who are responsible for carrying them out with the support of regional, operating and support managers.

The audit committee

The Audit Committee, the organization and functions of which are explained in the previous section, is responsible for preparing for the Board of Directors' review.

The Committee actively monitors areas within its remit and can therefore intervene whenever necessary or appropriate on the basis of information it receives. If it detects warning signs within the scope of its work, the Committee can discuss matters with senior management and, if necessary, pass on information to the Board.

The Group Internal Audit Department

The Group is audited internally by a central team that reports to the Group Chief Financial Officer, who is a member of the Executive Committee. The Internal Audit Department also reports in a staff relationship to the Audit Committee.

The operating rules of the Internal Audit Department are defined in its Charter, which refers to the IFACI (French Audit and Internal Control Institute) professional standards. This Charter sets out internal audit guidelines and the manner in which the main corporate bodies involved in monitoring the Group's internal control system operate.

The Internal Audit Department helps develop internal control tools and benchmarks. It carries out the missions included in the annual planning cycle approved by Group Management and reviewed by the Audit Committee. The summary report on the accomplishment and findings of the assignments together with the stage of completion of action plans are presented to the Audit Committee and shared with the auditors.

Departments and Employees

Each department is involved in internal control by drafting and following policies and procedures designed to meet the Group's various goals, as well as by ensuring compliance with related control procedures and rules concerning the Group's business and operations.

Each employee is also involved in the internal control process, according to their respective level of expertise and access to information, so as to ensure its effective operation and regular review.

3.3.2.5 Description of the risk management and internal control system for published accounting and financial information

This section derives from the *Application Guide for Internal Control Procedures Related to the Accounting and Financial Information Published by the Issuers*, taken from the AMF *Reference Framework*.

Firstly, the accounting and financial risk management and internal control system is defined and described in terms of its scope, then the main information management and preparation processes are described. Information is also provided on how the AMF's *Application Guide* was used with the implementation of a self-assessment system for each subsidiary.

Definition and scope

The accounting and financial information risk management and internal control system ensures the preparation of reliable information that fulfills legal and regulatory requirements.

The internal accounting and financial control system encompasses the processes used to manage and produce published information as well as the risk management system that could affect these processes, i.e. that could affect the reliability, proper transmission and completeness of the information.

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

Management processes in the accounting and financial organization

Organization and responsibilities

General organization

The Finance Department has a corporate practice and an operational practice, which together manage the organization of accounting and financial matters within the Group.

Corporate and operational practices

Within the corporate practice, dedicated teams of specialists manage the following accounting and financial matters, under the supervision of senior management: consolidation and reporting, cash flow, internal audit, legal and financial communication.

The consolidation and reporting teams have joined together and are now managed by a single department, which also supervises the accounts of the holding company in Paris.

The Treasury Department processes and centralizes movements of the Group's funds, manages its means of financing and hedges exchange rate and interest rate risks.

The Internal Audit Department reviews the internal control processes inherent in published accounting and financial information.

The department dedicated to investor relations and the market communication system is described below in the paragraph entitled '*Financial communication*'.

The operational practice includes the regional chief financial officer in charge of the linguistic management regions.

Responsibilities

Preparation of the Group's consolidated financial statements is the responsibility of the Group Chief Financial Officer, who relies on the Group's linguistic and subsidiary chief financial officers, who, along with senior management, are in charge of implementing a finance structure that conforms to Group best practices and that ensures that accounting and financial information is reliable and consistent for the purpose of the financial statements published by the parent company.

The information system and management tool

The consolidation of accounting information, monthly reports and budgets are managed on a single information system used by all Group subsidiaries.

This Group information system was implemented in order to meet information security and reliability requirements. It enables a detailed monthly financial report to be produced using the Group's model. It also allows a precise analysis of the formation of financial cash flows and of the results by comparing them with the budgets.

The Group information system is continually being updated in line with the Company's requirements in terms of organization and management indicators.

In terms of controls, the objectives of the consolidation and management system are:

- to automatically control the consistency of financial data reported by subsidiaries;
- to accelerate and ensure the reliable processing of reported information; and
- to increase consistency through reporting tables and the production of formatted information.

Accounting standards

The Group's accounting standards comply with IFRSs issued by the IASB and adopted by the European Union. These standards have served as the guidelines for the consolidated financial statements since 2005. Their application is mandatory for all consolidated subsidiaries.

The Chief Financial Officers of all subsidiaries are made aware of accounting definitions and principles, which are available on the Group consolidation and management system, to ensure that they are applied consistently across the Group and that all financial information complies with such standards. An *Accounting Guide* setting out the standards applied in the preparation of the consolidated financial statements may be downloaded from the Group intranet site.

The Group Finance Department, with the help of the auditors, keeps itself informed of new IFRSs under development, in order to alert management and anticipate their impact on the Group's accounts.

The statutory auditors

The auditors of the parent company carry out a limited review of the consolidated financial statements for the six months ended June 30th and audit the annual parent company and consolidated financial statements.

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

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

The Audit Committee

Matters related to financial information that were reviewed at Audit Committee meetings in 2013 are described in the section concerning the work of the Board of Directors.

Process of preparing accounting and financial reporting

Operational processes for posting entries in the accounts

Group procedures and best practices have been established in respect of the main operational processes used by subsidiaries to post entries in the accounts, particularly sales, payroll, purchases and fixed assets, in order to ensure that such entries are monitored and that they comply with the authorization and accounting rules set out in the *Application Guide* of the *AMF Reference Framework*.

Use of the Application Guide

The Group used 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 Guide and adapted to the Group and its business were completed by all Group managers and chief financial officers. The action plans put in place following this self-assessment were monitored by the Internal Audit Department. The results of the questionnaires and information on the monitoring of action plans were provided to Group Management and presented to the Audit Committee. The responses given by the main subsidiaries were also reviewed by those subsidiaries' auditors.

These questionnaires enabled each subsidiary to review its internal financial and accounting information control procedures and to prepare the confirmation letters that were signed by the subsidiaries' directors and transmitted to Group Management.

Accounts closing

The process of closing the Group's accounts involves checks at every information reporting and processing stage, to a schedule set by the Finance Department and communicated to all subsidiaries.

Information forwarded by subsidiaries is inspected by the head office consolidation staff, who eliminate internal transactions, test for consistency and check the items that pose the greatest risk.

The accounts are consolidated at Group level, without any intermediate consolidation stage. The Group's Finance Department therefore has sole authority to make consolidation entries.

The published consolidated financial statements are prepared by the Finance Department on the basis of the subsidiaries' audited financial statements.

The main accounting options and estimates used by the Group are discussed with the auditors before the accounts are finalized.

Finalization of the accounts

The subsidiaries' chief executive officers give Group Management a formal commitment, expressed in a letter of representation, that their financial statements present a true and fair view of the subsidiary, that they use the AMF *Reference Framework*, that no fraud has been detected and that all legal and regulatory provisions have been complied with.

Finally, the consolidated financial statements are presented by the Group Chief Financial Officer to the Audit Committee, which examines them in preparation for the meetings and deliberations of the Board of Directors, which reviews and approves them.

Financial communication

The Group Finance Department sees that all information is provided in accordance with market requirements, within the legal time frames and under the conditions stipulated by law and regulations in force, thus satisfying market requirements.

Teleperformance applies best market practices in this area. The Group provides shareholders with an extensive database of information on its activities and the latest news via its website at www.teleperformance.com. In this regard, in Paris the jury of the Grand Prix de la Transparence (French financial transparency awards) named Teleperformance most improved in 2013 in the ranking of companies listed on the SBF 120 index with respect to the quality of its financial reporting. The Group also organizes regular meetings with the financial community, not only on the occasion of result disclosures, but throughout the year at the major European and US stock exchanges.

February 25th, 2014

Chairman of the Board of Directors

3.4 Statutory auditors' report prepared in accordance with article L. 225-235 of the French Commercial Code on the report of the Chairman of the Board of Directors of Teleperformance S.A

This is a free translation into English of a report issued in the French language and is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors of Teleperformance S.A., and in accordance with article L. 225-235 of the French Commercial Code, we hereby report on the report prepared by the Chairman of your Company in accordance with article L. 225-37 of the French Commercial Code, for the year ended December 31st, 2013.

It is the Chairman's responsibility to prepare and submit to the Board of Directors, a report on the internal control and risk management procedures implemented by the Company, and containing the other disclosures required by article L. 225-37 of the French Commercial Code corporate governance.

It is our responsibility:

- to report to you on the information contained in the Chairman's report with respect of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information, and
- to attest that this report contains the other disclosures required by article L. 225-37 of the French Commercial Code, it being specified that we are not responsible for verifying the fairness of these disclosures.

We have performed our work in accordance with professional standards applicable in France.

Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly in:

- obtaining an understanding of the internal control and risk management procedures for the preparation and processing of financial and accounting information on which the information presented in the Chairman's report, and the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and the existing documentation;
- determining if any significant weakness in internal control procedures relating to the preparation and processing of financial and accounting information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of the our work, we have nothing to report on the information in respect of the company's internal control and risk management procedures relating to the preparation and processing of financial and accounting information, contained in the report prepared by the Chairman of the Board of Directors, in accordance with article L. 225-37 of the French Commercial Code.

Other disclosures

We hereby attest that the Chairman of the Board of Directors' report includes the other disclosures required under article L. 225-37 of the French Commercial Code.

Paris La Défense and Neuilly-sur-Seine,
February 26th, 2014

KPMG Audit IS	Deloitte & Associés
Éric Junières	Laurent Odobez
Partner	*Partner*

3.5 Remuneration of directors and executive directors

3.5.1 Remuneration of directors

3.5.1.1 Rules regarding the allocation of directors' fees

The Board of Directors allocates the amount of directors' fees decided by the shareholders' meeting held on May 30th, 2013, which is limited to an overall cap of € 300,000, until further decision, between its members, taking into account their membership of the Board and its Committees, the physical presence of directors and Committee members at meetings and the remoteness of their geographical location.

Directors' fees are allocated according to the following conditions: every director receives, on an annual basis, gross fixed portion amounting to € 2,000 or to € 10,000 if they are resident abroad, and a variable portion amounting to € 3,000 per meeting, which is paid subject to their attendance. Every member of the Audit and Remuneration and Appointments Committees receives a variable fee of a gross amount of € 3,000 per meeting, which is paid subject to attendance. The Committee Chairmen receive an additional annual fee for a gross amount of € 4,000. The fee is paid in one installment at the end of the Board meeting following the annual shareholders' meeting.

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

The Chairman of the Board of Directors and the Chief Executive Officer do not receive directors' fees.

The gross amount of directors' fees paid in 2012 (in respect of the 2011 financial year) was € 242,083, while the amount paid in 2013 (in respect of the 2012 financial year) was € 235,500.

A resolution to increase the overall amount of the directors' fees from € 300,000 to € 600,000 will be proposed to the Combined Shareholders' Meeting to be held on May 7th, 2014. This measure is aimed at attracting experienced directors with an international profile, so that the membership of the Board of Directors reflects the Group's various core businesses and, in particular, to take into account the new members appointed to the Board and their geographical remoteness from the registered office. At this time, on the recommendation of the Remuneration and Appointments Committee, the Board will review the rules for allocating directors' fees, in order to take better account of the work actually performed by the Board and its Committees as well as directors' geographical remoteness.

3.5.1.2 Directors' fees and other remuneration paid to directors

Table 3 of the AMF Recommendations – Individual breakdown of the amount of directors' fees and other remuneration paid to directors (gross amounts, rounded off)

	Amounts paid in 2012	***Amounts paid in 2013***
Daniel Julien, *Chairman of the Board of Directors (1)*		
- Directors' fees	n/a	n/a
- Other remuneration	see. section 3.5.2	cf. section 3.5.2
Paulo César Salles Vasques, *director and Chief Executive Officer (2)*		
- Directors' fees	n/a	n/a
- Other remuneration	see section 3.5.2	see section 3.5.2
Emily Abrera, *director (3)*		
- Directors' fees	n/a	€ 5,000
- Other remuneration	-	-
Daniel Bergstein, *director*		
- Directors' fees	€ 39,250	€ 26,000
- Other remuneration	-	-
Alain Boulet, *director*		
- Directors' fees	€ 13,167	€ 23,000
- Other remuneration	-	-
Bernard Canetti, *director*		
- Directors' fees	€ 24,000	€ 30,000
- Other remuneration	-	-
Martine Dassault, *director (4)*		
- Directors' fees	€ 33,667	€ 10,500
- Other remuneration	-	-
Philippe Dominati, *director*		
- Directors' fees	€ 17,000	€ 11,000
- Other remuneration	€ 76,800 *(5)*	€ 76,800 *(5)*
Philippe Ginestié, *director*		
- Directors' fees	€ 24,500	€ 20,000
- Other remuneration	-	-
Jean Guez, *director*		
- Directors' fees	€ 20,000	€ 26,000
- Other remuneration	-	-
Robert Paszczak, *director*		
- Directors' fees	€ 28,000	€ 28,000
- Other remuneration	-	-
Mario Sciacca, *director*		
- Directors' fees	€ 23,500	€ 34,000
- Other remuneration	-	-
Stephen Winningham, *director*		
- Directors' fees	€ 19,000	€ 22,000
- Other remuneration	-	-

(1) Chairman of the Board of Directors since May 30th, 2013.
(2) Chief Executive Officer and director since May 30th, 2013.
(3) Appointed as a director on November 27th, 2012.
(4) Director until October 29th, 2012.
(5) Remuneration as Chairman of the Supervisory Board of Teleperformance France SAS.

3.5.2 Remuneration of executive directors

3.5.2.1 Remuneration policy for executive directors

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

The Board endeavors to adjust the remuneration in accordance with the position and duties held and the responsibility assumed. The remuneration must be competitive in order to attract, motivate and retain executive directors. In addition, the variable portion must reflect the Group's performance, the results achieved and a number of qualitative criteria. Share-based profit-sharing schemes (performance shares, long-term incentive plan, etc.) are offered with a view to involving these individuals in the Company's long-term value creation, in the same way as for the employees who benefit from these schemes. The remuneration structure for executive directors is reviewed every year by the Board of Directors, based on the work of the Remuneration and Appointments Committee. At that time, the Board of Directors discusses the appropriateness of reviewing fixed remuneration in light of specific events affecting the Company or its organizational structure. In any event, the Board of Directors ensures that the core principles of its remuneration policy, as set out in Paragraph 23.1 of the AFEP-MEDEF code, are followed.

When drawing up its proposals and recommendations, the Remuneration and Appointments Committee relies on general and sector-based comparative studies performed by external and independent consultants, based on a sample of international companies operating in business sectors that are identical or similar to those of Teleperformance and its subsidiaries. Specifically, the Committee takes into account the location of the senior managers and competing companies, and the nature and dominant size of the market. These factors justify the application of a remuneration model along North American lines.

3.5.2.2 Remuneration paid to executive directors for the 2012 and 2013 financial years

The remuneration paid to executive directors is determined by the Board of Directors, on the recommendation of the Remuneration and Appointments Committee.

The remuneration paid to Daniel Julien, Chairman of the Board of Directors, and to Paulo César Salles Vasques, Chief Executive Officer, for the 2013 financial year was determined at the Board of Directors' meetings on February 26th, 2013 and May 30th, 2013. The remuneration for 2014 was approved by the Board at its meetings on November 25th, 2013 and February 25th, 2014.

In accordance with the remuneration policy described in paragraph 3.5.2.1 *Remuneration policy for executive directors*, the Board approves an overall maximum amount. This remuneration was paid by the US subsidiary, TGI Inc., of which Mr. Julien and Mr. Salles Vasques are executive directors. The individual items comprising these overall amounts are set out below.

Table 1 of the AMF Recommendations – Summary table on remuneration paid and stock options granted to each executive director (in euros)

	2013 *(*)*	**2012** *(*)*
Daniel Julien, Chairman of the Board of directors (1)		
Remuneration payable for the financial year (detailed in Table 2)	3,886,410	3,900,778
Value of multi-year variable remuneration awarded during the financial year	n.a.	n.a.
Value of stock options granted during the financial year	n.a.	-
Value of performance shares granted during the financial year (detailed in Table 6)	5,005,500	-
Total	**8,891,910**	**3,900,778**
Paulo César Salles Vasques, Chief Executive Officer (2)		
Remuneration payable for the financial year (detailed in Table 2)	1,483,701	n.a.
Value of multi-year variable remuneration awarded during the financial year	n.a.	n.a.
Value of stock options granted during the financial year	n.a.	n.a.
Value of performance shares granted during the financial year (detailed in Table 6)	5,005,500	n.a.
Total	**6,489,201**	**n.a.**

(*) Remuneration denominated in a foreign currency for a given year is converted into euros at the average exchange rate for the year.
(1) Chairman and CEO from May 31st, 2011 to May 30th, 2013. Chairman of the Board of Directors since May 30th, 2013.
(2) Chief Executive Officer since May 30th, 2013.

Table 2 of the AMF Recommendations – Summary remuneration table (in euros)

	2013 (1)		**2012 (1)**	
	Amounts due	**Amounts paid** *(2)*	**Amounts due**	**Amounts paid** *(2)*
Daniel Julien, Chairman of the Board of Directors *(3)*				
Fixed remuneration	2,823,795	2,635,542	2,686,107	2,650,596
Annual variable remuneration	1,016,566	1,129,518	1,166,407	872,214
Multi-year variable remuneration	n.a.	n.a.	n.a.	n.a.
Exceptional remuneration	n.a.	n.a.	n.a.	n.a.
Directors' fees	n.a.	n.a.	n.a.	n.a.
Benefit in kind	46,049	46,049	48,264	87,144
TOTAL	**3,886,410**	**3,811,109**	**3,900,778**	**3,609,953**
Paulo César Salles Vasques, CEO *(4)*				
Fixed remuneration	1,043,675	894,579	n.a.	n.a.
Variable remuneration	365,286	-	n.a.	n.a.
Multi-year variable remuneration	n.a.	n.a.	n.a.	n.a.
Exceptional remuneration	n.a.	n.a.	n.a.	n.a.
Directors' fees	n.a.	n.a.	n.a.	n.a.
Benefit in kind	74,740	74,740	n.a.	n.a.
TOTAL	**1,483,701**	**969,319**	**n.a.**	**n.a.**

(1) Remuneration denominated in a foreign currency for a given year is converted into euros at the average exchange rate for the year.
(2) The remuneration paid includes the portion of the remuneration payable in respect of the current financial year and the balance of the remuneration payable in respect of the previous financial year and not paid during that year.
(3) Chairman and CEO from May 31st, 2011 to May 30th, 2013. Chairman of the Board of Directors since May 30th, 2013.
(4) Chief Executive Officer since May 30th, 2013. Pro rata amounts.

Breakdown of remuneration paid to executive directors for 2013

Fixed remuneration

The Board of Directors set the fixed remuneration for the 2013 financial year as follows, on the recommendation of the Remuneration and Appointments Committee:

- The Board of Directors set the gross annual fixed remuneration payable to Daniel Julien at US$ 3,750,000 (compared to US$ 3,500,000 for the 2012 financial year). The Board of Directors decided to increase Mr. Julien's gross fixed annual remuneration to US$ 3,750,000 in view of his strategic role, engagement and responsibilities in the Group in connection with his positions as Chairman of the Board and as CEO of TGI and in view of the support he is providing to the Chief Executive Officer during the three-year transition period unanimously requested by the Board.
- The Board of Directors set the annual gross fixed remuneration for Paulo César Salles Vasques at US$ 2,376,000, including a net amount of € 100,000 in connection with his position as Chief Executive Officer of Teleperformance SA, which is paid by that company. These amounts were calculated on a *pro rata* basis as from June 1st, 2013.

Variable remuneration

Upon recommendation of the Remuneration and Appointments Committee, the Board of Directors set the maximum variable remuneration for the 2013 financial year as follows:

- The variable portion of the annual remuneration payable to Daniel Julien was set at a maximum amount of US$ 1,500,000 (unchanged compared to 2012), subject to the fulfillment of performance criteria.
- The variable portion of the annual remuneration payable to Paulo César Salles Vasques was set at a maximum amount of US$ 924,000 (calculated on a *pro rata* basis for the 2013 financial year) subject to the fulfillment of performance criteria.

The maximum variable amount for Daniel Julien and Paulo César Salles Vasques is thus designed to represent 2 % of their overall remuneration.

The Board of Directors set the quantitative and qualitative performance criteria set out below, which enable calculation of the 2013 variable remuneration. The Board of Directors has introduced a point-based calculation system, in order to determine the full or partial fulfillment of said criteria. The maximum number of points that may be awarded for the various quantitative and qualitative criteria is 80 and 20 points respectively.

Quantitative criteria:

The quantitative criteria, which have an 80-point weighting, relate to overall Group operating performance in terms of revenues and profitability, i.e. revenue growth, excluding currency gains and losses, and increase in EBITA excluding non-recurring items.

The qualitative criteria, which have a 20-point weighting, relate to the successful completion of each stage of the handover between the Chairman of the Board and the Chief Executive Officer. These pre-established qualitative criteria, aimed at motivating and uniting the teams, are not published for reasons of confidentiality.

At its meeting held on February 25th, 2014, the Board of Directors reviewed the level of achievement of the targets and criteria underlying the variable remuneration performance criteria, on the recommendation of the Remuneration and Appointments Committee, which met on February 20th, 2014, and concluded that the level achieved was equivalent to 90 points. The table below sets out the number of points, the targets set by the Board and the level of achievement recorded by the Board at its February 25th, 2014 meeting.

EBITA margin (excluding non-recurring items)

Number of points awarded	*Target*
Zero point	Less than 8.8 %
10 points	Equal to 8.8 % and less than 9.0 %
20 points	Equal to 9.0 % and less than 9.2 %
30 points	Equal to 9.2 % and less than 9.4 %
40 points	Above or equal to 9.4 %

Revenue growth (excluding currency gains and losses)

Number of points awarded	*Target*
Zero point	Less than 2 %
10 points	At least 2 % and less than 3 %
20 points	At least 3 % and less than 4 %
30 points	At least 4 % and less than 5 %
40 points	At least 5 %

As to the quantitative criteria, on the recommendation of the Remuneration and Appointments Committee, and following the approval of the financial data by the Audit

Committee, the Board of Directors noted that the EBITA margin amounted to 9.3 %, or 30 points, while revenue growth amounted to 7.9 % or 40 points. The total number of points awarded was therefore 70 out of the 80 points allocated to these quantitative criteria.

Qualitative criteria

Number of points awarded: 20

As to the qualitative criteria, the Board of Directors was unanimously satisfied with the quality of the Group's management in 2013, and acknowledged the success and smooth progress of the first six months of the handover period, as well as the success of the new senior management model. As a result, the Board noted that, on the recommendation of the Remuneration and Appointments Committee, the maximum number of points, i.e. 20 points, was awarded in respect of these qualitative criteria.

As a result, on the recommendation of the Remuneration and Appointments Committee, the Board of Directors set Daniel Julien's variable remuneration for 2013 at the gross amount of US$ 1,350,000, or € 1,016,566, and set Paulo César Salles Vasques's variable remuneration, calculated on a *pro rata* basis, at US$ 485,100, or € 365,286. These amounts will be paid in March 2014.

Benefits in kind

The benefits in kind awarded to Daniel Julien consist in the provision of a company car, participation in a healthcare insurance scheme and the matching contribution for 2013 paid as part of the non-qualified deferred compensation plan described below.

The benefits in kind awarded to Paulo César Salles Vasques consist in the provision of a company car and company housing and participation in a healthcare insurance scheme.

In addition, Daniel Julien and Paulo César Salles Vasques are eligible for the *non-qualified deferred compensation plan* introduced by the US subsidiary, Teleperformance Group Inc. Daniel Julien enrolled in this plan in 2011. The plan enables them to defer a portion of their remuneration, subject to a cap of US$ 200,000 per year, at their own discretion. Teleperformance Group Inc. then matches 25 % of the amount on completion of the transaction. The deferred amount and the matching contribution can only be paid to them if they leave the Group.

Daniel Julien deferred payment of the amount of US$ 200,000 as of December 31st, 2013, while the Company made a matching contribution of US$ 50,000 for 25 % of that amount. Meanwhile, Paulo César Salles Vasques did not defer any remuneration as part of this plan in 2013.

Details of remuneration of executive directors for 2014:

At its meeting of November 25th, 2013, based on recommendations of its Remuneration and Appointments Committee, the Board of Directors decided to maintain unchanged the global amounts and the proportion between the fixed and variable parts of the remuneration for 2014.

Regarding the calculation of variable remuneration for 2014, upon the recommendation of the Remuneration and Appointments Committee, the Board of Directors decided not to change the amounts comprising the variable portion but to keep the respective caps thereof at US$ 1,500,000 for Daniel Julien and US$ 924,000 for Paulo César Salles Vasques. The calculation of the variable portion is subject to the fulfillment of performance criteria that include both quantitative (achievement of given levels of revenue and EBITA) and qualitative criteria (relating to the success and smooth progression of the second stage of the handover period between the Chairman of the Board, the Group's founder, and the Chief Executive Officer). The expected levels of achievement are not made public, for reasons of confidentiality.

3.5.2.3 Undertakings in favor of executive directors

Table 11 of the AMF Recommendations – Summary of the undertakings in favor of the Chairman of the Board of Directors and to the Chief Executive Officer

Executive director	*Employment contract*	*Additional pension scheme*	*Payments or benefits due or liable to be due upon termination or change of responsibilities*	*Payments relating to a non-compete agreement*
Daniel Julien	No	No	No	Yes
Paulo César Salles Vasques	No	No	No	Yes

Employment contract

The Chairman and the Chief Executive Officer are not bound to the Company or any of its subsidiaries by an employment contract. Paulo César Salles Vasques's employment contract with TGI was terminated on May 30th, 2013, at the time when he was appointed Chief Executive Officer.

Additional pension scheme

The Chairman and the Chief Executive Officer do not benefit from any additional pension scheme.

Payments or benefits due or liable to be due upon termination or change of responsibilities

The Chairman and the Chief Executive Officer are not entitled to any payments or benefits due or liable to be due as a result of termination of their appointment or a change in their responsibilities.

Payments relating to a non-compete agreement

Daniel Julien's non-compete agreement

Daniel Julien is subject to a non-compete agreement, which was entered into in 2006, approved by the general meeting of the Company's shareholders on June 1st, 2006 and amended by decision of the Board of Directors at its May 31st, 2011 and November 30th, 2011 meetings. These amendments were approved by the ordinary general meeting on May 29th, 2012. The main features of this agreement are as follows:

- a mutual 9-month notice period in the event of the termination of Mr. Julien's duties within the Group;
- in the event that Mr. Julien's duties are terminated, a non-compete agreement and an undertaking not to hire away any of the Group's senior managers will be entered into, on the understanding that this undertaking is limited to countries where the Group has operations at the time when Mr. Julien's duties are terminated;
- the term of this non-compete and non-solicitation agreement will be set at either two years (with a payment corresponding to 2.5 years' remuneration) or three years (with a payment corresponding to 3 years' remuneration), at the Board's discretion;
- the payment for the first year has been set at an amount equal to Mr. Julien's total remuneration, including all the expenses paid during the calendar year prior to the first day of the notice period, minus the amounts withheld and expenses of any kind relating to this payment; this payment will be increased to 150 % of said amount for the second year. In the event that Daniel Julien leaves during 2013, the benchmark remuneration will once again be that for the calendar year prior to the first day of the notice period;
- the non-compete agreement will come into force as of the termination of all of Mr. Julien's duties within the Group and will extend over the next two or three years, at the Board's discretion.

Paulo César Salles Vasques' non-compete agreement

The Board of Directors, at its November 25th, 2013 meeting, decided it would be essential, for safeguarding the Group's legitimate interests, that its new CEO, Paulo César Salles Vasques, aged 44, should be subject to a non-compete agreement. It was therefore decided not to re-examine the existing principles of the non-compete agreement with Mr. Paulo César Salles Vasques, which were included in the latter's employment contract before his appointment as CEO and the amendment of the AFEP-MEDEF code in June 2013.

As a result, the Board, upon recommendation of the Remuneration and Appointments committee, authorized the Company and TGI to sign a non-compete agreement with Mr. Paulo César Salles Vasques.

The authorized agreement comprises non-disclosure, non-hiring away, non-solicitation and non-compete undertakings on the part of Mr. Salles Vasques. In this regard, Mr. Salles Vasques will refrain from (i) collaborating with, (ii) taking part in, and (iii) investing in a business activity and/or company that competes with the Teleperformance Group in any way, with no restrictions on the country, for a period of two years following his departure.

In the event of departure for any reason whatsoever, Mr. Paulo César Salles Vasques would be entitled to receive an indemnity capped at two years' gross remuneration determined on the basis of either (i) the aggregate annual gross remuneration (fixed + variable) received over the calendar year preceding his departure, or, if higher, (ii) the average annual gross remuneration over the past three years.

In accordance with the provisions of Articles L. 225-38 *et seq.* of the French Commercial Code, this agreement is subject to the approval of the general meeting of shareholders to be held on May 7th, 2014 called to approve the financial statements for the year ended December 31st, 2013.

3.5.2.4 Allotment of stock options and performance shares to executive directors

A. Stock subscription or purchase options

Stock subscription or purchase options awarded to or exercised by executive directors during the financial year (information required in Tables 4 and 5 of the AMF Recommendations)

No stock subscription or purchase options were awarded to or exercised by Daniel Julien or Paulo César Salles Vasques during the 2013 financial year.

Timeline for the award of stock options (information required in Table 8 of the AMF Recommendations)

None.

Stock options awarded to or exercised by the top 10 non-corporate officer employee beneficiaries (information required in Table 9 of the AMF Recommendations)

None.

B. Performance shares and equivalent schemes

At its July 30th, 2013 meeting, the Board of Directors decided to implement a bonus incentive share plan during the 2013 financial year, involving the allotment of 840,000 Teleperformance shares to 126 beneficiaries; the terms and characteristic features of this plan are set out in Section 2.2.5.3 *Incentive shares issued free of charge* of this Registration Document. No performance shares were allotted to the Chairman of the Board of Directors or to the Chief Executive Officer as part of this plan.

During the 2013 financial year, the US subsidiary, Teleperformance Group Inc., implemented a long-term incentive plan settled in Teleperformance SA shares and involving the allotment of 150,000 shares each to Daniel Julien and Paulo César Salles Vasques, following approval of the plan by the Board of Directors of Teleperformance SA.

The definitive vesting of the shares is subject to employment and performance conditions that are similar to those approved by the Company's Board of Directors' July 30th, 2013 meeting regarding the allotment of performance shares to the Group's main managers and executives. The performance criteria are based on achieving a 16.0 % increase in consolidated revenues at constant exchange rates (one third of the amount), a 27 % increase in consolidated EBITA (one third) over the period between January 1st, 2013 and December 31st, 2015 and ROCE of 12.5 % at December 31st, 2015 (one third). At the end of the three-year vesting period, Teleperformance Group Inc. will be required to purchase a given amount of shares in order to deliver them to the beneficiaries. This amount will be determined in accordance with the achievement of the aforementioned growth indicators and will amount to 100 %, 75 %, 50 % or 0 % of the amount allotted under the incentive plan.

In addition, Messrs. Julien and Salles Vasques will be required to retain, under the registered form, a number of shares equivalent to 30 % of the number of shares allotted as part of this long-term incentive plan until the end of their appointment.

Table 6 of the AMF Recommendations – Performance shares allotted to executive directors by Teleperformance Group Inc.

	Date of the plan	*Number of shares allotted*	*Value of the shares (1)*	*Vesting date*	*End of lock-in period*	*Performance criteria*
Daniel Julien	July 30th, 2013 (*)	150,000 (**)	5,005,500	July 30th, 2016	July 30th, 2018	Yes
Paulo César Salles Vasques	July 30th, 2013 (*)	150,000 (**)	5,005,500	July 30th, 2016	July 30th, 2018	Yes

(1) *According to the method used for the consolidated financial statements.*

(*) *Allotted as part of the Long-term Incentive Plan implemented by Teleperformance Group Inc., as detailed above.*

(**) *Executive directors must retain 30 % of the number of shares until the end of their appointments, as part of the definitive vesting process for the performance shares allotted under this plan.*

Expiry of lock-in period for performance shares (information required in Table 7 of the AMF Recommendations)

None of the performance shares awarded to Daniel Julien or to Mr. Salles Vasques became available for sale or transfer during the 2013 financial year.

Table 10 of the AMF Recommendations – Overview of the performance share plans granted by Teleperformance SA

	plan n°1	***plan n°2***	***plan n°3***	***plan n°4***	***plan n°5***	***plan n°6***
Date of general meeting	05/31/2011	05/31/2011	05/31/2011	05/31/2011	05/30/2013	05/30/2013
Date of Board meeting	07/27/2011	11/30/2011	05/29/2012	07/30/2012	07/30/2013	02/25/2014
Allotment date	07/27/2011	11/30/2011	05/29/2012	07/30/2012	07/30/2013	02/25/2014
Total number of share rights allotted	1,099,000	30,500	2,000	2,000	840,000	22,500
Total number of beneficiaries	100	10	1	1	126	1
of which total number awarded to executive directors:						
- Daniel Julien	170,000 *	-	-	-	-	-
- Paulo César Salles Vasques **	n.a.	-	-	-	-	-
Definitive vesting date	07/27/2013	11/30/2013	06/01/2014	07/30/2014	07/30/2016	02/25/2017
End of lock-in period	07/27/2015	11/30/2015	06/01/2016	07/30/2016	07/30/2018	02/25/2019
Performance criteria	Yes ***	Yes ***	Yes	Yes	Yes	Yes
Nature of shares allotted	existing shares	existing shares	existing shares	existing shares	new or existing shares	new or existing shares
Total number of share rights cancelled or lapsed	48,500	7,500	-	-	-	-
Number of shares definitively vested at December 31st, 2013	1,050,500 ***	23,000 ***	-	-	-	-
Number of rights outstanding as of December 31st, 2013	-	-	2,000	2,000	840,000	22,500

** The Board of Directors has decided that Daniel Julien must retain a number of shares equivalent to 30 % of the total number of performance shares vested under this plan until the end of his appointment.*

*** Chief Executive Officer since May 30th, 2013.*

****Definitive vesting subject to the fulfillment of performance criteria relating to increases in consolidated revenues and consolidated EBITA. The Board of Directors noted the fulfillment of said performance criteria at its February 26th, 2013 meeting. As a result, all the shares allotted have definitely vested to those beneficiaries who still fulfilled the employment condition as of the vesting dates.*

3.5.3 Remuneration elements due or awarded to each executive director of the Company in respect of the 2013 financial year, submitted to the vote of the shareholders

In accordance with the recommendations of the AFEP-MEDEF Code, as amended in June 2013 (Paragraph 24.3), to which the Company refers pursuant to Article L.225-37 of the French Commercial Code, the remuneration elements due or awarded to each executive director in respect of the year ended are submitted to the shareholders' vote. It is then proposed to the shareholders' meeting to be held on May 7th, 2014 to issue a favorable opinion on the remuneration elements due or awarded to Daniel Julien, Chairman of the Board of Directors, and to Paulo César Salles Vasques, Chief Executive Officer, in respect of the year ended December 31st, 2013.

3.5.3.1 Remuneration due or awarded to Daniel Julien, Chairman of the Board of Directors, in respect of the 2013 financial year

Remuneration elements due or awarded in respect of 2013	***Amounts or book value subject to vote (in euros) ****	***Comments***
Fixed remuneration	€ 2,823,795	Gross annual fixed remuneration of US$ 3,750,000 in respect of 2013 approved by the Board of Directors at its meeting held on February 26th, 2013 and confirmed by the Board at its meeting held on May 30th, 2013, upon recommendation of the Remuneration and Appointments Committee (vs. US$ 3,500,000 for 2012). The Board of Directors has in fact decided to raise Mr. Julien's fixed annual remuneration to US$ 3,750,000 given his strategic role, his investment and his responsibilities in the Group in conjunction with his duties as Chairman of the Board, CEO of TGI and his assistance to the CEO during the three-year transition period, which the Board unanimously requested.
Annual variable remuneration	€ 1,016,566	At its February 25th, 2014 meeting, the Board of Directors assessed the variable remuneration amount awarded to Daniel Julien in respect of the 2013 financial year in light of the quantitative and qualitative criteria approved at the Board of Directors' meetings of February 26th, 2013 and May 30th, 2013, upon recommendation of the Remuneration and Appointments Committee, and following the review of the financial data by the Audit Committee. The amount of the variable portion was assessed as follows: - with regard to the quantitative criteria (increase in revenues excluding currency gains and losses, and increase in the EBITA ratio excluding non-recurring items), the number of points awarded was 70 out of the 80 points assigned to these quantitative targets; - with regard to the qualitative criteria relating to the progress of the handover period, the maximum number of points, i.e. 20 points, was awarded under this criterion. In fact, the Board of Directors was unanimously satisfied with the quality of the Group's management in 2013, and acknowledged the success and smooth progress of the first six months of the handover period, as well as the success of the new management model. As a result, the amount of variable remuneration payable to Daniel Julien in respect of 2013 was set at US$ 1,350,000, or € 1,016,566. The performance criteria and their expected and recorded fulfillment levels are set out in Section 3.5.2.2 of the 2013 Registration Document.
Deferred variable remuneration	n.a.	Daniel Julien does not benefit from any deferred variable remuneration.
Multi-year variable remuneration	n.a.	Daniel Julien does not benefit from any multi-year variable remuneration.
Exceptional remuneration	n.a.	Daniel Julien does not benefit from any exceptional remuneration.
Additional pension scheme	n.a.	Daniel Julien does not benefit from an additional pension scheme

** Remunerations in foreign currencies are converted to euros at the average annual rate.*

Remuneration due or awarded to Daniel Julien, Chairman of the Board of Directors, in respect of the 2013 financial year (cont.)

Remuneration elements due or awarded in respect of 2013	***Amounts or book value subject to vote (in euros) ****	***Comments***
Award of stock options	n.a.	No stock purchase or subscription options were awarded to Daniel Julien.
Allotment of performance shares	€ 5,005,500	Teleperformance SA did not award any performance shares to the Chairman of the Board of Directors during the 2013 financial year. TGI introduced a long-term incentive plan settled in Teleperformance shares, subject to performance criteria, including 150,000 shares awarded to Daniel Julien, representing 0.26 % of the Company's authorized share capital, during the 2013 financial year. The terms and conditions of this plan are set out in Section 3.5.2.4 of the 2013 Registration Document.
Directors' fees	n.a.	Daniel Julien does not receive any directors' fees from the Company or its subsidiaries.
Benefits in kind	€ 46,049	The benefits in kind awarded to Daniel Julien comprise a company car, participation in a healthcare insurance scheme and the matching contribution for 2013 paid under the non-qualified deferred compensation plan described in Section 3.5.2.2 of the 2013 Registration Document.
Payment in connection with the appointment or the termination of position	n.a.	Daniel Julien did not receive any payment relating to the taking up or termination of his appointments.
Non-compete compensation	No amount payable for the year	As founder of the Group, Daniel Julien is entitled to receive compensation under a non-compete agreement. The amount of the compensation depends on the term of the non-compete agreement. It corresponds to 2.5 years' remuneration for a term of 2 years and to 3 years' remuneration for a term of 3 years, at the Board's discretion. This non-compete agreement was already approved by the combined Shareholders' Meeting held on May 29th, 2012 (5th Resolution) and is detailed in Section 3.5.2.3 of the 2013 Registration Document.

** Remunerations in foreign currencies are converted to euros at the average annual rate.*

3.5.3.2 Remuneration due or awarded to Paulo César Salles Vasques, Chief Executive Officer, in respect of the 2013 financial year

Remuneration elements due or awarded in respect of 2013	*Amounts or book value subject to vote (in euros)**	*Comments*
Fixed remuneration	€ 1,043,675	Gross annual fixed remuneration of US$ 2,376,000, including a net amount of € 100,000 in respect of his duties as Chief Executive Officer of Teleperformance SA, which was paid by that company, in respect of 2013, as approved by the Board of Directors' meetings of May 30th, 2013 and November 25th, 2013, on the recommendation of the Remuneration and Appointments Committee. The amount was paid on a pro rata basis, as Mr. Salles Vasques was appointed Chief Executive Officer as of May 30th, 2013.
Annual variable remuneration	€ 365,286	At its February 25th, 2014 meeting, the Board of Directors assessed the amount of variable remuneration awarded to Paulo César Salles Vasques in respect of the 2013 financial year in light of the quantitative and qualitative criteria approved at the Board of Directors' May 30th, 2013 meeting, on the recommendation of the Remuneration and Appointments Committee, and following the review of the financial data by the Audit Committee. The amount of the variable portion was assessed as follows: - with regard to the quantitative criteria (increase in revenues excluding currency gains and losses, and increase in the EBITA margin excluding non-recurring items), the number of points awarded was 70 out of the 80 points assigned to these quantitative targets; - with regard to the qualitative criteria relating to the progress of the handover period, the maximum number of points, i.e. 20 points, was awarded under this criterion. In fact, the Board of Directors was unanimously satisfied with the quality of the Group's management in 2013, and acknowledged the success and smooth progress of the first six months of the handover period, as well as the success of the new management model. As a result, the amount of variable remuneration payable to Paulo César Salles Vasques in respect of 2013 was set at US$ 485,100, or € 365,286. The performance criteria and their expected and recorded fulfillment levels are set out in Section 3.5.2.2 of the 2013 Registration Document.
Deferred variable remuneration	n.a.	Paulo César Salles Vasques does not benefit from any deferred variable remuneration.
Multi-year variable remuneration	n.a.	Paulo César Salles Vasques does not benefit from any multi-year variable remuneration.
Exceptional remuneration	n.a.	Paulo César Salles Vasques does not benefit from any exceptional remuneration.
Supplementary pension scheme	n.a.	Paulo César Salles Vasques does not benefit from a supplementary pension scheme.

** Remunerations in foreign currencies are converted to euros at the average annual rate.*

Remuneration due or awarded to Paulo César Salles Vasques, Chief Executive Officer, in respect of the 2013 financial year (cont.)

Remuneration elements due or awarded in respect of 2013	*Amounts or book value subject to vote (in euros)**	*Comments*
Award of stock options	n.a.	No stock purchase or subscription options were awarded to Paulo César Salles Vasques.
Allotment of performance shares	€ 5,005,500	Teleperformance SA did not award any performance shares to the Chief Executive Officer during the 2013 financial year. TGI introduced a long-term incentive plan settled in Teleperformance shares, subject to performance criteria, including 150,000 shares awarded to Paulo César Salles Vasques, representing 0.26 % of the Company's authorized share capital, during the 2013 financial year. The terms and conditions of this plan are set out in Section 3.5.2.4 of the 2013 Registration Document.
Directors' fees	n.a.	Paulo César Salles Vasques does not receive any directors' fees from the Company or its subsidiaries.
Benefits in kind	€ 74,740	The benefits in kind awarded to Paulo César Salles Vasques comprise a company car and company housing, and the participation in a healthcare insurance scheme.
Payment in connection with the appointment or the termination of position	n.a.	Paulo César Salles Vasques did not receive any compensation relating to the appointment or termination of his position.
Non-compete compensation	No amount payable for the year	At its November 25th, 2013 meeting, the Board of Directors authorized the signing of a non-compete agreement between Teleperformance SA, TGI and Paulo César Salles Vasques. The Board judged it would be essential, to safeguard the Group's legitimate interests, that its new CEO, Mr. Paulo César Salles Vasques, should be subject to a non-compete agreement. It was therefore decided not to reconsider the terms of the non-compete agreement with Mr. Paulo César Salles Vasques, contained in his employment contract before his appointment as CEO of the Company and the amendment of the AFEP-MEDEF Code of June 2013. This agreement is set out in Section 3.5.2.3 of the 2013 Registration Document. The amount of the compensation is capped at two years' gross remuneration, determined on the basis of either (i) the aggregate annual gross remuneration (fixed + variable) received over the calendar year preceding his departure, or, if higher, (ii) the average annual gross remuneration over the past three years. In accordance with the provisions of Articles L. 225-38 et seq. of the French Commercial Code, this agreement is subject to the approval of the general meeting of shareholders to be held on May 7th, 2014 to approve the financial statements for the year ended December 31st, 2013.

** Remunerations in foreign currencies are converted to euros at the average annual rate.*

3.6 Transactions on the Company's shares

3.6.1 Code of Conduct relating to securities transactions

The Company complies with the recommendation issued by the AMF (French Financial Markets Authority) on November 3rd, 2010 and with the AFEP-MEDEF code. The Board of Directors adopted a Code of Conduct regarding securities transactions at its November 30th, 2011 meeting. This Code strictly prohibits insiders and related persons from using and/or disclosing inside information, and from advising another person to trade in the Company's financial instruments on the basis of inside information.

The Company has appointed a Compliance Officer, whose opinion may be requested prior to any transaction in the Company's securities. A committee consisting of the following individuals assists the Compliance Officer with their assignment:

Maud Junoy	Compliance Officer	Group Chief Legal Officer
Olivier Rigaudy	Committee member	Group Chief Financial Officer
Philippe Ginestié	Committee member	Director

3.6.2 Determination of black-out periods

Transactions involving the purchase or sale of the Company's securities or financial instruments are prohibited during the periods included between the date when senior managers and equivalent persons, as well as any person who has access to inside information on a regular or occasional basis, become aware of specific information regarding the course of business or outlook which could have a material influence on the share price if it were to be made public, and the date when that information is made public.

In addition, transactions are also prohibited during a period of:

- 30 calendar days prior to the planned publication date (inclusive) of the (parent company and consolidated) annual and half-yearly financial statements; this period expires on the day following publication (at midnight);
- 15 calendar days prior to the planned publication date (inclusive) of the quarterly reporting; this period expires on the day following publication (at midnight).

The Company draws up and circulates a timetable setting out periods during which transactions in the Company's securities are prohibited at the beginning of each calendar year. This timetable also specifies that the indicated periods do not affect the existence of other black-out periods arising as a result of awareness of specific information directly or indirectly relating to the Company, which could have a material impact on the Teleperformance share price if it were to be made public.

3.6.3 Prohibition of hedging transactions

In accordance with the recommendations of the AFEP-MEDEF code and AMF Recommendation No. 2010-07 of November 3rd, 2010, hedging transactions of any kind involving the Company's securities are prohibited. The executive directors have given a formal undertaking not to use transactions that hedge their risk on the shares arising from performance shares.

3.6.4 Summary of securities transactions performed during the 2013 financial year

Pursuant to Article 223-26 of the AMF General Regulation, a summary statement of securities transactions performed in 2013 and up until the date of this Registration Document, as reported to the Company and to the AMF, is provided below:

	Nature	***Date***	***Number of shares***	***Unit price***
Daniel Julien Chairman of the Board of Directors	Stock loan (lender)	May 30th, 2013	1,000	-
Emily Abrera Director	Stock loan (beneficiary)	May 30th, 2013	1,000	-

3.7 Regulated agreements and commitments

3.7.1 Regulated agreements and commitments

During the 2013 financial year, the Board of Directors authorized a new regulated agreement at its meeting held on November 25th, 2013, which consisted in the conclusion of a non-compete agreement between the Company, TGI and Paulo César Salles Vasques, Chief Executive Officer. The terms and conditions of this agreement are described in Section 3.5.2.3 *Undertakings in favor of executive directors* of this Registration Document and in the statutory auditors' special report provided below. The non-compete agreement will be submitted for the approval of the Shareholders' Meeting to be held on May 7th, 2014.

The statutory auditors' special report on regulated agreements and commitments for the 2013 financial year referred to in Articles L. 225-38 *et seq.*, and L. 225-42-1 *et seq.* of the French Commercial Code is provided in Paragraph 3.7.2 *Statutory auditors' special report on regulated agreements and commitments* in this Registration Document.

3.7.2 Statutory Auditors' Special Report on Regulated Agreements and Commitments

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. 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 2013

To the Shareholders,

In our capacity as statutory auditors of your company, we hereby report to you on its regulated agreements and commitments.

The terms of our engagement require us to communicate to you, based on information provided to us, of the principal terms and conditions of those agreements and commitments brought to our attention or which we may have discovered during the course of our audit, without expressing an opinion on their usefulness and appropriateness or identifying other such agreements and commitments, if any. It is your responsibility, under the terms of article R. 225-31 of the French Commercial Code, to assess the interest involved in respect of the conclusion of these agreements and commitments for the purpose of approving them.

Our role is also to provide you with the information stipulated in article R. 225-31 of the French Commercial Code relating to the continued implementation during the past year of agreements and commitments previously approved by the Shareholders' Meeting, if any.

We conducted the procedures we deemed necessary in accordance with relevant professional guidelines issued by the French Institute of Auditors relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

Regulated agreements or commitments submitted for the approval of this shareholders' meeting

Regulated agreements or commitments authorised during the year

Pursuant to article to article L. 225-40 of the French Commercial Code, we hereby inform you that we have been advised of the authorisation of the following agreements or commitments during the year.

Non-competition agreement

Related party: Mr Paulo César Salles Vasques, Chief Executive Officer and Member of the Board of Directors

At its meeting on November 25th, 2013, your Board of Directors authorised the non-competition agreement between Teleperformance SA, Teleperformance Group Inc. and Mr Paulo César Salles Vasques.

The agreement includes confidentiality, non-poaching, non-solicitation and non-compete undertakings by Mr Paulo César Salles Vasques. In particular, Mr Paulo César Salles Vasques has undertaken not to collaborate or participate with or take an interest in a business and/or an enterprise that is in a competitive position with respect to the Teleperformance Group, without any geographical limitation, for a period of two years from the date of his departure, for whatever reason. In the event of his departure, Mr Paulo César Salles Vasques shall be entitled to receive an indemnity payment representing a maximum of two years' gross remuneration determined on the basis of the higher of his overall annual remuneration (fixed and variable) received in (i) the previous calendar year, or (ii) the three previous such years on average.

Regulated agreements of commitments which were approved in prior years by the shareholders in general meeting

We hereby inform you that we have not been advised of any agreement or commitment previously approved by the Shareholders' Meeting which remained in force during the year.

Paris La Défense and Neuilly sur seine
February 26th, 2014

KPMG Audit IS	Deloitte & Associés
Éric Junières	Laurent Odobez
Partner	*Partner*

4. Environmental, labor and social information

4.1 Introduction

Pursuant to the provisions of Article L. 225-102-1 of the French Commercial Code, as specifically amended by Article 225 (V) of Act No. 2010-788 of July 12th, 2010 (Grenelle 2 Act), Article 12 of Act No. 2012-387 of March 22nd, 2012 (Warsmann 4 Act), the Decree of April 24th, 2012 and the subsequent Order of May 13th, 2013, the Group must provide information on the measures that have been adopted with regard to the social and environmental consequences of its activity.

The Group has undertaken this endeavor since 2006, first by initiating and leading Citizen of the World, a program of charitable, humanitarian and collective welfare action plans, then in 2008 Citizen of the Planet, with an environmental focus.

By renewing its adherence to the United Nations Global Compact in July 2011, Teleperformance has confirmed its intent to position itself as a player that is conscious of its impact and influence on its surrounding society.

In light of our activity, this social and environmental responsibility report focuses mainly on 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 of our actions in favor of communities.

The issues listed below have not been dealt with, as they are considered irrelevant at Group level in view of the fact that its business activity consists in the provision of services:

- resources dedicated to preventing environmental risks and pollution;
- the amount of provisions and guarantees for environmental risks;
- measures related to noise pollution and any other form of pollution specific to a business activity;
- water consumption and water supply in accordance with local constraints;
- energy consumption and measures taken to improve energy efficiency and the use of renewable energies;
- land use;
- adaptation to the consequences of climate change;
- measures taken to promote consumer health and safety;
- consumption of raw materials and measures taken to improve efficiency of use;
- prevention, reduction or compensation measures regarding atmospheric, aqueous and terrestrial pollution seriously affecting the environment.

4.1.1 Methodology

Scope and collection of information

The **quantitative information** set out in Chapters 4.2.1 *Breakdown of workforce*, and 4.2.2 *Workforce changes* was collected via the Group's reporting and consolidation tool for all subsidiaries included in the consolidation scope (see Note J in the Notes to the consolidated financial statements), except for the following data:

- breakdown of workforce by gender;
- breakdown of workforce by age group.

In fact, the breakdowns shown exclude our subsidiaries in the United States, where local regulations prohibit the collection of such data.

This data is valid as of December 31st, 2013 and has been audited by KPMG's CSR specialists.

The **qualitative information** was collected using the following methods:

- a specific questionnaire sent to the Group's 28 larger subsidiaries, which account for 84.3 % of the workforce;
- a weekly in-house publication surveying the *Citizen of the Planet* (environmental action) and *Citizen of the World* (charitable, humanitarian and collective welfare action) initiatives;
- a specific reporting process introduced in order to meet the requirements of the United Nations Global Compact.

As this information is derived from various internal sources, it was collected at different dates and does not systematically cover the whole year of 2013 or the entire consolidation scope.

Main indicators

To guarantee the consistency of the information reported, guidelines were introduced and circulated to all Group subsidiaries. These guidelines specify the exact definitions and formulas to use for the feedback of quantitative information. In some cases, a given subsidiary may not monitor a requested indicator internally and therefore cannot provide the relevant information.

Further information on the indicators set out in this report are provided below:

- Year-end workforce

The year-end workforce includes all persons who had an employment contract and were in salaried employment at the Group's various subsidiaries, together with all temporary employees as of December 31st.

- Average workforce

The average workforce was calculated by dividing the number of hours scheduled for the year by the normal number of hours worked during that period. The normal number of hours worked is specific to each country, depending on local regulations.

- Training hours

The number of training hours indicated may have been slightly underestimated, due to the fact that some subsidiaries only monitor the training hours offered to agents. However, given that agents account for around 86 % of the workforce and are clearly the main training recipients, this difference is unlikely to be significant.

- Industrial accident frequency index

Number of accidents resulting in time off work divided by the average employee workforce multiplied by 1,000. The number of industrial accidents does not include accidents that occurred during travel between home and work.

- Rate of absenteeism

This is the number of hours related to unscheduled absences divided by the number of scheduled working hours. Scheduled absences (holiday, maternity leave, training, etc.) are excluded from the calculation. The calculation only concerns agents.

- Management

This includes the following positions:

- members of the Management Committee
- other positions excluding agents and supervisors

4.1.2 Adherence to the United Nations Global Compact

Like the 10,660 adherents (including 7,071 companies) to this Compact launched in 2000, Teleperformance has committed to adopting, supporting and applying 10 universal principles relating to human rights, employment standards, the environment and anti-corruption within its sphere of influence.

The United Nations Global Compact, which is the main global corporate citizenship initiative for companies, aims to promote the social legitimacy of companies and markets. By adhering to the Compact, Teleperformance is demonstrating its conviction that business practices based on universally recognized values contribute to the emergence of a stable, fair and open global market.

The Group has set up a Social and Environmental Responsibility Committee, which has seen to the implementation of anti-corruption policies (December 2012), a code of ethics (September 2013) and a global environmental policy (December 2013).

A poster showing the 10 United Nations Global Compact principles is displayed at each facility, once it has been signed by the manager of each new subsidiary, thereby underlining their personal commitment to comply with the 10 Principles and to ensure compliance.

The 10 Principles of the United Nations Global Compact:

Human rights

1. *Businesses should support and respect the protection of internationally proclaimed human rights; and*
2. *make sure that they are not complicit in human rights abuses*

Labor

3. *Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;*
4. *the elimination of all forms of forced and compulsory labor;*
5. *the effective abolition of child labor; and*
6. *the elimination of discrimination in respect of employment and occupation.*

Environment

7. *Businesses should support a precautionary approach to environmental challenges;*
8. *undertake initiatives to promote greater environmental responsibility; and*
9. *encourage the development and diffusion of environmentally friendly technologies*

Anti-corruption

10. *Businesses should work against corruption in all its forms, including extortion and bribery.*

Principles 3, 4 and 6 of the United Nations Global Compact regarding employment law reciprocally correspond to ILO fundamental conventions nos. 87 and 98, 29 and 105, 100 and 111.

4.1.3 Compliance with and promotion of ILO fundamental conventions

In addition to the Group's adherence to the 10 Principles of the United Nations Global Compact, each subsidiary of Teleperformance is strictly compliant with local laws.

In 36 of the countries where Teleperformance is established (i.e. 78 % of our footprint), the State has ratified the eight ILO fundamental conventions, converting the fundamental conventions into statutory provisions:

- ➢ the elimination of all forms of forced or compulsory labor (conventions 29 and 105),
- ➢ the effective abolition of child labor (conventions 138 and 182),
- ➢ the freedom of association and effective recognition of the right to organize and collective bargaining (conventions 87 and 98),
- ➢ equal remuneration and elimination of discrimination in respect of employment and occupation (conventions 100 and 111).

Only ten countries in which Teleperformance has subsidiaries have not ratified all of the fundamental conventions:

- three of these countries (Brazil, Lebanon and Morocco) have ratified all of the conventions except for convention 87 on freedom of association.

  However:

  - o Morocco and Lebanon are apparently close to requesting the ratification of this convention;
  - o Brazilian law guarantees the right to form a trade union free from any government interference.

  Notwithstanding this fact, Teleperformance promotes dialog with its employees in these three countries:

  - o the UMT trade union is represented in Morocco, following negotiations with staff representatives;
  - o meetings with staff representatives are held at least once a quarter, and more often if necessary, in Lebanon via our partner;
  - o in Brazil, an annual collective bargaining agreement is signed by the trade unions and management and then submitted to the employees for approval.

- Two countries in which Teleperformance has subsidiaries (Canada and Mexico) have not ratified two fundamental conventions.

  ➢ In the case of both countries, these are conventions 98 (the right to organize and collective bargaining) and 138 (regarding the minimum age limit).

  - o In the case of convention 98, the Canadian Supreme Court believes that freedom of association, which is enshrined in Article 2(d) of the Canadian Rights and Freedoms Charter, guarantees workers the right to associate in the workplace through collective bargaining.
  - o the Mexican Senate has reservations regarding Article 1.2b of convention 98; furthermore the ratification of convention 138 is incompatible with one national law.

  Nonetheless, the minimum age required to be hired by Teleperformance is 16 in Canada and Mexico.

  Furthermore, the dialog with employees at the Teleperformance subsidiaries based in both countries is entirely effective:

  - o in fact, collective bargaining agreements are signed with our Mexican subsidiaries' staff representatives and trade unions on an annual basis;
  - o there is also significant trade union representation both in Canada and Mexico.

- Singapore and Thailand have not ratified three of the fundamental conventions:

➢ Singapore has not ratified convention 105 (abolition of forced labor), convention 87 (freedom of association) or convention 111 (discrimination).

However, the International Labor Office made the following statement in the report on its March 2013 Board meeting:

  - that it considers employee dialog practices in Singapore as encouraging;
  - that the Singapore government is planning to ratify convention 105 again.

➢ Thailand has not ratified the conventions pertaining to freedom of association (conventions 87 and 98) and discrimination (convention 111).

The Thai government has referred to a tripartite consultation process regarding the potential ratification of conventions 87 and 98 and has told the Office that it is considering a possible ratification of convention 111.

Nonetheless:

  - We attach great importance to listening to our employees' opinions: in fact, the employee satisfaction index (ESat) is monitored every month at our Thai subsidiary, followed by a meeting to ensure ongoing follow-up and adjustments.
  - Our team in Thailand complies strictly with Principle 6 of the United Nations Global Compact: *Elimination of discrimination in respect of employment and occupation.* There is no difference between the treatment of male and female employees in equivalent positions at our company: moreover, the team at the TLScontact center in Bangkok comprises 21 % men and 79 % women.

- China and India have not ratified four out of the eight ILO fundamental conventions.

The conventions in question for both countries are those regarding freedom of association and the effective recognition of collective bargaining rights (conventions 87 and 98).

  - The Indian government cannot ratify the conventions regarding freedom of association due to the specific features of the regulations applicable to civil servants. However, the ILO notes that employee dialog practices in India are encouraging.
  - Despite China's failure to ratify conventions 87 and 98, trade union membership in the country is 80.6 % according to the ACFTU (All-China Federation of Trade Unions).

Furthermore, China has not ratified the conventions regarding forced labor (conventions 29 and 105), while India has not ratified the conventions regarding child labor (conventions 138 and 182).

  - China is currently reviewing its legislation, with a view to combating human trafficking.
  - India has confirmed its intention to ratify the conventions regarding child labor and is asking for assistance from the ILO; the process is expected to take several years.

Notwithstanding this fact, Teleperformance promotes dialog with its employees in both countries, through the following measures:

  - The directors of our facilities in India encourage employees to come together for cultural activities or sports fixtures, and allow them to direct and manage these extra-professional activities among work colleagues at their entire discretion.
    Meanwhile, we have not overlooked consultation processes for Teleperformance's employees in India: in fact, staff representatives sit on three decision-making committees.
  - There are various schemes for gathering the opinions of Teleperformance employees in China, such as the "employee suggestions box", which only the CEO and the COO can open.

Lastly, the minimum age required to work at our Indian subsidiary is 16.

- Paradoxically, the United States have only ratified two of the ILO fundamental conventions, although:
    - federal legislation and practices are mostly compliant with ILO conventions 87 and 98 (freedom of association and the right to organize and collective bargaining);
    - various federal laws prohibit child labor and forced labor, including Presidential Decree 13627, which was passed on September 25th, 2012 to strengthen the guarantees against human trafficking;
    - Regarding anti-discrimination, the EEO (Equal Employment Opportunity) Act is one of the most restrictive in the world; in fact, our US subsidiaries completed the implementation of Affirmative Action Plans (positive discrimination) in 2012 by assessing employees' positions, salaries, promotion and training and cross-referencing the data against gender and membership of an ethnic or disabled minority.

Further details on our Group's in-house initiatives to promote freedom of association and the effective recognition of collective bargaining rights (conventions 97 and 98), as well as the elimination of discrimination in respect of employment and occupation (conventions 100 and 111) can be found in Sections 4.2.7 *Diversity and equal opportunities*, 4.4.1 *The local, economic and social impact of our business*, and 4.2.4 *Labor relations*.

4.1.4 Clinton Global Initiative

Established in 2005 by President Bill Clinton, the Clinton Global Initiative (CGI) gathers world leaders to create and implement novel solutions to the most urgent challenges of the planet. According to their website, the annual meetings gather 180 Heads of State, 20 Nobel prize holders and hundreds of leading entrepreneurs, heads of foundations and NGOs, major philanthropists, and members of the media. To date, more than 2,500 commitments have been made by members of the Clinton Global Initiative and have improved the lives of more than 430 million people in more than 180 countries. Overall, these commitments amount to more than USD 87.9 billion.

Within the framework of our affiliation to the Clinton Global Initiative, through the membership of our chairman and founder Daniel Julien, Teleperformance made a commitment to raise USD 10 million in cash and donations in kind over a ten-year period. We have exceeded this target, raising a total of USD 14.5 million in cash and materials between 2007 and 2013.

4.2 Staff information

4.2.1 Breakdown of workforce

The information contained in this section concerns all Group consolidated companies.

4.2.1.1 Breakdown of total workforce by age, gender and linguistic region at year-end

	Men	Women	total	< 25 years	< 35 years	< 45 years	> 45 years
English-speaking and Asia-Pacific region (excl. USA)	20,113	18,974	39,087	15,355	16,874	4,550	2,308
Ibero-LATAM region	25,169	28,917	54,086	22,980	21,804	6,772	2,530
Continental Europe, Middle-East & Africa	15,372	19,994	35,366	10,768	16,088	6,081	2,429
Holdings	22	34	56	0	9	31	16
Total excluding USA	**60,676**	**67,919**	**128,595**	**49,103**	**54,775**	**17,434**	**7,283**
USA			19,976				
Total			**148,571**				

For legal reasons, employees cannot be asked their age in the United States. As a result, the information for this country is not available.

4.2.2 Workforce changes

4.2.2.1 Breakdown of average workforce by linguistic region

	workforce 2013	payroll charges *	workforce 2012	payroll charges *
English-speaking and Asia-Pacific region	43,422	636	39,029	603
Ibero-LATAM region	47,396	498	43,298	484
Continental Europe, Middle-East & Africa	28,763	557	28,116	543
Holdings	53	25	53	30
Total	**119,634**	**1,716**	**110,496**	**1,660**

* *in thousands of euros*

Salaries are determined in accordance with the laws in effect in the countries in which the Group operates.

4.2.2.2 Changes in the Group's workforce by category in 2013

	Permanent contract	Fixed-term contract	Temporary	Total
As of 1/1/2012	**104,070**	**28,981**	**4,916**	**137,967**
Change in scope	- 559	- 16	- 60	- 635
Hiring	91,900	38,253	8,500	138,653
Positions eliminated	- 609	- 203	- 162	- 974
Transfers	953	- 573	- 380	0
Termination	- 85,552	- 35,515	- 5,373	- 126,440
As of 31/12/2013	**110,203**	**30,927**	**7,441**	**148,571**

The Group is unable to determine the exact number of disabled employees, given the fact that this information is considered to be discriminatory in some countries, like the United States and Italy.

4.2.3 Staff incentive schemes

In 2013, Teleperformance SA set up a voluntary employee profit-sharing agreement enabling employees to share in the profits generated by the Company. The agreement only applies to employees of the Company (and not to other employees of the Group) and was entered into in accordance with the provisions of Articles L. 3321-1 to L. 3326-2 of the French Labor Code.

By implementing this agreement, the Company asserted its desire to share the additional value created with the beneficiaries and to reward them for their daily combined efforts to promote the Company's success.

The methods used for calculating the profit-sharing amounts and determining the allocation criteria are based on economic, business, profitability and productivity indicators and are totally impartial. As profit shares are unpredictable by nature, the amount allotted to employees is variable and could be zero.

This agreement is effective for a fixed period of two financial years running from January 1st, 2013 to December 31st, 2014.

4.2.4 Work organization

4.2.4.1 Organization of working hours

The work of staff employed in call centers and sales and administrative offices is organized in strict compliance with the working time legislation, which varies from country to country.

Group employees work according to different procedures, depending mainly on clients' needs and local preferences, but always in compliance with the applicable statutory and regulatory provisions of each country. Thus the Group employs staff on both full-time and part-time contracts and also resorts to temporary workers in order to achieve the degree of flexibility required by its business operations, particularly in certain European countries.

Consequently, the statutory number of daily and weekly working hours varies considerably from one employee or country to the next.

In fact, the statutory number of weekly working hours ranges from 35 in France, 37.5 in Norway and 39 in Spain to a maximum of 48 in Egypt and the UK.

In the United States, the concept of statutory working hours as defined in France does not exist as such, although the usual practice is 40 hours per week.

4.2.4.2 WAHA programs

Teleperformance's WAHA (Work At Home Agents) platform combines the services of highly qualified and effective advisors, a flexible organizational structure, leading-edge communications technology and the strictest security standards in the market.

This service model enables all kinds of applicants to become Contact Center Advisors, regardless of whether they are in remote locations (rural areas), disabled persons (who find it difficult to travel), or persons with a specific profile who do not wish to operate in a traditional call center (seniors, men or women acting as family carriers).

The WAHA training model guarantees that the Contact Center Advisors will be operational before they support each consumer from their home. The management of remote advisors, which is the result of several years of practice, has become particularly effective in creating close ties, developing loyalty to the company and to the brand, and maintaining a high standard of quality when dealing with contacts.

In France, a successful trial with a customer has been in progress for four years at two facilities in Lyon and Le Mans. Negotiations are underway with trade union organizations to extend the programs and provide a framework for this form of working, which facilitates the organization of family life.

In the United States, our WAHA agents provide services to six customers via attachments to four centers: Lindon (Utah), Lauderdale (Florida), Shreveport (Louisiana) and Westbelt (Ohio).

As of September 30th, 2013, 561 Teleperformance agents conducted their professional activities within the framework of one of the WAHA (Work At Home Agents) programs.

4.2.4.3 Absenteeism

Given our business activities, which generate a high turnover due to the environment, absenteeism is an indicator that is measured on a daily basis, and is subject to a monthly monitoring process, as well as to a specific assessment for each subsidiary, facility and region. This index is reviewed by each subsidiary at its Board meetings.

The average absenteeism rate was 9.3 % (compared to 9.1 % last year), with significant disparities depending on the local employment and regulatory environment. The rate was 12.7 % in the English-speaking and Asia-Pacific region (EWAP), 6.9 % in the Ibero-LATAM region and 8 % in Continental Europe, the Middle East and Africa (CEMEA).

4.2.5 Labor relations

4.2.5.1 Social dialog

Social dialog takes place at different levels within the Company and may exist in different forms depending on standards, practices and applicable regulations in the various countries. Teleperformance has set up a number of initiatives in its subsidiaries that are monitored periodically, at the time of the budget review.

These initiatives include:

- the opportunity for all employees to submit any demands they may have directly to their center director during a quarterly 'chat';
- in the United States, the 24/7 *We Care* Helpline enables employees to discuss their concerns on an anonymous basis;
- focus groups between agents and managers in Egypt;
- open-door meetings for employees in India: weekly meetings between the Chairman and staff, during which employees may express their feelings and make suggestions, discuss their concerns and obtain immediate replies.

Furthermore, a wide-ranging employee satisfaction survey is conducted every year. In 2013, this survey covered 77,041 employees in 42 countries and was aimed at improving working conditions and promoting professional and personal development. Action plans were drawn up and implemented on the basis of the survey.

Lastly, regular meetings, which usually take place on a monthly basis, are organized between management and staff representatives or with trade union representatives where they exist, which is the case in around 50 % of our facilities.

Given the practices and legislation specific to each country, one third of our subsidiaries have their own collective bargaining agreement. Where applicable, this agreement provides for the number of working hours, salary increases, leave and usually for the length of parental leave, remuneration on public holidays and team rotas.

If there is no specific agreement, the employment law in the country in question applies and is often supplemented by collective bargaining agreements signed with the staff representatives on an annual basis.

4.2.5.2 Welfare schemes

These are managed at the local level, depending on the usual practices in effect in each country, and cover four main areas:

Health

Most employees of Teleperformance and its subsidiaries benefit from subsidized supplementary health insurance; in Italy, for instance, this subsidy covers 80 % of the total cost of the supplementary policy. Our Spanish subsidiary introduced a supplementary health insurance scheme for its employees for the first time in 2013.

Meanwhile, employees in some countries can benefit from regulated or special rates from medical or paramedical service providers, including significant reductions on opticians' charges in Egypt, preferential rates from opticians in Denmark and Finland, private hospitals in Greece, dentists in Morocco, Tunisia and Mexico, etc.

In the same area, a number of local initiatives on health issues and the importance of taking care of one's health are conducted on a regular basis.

These initiatives, which the Group encourages at global level, are rolled out in accordance with individual cultures and the healthcare issues specific to the various regions in which the Group operates. For instance, in 2013:

- just over one third of employees benefited from vaccination programs at their workplace: vaccinations against flu in Spain and Scandinavia, pneumonia in the Philippines, etc.
- over one third of employees benefited from various campaigns aimed at raising awareness of the harmful effects of smoking, which were primarily organized to mark World No Smoking Day on May 31st, 2013.

Healthcare promotion measures sometimes take the form of optional medical checks; for instance, in 2013:

- an eye strain workshop was organized by an ophthalmologist in Tunisia, as part of 'Health and Safety at Work Month';

- the employees at our Jamaican center were required to pay only 20 % of the actual cost of a cervical cancer screening test that was offered to them;

- in Greece, our employees were offered free mammograms, etc.

In addition, Teleperformance regularly opens the doors of its facilities to blood transfusion centers, organizing blood donor campaigns, in which our employees enthusiastically in every year.

Lastly, a large number of health initiatives with a goal of fostering employee awareness of the importance of maintaining in good health through healthy nutrition and physical activity. For instance:

- 'Fruit Day' in Switzerland: once a week, management provides a basket of fresh fruit for the employees;

- our Romanian subsidiary publishes an in-house weekly newsletter, *Get Fit*, which includes features on health, nutrition and sport;

- during 'Health Week', our Colombian subsidiary organizes meetings to review habits that are harmful to employee health, etc.

Additional leave

One third of Teleperformance employees benefit from extra leave in addition to the local statutory allowance. The amount of this leave varies in accordance with the corporate agreement specific to each subsidiary; for instance it involves 2-4 additional days in United Kingdom, 5 days in Switzerland, and may amount up to 25 days in the United States depending on seniority.

Subsidized meals

In accordance with local legislation and practice, full or partial meal subsidies, in the form of access to a staff cafeteria and luncheon or food vouchers, are offered to over 50 % of employees.

In some countries, such as France and Romania, this is a statutory requirement; in other countries, such as the United States and Jamaica, it is a benefit that Teleperformance offers to its employees.

Lastly, many subsidiaries negotiate reduced rates for their employees, usually with owners of restaurants located near the office. Two thirds of employees benefited from these reduced restaurant rates in 2013.

Preferential rates

Employees at most of our subsidiaries may benefit from negotiated or reduced rates on various services, and sometimes enjoy them free of charge. These reduced rate or free services are offered through the works councils (where they exist) or are directly managed by the HR department at each subsidiary, sometimes in partnership with our customers.

For instance, they include a 40 % reduction on tickets to a theme park in Spain, internet subscription agreements in Tunisia, preferential rates for travel in France, etc.

These preferential rates for employees primarily apply in two priority areas:

Subsidized cultural activities

Most of our employees benefit from discounts or free admission to cultural events. In fact, Teleperformance Greece buys theater or cinema tickets that are given to the lowest paid employees. In Colombia, reduced rate subscriptions are offered to employees and their families as part of a partnership with the Bogota Teatro Nacional. In Egypt, several bookstores offer discounts to Group employees, etc.

Encouragement to take up a sport

In many regions, Teleperformance negotiates preferential rates with sports clubs. In fact, most of our employees benefit from negotiated rates, primarily with fitness clubs.

In China, to encourage employees to take up a physical activity, Teleperformance pays the entire subscription fee for membership of a fitness club.

Elsewhere, the Group promotes friendly sports matches between employees, by subsidizing the creation of in-house company teams (see further details under Section 4.4.2.3 *Teleperformance Sport Club*).

4.2.6 Health, safety and security

4.2.6.1 An appropriate working environment

To guarantee a healthy and pleasant working environment in all our centers, a lay-out guide for the premises has been drawn up at Group level. This guide assembles standards and recommendations that cover all the areas included at our premises, i.e. common areas, work areas, training areas, and leisure and catering areas (cafeterias, relaxation rooms, etc.). The aim is to provide high-quality areas designed with regard to employees' well-being and complying with the building and lay-out safety standards specific to each country.

The layout guide for the centers is supplemented by a guide on employee and infrastructure safety and security. This guide, which was compiled by a team based at the Company headquarters, lays down strict rules of safety and security. This team ensures the proper application of these standards and supports and advises subsidiaries in their center creation and refurbishment projects.

The profession of Contact Center Advisor is not physically dangerous. Nonetheless, Teleperformance affords high priority to the provision of suitable equipment to its agents. A section of the guide provides instructions on workstation ergonomics: the desk, chair and accessories must meet specific criteria that guarantee comfort and ease-of-use.

4.2.6.2 Prevention of occupational hazards

A number of our subsidiaries have signed agreements with staff representatives on health and safety at work.

In the absence of risks relating to our business activities, the committees – which consist of members from the management team and the HR department, as well as staff representatives – primarily deal with access card issues, evacuation procedures, paying for the occupational health practitioner, workplace ergonomics, etc.

Teleperformance Italy has been certified according to the British BS OHSAS 18001 standard (*British Standard Occupational Health and Safety Assessment Series*) since 2010: this is a model for the management of health and safety at work, in other words for the prevention of occupational hazards.

4.2.6.3 Rare industrial accidents

Our working environment is not dangerous. In fact, excluding travel accidents, the vast majority of the rare industrial accidents (679 in 2013, i.e. a frequency index of 5.7 %) were the result of slips or falls resulting in bruises or fractures.

The Group's business activities do not therefore give rise to material health and safety risks.

4.2.6.4 Rare occupational illness

For these same reasons, occupational illness is extremely rare at Teleperformance:

- some hearing problems, which are generally remedied through the adaptation of equipment;
- and some cases of muscular troubles specific to tertiary sector activities, such as tendinitis or carpal tunnel syndrome caused by the processing of historical contact data.

As a preventive measure, some subsidiaries organize training and information initiatives geared towards the profession's potential health risks, such as 'Voice Week' and 'Hearing Week' organized in Brazil in 2013, as well as 'Voice Week' in Spain, during which a series of recommendations were issued.

4.2.6.5 Stress prevention

The main occupational health challenge in our business is stress prevention. The Group recommends a series of measures to its subsidiaries to promote well-being and minimize agents' stress, based on three themes:

- Passion for you: Health Drive
- Teleperformance For Fun: Arts Drive
- Sports Club: Sports Drive

The process is reflected in various initiatives:

- in Brazil, a team of around 15 therapists has been offering shoulder and hand massages to agents directly at their workstations for the past few years;
- in Argentina, gymnastics coaches recommend stretching exercises to agents;

- in France, some of our facilities arrange for "quiet rooms", i.e. rest areas where mobile phones are banned, so that employees can "switch off" and recover their energy;
- "nap areas" in the Philippines: our 11 facilities provide bunk-beds so that agents can rest.

Other practices focus on the psychological aspect of stress via:

- Specific training on how to manage stressful calls or callers;
- in the United States, the "LifeWorks" program offers Teleperformance employees a wide range of stress care and treatment services free of charge, regardless of whether the cause of the stress is emotional, financial, family-related, personal etc.

In the medium term, the Group aims to apply these practices globally and exchange experiences on a wide scale.

4.2.6.6 Employee well-being

Teleperformance places a major emphasis on employee well-being, as a result of which the Company receives regular awards from recognized independent institutions and assessment firms.

In fact, our Brazilian subsidiary has received the *Best Employer of the Year* award four years running. In 2013, Teleperformance Portugal also received this coveted prize in the category of companies with over 1,000 employees, in recognition of its commitment to the well-being of its employees. Lastly, Teleperformance Greece was also ranked by the Great Place to Work Institute in 2013.

A large number of initiatives to promote employee well-being are implemented at all of our centers.

These initiatives are based on three principles, namely promoting loyalty, encouraging recognition, and promoting integration, friendliness and harmony, all of which are major factors of well-being at work.

Loyalty

Teleperformance places great emphasis on every employee forming a strong bond with the organization. By promoting values like communication, respect and consideration, the quality of the service provided to customers, the clarity of procedures, fulfillment and effectiveness, Teleperformance recognizes every employee within its management framework, and increases their feeling of belonging to the Group.

Recognition

The organization focuses on maintaining and improving any aspects that enable it to make its employees grateful and satisfied. Therefore, every employee is evaluated on a regular basis, informed of how their performance is progressing and of their own targets and successes. In regions where the law allows it, rewards are given out as employee motivation and center management tools.

Friendliness and cohesion

To cultivate a friendly atmosphere and strengthen team cohesion, our centers frequently organize or take part in in-house and external activities and events.

Social life at the centers

Theme days are regularly organized at our centers to celebrate an event or to share high points between colleagues. These events include: meals to celebrate Ramadan and Eid-al-Fitr in North Africa, Friendship Day in Argentina, etc.

Lastly, most of our centers have set up relaxation areas where agents on a break can watch television, play billiards or table tennis, surf the web, etc.

Other on-site initiatives aim to create ties between family and professional life, like the *Zukunftstag* ('Future Day') in Switzerland, when employees are invited to bring their children to the office to introduce them to their working environment. In the same spirit of decompartmentalizing professional life in order to achieve better personal balance, our Argentinian subsidiary organizes *sabados de familia*, family Saturdays during which activities uniting parents and children together in the same area enables employees to reinforce their ties with their respective families.

Off-site social life

Our employees also meet regularly for outside activities, which involve both charitable initiatives and shared interests, often revolving around sporting fixtures. The charitable activities are described in further detail in Section 4.4.2.1 *Citizen of the World*, while those relating to the many sporting activities offered by Teleperformance are described in Section 4.4.2.3 *Teleperformance Sport Club.*

The driving idea remains colleagues meeting up for a common purpose in the spirit of mutual support.

4.2.6.7 Individual safety and security

In terms of individual safety and security, specific initiatives may be adopted in certain countries depending on the circumstances. On the whole, all centers are equipped with secure access and camera surveillance facilities. Where necessary, some centers also have security guards and, in some cases, employee transportation is company organized.

4.2.7 Training

Training is a major component in the management of our human resources, especially in our business, which aims to put *people at the service of other people.*

Training at Teleperformance is provided via two separate entities:

- TP Academy for the training of Contact Center Advisors;
- TP Institute for the training of managers.

16,843,220 training hours were provided in 2013, compared to 14,234,183 in 2012.

4.2.7.1 Teleperformance Academy

At the local level, training courses for Contact Center Advisors are provided for each new recruit and for each new customer or product that may require specific skills. On average, these training courses last between one week, for simpler operations, and five weeks for the most complex products requiring extensive product knowledge.

Agents recruited since 2012 have followed an induction course in Group values and social responsibility.

4.2.7.2 Teleperformance Institute

At the central level, the Teleperformance Institute provides all Group management staff (supervisors, platform managers, operational directors, etc.) with "e-learning" and "face-to-face" training.

In view of its global presence and desire to involve a maximum number of employees, the Group has focused particularly on developing e-learning. Out of concern for greater independence, our e-learning platform has been developed in-house since late 2011, and is available in the main Group languages. In 2013, Teleperformance employees were able to develop their leadership, communication, time management and project management skills due to the e-learning process. 278,819 training hours were provided in 2013.

The Teleperformance Institute focused on three areas in 2013:

- programs focusing on the Group's operational standards, which promote customer success and the due conduct of their operations;
- the roll-out of the internal training quality standard (improving the training of trainers), and certifying the Group's subsidiaries in terms of the standard;
- more general training programs targeting a wider audience, including Microsoft Office® training and foreign language tuition.

4.2.7.3 JUMP

JUMP is a development program that was set up to identify high-potential employees and prepare them for management positions at the company.

The aim is to help employees become leaders, by progressing from Contact Center Advisor through supervisor and coordinator to manager.

The JUMP program is based on a training plan that combines behavioral and technical training, as well as on a personal development plan.

JUMP enables and ensures the recognition of talent, the quality of our managers and optimized use of our training methods. The program clearly shows all of our employees what the firm expects from them and how they may progress within our organization.

Teleperformance also offers its employees support and guidance with drawing up their career plans.

4.2.7.4 External training

Our Mexican subsidiary has signed agreements with 28 recognized technical high schools and private universities located in cities where we operate in order to offer Teleperformance employees and members of their families, potentially significant reductions on education costs.

Similar partnership arrangements have also been implemented in Brazil and Colombia.

4.2.8 Diversity and equal opportunities

The Group's subsidiaries strictly apply all the principles of the United Nations Global Compact, and specifically Principles 1, 2 and 6, which deal with respect for human rights and eliminating discrimination in employment:

1. Businesses should support and respect the principle of internationally proclaimed human rights in their area of influence;

2. Should make sure that their own companies 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".

4.2.8.1 Measures taken to promote gender equality

All the quantified data presented in this Chapter excludes our subsidiaries in the United States, for which information on employees' gender is not available due to local legislation.

Our Group indiscriminately employs men and women, the latter representing 53.93 % of employees on December 31st, 2013.

The Group has introduced a set of procedures and guidelines in order to promote equal treatment for men and women. These measures include:

- gender is not specified in JUMP, Teleperformance's internal hiring process, and therefore cannot influence the recruiting officer;
- salary bands, classification, career opportunities and work schedules are not based on gender;
- Teleperformance affords special importance to gender equality and, to prevent any violation, the annual employee satisfaction survey includes an alert whenever a correlation is detected between the level of satisfaction expressed and the gender of respondents.

This is reflected by a very high percentage of women in management positions: 46.04 % at December 31st, 2013, a slight increase compared to December 31st, 2012 (44.93 %).

Each subsidiary rolls out additional initiatives geared towards gender relations in accordance with local cultural issues:

In this regard:

- Teleperformance India has set up a Sexual Harassment Complaints Committee comprising staff and NGO representatives; the committee meets even if there are no complaints, in order to implement preventive measures;
- to mark International Women's Day on March 8th, 2013, our Moroccan subsidiary invited ADFM (the Moroccan Democratic Women's Organization) to hold a conference on women's rights and feminist movements in Morocco.
- the Teleperformance USA HR department organizes anti-favoritism webinars, etc.

4.2.8.2 Measures taken in favor of employment and integration of disabled workers

The Group employs the disabled and ensures compliance with applicable local legislation on hiring, non-discrimination, workstation layout and disabled access.

A large number of local initiatives are implemented to promote the hiring of disabled workers.

Accordingly, our Colombian subsidiary has signed agreements with government and private foundations, placing us in contact with disabled staff, mainly amputees or persons using crutches.

In March 2012, Teleperformance France signed a disability agreement that provides plans for hiring disabled persons, maintaining them in the workforce, preventing the risks of maladjustment and for the hiring of a national coordinator in charge of disabled employees, etc. Moreover, in August 2013, the registered office of our French subsidiary moved into new premises, which have been entirely designed to be accessible to persons with reduced mobility, and where the layout has been approved by specialized inspection offices. The percentage of disabled workers among Teleperformance France's employees was 4.8 % at December 31st, 2013.

In the United States, our job offers are published on websites targeting disabled and senior citizens. We also work with temporary employment agencies specializing in the disabled.

Lastly, in the United Kingdom, Teleperformance proactively collaborates with several government agencies and NGOs that represent disabled people returning to work.

4.2.8.3 Measures taken to promote the hiring and retention of senior workers

Our business sector naturally attracts a young age group and this is reflected in a particularly high proportion of students in some regions. As an example, the percentage of students working at our Tucuman center in Northern Argentina and at Hermosillo in Mexico is 70 % and 34 % respectively.

However, Teleperformance makes sure that the senior age group is not left out. In fact, our employees aged over 60 benefit from an extra week's leave in Norway. Teleperformance France signed an inter-generational agreement along the same lines in September 2013. This agreement provides for a series of measures for retaining senior staff over the term of the agreement, and the transition between work and retirement (part-time work and adjusted working hours), etc.

4.2.8.4 Anti-discrimination policy

As our business is multi-lingual by nature, our centers are required to hire people of different nationalities and cultures.

Our companies comply with the non-discrimination laws in effect, and some of our subsidiaries are particularly proactive in this area. For example, our US subsidiary hired a diversity manager in early 2010, and our Turkish subsidiary has incorporated a code of ethics promoting *respect for differences and diversity* that must be signed by new recruits

4.3 Environmental information

4.3.1 Global environmental policy

Teleperformance's activity is non-polluting in nature. Nevertheless, 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 manner so as to ensure that future generations are able to satisfy their own needs.

Citizen of the Planet (COTP), which was launched in 2007 and extended to all the Group's subsidiaries in early 2008, is a global corporate initiative aimed at ensuring that Teleperformance manages its business activities in a responsible and environmentally-friendly way.

Our primary objectives are to reduce energy consumption, paper and packaging waste and travel (air and local) in all of our subsidiaries.

We also attach great importance to promoting global awareness on the part of our employees. They are therefore encouraged to apply a global set of environmentally friendly principles to all aspects of their professional and personal life.

4.3.2 Pollution and waste management

4.3.2.1 Recycling processes specific to our business

The requirement to be at the cutting edge of technological innovations forces us to renew our installed IT and telephone base, a key resource in our business sector, at frequent intervals.

Teleperformance is committed to recycling this equipment once it is no longer fit for professional use.

Accordingly, Teleperformance's approach to the recycling of obsolete equipment combines ethical and environmental concerns.

Computers

Computers no longer fit for professional use are classified in different ways depending on the location of our subsidiaries and the economic and social environments in which they operate:

- some of our subsidiaries entrust them to companies that specialize in eliminating sensitive materials; in some countries, such as Switzerland, recycling via a public organization is a statutory requirement for which a certificate is issued;
- other companies give them to charitable organizations or sell them to small companies; our Argentinian subsidiary sold over 400 computers to its employees for a token price in 2013. This initiative was met with huge success among our employees, who were therefore able to obtain equipment at a lower cost;
- several companies opt for a combined solution: some of the computers are sold to recycling companies, while others are used to equip primary schools in underprivileged regions, as in China, or are given to charitable organizations, as in Mexico;
- lastly, it is worth noting that some of our subsidiaries have not yet had to deal with this problem: these are the centers that we have set up recently.

Given the sensitive data that they may contain, all of our computers are wiped clean before leaving the company. In some locations, like Norway or the United States, the hard disks are removed and destroyed.

Telephones

In the case of telephones that are no longer fit to be used in call centers:

- most of our subsidiaries entrust them to companies specializing in recovering pollutant materials;
- some companies give them to charities, orphanages and organizations for the homeless;
- others, meanwhile, prefer a combined solution: telephone handsets are recycled by an approved

recycling company, while obsolete mobile phones are given to a charitable organization;

- lastly, a few subsidiaries have not yet had to deal with this problem: these are either centers that have been set up recently or subsidiaries that lease their telephone equipment from an external company.

4.3.2.2 A paperless environment

The whole Company is committed to helping the planet by improving facilities so as to create 'sustainable sites' (reducing water and paper consumption and other waste) striving to create 'paperless' environments, recycling and incentivizing energy and air quality improvements.

For this purpose, a series of global measures have been implemented worldwide, such as electronic signatures for all Group employees in order to avoid unnecessary printing and thus minimize each employee's carbon footprint. The circulation of newsletters and other notices exclusively by e-mail encourages employees to contribute to this aim of reducing dependence on paper.

A number of initiatives introduced by the subsidiaries are globalized, where local legislation permits. For example, the online payslip system introduced in Portugal in 2007 and Turkey in 2008 has been extended to Italy, Finland, Norway, Sweden, Denmark, Colombia, the Philippines, Brazil and Ukraine. It was rolled out in Egypt and the Netherlands following a trial phase in 2012.

Trials are underway in other regions, primarily in North America and Asia.

4.3.2.3 Paper recycling

In general, double-sided printing is applied systematically and, as much as possible, preference is given to purchasing recycled paper.

Most of our subsidiaries recycle paper by installing special containers for this purpose in each department. Waste paper is collected for recycling by a third party service provider.

Environmentally-friendly measures are often linked to local charity or environmental initiatives: in Brazil, for example, recycling is performed by an organization that prioritizes the integration of unqualified employees, and works on improving living conditions in one of São Paulo's largest slums.

The Russian subsidiary has come up with an interesting way of motivating and rewarding employees for their efforts: plants to decorate the offices are purchased from the savings made through waste paper collection.

Specific actions are supplemented by various initiatives aimed at promoting global awareness, such as training the cleaning staff to sort paper for recycling.

4.3.2.4 Used cartridges

Cartridge recycling is gradually spreading across all Teleperformance sites. At local level, agreements are signed with suppliers or manufacturers for the collection and recycling of all used cartridges.

In addition, the Brazilian subsidiary has opted to outsource its printing requirements with a supplier that practices paper recycling.

4.3.2.5 Environmental management

Citizen of the Planet is an initiative launched by our Group's founder, Daniel Julien, aimed to ensure that Teleperformance manages its business activities in a responsible and environmentally-friendly way.

The Social and Environmental Responsibility Committee determines our overall environmental policy and checks that the resources are appropriate for achieving the targets set. Meanwhile, the directors of each subsidiary are responsible for implementing and monitoring the environmental policy at the local level. *Citizen of the Planet* coordinators at each facility are responsible for the feedback of environmental information, which is forwarded to the head office via monthly reports.

ISO 14001

Following the example of our Ashby (UK) site in 2011, our German sites obtained ISO 14001 certification in 2013. This standard, which relates to environmental management, is based on the principle of continuous improvement of environmental performance through limitation of the company's carbon footprint.

LEED

Our center in Bogota, Colombia complies with the most stringent environmental and sustainable development standards and has obtained LEED (Leadership in Energy and Environmental Design) certification. The LEED certification system, which was designed by the US Green Building Council, awards points depending on a certain number of criteria, including sustainable development, water savings, efficient energy management, materials, air quality, innovative design and regional issues. Buildings that are awarded this certification are in a position to reduce their energy consumption, their CO_2 emissions, their water consumption and their generation of solid waste.

French HQE standard

The building in which Teleperformance France installed its new registered office in 2013 has obtained the French "NF HQE" high environmental quality certification for occupied commercial buildings, in view of its low environmental impact and energy consumption. This means that the building is managed in compliance with environmental quality (optimized energy, water and waste management, comfort for the occupants, etc.).

4.3.2.6 Noise pollution

Our activity is by nature non-industrial and therefore does not generate noise pollution.

4.3.3 Sustainable use of resources

Teleperformance invests in on-site environmental quality refinements, alternative transportation and employee education and involvement to encourage them to continue their efforts outside the workplace.

4.3.3.1 Promotion of collective transport

Most of our facilities are located in areas that are easily accessible by public transport. For facilities where this is not the case, or in order to encourage employees not to use their own vehicles, contracts with private transportation companies may be set up, as in Turkey or Colombia for employees working the evening shift, and in Jamaica, where shuttle-buses paid for by Teleperformance connect the site to the downtown area all day. Likewise, Teleperformance Morocco has set up a system whereby employees are collected by free coaches; this system has been extremely successful since most of the Témara employees use it.

In the absence of shuttle-buses organized by the subsidiary, or in addition to them, some subsidiaries subsidize all or part of their employees' public transportation season tickets. This is the case for our subsidiaries in Brazil, Romania and France.

4.3.3.2 Promotion of car-sharing

Car-sharing is widely encouraged, and sometimes even organized by the company. For instance, car-sharing employees at some of our US sites benefit from reserved parking spaces. After proving its effectiveness in the United States for several years, the system has now been implemented at three sites in the United Kingdom.

In 2013, a partnership was established with a car-sharing website in Brazil, which aims to contribute to the urban transport issue by rewarding, with products or services, the collaborative and responsible behavior of people who use car-sharing.

4.3.3.3 Low-energy bulbs

Most of the subsidiaries surveyed for the purposes of this report have installed low-energy light bulbs throughout their sites.

Movement detectors have also been installed at 50 % of our sites, and timers have been installed at one third of them.

4.3.3.4 Land use and protection of biodiversity

As Teleperformance's operations do not require the use of natural resources and do not cause pollution, land use and protection of biodiversity are not relevant issues for the Group.

However, Teleperformance is involved in a large number of initiatives aimed at raising global awareness amongst employees about their impact on the environment at the local level.

As part of this approach, our Colombian subsidiary has entered into a partnership with Contreebute, a company that specializes in restoring one of the country's forests that has been particularly devastated by deforestation. Teleperformance Colombia has subsidized a large number of the 1,500 trees planted to date.

Along the same lines, an Environment Awareness Week was organized at our Moroccan sites in 2013; during this event, "green" advice was delivered daily via our intranet, while the team leaders held a *Questions for a Friend of the Environment* quiz. A *Green Party* marked the end of the event.

4.3.3.5 Water consumption

Although Teleperformance does not consume large quantities of water (due to the non-industrial nature of its activity), around half of our subsidiaries have nevertheless implemented measures to reduce water consumption in their centers (installation of self-closing or infra-red taps, collection of rainwater, etc.), and to improve employee awareness of the need to save water (observance of 'World Water Day'). In Egypt, for example, donations were collected and transferred to various NGOs working to improve the water supply to poor villages in that country.

4.3.4 Climate change

While our activity is by nature non-polluting, we have decided to focus our attention on our carbon footprint linked to CO2 emissions.

Our carbon footprint calculation may be consulted in our social and environmental report.

4.4 Social information

4.4.1 The local, economic and social impact of our business

4.4.1.1 Impact on employment and the economy

Site location strategy

The choice of site locations primarily corresponds to an employment area approach. As our business generates a high staff turnover rate, it is crucial to have appropriate candidates nearby. This means that our facilities are mainly located in areas:

- that are easy to access via a large public transport network; while closeness to an airport is also important for the centers dedicated to offshore business;
- close to universities, as in Argentina and Portugal, which makes hiring appropriate candidates and multi-lingual employees easier;
- with a high unemployment rate.

Local impact

Teleperformance's local impact in terms of employment varies considerably depending on the countries and site locations.

It is very significant in some towns and regions where we are one of the largest private-sector employers, as in the Tucuman province in Argentina: the Group employs 3,430 people on three sites and therefore has a major impact.

This is also the case for our Taranto subsidiary. Teleperformance is one of the largest employers in this city of 200,000 inhabitants in Southern Italy.

Likewise, the economic and social impact of our four subsidiaries in Tunis, which employ 5,000 people, is significant. Teleperformance is one of the largest employers in the private sector and accounts for a relatively significant portion of direct jobs.

On a lesser scale, our operations in small towns have a relatively significant impact on the local economy, as in the Ljusdal district in Sweden.

Teleperformance is one of the largest regional employers in Northern Ireland, where it has two sites. With over 3,000 employees divided between four sites, Teleperformance is considered as one of the main employers in Scotland.

Generally speaking, our impact on large cities is relatively low.

4.4.1.2 Social impact

Partnerships to promote employment

Teleperformance works in partnership with government employment agencies on a regular basis.

In Turkey, for instance, we have begun working with the government agency for combating unemployment, which covers social security contributions, transportation costs and lunches for interns returning to work who take part in the program.

In the Ile-de-France region, we have set up a partnership with AFPA and GDF SUEZ, and have launched the first Employer Group for Integration and Qualifications (GEIQ). In this context, Teleperformance France undertakes to hire, train and support people who are excluded from employment, until they regain professional stability. This strong commitment demonstrates the Group's determination to promote the employment of seniors, the disabled and disadvantaged young people through training and social guidance.

Links with educational institutions

There are close and regular links between our sites and nearby educational institutions in most of the cities where we operate, especially with higher education institutions.

Many of these partnerships aim to publicize the opportunities offered by the company and to make hiring easier, via Teleperformance's active participation in a number of job forums.

However, a large number of agreements with schools and professional training centers have enabled a more in-depth collaborative process to be implemented, including a bursary system in Spain and Mexico and a virtual campus in Colombia, in partnership with Politecnico Grancolombiano, which enables agents to follow courses from their workplace.

Furthermore, there is a large number of social responsibility programs aimed at assisting local communities. In fact, Teleperformance Greece has been providing food and fuel to a neighboring primary school since 2011.

4.4.2 Support, partnership and sponsorship initiatives

4.4.2.1 Citizen of the World

Citizen of the World (COTW), which was founded in 2006, is a charitable movement launched by Teleperformance in order to help the world's most underprivileged children to meet the needs essential for their survival and enable them to develop in a personal capacity.

Citizen of the World subsequently extended the scope of its initiatives to a broader audience, including the victims of natural disasters throughout the world, the elderly or disabled and cancer research.

As part of the *Citizen of the World* initiative, Teleperformance donated the equivalent of US$4,080,845 in cash and kind, as well as 1,671 computers in 2013.

Aid for natural disaster victims

Over the past five years, Group employees have donated 177,451 volunteer hours – including 41,147 hours for 2013 alone – in order to help underprivileged people or victims of natural disasters.

Accordingly, the employees of Teleperformance Argentina were behind the *Citizen of the World* initiative aimed at assisting the victims of the floods that devastated Gran La Plata on April 2nd and 3rd, 2013. They collected clothing, tinned food, medicines and other essential supplies in just a few days.

Apart from emergency operations, our subsidiaries regularly partner local or national charity initiatives.

Aid to the elderly

In October 2013, during the *Plus de Vie* campaign to raise funds to help elderly people in the hospital, Teleperformance France made five of its call centers available free of charge in order to collect donation pledges from individuals. Over 130 Teleperformance France employees volunteered, in order to ensure the training and management of the young volunteers who greeted donors on the telephone and to provide technical organization. This major charity campaign enabled almost € 600,000 to be collected, which will finance a large number of projects aimed at combating pain, encouraging family reunions and improving the reception and comfort of elderly people.

Over the past few years, Teleperformance Philippines has organized the Christmas celebrations at the *Mary Mother of Mercy Home for the Elderly* in San Pedro. Teleperformance's volunteer employees provide games and activities and then share a meal with the residents before giving them presents and donating medical supplies to the institution.

Aid for underprivileged children

Our involvement, working together with local bodies and associations, takes various forms, including visiting and organizing activities at orphanages, collecting toys and clothing, and donating computer equipment to schools with no resources, etc.

Among the many initiatives in 2013, our subsidiaries organized or took part in:

- a show and a toy collection for the benefit of the Pediatric Unit at the Jaen Hospital in Spain;
- a football match with Downs syndrome children in Greece, in partnership with an NGO;
- Teleperformance Morocco has been providing financial assistance to the Ladies Circle Association, which has been providing help with homework to the most marginalized children at the Dar Bouazza primary school since January 2013;

- Teleperformance Tunisia is sponsoring a family via the Gammarth and Sousse SOS children's villages organization;
- on Children's Day, a collection of non-perishable food items donated by Teleperformance Mexico's employees enabled a large number of items to be donated to homes for needy children;
- our subsidiary in Argentina helped set up an IT room for a foundation that combats the digital divide; Teleperformance built the infrastructure for the IT room while volunteer employees took care of filling it out;
- Teleperformance Brazil took part in food and clothing collections for 26 charity organizations in 2013 alone.

Aid to disabled persons

A large number of local initiatives are organized to help disabled people. For example:

- Teleperformance sponsored the first national Paralympic Games organized by the FRMSPH (Moroccan Federation of Sports for the Disabled) in Rabat on March 31st, 2013;
- our subsidiaries in Bangor and Newry (Ulster) raised funds for the Special Olympics project in Ireland; as the first sporting organization in the world dedicated to the mentally handicapped, Special Olympics offers mentally handicapped people the chance to improve their physical fitness, demonstrate their courage, share the same determination to make progress, delight in the joys of success and to meet in a festive atmosphere. These sporting encounters also enable them to improve their self-confidence and confirm their independence with a view to better professional integration;
- As part of its anti-stress therapy, Teleperformance Mexico contacted the Nuevo Leon organization for the visually impaired, which offers massages performed by visually impaired staff.

Initiatives to combat cancer

Teleperformance is also heavily involved in a number of initiatives in aid of cancer research.

In Egypt, Teleperformance offers the National Cancer Institute all the outsourcing services required for registrant pledged donations.

In 2013, for the second year running, Teleperformance took care of our head office employees' entry fees for *La Parisienne*, an all-women race where the profits are donated to combating breast cancer.

Other charitable initiatives

Other initiatives to help needy communities are organized on a local basis. For instance, a group of employees at Teleperformance Greece donated food and cooked a meal for homeless people in Athens while Teleperformance Switzerland regularly raises funds for the benefit of organizations that help homeless people.

4.4.2.2 For Fun Festival

Teleperformance's 'For Fun Festival' is a global initiative that recognizes the most talented people in our company. The aim of this competition is to create a sense of fun and to entertain via an international art, dance and music competition that is intended to instill pride in belonging to the Group and promote its cultural diversity.

The For Fun Festival is an annual event in which all employees are invited to take part. The best candidates from each country are selected by the employees. The option of naming the winners via Facebook was open to everyone for the first time in 2013, which enabled friends, families, colleagues and the general public to express their preference for the best performance. Last year, over 44,500 votes were cast over a one-month period.

Around 7,500 employees from 35 countries produced a video, in order to take part in the local qualifying rounds for the 2013 event: 966 of them entered the Music category, 251 entered the Art category, and 498 entered the Dance category.

Last year, the videos that attracted the most "likes" made the author the winner in all three categories. The three candidates who obtained the highest number of votes in each category received prizes ranging from US$ 1,000 to US$ 4,000.

4.4.2.3 Teleperformance Sport Club

Teleperformance Sport Club is a global initiative that encourages employees to share enjoyable moments with their colleagues through practicing a group sport. The program is a worldwide initiative that aims to promote sport as a means for well-being and quality of life.

Our employees at all the subsidiaries are encouraged to practice a sport and to take part in the championships. The aim is to have fun and to entertain via activities that bring our employees, their families and their friends together.

In 2013, we had over 1,000 football teams throughout the world, over 200 mixed volleyball teams and many other teams of sportsmen and women playing tennis, bowls, badminton and softball.

4.4.3 Subcontractors and suppliers

4.4.3.1 Subcontractors

Owing to its activity as an outsourcer, Teleperformance and its subsidiaries make very limited use of subcontractors.

4.4.3.2 Suppliers

Teleperformance's procurement strategy is geared towards streamlining procurement processes and the continuous improvement of the Company's procurement practices. This commitment involves a constant drive to improve understanding of the Company's procurement strategy and processes on the part of its employees, stakeholders and suppliers.

Teleperformance supports and promotes practices that comply with the ten principles of the United Nations Global Compact relating to human rights, working conditions, the environment and anti-corruption. Teleperformance's procurement strategy advocates the continuous improvement of methods used for verifying compliance with these principles when new suppliers are selected and throughout the duration of the relationship with them, through checks and controls carried out in conjunction with the periodic business reviews.

In addition to the UN Ten Principles, Teleperformance's procurement strategy also promotes the Company's own values: Integrity, Respect, Professionalism, Innovation and Commitment. These values are fundamental for Teleperformance and underpin all of its relations with employees, consumers, stakeholders and suppliers. Teleperformance's procurement strategy aims to promote these values and ensure compliance with them at every stage of the supplier relationship through proactive communications with suppliers and by incorporating these values into the supplier selection process, the supplier's capacities and the management processes.

4.4.4 Fair practices

The Teleperformance Group constantly monitors the practices applied by its employees and subsidiaries to ensure that such practices are exemplary. Accordingly, the Teleperformance Group (i) renewed its adherence to the United Unions Global Compact in July 2011, (ii) requires its employees and Board members to comply with a Code of Conduct on the prevention of insider dealing, (iii) implemented a global anti-corruption strategy in late 2012, and (iv) introduced a global ethical charter in 2013

4.4.4.1 The Group renewed its adherence to the United Nations Global Compact in July 2011

Accordingly, as stated in Paragraph 4.1.2 of this report, all the Group's employees and subsidiaries are required to comply with the Ten Principles to which Teleperformance has adhered, and our company has introduced a monitoring process in this regard.

4.4.4.2 Code of Conduct regarding the prevention of insider dealing

On November 30th, 2011 the Board of Directors adopted a Code of Conduct on securities transactions, in accordance with the AMF's recommendations regarding the prevention of insider dealing in listed companies. The Code is intended for members of the Board of Directors and persons with access to privileged information. It defines the time periods during which the relevant persons are required to refrain from carrying out security transactions. A Compliance Committee chaired by the Group Chief Legal Officer has been set up to answer questions related to this matter.

4.4.4.3 Anti-corruption measures

In 2012 the Group introduced an anti-corruption charter, which all Group employees are required to respect. The charter prohibits all forms of bribery and corruption (financial and non-financial, favoritism) and requires employees to comply with the principles of lawful conduct, transparency and business ethics. All Group employees are required to abide unconditionally by these principles and to ensure that their colleagues do the same.

4.4.4.4 Global ethical charter

A global ethical charter was drawn up in September 2013 and must be adhered to by all of our subsidiaries and employees, in their relations with both customers and suppliers.

4.4.4.5 Environment

Teleperformance introduced its first environmental policy in November 2013; under the terms of this policy, the Group undertakes to:

- comply with all environmental regulations on a worldwide basis;
- improve the resources implemented to minimize the environmental impact of our business.

4.4.5 Other action in support of human rights

The Teleperformance Group has agreed to abide by the United Nations Global Compact, thus witnessing its intention to adhere to a set of fundamental values, in particular the First and Second Principles:

1. *Businesses should support and respect the protection of internationally proclaimed human rights; and*

2. *make sure that they are not complicit in human rights abuses.*

Teleperformance monitors the strict application of these two principles, not only by all of its subsidiaries established in 46 countries, but also by its suppliers and those of its subsidiaries.

4.5 Social and environmental issues and targets

Our stakeholders include our clients, consumers, employees and the shareholders who monitor our operations.

In 2013, for the first time, the Group decided to adopt specific and measurable improvement targets in the area of social and environmental responsibility.

The targets are adapted to the stakeholders and issues concerned.

4.5.1 Staff issues and targets

4.5.1.1 Training

The Group attaches particular importance to training, a core component of its operations.

14,234,183 training hours were provided throughout the Group in 2012. A target increase of 3 % had been set for 2013.

> ➢ This goal was achieved, since 16,843,220 training hours were provided in 2013, i.e. an increase of 18.32 %.

4.5.1.2 Quality of life at work

- Two Group companies received the *Great Place to Work* award in 2012.

  At that time, the Group stated that its goal would be for at least one company in each of the regions where Teleperformance operates to receive this prestigious award over the next three years.

  In 2013, our subsidiaries in Brazil, India, Greece and Portugal received a *One of the Best Companies to Work For* award, which is awarded by the *Great Place to Work* institute.

  ➢ This means that this goal has already been achieved.

- 74,541 employees replied to the annual satisfaction survey in 2012.

  The Group was aiming for a 3 % increase in that figure in 2013.

  ➢ This goal was achieved, since 77,041 employees replied to the survey in 2013, i.e. an increase of 3.35 %.

4.5.1.3 Gender equality

Our goal is to maintain an even overall breakdown between men and women.

In 2012, the ratio was 54 % women to 46 % men. It remained similar in 2013, namely 53.93 % women to 46.06 % men.

> ➢ The equality objective has therefore been achieved.

4.5.2 Social issues and targets

4.5.2.1 Citizen of the World

The Group has set itself a target of raising US$ 1 million per year until 2016.

This target has been largely exceeded, since over US$ 1.4 million in cash donations was collected in 2013 alone.

4.5.3 Environmental issues and targets

4.5.3.1 ISO 14001 Certification

Our German sites were ISO 14001 certified in 2013; this is the most common standard in the ISO 14000 environmental management series. It is based on the principle of continuous improvement of environmental performance through limitation of the company's carbon footprint.

The goal set out in our 2012 Registration Document was for one company to be certified in each of the regions where the Group operates within a three-year timeframe.

> ➢ At this stage, this is the case for two regions where the Group operates, namely the English-speaking region and the CEMEA region (Continental Europe, Middle East and Africa).

4.6 Report by one of the Statutory Auditors, appointed as independent third party, on the consolidated environmental, labor and social information presented in the management report

This is a free translation into English of a report issued in the French language and is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended December 31st ,2013

To the Shareholders,

In our capacity as Statutory Auditor of Teleperformance S.A. and designated independent third party whose application request for accreditation has been approved by the COFRAC, we hereby present to you our report on the consolidated environmental, labor and social information (hereinafter the "CSR Information") for the year ended December 31st, 2013, presented in the management report. This report is prepared in accordance with Article L.225-102-1 of the French Commercial Code.

Responsibility of the company

The Board of Directors is responsible for preparing the company's management report including CSR Information in accordance with the provisions of Article R.225-105-1 of the French Commercial Code and with the guidelines used by the company (hereinafter the "Guidelines"), summarized in the management report and available on request from the company's head office.

Independence and quality control

Our independence is defined by regulations, the French code of ethics governing the audit profession and the provisions of Article L.822-11 of the French Commercial Code. We have also implemented a quality control system comprising documented policies and procedures for ensuring compliance with the codes of ethics, professional auditing standards and applicable law and regulations.

Responsibility of the Statutory Auditor

On the basis of our work, it is our responsibility to:

- attest that the required CSR Information is presented in the management report or, in the event that any CSR Information is not presented, that an explanation is provided in accordance with the third paragraph of Article R.225-105 of the French Commercial Code (Statement of completeness of CSR Information);
- express a limited assurance that the CSR Information, taken as a whole, is presented fairly, in all material respects, in accordance with the Guidelines (opinion on the fair presentation of the CSR Information).

Our work has been performed by a team of about five people between October 2013 and February 2014 and took around five weeks. We were assisted in our work by our specialists in corporate social responsibility.

We performed the procedures below in accordance with the professional auditing standards applicable in France, with the decree dated May 13th 2013 determining the manner in which the independent third party must carry out his work, and with ISAE 3000 *(1)* concerning our opinion on the fair presentation of CSR Information.

1. Statement of completeness of CSR Information

On the basis of interviews with the individuals in charge of the relevant departments, we reviewed the company's sustainable development strategy with respect to the social and environmental impact of its activities and its societal commitments and, if applicable, any initiatives or programs it has implemented as a result.

We compared the CSR Information presented in the management report with the list provided in Article R.225-105-1 of the French Commercial Code.

For any consolidated Information that was not disclosed, we verified that the explanations provided complied with the provisions of Article R.225-105, paragraph 3 of the French Commercial Code.

(1) ISAE 3000 Assurance engagements other than audits or reviews of historical information

We verified that the CSR Information covered the consolidation scope, i.e., the company, its subsidiaries as defined by Article L.233-1 and the entities it controls as defined by Article L.233-3 of the French Commercial Code, within the limitations set out in the methodological information presented in the section 4.1.1 of the chapter related to environmental, labor and social information of the management report.

Based on these procedures and given the limitations mentioned above, we attest to the presence of the required CSR Information in the management report.

2. Reasoned opinion on the fairness of the CSR Information

Nature and scope of the work

We conducted around ten interviews with the people responsible for preparing the CSR Information in the departments charged with collecting the information and, where appropriate, the people responsible for the internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in the light of their relevance, completeness, reliability, impartiality and comprehensibility, and taking good market practice into account when necessary;
- verify that a data-collection, compilation, processing and control procedure has been implemented to ensure the completeness and consistency for the Information and review the internal control and risk management procedures involved in preparing the CSR Information.

We determined the nature and scope of our tests and controls according to the nature and importance of the CSR Information with respect to the characteristics of the company, the social and environmental impacts of its activities, its sustainable development strategy and good market practice.

We determined the nature and scope of our tests and controls according to the nature and importance of the CSR Information with respect to the characteristics of the company, the social and environmental impacts of its activities, its sustainable development strategy and good market practice. *(2)*:

- at parent entity level and subsidiaries and controlled entities level, we consulted documentary sources and conducted interviews to substantiate the qualitative information (organization, policy, action), we followed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data and we verified their consistency and concordance with the other information in the management report;
- at the entity level for a representative sample of entities selected *(3)* on the basis of their activity, their contribution to the consolidated indicators, their location and the risk analysis, we conducted interviews to verify that procedures are followed correctly and to identify any undisclosed data, and we performed tests of details, using sampling techniques, in order to verify the calculations made and reconcile the data with the supporting documents. The selected sample represents 23 % of headcount.

For the other consolidated CSR information, we assessed their consistency based on our understanding of the company.

We also assessed the relevance of explanations given for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes used, based on our professional judgment, allow us to express limited assurance; a higher level of assurance would have required us to carry out more extensive work. Because of the use of sampling techniques and other limitations intrinsic to the operation of any information and internal control system, we cannot completely rule out the possibility that a material irregularity has not been detected.

(2) Total Headcount, and breakdown by gender (except USA), age (except USA) and types of contracts, employees movements (hires and departures), number of training hours, number of work accidents, number of disabled employees (in France) and absenteeism.

(3) Teleperformance CRM, TP France maison-mère and Teleperformance USA.

Conclusion

Based on our work, we did not identify and material anomaly likely to call into question the fact that the CSR Information, taken as a whole, are presented fairly in accordance with the Guidelines.

Paris La Défense
February, 26th 2014

KPMG Audit IS

Éric Junières
Partner

Philippe Arnaud
Partner
Climate Change
& Sustainability Services

5. Comments on the financial year

5.1 Review of the Group's financial position and results

The accounting principles used by the Group to prepare its consolidated accounts are described in Note A to the consolidated accounts. (page 146 of this Registration document).

When preparing accounts in accordance with International Financial Reporting Standards, estimates and assumptions must be made that affect account entries, particularly the following:

- the period of depreciation of fixed assets
- allowances for bad debts
- the depreciation of intangible fixed assets and consolidated goodwill
- the evaluation of pension provisions and commitments
- the evaluation of debt relating to commitments to repurchase minority interests
- valuation of expenses relating to share-based payments
- provisions for risks, notably disputes
- restructuring provision
- the evaluation of intangible assets in the context of company alliances; and
- deferred taxes.

These estimates have been produced on the basis of the information available at the time they were produced and are subject to change if the circumstances on which they were based change or if new information becomes available. The actual results may differ from the estimates.

5.1.1 Group revenues in 2013

5.1.1.1 Business

Group consolidated revenues came in at € 2,433 million, up + 3.7 % based on reported results. On a like-for-like basis (consolidated companies and exchange rate) this represents a + 7.9 % increase, which exceeded targets set by the Group.

Currencies fluctuated sharply during the year and exchange losses were significant totaling € 93.2 million. While all currencies lost value against the euro, the US dollar and the Brazilian real depreciated the most.

The Group experienced buoyant growth across its three geographical regions.

In 2013, the Ibero-LATAM region maintained the strong growth that began in 2012 posting + 11.2 % organic growth (up + 3.4 % on reported results).

Organic growth in both the English-speaking and Asia-Pacific region (up + 8.1 %) and the Continental Europe, Middle East and Africa region (up + 4.6 %) also contributed to the Group's overall growth.

The distribution of revenues per geographical region has changed as follows:

in millions of euros	***12/31/13***	***12/31/12***	***change***
English-speaking & Asia-Pacific region	947	910	+ 4.0 %
Continental Europe, Middle-East & Africa	724	699	+ 3.6 %
Ibero-LATAM region	762	738	+ 3.4 %
Total	2 433	2 347	+ 3.7 %

Changes in Group revenues (%)

	published	***organic ****
2011	+ 3.3 %	+ 3.5 %
2012	+ 10.4 %	+ 6.9 %
2013	+ 3.7 %	+ 7.9 %

* *at constant exchange rates and consolidation (like-for-like).*

English-speaking and Asia-Pacific regions:

In 2013, the region's total revenues rose by + 8.1 %. The appreciation of the euro against the US dollar, and to a lesser extent the pound sterling, reduced this revenue growth. At constant exchange rates and consolidation (like-for-like), revenue growth in the region was + 4.0 %

As a result, the Asia-Pacific region posted a surge in growth, particularly in China where the Group has managed to develop close relations with multinational companies operating in the country.

North America enjoyed buoyant growth throughout the year, especially in the last quarter when revenue climbed + 9.2 % driven by a rise in new business in new industries (e.g. healthcare and insurance).

Ibero-LATAM region:

In 2013, the Group continued to benefit from strong market trends in the region. However, the year's results were hit by adverse currency fluctuations, notably a fall of almost 15 % in the Brazilian real during the year.

These exchange effects somewhat masked strong growth in the region's countries given that the reported growth of + 3.4 % actually corresponds to + 11.2 % organic growth at constant exchange rates.

Apart from Argentina, which was faced with a difficult economic environment, all countries in the region turned in growth. Portugal continues to post elevated growth boosted by its multilingual services that are particularly well adapted to meeting the needs of European customers. While growth in Colombia continued to increase sharply, growth slowed in Brazil.

Throughout 2013, the Group continued to invest in this promising region.

Continental Europe, Middle-East & Africa:

Reported revenue growth was 3.6 % (4.6 % like-for-like).

With the exception of France, all countries in the region experienced growth.

Indeed Italy, and to a lesser extent Germany, returned to growth. Meanwhile, the Benelux countries, Eastern and Southern Europe (Greece and Turkey) once again turned in strong growth. In France, while business continued to suffer from a sluggish telecommunications market, the decline remains limited thanks to business being won in new industries.

5.1.1.2 Profitability

Reported operating profit amounted to € 196.3 million, marginally up on prior year operating profit.

This increase is primarily due to adverse movements in exchange rates this year, despite taking out currency hedges in the main subsidiaries where sales are denominated in a currency different from their operating currency.

The appreciation of the euro in relation to almost all currencies in which the Group operates resulted in holding back the consolidated earnings converted into euros.

The effect of the euro's appreciation was to reduce operating profit by € 8 million compared to the previous year (see note C1 *Effect of changes in foreign exchange rates*).

2013 earnings include a € 3.9 million restructuring charge related to the closure of the Belgian subsidiary and the scaling back of subsidiaries in Argentina and Chile.

2013 earnings also include a € 10 million accounting charge with respect to the incentive share plan introduced in mid-2013.

Other non-recurring expenses (e.g. amortization of intangible assets on acquisitions and other) have also reduced operating profit.

Adjusting for these items, 2013 operating profit before amortization of intangible assets on acquisitions (recurring EBITA) came in at € 225.7 million or 9.3 % of revenues, 0.2 percentage points higher than the previous year and online with the objectives stated at the start of the year.

Recurring EBITDA (earnings before interest, tax, depreciation and amortization and non-recurring items) amounted to € 324.5 million or 13.3 % of revenues, up from 13.0 % in 2012.

The 2013 financial result amounted to a € 7.6 million expense compared to a 2012 expense of € 7.3 million.

The 2013 income tax charge amounted to € 59.5 million. The average Group tax rate stood at 31.5 % compared to 30.4 % in 2012.

Following buying out the minority interests of TLS and the Turkish subsidiary, the minority interests' share of earnings amounted to € 0.5 million compared to € 1.9 million in 2012.

The € 128.8 million net profit edged up marginally in relation to the prior year's net profit of € 127.5 million.

The table below shows the amount of operating profit (excl. holdings) generated in each geographic region:

*EBITA margin * (%)*	*2013*	*2012*	*2011*
English-speaking & Asia-Pacific region	10.0	11.3	10.3
Ibero-LATAM region	11.8	12.6	11.1
Continental Europe, Middle-East & Africa	1.8	0.6	0.5
Total	**9.3**	**9.1**	**8.5**

* *Operating profit before amortization of intangible assets on acquisitions and non-recurring items*

5.1.2 Cash flow and capital structure

5.1.2.1 Consolidated financial as of December, 31st 2013

Long term and short-term capital

Long term capital

as of December 31st (in millions of euros)	*2013*	*2012*	*2011*
Shareholders' equity	1,396	1,383	1,278
Non-current financial liabilities	21	14	26
Total non-current capital	1,417	1,397	1,304

Short term capital

as of December 31st (in millions of euros)	*2013*	*2012*	*2011*
Current financial liabilities	56	76	109
Cash and cash equivalents	164	170	160
Cash surplus, net of current financial liabilities	108	94	51

Source and amount of cash flow

as of December 31st (in millions of euros)	*2013*	*2012*	*2011*
Internally generated funds from operations	236	229	151
Changes in working capital requirements	- 46	- 26	33
Cash flow from investing activities	**190**	**203**	**184**
Investments and capital expenditures	- 135	- 114	- 102
Proceeds from disposals	3	2	3
Cash flow from investing activities	**- 132**	**- 112**	**- 99**
Change in equity interest in controlled companies	- 1	- 5	- 11
Dividends paid / purchases of treasury stock	- 16	- 26	- 37
Net change in financial liabilities	- 21	- 39	1
Cash flow in financinf activities	**- 48**	**- 70**	**- 47**
Change in cash and cash equivalents	**10**	**21**	**38**

The Group had a very sound financial structure as of December 31st 2013:

- Shareholders' equity amounted to € 1,395.4 million, including a Group share of € 1,391.9 million. This will cover the entire costs of the Group's intangible assets, which amounts to € 1,102.4 million.
- The Group had a net cash surplus of € 87 million.

This surplus was comprised of cash and cash equivalents totaling € 164.2 million and financial liabilities totaling € 77.4 million.

5.1.2.2 Cash flow

2013 pre-tax free cash flow came in at € 307.7 million (compared to € 296.1 million in 2012).

Tax payments increased sharply to € 71.1 million.

Changes in Group working capital amounted to a € 46.2 million outflow compared to a € 26.0 million outflow in 2012, reflecting a surge in business at the end of the year, particularly in the North American region where business soared during the last two months of the year.

Net capital expenditure increased to € 126.1 million, up from € 108.4 million in 2012, amounting to 5.2 % of revenues. Free cash flow for the year amounted to € 64.3 million.

Net cash stood at € 86.8 million after a € 16.9 million dividend payment and includes the earn-out payable.

5.1.3 Key figures of the main subsidiaries

The key figures of the subsidiaries whose revenues exceeded 10 % of the Group's consolidated revenues are presented below:

Selected financial data	**TP USA** *(in KUS$)*
Non-current assets	281,480
Current assets	296,955
Total assets	578,435
Shareholders' equity	280,617
Non-current liabilities	208,016
Current liabilities	89,802
Total liabilities	578,435
Revenues	786,216
Net profit/loss	**53,730**

5.2 Review of the Company's financial position and results

5.2.1 Balance sheet

5.2.1.1 Changes in shareholdings

During the year ended December 31st, 2013 Teleperformance carried out the following changes in shareholdings:

- subscription to the share capital increase of Teleperformance France in an amount of € 50 million, by incorporation of debt for € 30 million; the remainder, € 20 million, is to be paid up within five years.
- subscription to the share capital increase of the subsidiary Teleperformance UK in an amount of € 35 million by incorporation of debt.
- subscription to the share capital increase of Teleperformance EMEA in an amount of € 3.2 million by incorporation of debt.

5.2.1.2 Financing arrangements

Syndicated credit line agreement

On June 29th, 2012, the company obtained the renewal of its syndicated credit line facility of € 300 million for a period of five years; the facility had been due to expire on January 31st, 2013.

Drawdowns under the credit line may be in euros or in US$, and are repayable *in fine*.

At December 31st, 2013, an amount of € 20 million had been drawn down under the facility, compared with € 30 million at December 31st, 2012.

Loans granted in 2013

In the context of the financial management of its subsidiary companies, Teleperformance made a number of loans to them during 2013 in a total amount of € 74 million, principally to the following companies:

- the subsidiary Teleperformance France for € 30 million,
- the Luxembourg subsidiary LCC, for € 16.5 million,
- the Italian subsidiary In & Out for € 10 million,
- the subsidiary Teleperformance Colombia for € 6 million,
- the Colombian subsidiary Teledatos for € 3 million,
- the Spanish subsidiary Iberphone for € 2 million,
- the Belgian subsidiary Techmar for € 1.4 million,
- the Luxembourg subsidiary TLS Group for € 1 million.

5.2.1.3 Incentive plan shares

The Board of Directors has made the following share awards, subject to performance and service conditions, under the authorization given at the Shareholders' General Meeting of May 31st, 2011:

- at its meeting held on July 27th, 2011, a total of 1,099,000 shares were allocated to 100 beneficiaries, including 170,000 shares to the president of the Board of Directors,
- at its meeting held on November 30th, 2011, a total of 30,500 shares were allocated to 10 beneficiaries, subject to performance and service conditions,
- at its meeting held on May 29th, 2012, 2,000 shares were allocated to a single beneficiary,
- at its meeting held on July 30th, 2012, 2,000 shares were allocated to a single beneficiary.

The Board of Directors at its meeting on February 26th, 2013 formally recorded the achievement of the performance conditions attached to the incentive plans of July 27th, 2011 and November 30th, 2011. In consequence, the share awards were vested in those beneficiaries who fulfilled the condition of presence at the vesting date, either July 27th, 2013 or November 30th, 2013. A total of 1,073,500 existing shares were transferred to the beneficiaries, of which 1,050,500 concerned the plan of July 27th, 2011 and 23,000 the plan of November 30th, 2011.

The related provision of € 16.5 million was released to 2013 income.

The Board of Directors' meeting on July 30th, 2013 approved a new award of 840,000 incentive plan shares to 126 beneficiaries under the authorization given at the Shareholders' General Meeting of May 30th, 2013. The vesting period is of three years, until July 30th, 2016. Vesting is subject to performance (using criteria over financial years from 2013 to 2015) and service conditions.

Each beneficiary may receive the full amount of his share award if the following conditions are met:

- the increase in revenues is equal to or above 16 %, and
- the increase in EBITA* is equal to or above 27 %, and
- the ROCE* is equal to or above 12.5 %.

Each beneficiary may receive 75 % of his share award if ROCE* is equal to or above 12.5 % and one of the two following conditions is met:

- the increase in revenues is equal to or above 14.4 % and less than 16 %. and the increase in EBITA* is equal to or above 24.3 %; or
- the increase in revenues is equal to or above 14.4 % and the increase in EBITA* is equal to or above 24.3 % and less than 27 %.

Each beneficiary may receive 50 % of his share award if ROCE* is equal to or above 12.5 % and one of the two following conditions is met:

- the increase in revenues is equal to or above 12.8 % and less than 14.4 %. and the increase in EBITA* is equal to or above 21.6 %; or
- the increase in revenues is equal to or above 12,8 % and the increase in EBITA* is equal to or above 21.6 % and less than 24.3 %.

All beneficiaries lose all rights to vesting in the event of any of the following cases: the increase in revenues is less than 12.8 %, the increase in EBITA* is less than 21.6 % or ROCE* is less than 12.5 %.

* 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.

5.2.1.4 Tax result

The overall tax result was a loss of € 3.8 million in 2013, which was carried forward, increasing the total tax losses carried forward to € 51.7 million.

The Company has a carry back credit of € 17.2 million, being an amount of € 10.7 million which must be used by December 31st, 2014 and € 6.5 million expiring on December 31st, 2015.

5.2.1.5 Shareholders' equity

Share capital at December 31st, 2013 consisted of 57,260,190 € 2.50 par value shares compared to 56,598,048 shares at December 31st, 2012.

At its May 30th, 2013 meeting, the Company's Board of Directors decided to pay out the dividend in shares, which resulted in the issue of 662,142 new shares.

5.2.1.6 Terms of borrowing and financing structure

The Company complies with all of the financial ratios that apply to it.

5.2.1.7 Maturity of trade payables

Since January 1st, 2009, the Company has applied the recommendations of the French LME Law of August 4th, 2008 concerning supplier credit terms. Pursuant to Article D 441-4 of the French Commercial Code, the table below summarized the breakdown of trade payables by due date as of December 31st, 2013.

Supplier	due in 1 month	overdue by 30 days	overdue by 30-60 days	overdue by 60-90 days	overdue by 90-120 days	overdue by more than 120 days	total
2013							
Intra-Group	125	7	848			12	992
Third party	93		11	13			1117
Total	218	7	959	13		12	1,109
2012							
Intra-Group	895	2,017	745	4	3		3,664
Third party	19	22	1,000		89		1,130
Total	914	2,039	1,745	4	92		4,794

5.2.1.8 Cash

As of December 31st, 2013, the Company held net negative cash including cash pooling current accounts of € 74.1 million compared to negative cash of € 60.7 million at December 31st, 2012, as set out in the cash-flow statement:

The net € 13.4 million reduction breaks down as follows:

Net cash-flow from operating activities	60.8
Net outflows from transactions in tangible and intangible assets	- 0.2
Net outflows from transactions in financial investments	0.0
Net cash-flow from other financial transactions	- 47.4
Purchases of treasury stock	+ 0.9
Net decrease in financial debt	- 11.2
Dividends paid	- 16.3
Total	- 13.4

5.2.2 Income

Total revenues amounted to € 51.4 million, compared to € 46.9 million in 2012, representing an increase of € 4.5 million.
Revenues can be broken down as follows:

	2013	2012
Fees received from subsidiaries	49.2	45.4
Other revenue (including real estate leases)	2.2	1.5

2013 gross operating profit amounted to € 19.4 million, compared to € 4.4 million in 2012. In 2012, it included a € 9.0 million staff expense provision relating to treasury stock held to furnish the free share plans.

The 2013 financial result amounted to € 24.4 million against € 34.4 million in 2012. It breaks down as follows:

	2013	2012
Dividends	40.0	38.3
Net interest income	- 2.5	- 1.0
Provisions against subsidiaries	- 16.5	- 5.5

2013 "Provisions against subsidiaries" primarily include a € 18 million impairment recognized against the equity of the French subsidiary, a similar impairment of € 4 million in respect of the Spanish subsidiary and a € 7 million provision reversal in respect of the Italian subsidiary.

Underlying earnings before tax came in at a profit of € 42.8 million compared to a profit of € 38.8 million in 2012.

Net exceptional items were non-significant both in 2013 and in 2012.

After a 2013 income tax charge of € 7.9 million (€ 5.2 million in 2012), 2013 resulted in a net profit of € 34.9 million against a 2012 profit of € 34.2 million.

5.3 Trends and prospects

5.3.1 Perspectives

In 2014 Teleperformance will continue its value creation and balanced growth strategy. For 2014, Teleperformance anticipates like-for-like revenue growth of between + 5 % and + 7 %.

The Group is aiming for an improvement in its profitability ratios with an initial EBITA margin (before non-recurring items) target of 9.5 % to 9.7 %.

5.3.2 Risks & uncertainties

The Group's business is subject to market risks (sensitivity to economic and financial factors), as well as to the political and geopolitical uncertainties related to its global footprint. A detailed description of these risks is provided in Section 1.6 *Risk factors* of this Registration document.

6. Consolidated financial statements

6.1 Consolidated Statement of Financial Position *(in millions of euros)*

ASSETS	Notes	12.31.2013	12.31.2012
Non-current assets			
Goodwill	B1	674	712
Other intangible assets	B1	78	88
Property, plant and equipment	B2	287	275
Financial assets	B9	33	27
Deferred tax assets	B3	31	36
Total non-current assets		1,103	1,138
Current assets			
Current income tax receivable		38	38
Accounts receivable - Trade	B4	498	480
Other current assets	B4	73	83
Other financial assets	B9	15	13
Cash and cash equivalents	B7	164	170
Total current assets		788	784
Total assets		**1,891**	**1,923**

EQUITY AND LIABILITIES	Notes	12.31.2013	12.31.2012
Equity			
Share capital	B5	143	142
Share premium		576	556
Translation reserve		-65	17
Other reserves		738	662
Equity attributable to owners of the company		1,392	1,377
Non-controlling interests		4	6
Total shareholder's equity		1,396	1,383
Non-current liabilities			
Long-term provisions	B6	9	7
Financial liabilities	B7	21	14
Deferred tax liabilities	B3	37	47
Total non-current liabilities		67	68
Current liabilities			
Short-term provisions	B6	14	15
Current income tax		23	32
Accounts payable - Trade	B8	87	81
Other current liabilities	B8	249	269
Other financial liabilities	B7	56	76
Total current liabilities		429	473
Total equity and liabilities		**1,891**	**1,923**

6.2 Consolidated Statement of Income, year ended December 31st *(in millions of euros)*

	Notes	2013	2012
Revenues		**2,433**	**2,347**
Other revenues	C2	9	10
Personnel		-1,706	-1,650
Share-based payments	C3	-10	-10
External expenses	C5	-401	-386
Taxes other than income taxes		-13	-13
Depreciation and amortization		-99	-92
Amortization of intangible assets acquired as part of a business combination		-8	-9
Impairment loss on goodwill		-3	
Change in inventories			-1
Other operating income	C4	2	7
Other operating expenses	C4	-8	-10
Operating profit		**196**	**193**
Income from cash and cash equivalents		1	2
Interest on financial liabilities		-9	-13
Net financing costs	**C6**	**-8**	**-11**
Other financial income	C6	27	29
Other financial expenses	C6	-26	-25
Financial result		**-7**	**-7**
Profit before taxes		**189**	**186**
Income tax	C7	-60	-57
Net profit		**129**	**129**
Net profit - Group share		**129**	**127**
Net profit attributable to non-controlling interests		0	2
Basic earnings per share (in €)	**C8**	**2.27**	**2.30**
Diluted earnings per share (in €)	**C8**	**2.27**	**2.27**

6.3 Consolidated Statement of Comprehensive Income *(in millions of euros)*

	2013	2012
Net profit	**129**	**129**
May not be reclassified to profit or loss in a subsequent period		
Actuarial gains (losses) on employee benefits (before tax)	0	0
Income tax on actuarial gains (losses) on employee benefits	0	0
May be reclassified to profit or loss in a subsequent period		
Net gains (losses) on foreign exchange hedges (before tax)	-5	4
Income tax on net gains (losses) on foreign exchange hedges	2	-1
Translation differences from foreign operations	-82	-6
Other recognized income and expense	**-85**	**-3**
Total comprehensive income	**44**	**126**
Group share	44	124
Attributable to non-controlling interests	0	2

6.4 Consolidated Statement of Cash Flows, year ended December 31st *(in millions of euros)*

Cash flows from operating activities	2013	2012
Net profit - Group share	129	127
Net profit attributable to non-controlling interests	0	2
Income tax expense	60	57
Depreciation and amortization	107	101
Impairment loss on goodwill	3	
Change in provisions	1	-10
Unrealized gains and losses on financial instruments	0	-1
Share-based payments	7	10
Income tax paid	-71	-57
Internally generated funds from operations	***236***	***229***
Change in accounts receivable - trade	-45	-31
Change in accounts payable - trade	-2	-9
Change in other accounts	1	14
Change in working capital requirements relating to operations	***-46***	***-26***
Net cash flow from operating activities	**190**	**203**

Cash flows from investing activities		
Acquisition of intangible assets and property, plant and equipment	-127	-110
Loans and advances made	-8	-4
Proceeds from disposals of intangible assets and property, plant and equipment	1	2
Repayments of loans	2	0
Net cash flow from investing activities	**-132**	**-112**

Cash flows from financing activities		
Proceeds from the issue of share capital	0	0
Acquisition of treasury shares	1	0
Changes in ownership interest in controlled entities	-11	-5
Dividends paid to parent company shareholders	-17	-26
Proceeds from new borrowings	72	255
Repayment of borrowings	-93	-294
Net cash flow from financing activities	**-48**	**-70**

Change in cash and cash equivalents	***10***	***21***
Effect of exchange rates on cash held and reclassifications	*-10*	*-8*
Net cash at January 1	**160**	**147**
Net cash at December 31 (Note B7)	**160**	**160**

6.5 Consolidated Statement of Changes in Equity, year ended December 31st *(in millions of euros)*

	Group share								Total
	Share capital	Share premium	Translation reserve	Retained eanings	Fair value hedging reserve	Actuarial gains/losses on employee benefits	Equity attributable to owners of the company	Attributable to non - controlling interests	
At January 1, 2012	**142**	**556**	**23**	**554**	**-2**	**0**	**1,273**	**4**	**1,277**
Translation differences from foreign operations			-6				**-6**		**-6**
Net profit				127			**127**	2	**129**
Net gain on cash flow hedges (after tax)					3		**3**		**3**
Total recognized income and expense	***0***	***0***	***-6***	***127***	***3***	***0***	***124***	***2***	***126***
Commitments for the purchase of non - controlling interests				-5			**-5**		**-5**
Fair value of incentive plan share awards				10			**10**		**10**
Dividends (€ 0.46 per share)				-25			**-25**		**-25**
At December 31, 2012	**142**	**556**	**17**	**661**	**1**	**0**	**1,377**	**6**	**1,383**
Translation differences from foreign operations			-82				**-82**		**-82**
Net profit				129			**129**		**129**
Net loss on cash flow hedges (after tax)					-3		**-3**		**-3**
Actuarial gains/losses on employee benefits							**0**		**0**
Total recognized income and expense	***0***	***0***	***-82***	***129***	***-3***	***0***	***44***	***0***	***44***
Issue of share capital	1	20					**21**	1	**22**
Commitments for the purchase of non - controlling interests				-20			**-20**	-3	**-23**
Fair value of incentive plan share awards				7			**7**		**7**
Treasury shares				1			**1**		**1**
Dividends (€ 0.68 per share)				-38			**-38**		**-38**
Other							**0**		**0**
At December 31, 2013	***143***	***576***	***-65***	***740***	***-2***	***0***	***1,392***	***4***	***1,396***

Translation differences from converting the financial statements of foreign subsidiaries before January 1st, 2004 were reclassified as reserves in accordance with the option available under IFRS 1 on transition to IFRS.

6.6 Notes to the Consolidated Financial Statements

Contents

A. Significant accounting policies

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, 2013 include the company and its subsidiaries, together referred to as "the group ".

The financial statements were approved by the Board of Directors on February 25th, 2014, and will be submitted to the shareholders at the Annual general meeting to be held on May 7th, 2014.

All financial information presented in euro has been rounded to the nearest million.

A.2 Basis of preparation

The consolidated financial statements for the year ended December 31st, 2013 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 amendments to IAS 19 "Employee benefits" have been applied by anticipation from December 31st, 2012.

The following standards, amendments and interpretations:

- IFRS 13 "Fair value measurement"
- amendments to IFRS 7 "Disclosures – offsetting financial assets and financial liabilities"
- amendments to IFRS 1 "Severe hyperinflation and removal of fixed dates for first-time adopters"
- amendment to IAS 12 "Deferred tax – recovery of underlying assets"

did not have a significant impact on the consolidated financial statements.

The group has not elected to anticipate the application of the following standards and amendments:

- IFRS 10, IFRS 11, IFRS 12
- The effect of amendments to IFRS 10, IFRS 11 and IFRS 12 on IAS 27 and IAS 28
- amendments to IAS 32 on the offsetting of financial assets and financial liabilities

These measures will be compulsory from January 1st, 2014.

The group does not expect any significant impact on its financial statements from their adoption.

With the exception of the application of IFRS 13 "Fair value measurement" and the amendments to IFRS 7 "Disclosures – offsetting financial assets and financial liabilities", the accounting principles applied by the group in its consolidated financial statements are unchanged from those of the previous year.

The financial statements have been prepared on the historical cost basis, with the exception of the following assets and liabilities stated at fair value: derivative financial instruments, financial instruments held for trading and financial instruments classified as available-for-sale.

Non-current assets and disposal groups held for sale are stated at the lower of carrying value and fair value less costs to sell.

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial statements.

Estimates

The preparation of financial statements in conformity with IFRS requires making estimates and assumptions which affect the amounts reported in the financial statements, especially with respect to the following items:

- depreciation and amortization rates,
- the calculation of losses on doubtful receivables,
- the calculation of impairment losses on intangible assets and goodwill,
- the measurement of provisions and retirement benefits,
- the estimation of the financial liability connected with price adjustments on purchase commitments to minority shareholders,
- the measurement of share-based payments expense,
- provisions, particularly relating to legal claims,
- restructuring provisions,
- the measurement of intangible assets acquired as part of a business combination,
- deferred taxation.

Such 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.

A.3 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the company. Control exists when the company has the direct or indirect power to set the operating and financial policies of the entity, so as to obtain benefits from its activities.

In assessing control, potential voting rights that presently are exercisable or convertible are taken into account.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Coenterprises

The company is not a party to any coenterprise.

Associates

The company holds no entity in which the group has significant influence, but not control, over the financial and operating policies.

Transactions eliminated in the consolidated financial statements

Balances, any unrealized gains and losses, and income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

A.4 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into euros at the foreign exchange rate at that date. Foreign exchange differences arising on translation are recognized as income or expenses. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the exchange rate at the date the fair value was determined.

Financial statements of foreign operations

The functional currency of a foreign operation outside the euro zone is in general its local currency except if most of its financial flows are realized with reference to another currency.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into euros using the exchange rate at the closing date.

The income and expenses of foreign operations are translated into euros using the average foreign exchange rate of the period, unless the exchange rate has fluctuated significantly. Foreign exchange differences resulting from translations are recognized in the translation reserve, as a separate equity component.

The company has no foreign operations in any country defined by the IASB as a hyperinflationary economy.

Net investment in foreign operations

Foreign exchange differences arising from the translation of a net investment in foreign operations and of related hedges are recognized in the translation reserve. They are recognized as income on disposal of the foreign operations.

A.5 Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments include investments in debt securities and equity instruments, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are initially recognized at fair value, plus directly attributable transaction costs in the case of instruments that are not at fair value through profit or loss. After the initial recognition, non-derivative financial instruments are measured as described in the relevant notes.

A financial instrument is recognized if the group becomes a party to the instrument's contractual provisions. Financial assets are derecognized if the group's contractual rights to cash flows from financial assets expire or if the group transfers the financial asset to a third party without retaining control or nearly all the risks and benefits. "Standard" purchases and sales of financial assets are recognized on the transaction date, i.e. the date on which the group agrees to buy or sell the asset. Financial liabilities are derecognized if the group's contractually specified obligations expire or have been paid off or canceled.

- Investments held to maturity

Whenever the group has the intention and ability to hold debt securities until they mature, they are classified as investments held to maturity. After initial recognition, investments held to maturity are valued at amortized cost, on the effective interest rate basis, less impairment losses, if any.

- Financial assets available-for-sale

Group investments in equities and certain debt securities are classified as assets available-for-sale. After initial recognition, they are measured at fair value and any resulting change is directly recorded in equity, with the exception of impairment losses and translation differences in the case of monetary items available-for-sale. When these investments are derecognized, the accumulated gains or losses recorded in equity are transferred to profit or loss. The group held no financial instruments classified as available-for-sale at December 31st, 2013.

- Investments at fair value through profit or loss

An instrument is classified as an investment at fair value through profit or loss if it is held for trading or is designated as such on initial recognition. Financial instruments are designated as at fair value through profit or loss if the group manages such investments and makes buy and sell decisions based on their fair value. On initial recognition, when directly attributable transaction costs are incurred, they are carried to profit or loss. Financial instruments at fair value through profit or loss are measured at fair value, and any resulting change is recorded in the statement of income.

Interest-bearing borrowings

Interest-bearing 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.

- Other

Other non-derivative financial instruments are stated at amortized cost on the effective interest rate basis, less any impairment losses.

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.

All derivative financial instruments are measured at fair value when contracted, and shown as other current or non-current assets or liabilities on the basis of their date of maturity and accounting classification. Changes in the fair value of the instruments are recognized in profit or loss, unless qualifying as a cash flow hedge.

Derivative financial instruments qualifying as a hedge are classified by hedge category according to the type of risk covered:

- a cash flow hedge covers the risk of changes in cash flows from recognized assets or liabilities or from highly probable transactions that would affect profit or loss;

- a fair value hedge covers the risk of change in the fair value of a recognized asset or liability, or of a firm commitment not yet recognized that would affect profit or loss.

The group uses mainly 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 of changes in fair value is presented within equity. The amounts recognized in equity are reclassified to profit or loss when the hedged items affect profit or loss, either in operating profit when they concern the cover of a commercial transaction or in financial income or expense when they cover a financial operation.

  The ineffective portion of changes in fair value of cash flow hedges is recognized in profit or loss as financial income or expense.

- fair value hedges: these are classified in financial income or expense.

A.6 Business combinations

Following earlier changes to IFRS 3 and IAS 27, 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, a business combination may 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 nest assets:

- goodwill is measured using the percentage interest acquired and represents the difference between the transaction price and the group share of the fair value of identifiable assets, liabilities and contingent liabilities acquired;
- during a subsequent acquisition of non-controlling interests, the difference between the transaction price and the share of equity acquired is recognized in group equity.

Measurement of non-controlling interests at fair value (the full goodwill method):

- goodwill is measured on the basis of 100 % of the share capital, and represents the difference between the transaction price for the interest acquired to which is added the estimated fair value of any non-controlling interests, and the fair value of identifiable assets, liabilities and contingent liabilities acquired. The non-controlling interests are therefore measured at fair value;
- during a subsequent acquisition of non-controlling interests, the difference between the transaction price and the initial fair value is recognized in group equity.

The group has elected to measure non-controlling interests as the proportionate interest in identifiable net assets in respect of the two acquisitions made in 2010 (TLScontact and Métis).

Should the group give a put option to minority shareholders at the time that control is transferred; a financial liability is recognized for the fair value of the commitment, with an equivalent reduction in equity. This treatment is followed irrespective of the election made, although IFRS IC is expected to make a recommendation on this matter at a later date. Subsequent changes in fair value of the liability are recognized directly in equity.

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.

In respect of business combinations entered into between January 1st, 2004 and December 31st, 2009, goodwill represents the difference between the transaction price and the group share of the fair value of identifiable assets, liabilities and contingent liabilities acquired. Subsequent acquisitions of non-controlling interests give rise to the recognition of goodwill for the difference between the transaction price and the share of equity acquired.

Commitments for any subsequent acquisition of non-controlling interests are recognized as a financial liability, an increase in goodwill and the cancelation of the non-controlling interests, until ownership is obtained.

Finally, in respect of business combinations entered into prior to January 1st, 2004, the date of transition to IFRS, goodwill continues to be measured at deemed cost, represented by the amount at which it was stated under the previous accounting framework.

A.7 Intangible assets and Property, plant and equipment

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 A.14 *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. In that case, on initial recognition, the leased asset is recognized at the fair value of the asset leased or, if that is lower, at the present value of the minimum payments under the lease. After initial recognition, the asset is measured under the accounting method applicable to that type of asset.

Any other lease agreement is an operating lease. Such leased assets are not recognized on the group's statement of financial position.

The company has no real estate held under a finance lease agreement.

- Subsequent costs

The group recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred, if it is probable that the future economic benefits of the item will flow to the group and the cost of the item can be measured reliably.

All costs of routine repairs and maintenance are recognized in the statement of income as an expense when incurred.

- 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. Leased assets are depreciated over the shorter of the lease period and their useful life.

The estimated useful lives are as follows:

Buildings:	20 - 25 years
Office and IT equipment:	3 - 5 years
Other:	3 - 10 years

Depreciation methods, useful lives and residual values are reviewed at the end of each period.

Land is not depreciated.

Intangible assets

- Research & development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in the statement of income as an expense when incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalized if the costs can be reliably measured and if the group can show that the product or process is technically and commercially feasible, if future economic benefits are probable, and if the group has the intention and sufficient resources to complete development. The expenditure capitalized includes the cost of materials, direct labor and an appropriate portion of overheads. Other development expenditure is recognized in the statement of income as an expense when incurred.

Capitalized development expenditure is stated at cost less accumulated amortization (see below) and impairment losses (see accounting policy A.14 *Impairment*).

- Other intangible assets

These represent principally brand names and customer relationships measured and recorded in the context of business combinations.

Other intangible assets with a limited useful life that have been acquired by the group are stated at cost less accumulated amortization (see below) and impairment losses (see accounting policy A.14 *Impairment*).

Expenditure on internally generated goodwill and brand names is recognized in the statement of income as an expense when incurred.

- Subsequent expenditure

- Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in the statement of income as an expense when incurred.

- Amortization

Amortization is charged to the statement of income on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Goodwill and intangible assets with an indefinite useful life are not amortized but are systematically tested for impairment at each reporting date (see accounting policy A.14 *Impairment*). Other intangible assets are amortized from the date they are available for use. The estimated useful lives are as follows:

Software:	3 - 5 years
Capitalized development costs:	3 - 5 years
Patents and licenses:	10 years
Brand names:	3 - 10 years
Customer relationships:	9 - 15 years
Non-compete agreement:	duration of the agreement

A.8 Financial assets

Current and non-current financial assets comprise the following:

- Shareholdings in non-consolidated companies classified as financial assets available-for–sale (non-current financial assets) are stated at fair value (see accounting policy A.5 *Financial instruments).* However, fair value cannot be measured reliably for shareholdings in unlisted companies, so they are stated at cost of acquisition. In the event of objective evidence of an other-than-temporary decline in value, an impairment loss is recognized in the statement of income.

- Loans and other receivables, stated at amortized cost (see accounting policy A.5 *Financial instruments*): this heading particularly includes receivables or advances granted to associates or non-consolidated entities, and guarantee deposits made principally on property leases. On initial recognition, these loans and other receivables are stated at fair value plus directly attributable costs; at each reporting date, these assets are measured at amortized cost.

- Derivative financial instruments used to hedge exposure to foreign exchange and interest rate risks, measured at fair value at each reporting date.

A.9 Non-current assets held for sale and discontinued operations

Non-current assets (or group of assets and liabilities held for sale) whose carrying amount will be recovered mainly through sale rather than continued operations are classified as assets held for sale.

Immediately before classification as held for sale, the carrying amount of the assets (and of all assets and liabilities in a disposal group) is measured in accordance with the group's accounting policies. Then, on initial classification as held for sale, non-current assets and disposal groups are recognized at the lower of the carrying amount and fair value less costs to sell.

Any impairment loss in a disposal group is allocated first to goodwill, then to other assets in proportion to their carrying amount, except for inventories, financial assets, deferred tax assets, and assets related to employee benefits, which continue to be measured in accordance with the group's relevant accounting policies.

Impairment losses on classification of an asset (or group of assets) as held for sale are included in profit or loss. Profits and losses from subsequent measurement are similarly treated. Profit recognized may not exceed the total of impairment losses recognized.

A discontinued operation is a component of the group's business that represents a distinct line of business or a major geographical area of operations or a subsidiary acquired solely for resale.

Classification as a discontinued operation occurs upon disposal or on an earlier date when the operation meets the criteria to be classified as held for sale. A disposal group that is to be discontinued may also qualify.

A.10 Accounts receivable – Trade and Other current assets

"Accounts receivable – Trade" and "Other current assets" are initially recognized at fair value, then at amortized cost less any impairment losses at each reporting date.

A.11 Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

A.12 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 (see accounting policy A.5 *Financial instruments*).

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".

A.13 Treasury shares

Repurchased shares are classified as treasury shares and shown as a deduction from total equity. On disposal, the proceeds, net of transaction costs and income tax, are recognized in equity.

A.14 Impairment

Non-financial assets

The group's non-financial assets, except for inventories (see accounting policy A.11 *Inventories)* and deferred tax assets (see accounting policy A.22 *Income tax*) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

With respect to goodwill, intangible assets with an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount 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, 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 exceeds its recoverable amount. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit or loss.

An impairment loss recognized in respect of a CGU (or group of units) is first allocated to a reduction in the carrying amount of any goodwill associated with the CGU (or group of units), then to a reduction in the carrying amount of other assets in the unit (or group of units) in the following order:

- goodwill,
- intangible assets,
- other non-current assets,
- and finally, current assets.

The recoverable amount of an asset or CGU is the higher of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows net of tax are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. This method results in the determination of recoverable amounts identical to those that would have been obtained using pre-tax rates applied to cash flows excluding tax.

An impairment loss in respect of goodwill may not be reversed.

The discount rate is based on the risk-free rate with a maturity of between 10 and 30 years, plus a risk premium, and the company's average monthly beta over five years. The risk-free rate and the risk premium are specific to each major geographical area of operations. The beta of Teleperformance is used as there is no comparable company.

With respect to other assets, the group assesses on each reporting date whether there is any indication that recognized impairment losses from previous periods have lessened or ceased. An impairment loss is reversed if there has been a change in the estimates used for determining the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Financial assets

The group considers a financial asset 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 loss in respect of a financial asset available-for-sale is calculated by reference to its current fair value.

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. With respect to those financial assets available-for-sale, any accumulated loss previously recognized in equity is transferred to profit or loss.

A.15 Financial liabilities

Financial liabilities consist primarily of:

- Interest-bearing borrowings

These are accounted for as non-derivative financial instruments in accordance with accounting policy A.5 *Financial instruments*.

- Purchase commitments with minority shareholders

See accounting policy A.6 *Business combinations*.

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A.16 Employee benefits

- Defined contribution plans

Obligations for contributions to defined contribution plans are recognized as an expense when incurred.

- Defined benefit plans

The group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit 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 group follows the Iboxx AA10+ index for the euro zone; the discount rate used is the rate as of December 31st. The obligation is measured using the projected unit credit method.

Since 2012, the group recognizes actuarial gains and losses as "Other recognized income and expense" in comprehensive income, following the amendment to IAS 19. These items were previously recognized in profit or loss.

- Other long-term benefits

There are no other long-term service benefits.

- 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.

- Short-term benefits

Liabilities for short-term benefits are measured on an undiscounted basis and recognized when the corresponding service is rendered.

A provision is recognized for the amount the group expects to pay under incentive plans and short-term cash bonuses if the group has a present legal or constructive obligation to make such payments as a result of past services by an employee and if the obligation can be reliably estimated.

- Share-based payments

The group operates incentive plans under which shares are allocated to group personnel and company officers (see note C.3 *Share-based payments*).

The fair value of the incentive plan shares, measured on the grant date by an independent actuary, is recognized as personnel expense over the vesting period with a corresponding increase in equity.

The amount recognized as an expense is adjusted at each reporting date to reflect the actual number of incentive plan shares that are expected to vest, so that, when vesting occurs, total expense and equity instruments correspond to the actual number of shares vesting in the group personnel and company officers.

A.17 Provisions

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. If the time value effect is significant, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A.18 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.

A.19 Revenues

- Goods sold and services rendered

Revenues from services rendered are recognized in the statement of income in proportion to the stage of completion of the transaction at the reporting date.

Revenues from the sale of goods are recognized in the statement of income when the significant risks and rewards of ownership have been transferred to the buyer.

No revenue is recognized if there are significant uncertainties regarding (i) the recovery of the consideration due, (ii) the amount of associated past or future costs, or (iii) the possible return of goods where a right exists to cancel the purchase and when the group remains involved in the management of the goods.

- Government grants

Government grants are recognized in the statement of financial position initially as deferred income when there is reasonable assurance that they will be received and that the group will comply with the conditions attaching to them. Grants that compensate the group for expenses incurred are systematically recognized as revenues in the statement of income of the period in which the expenses are incurred. Grants that compensate the group in full or in part for the costs of an asset are recognized in the statement of income as other operating revenues spread over the useful life of the asset.

Following the adoption in France of a new "competitiveness" tax credit ("CICE – Crédit d'impôt pour la competitivité et l'emploi") on December 4th, 2012 with effect from January 1st, 2013, the Group has elected to recognize the tax credit as a grant under IAS 20, classified in "Other operating revenues" (see note C.2 *Other operating revenues*).

A.20 Expenses

- Operating lease payments

Payments made under operating leases are recognized in the statement of income on a straight-line basis over the term of the lease agreement. Lease incentives received are recognized in the statement of income as an integral part of the total net lease expense over the term of the lease agreement.

- Finance lease payments

Minimum finance lease payments are apportioned between the financial expense and the reduction of the outstanding liability. The financial expense is allocated to each period during the lease term so as to produce a constant periodic interest rate on the remaining balance of the liability.

- External expenses

These principally comprise telecommunication expenses, rent of premises and related expenses, other rentals, insurance premiums, travel and entertainment and fees (see note C.5 *External expenses*).

A.21 Financial result

Financial income includes interest receivable on investments, dividends, gains realized on disposal of available-for-sale financial assets, increases in the fair value of financial assets at fair value through profit or loss, dividends on debt-equivalent preference shares and foreign currency gains.

Profits on hedging instruments covering revenues are recognized in net operating profit. Interest income is recognized in profit or loss as it accrues, using the effective interest rate method. Dividends are recognized as soon as the group acquires the right to receive the payment, i.e., in the case of listed shares, on the ex-dividend date.

Financial expenses include interest due on borrowings, unwinding of the discount on provisions, foreign currency losses, decreases in the fair value of financial assets at fair value through profit or loss, impairment losses on financial assets and the financial expense connected with purchase commitments for non-controlling interests.

All costs related to borrowings are recognized in profit or loss using the effective interest rate method.

A.22 Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the statement of income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is (i) the expected tax payable on the taxable income for the year, which is calculated using tax rates enacted or substantially enacted at the reporting date, and (ii) any adjustment to tax payable in respect of previous years.

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. The following items do not involve deferred tax recognition: (i) the initial recognition of goodwill, (ii) the initial recognition of assets or liabilities in a transaction which is not a business combination and that affects neither accounting profit nor taxable profit, and (iii) temporary differences relating to investments in subsidiaries and affiliates to the extent that they will probably not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured using the tax rate that is expected to apply in the period when the asset is realized and the liability settled, according to tax laws that have been enacted or substantially enacted at the closing date.

Deferred tax assets and liabilities are netted by tax entity for presentation in the statement of financial position.

A deferred tax asset is recognized only to the extent that it is likely that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Following the introduction of two new taxes in 2010 (one based on property rental values, the other on a value-added concept) to which French companies are subject, replacing a previous local tax, the group has determined the accounting treatment under IFRS, including IFRIC interpretations, to be as follows:

- the tax based on property rental values is similar to the existing local tax, and is therefore classified as an operating expense;
- the tax based on a value-added concept comes under the scope of IAS 12, and is therefore classified as income tax (similar to the accounting treatment of certain foreign taxes, such as the IRAP tax in Italy).

A.23 Earnings per share

The group reports both basic and diluted earnings per ordinary share. Basic earnings per share is calculated by dividing the earnings attributable to the owners of the company's ordinary shares by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is determined by adjusting the earnings attributable to owners of ordinary shares and the weighted average number of ordinary shares outstanding for the effects of all potentially dilutive ordinary shares, which include convertible bonds, and share options and incentive plan shares awarded to employees when these will be satisfied by the issue of new shares.

A.24 Segment reporting

An operating segment is a component of an entity:

- which engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with other components of the same entity;
- whose operating results are reviewed regularly by the entity's chief operating decision maker in order to allocate resources and assess its performance, and
- for which discrete financial information is available.

Segments may be aggregated when they have similar economic characteristics.

The Group's business is divided into the following three major management segments, as follows:

- the English-speaking region (including Asia-Pacific), which covers the businesses in the following countries: Canada, United States, United Kingdom, South Africa, China, Indonesia, India, Philippines, Singapore, and Jamaica
- the Ibero-LATAM region, which covers the businesses in the following countries: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Mexico, Spain and Portugal
- the Continental Europe & MEA region, which covers the businesses in the EMEA region, with the exception of the United Kingdom, Spain and Portugal, but including the TLS and GN Research sub-groups.

Inter-segment sales are negligible and are made under arm's length conditions.

Segment information is set out in Note D. *Segment reporting*.

A.25 Determination of fair values

Certain accounting policies and disclosures require determining the fair value of financial and non-financial assets and liabilities. Fair values are determined for purposes of measurement or disclosure according to the following methods. Additional information about assumptions used in determining fair value is disclosed, where necessary, in the specific notes for the asset or liability involved.

The fair value hierarchy is made up of three levels:

Level 1: unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: unobservable inputs for the asset or liability.

- Property, plant and equipment

The fair value of property, plant and equipment that is recognized following a business combination 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 patents and brand names acquired during a business combination is based on the discounted present value of estimated royalties avoided through the acquisition of the patent or brand name. The fair value of other intangible assets is based on the present value of the cash flows expected from their use or on the market value of the assets.

The fair value of customer relationships acquired during a business combination is based on the multi-period excess earnings method, under which the asset is measured at the amount of estimated cash flows net of a reasonable return allocated to other assets.

- 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 brokers' quoted prices and corresponds to the estimated amount that the group would receive or pay to terminate the swap at the reporting date, taking into account current interest rates and counterparty risk.

- Non-derivative financial liabilities

The fair value, which is determined for disclosure purposes, is based on the present value of future cash flows generated by principal and interest repayments, discounted at the market interest rate at the reporting date.

For finance lease agreements, the market interest rate is determined from similar lease agreements.

- Share-based payments

The fair value of incentive plan shares awarded to employees is measured using principally the market price of the share at the grant date, the expected dividends and the post-vesting retention period. The service and performance conditions necessary for vesting are not considered when determining fair value, as these are not market conditions.

A.26 Financial risk management

The group is exposed to the following risks:

- credit risk
- liquidity risk
- market risk
- equity risk

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

Quantitative disclosures appear elsewhere in the consolidated financial statements.

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

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

The internal audit department performs both periodic and ad hoc reviews of risk management controls and procedures, reporting to the audit committee.

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

- Credit risk

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

- Customer receivables and other current assets

The group's exposure to credit risk is mainly influenced by the individual characteristics of the customers. Sales to the principal customer of the group account for 6.8 % of revenues. Sales to telecommunications customers and internet access providers represent a total of 33.1 % of revenues. Receivables with United States customers represent slightly over a quarter of total customer receivables; no other country accounts for over 10 %.

Credit risk is continuously monitored by the group's Finance Department, through monthly reports and quarterly executive committee meetings.

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

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

- Guarantees

The group provides performance guarantees on contracts when requested by certain customers, as disclosed in note E. *Commitments and other contractual obligations.*

- 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 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 more than 75 % of group revenues.

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

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

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

The group's financial position continues to be very solid at the end of 2013, with net cash resources of € 86.8 million, which includes net cash of € 3.7 million at the group's subsidiary in Argentina, a country which has implemented currency transfer restrictions.

The liquidity risk is therefore judged to be very low.

In 2012, the group obtained a five-year syndicated multi-currency credit facility of € 300 million with effect from July 1st, 2012 from six leading financial institutions repayable in fine and which had been drawn down in an amount of € 20 million as of December 31st, 2013.

Disclosures about liquidity risk are set out in note B.7 *Net financial indebtedness.*

- Market risk

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

- Foreign exchange risk

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

The group hedges this risk mainly in respect of changes in exchange rates between the Mexican peso, the Canadian and Australian dollars, the Philippines and Colombian pesos, and the US dollar. Additional disclosures are set out in note B.9 *Financial instruments.*

The group is also exposed to exchange risk on its borrowings and purchase commitments for non-controlling interests denominated in currencies other than the euro or the functional currencies 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.
- the principal bank loans granted to group companies are denominated in the functional currency of the borrower.
- interest due on borrowings is denominated in the same currency as the cash flows generated by the underlying operations of the group, primarily the euro, the US dollar and the £ sterling. This provides an economic hedge without resorting to the use of derivatives.

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

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

The translation effect on the consolidated revenues of the group is disclosed in note G. *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 attributable to equity holders of the parent are disclosed in notes C.1 *Effect of changes in foreign exchange rates* and G. *Exposure to exchange risk from translation of foreign subsidiaries' financial statements on consolidation.*

- Interest rate risk

The group's low exposure to changes in interest rates is due to the low level of short-term debt, and does not require systematic use of derivative instruments or interest rate hedges. The interest rate risk is monitored at group level by the parent company's Finance Department.

The group's exposure to a 1 % interest rate change based on its loans from financial institutions and finance lease liabilities at December 31st, 2013 is disclosed in note B.7 *Net financial indebtedness.*

- 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, 2013 amounted to € 58.7 million, principally represented by money market funds classified as "euro monetary" by the French stock exchange regulator, the AMF.

At December 31st, 2013, the group held a total of 123,961 treasury shares, of which 7,000 were acquired under the share liquidity agreement (carrying amount: € 0.3 million), 58,500 were purchased in order to be canceled (carrying amount: € 1.0 million) and a further 58,461 treasury shares, with a carrying amount of € 0.9 million, purchased to cover the incentive plan share awards. These carrying amounts are shown as deductions from equity.

- Share capital and equity management

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

The gearing ratio is as follows:

in millions of €	*12/31/2013*	*12/31/2012*
Net cash	87	80
Equity	1,396	1,382
Gearing ratio	-0.06	-0.06

From time to time, the group may buy back its own shares on the market. Oddo Corporate Finance has acted on its behalf under a liquidity agreement since January 8th, 2007. The agreement complies with the Code of Conduct established by the AFEI (French Association of Investment Firms) as approved by the AMF. The amount of funds committed to this arrangement is € 0.3 million. The number of treasury shares held at the end of the year is set out in note B.5 *Share Capital.*

A.27 Events after the reporting date

None

A.28 Glossary

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, items of working capital, as presented in the consolidated statement of financial position.

Non-recurring items: e.g. restructuring costs, incentive plan share award expense, cost of closure of subsidiary companies…

B. Notes to the Consolidated Statement of Financial Position (in millions of euros: M€)

B.1 Intangible assets

Cost	Goodwill	Software	Intangible assets acquired as part of a business combination	Other	Total
At January 1st, 2012	**733**	**107**	**100**	**3**	**943**
Variation de périmètre					0
Transfers		-1			-1
Increase		12			12
Decrease		-9			-9
Translation differences	2	-1			1
At December 31st, 2012	**735**	**108**	**100**	**3**	**946**
Transfers		-2			-2
Increase		17			17
Decrease		-3			-3
Translation differences	-37	-5	-5		-47
At December 31st, 2013	**698**	**115**	**95**	**3**	**911**

Accumulated amortization and impairment	Goodwill	Software	Intangible assets acquired as part of a business combination	Other	Total
At January 1st, 2012	**-23**	**-81**	**-28**	**-3**	**-135**
Expense		-12	-9		-21
Decrease		9			9
Translation differences				1	1
At December 31st, 2012	**-23**	**-84**	**-37**	**-2**	**-146**
Transfers		2			2
Expense	-3	-15	-8		-26
Decrease		3			3
Translation differences	2	4	2		8
At December 31st, 2013	**-24**	**-90**	**-43**	**-2**	**-159**

Carrying amount	Goodwill	Software	Intangible assets acquired as part of a business combination	Other	Total
At December 31st, 2011	710	26	72	0	808
At December 31st, 2012	712	24	63	1	800
At December 31st, 2013	**674**	**25**	**52**	**1**	**752**

At December 31st, 2013, the carrying amount of intangible assets acquired as part of a business combination concerned brand names for € 1.7 million and customer relationships for € 50.0 million.

Other intangible assets mainly represent patents and licenses.

Analysis of goodwill by principal CGUs or Groups of CGUs:

Subsidiaries are grouped together to form a CGU or a group of CGUs 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, 2013, the principal groups of CGUs were determined to be as follows:

North America CGU

This group of CGUs is formed by the contact center subsidiaries located in the USA and Canada, and the offshore subsidiaries in India, the Philippines, and Jamaica.

Goodwill allocated to this CGU group amounted to € 269.2 million at December 31st, 2013 (2012: € 282.1 million), before accumulated impairment losses of € 15.8 million at December 31st, 2013 and 2012.

Nearshore CGU

This group of CGUs is formed by the contact center subsidiaries located in Mexico, Costa Rica and the Dominican Republic.

During the second half of 2013, following our reorganization of the Spanish market, our Colombian and Spanish businesses were amalgamated. Prior its transfer, Colombia was in the Nearshore CGU. At the date of amalgamation, impairment testing was performed on the Spain and the Nearshore CGUs, each resulting in no impairment charge.

Goodwill allocated to the Nearshore CGU group amounted to € 115.9 million at December 31st, 2013 (2012: € 162.1 million). There were no accumulated impairment losses at December 31st, 2013 and 2012.

Central Europe CGU

This group of CGUs is formed by the businesses of companies situated in Germany, the Benelux countries, Switzerland and the Netherlands.

Goodwill allocated to this CGU group amounted to € 93.0 million at December 31st, 2013 (2012: € 97.1 million), before accumulated impairment losses of € 0.1 million at December 31st, 2013 and 2012.

United Kingdom CGU

This CGU is formed by the business in the United Kingdom and the offshore subsidiary in South Africa.

Goodwill allocated to this CGU amounted to € 58.4 million at December 31st, 2013 (2012: € 59.7 million). There were no accumulated impairment losses at December 31st, 2013 and 2012.

France CGU

This group of CGUs is formed by the French subsidiaries with contact center businesses and the production subsidiaries in Tunisia and Morocco. These companies were brought together during 2008 under common management and a single brand name. Goodwill allocated to this CGU group amounted to € 53.1 million at December 31st, 2013 and 2012, with no impairment loss at either year-end. The effect of the French "competitiveness" tax credit was included in the determination of the recoverable amount, for € 60.2 million. Excluding this would have given a recoverable amount inferior by € 20.9 million to the carrying amount of the CGU's net assets, resulting in an impairment charge of an equivalent amount.

Other CGU

Other CGUs or CGU groups represent individually less than 6 % of total goodwill. Accumulated impairment losses were € 8.0 million at December 31st, 2013 and € 6.3 million at December 31st, 2012.

Following a review of the future cash flows of the Argentine CGU in the context of continuing uncertainty over the country's economic and political environment, a goodwill impairment loss of € 2.8 million was recognized in the first half of 2013.

The resulting net goodwill of this CGU was € 2.2 million at December 31st, 2013.

The following schedule sets out the allocation of goodwill over the principal CGUs or CGU groups:

	Goodwill (in millions of €)		Discount rate	
	2013	2012	2013	2012
North America	254	266	7.8%	7.6%
Nearshore	116	162	11.4%	10.3%
Central Europe	93	97	6.9%	6.7%
United Kingdom	58	60	7.9%	7.3%
France	53	53	7.4%	7.9%
Other	100	74		
Total	674	712		

Goodwill was tested for impairment at December 31st, 2013 as follows:

- Determination of the recoverable amount of CGUs or CGU groups

The recoverable amount of CGUs or CGU groups is represented by their value in use.

Initial minimum recoverable amounts are determined by geographical region, calculated on the basis of the present value of estimated future cash flows for the next five years. The cash flows of the first year are based on the following year's budget approved by management. For the subsequent four years, cash flows are based on forecasts using an assumption of no increases in growth or profitability, and discounted using the WACC determined for each geographical region.

Reasonableness checks are made between the rates of the ROCE (see note A28 *Glossary*) and the WACC.

When the recoverable amount thus determined is:

- greater than the carrying amount of assets being tested, no further work is performed, unless there are particular circumstances
- lower than the carrying amount of assets being tested, future cash flows for the next five years are based on forecasts prepared by CGU managements and agreed by group management on the basis of their knowledge of their business sector, future growth possibilities, and their risk profile. The calculation of terminal values uses the cash flows of the fifth year with the assumption that perpetual future growth will be equal to inflation.

An impairment loss is recognized when the recoverable amount of a CGU or group of CGUs, determined as set out above, is less than its carrying amount.

The group has not used any other measurement methods, for example, that of fair value less costs to sell.

The recoverable amounts of the principal CGUs or CGU groups at December 31st, 2013 are as follows:

	Recoverable amount (in millions of €) 2013
North America	885
Nearshore	349
Central Europe	155

- Sensitivity analysis

Using the methodology described above, the group has made preliminary sensitivity analyses as follows in respect of the discount rate applied:

- an increase of 100 basis points in the discount rate for each CGU
- an increase of 200 basis points in the discount rate for each CGU

When this test shows a recoverable amount less than or approximately equal to the carrying amount of the CGU or group of CGUs, additional analyses are performed including the sensitivity of the profitability with respect to the terminal values. This further test resulted in two CGUs or groups of CGUs (Central Europe and Argentina) showing recoverable amounts which could be less than their carrying amount.

The carrying amount of goodwill allocated to these CGUs or CGU groups is as follows:

	Goodwill (in millions of €)	
	2013	2012
Central Europe	93	97
Argentina	2	6

The table below sets out the impact of increases of 100 and 200 basis points in the discount rate combined with a reduction of 100 and 200 basis points in the rate of profitability used in the calculation of the terminal value for these two CGUs or groups of CGUs.

The rate of profitability used in the calculation of the terminal value for these CGUs or groups of CGUs, Central Europe and Argentina, reflects the past experience for these CGUs and appears reasonable in the light of the group's forecasts as of the reporting date.

The amounts in the table show the difference between the recoverable and the carrying amounts of each CGU, limited to the carrying amount of its goodwill. A negative amount therefore indicates the impairment loss.

Central Europe	Rate of profitability, terminal value		
WACC	Used	-100 pt	-200 pt
Used	25	4	-18
+100 pt	-1	-18	-36
+200 pt	-20	-34	-48

Argentina	Rate of profitability, terminal value		
WACC	Used	-100 pt	-200 pt
Used	4	2	0
+100 pt	3	2	0
+200 pt	3	1	0

B.2 Property, plant and equipment

Cost	***Land & buildings***	***Telephone & IT equipment***	***Other***	***In progress***	***Total***
At January 1, 2012	**213**	**373**	**144**	**6**	**736**
Change in consolidation scope					0
Transfer	5	2	0	-6	1
Increase	28	45	21	9	103
Decrease	-13	-26	-13	-1	-53
Translation differences	-1	-3	-2	1	-5
At December 31, 2012	**232**	**391**	**150**	**9**	**782**
Transfer	5		-1	-9	-5
Increase	39	45	26	8	118
Decrease	-2	-25	-5		-32
Translation differences	-17	-24	-12		-53
At December 31, 2013	**257**	**387**	**158**	**8**	**810**

Accumulated depreciation	***Land & buildings***	***Telephone & IT equipment***	***Other***	***In progress***	***Total***
At January 1, 2012	**-107**	**-286**	**-87**		**-480**
Change in consolidation scope					0
Transfer		1	-1		0
Expense	-23	-41	-16		-80
Decrease	13	25	13		51
Translation differences		1	1		2
At December 31, 2012	**-117**	**-300**	**-90**		**-507**
Transfer	1	3			4
Expense	-24	-44	-16		-84
Decrease	2	25	4		31
Translation differences	8	18	7		33
At December 31, 2013	**-130**	**-298**	**-95**		**-523**

Carrying amount	***Land & buildings***	***Telephone & IT equipment***	***Other***	***In progress***	***Total***
At January, 1	106	87	57	6	**256**
At December 31, 2012	115	91	60	9	**275**
At December 31, 2013	**127**	**89**	**63**	**8**	**287**

Other comprises principally office equipment and furniture, and motor vehicles.
No impairment loss has been recorded on these assets.
The Group relies only to a minor extent on finance lease financing and, in consequence, the disclosure of the amount of fixed assets held under finance leases is not significant.

B.3 Deferred tax assets and liabilities

	Deferred tax assets	*Deferred tax liabilities*	*Net*	*including tax losses*
At January 1st, 2012	**32**	**48**	**-16**	**24**
Recognized in income	5	-2	7	
Translation differences	-1	1	-2	1
At December 31st, 2012	**36**	**47**	**-11**	**25**
Recognized in income		-4	4	
Recognized in equity	1		1	
Translation differences	-1	-1	0	
Offset of deferred tax assets and liabilities	-5	-5	0	
At December 31st, 2013	**31**	**37**	**-6**	**21**

The amount of deferred tax liabilities on intangible assets recognized as part of a business combination was € 16.6 million and € 20.1 million at December 31st, 2013 and 2012, respectively.

Deferred tax assets amounted to € 31.2 million (including € 20.9 million in respect of tax losses) and € 36.3 million at December 2013 and 2012, respectively.

Deferred tax assets in respect of tax losses amounting to € 18.1 million and € 12.0 million were not recognized at December 31st, 2013 and 2012, respectively, as their realization was not considered probable.

The group has tax losses of approximately € 127 million, of which € 87 million have no expiry date and € 14 million expire after 18 years.

B.4 Accounts receivable – Trade and Other current assets

	12/31/2013			*12/31/2012*
	Gross	*Write-downs*	*Net*	*Net*
Accounts receivable - Trade	506	-8	498	480
Other receivables	20	-1	19	19
Taxation recoverable	25		25	36
Advances and receivables on non-current assets	3		3	1
Prepayments	26		26	27
Total	580	-9	571	563

Accounts receivable –Trade is analyzed by geographical region as follows:

	12/31/2013	*12/31/2012*
English-speaking & APAC	208	193
Iberico-LATAM	124	119
Cont. Europe & MEA	166	168
Holdings	0	0
Total	498	480

The payment schedule of Accounts receivable – Trade is as follows:

	12/31/2013	12/31/2012
not yet due	419	386
overdue < 30 days	59	61
overdue < 60 days	10	16
overdue < 90 days	4	7
overdue < 120 days	4	3
overdue > 120 days	2	7
Total	498	480

Factoring arrangements:

A number of subsidiaries use factoring arrangements which comply with criteria for derecognition. The amounts totaled € 7.8 million and € 11.6 million at December 31st, 2013 and 2012, respectively.

In order to diversify its sources of financing, the group implemented in mid-December 2012 a factoring arrangement covering the trade receivables of a number of its European subsidiaries (sale of receivable balances without recourse with delegation of the benefit of credit insurance). The receivables are sold without recourse, subject to the following principal conditions:

- that they comply with the eligibility conditions set out in the agreement
- that they are not subject to reasonable dispute by the customer
- and that in the event of non-payment by the customer, the group respects the procedures set out in the insurance policy.

After analysis, it has been concluded that the contractual rights to receive cash flows have been transferred to the factor. The receivables transferred amount to € 14.0 million at December 31st, 2013 (€ 12.8 million at December 31st, 2012) and have been deconsolidated. These operations do not affect the statement of income, and the maximum risk involved in the event of non-compliance with the above-mentioned conditions is represented by the amount of the receivables (€ 14.0 million).

Under the agreement, the group retains the credit control and receipt functions in respect of the sold receivables on behalf of the factor.

B.5 Share capital

Share capital at December 31st, 2013 was € 143,150,475 consisting of 57,260,190 shares, par value € 2.50 each, fully paid-up.

	12/31/2013		12/31/2012
Number of shares issued and fully paid up	57,260,190		56,598,048
of which treasury shares	123,961		1,221,977
Dividends distributed in respect of the year (in M€)*	45.8	**	38.5
Dividend per share (in €)	0.80	**	0.68

* *based on the number of shares outstanding at December 31st, 2013.*
** *to be proposed to the AGM to be held on May 7th, 2014.*

Teleperformance made an increase in its share capital in 2013 of € 1,655,355, by paying up a portion of the dividend distribution in shares.

B.6 Provisions

	12/31/2011	Increases	Reversals utilized	Reversals unutilized	Translation differences	12/31/2012
Non-current						
Provisions for retirement benefits	5	1				6
Provisions for other expenses	1					1
Total	6	1	0	0	0	7
Current						
Provisions for risks	14	5	-5	-1		13
Provisions for other expenses	12		-10			2
Total	26	5	-15	-1	0	15
TOTAL	**32**	**6**	**-15**	**-1**	**0**	**22**

	12/31/2012	Increases	Releases utilized	Releases unutilized	Translation differences	Other	12/31/2013
Non-current							
Provisions for retirement benefits	6	1				1	8
Provisions for other expenses	1						1
Total	7	1	0	0	0	1	9
Current							
Provisions for risks	13	4	-2	-2	-1		12
Provisions for other expenses	*2*	*1*	*-1*				*2*
Total	15	5	-3	-2	-1	0	14
TOTAL	**22**	**6**	**-3**	**-2**	**-1**	**1**	**23**

Provisions for risks include personnel-related risks for € 9 million, principally concerning lawsuits with former employees, particularly in Argentina, France and Brazil.

Provisions for other expenses at December 31st, 2013 concern principally the residual amount of a restructuring provision of € 47 million made during 2010 for the French operations and utilized to the extent of € 35 million, € 10 million and € 0.6 million during 2011, 2012 and 2013, respectively, leaving a balance of € 1.5 million. The implementation of the plan has not led to any adjustments and is in line with the estimate made at the end of 2010.

The 2010 restructuring provision concerned a redundancy plan announced during that year, in respect of slightly more than 600 persons. The plan was intended to adjust the number of employees to the expected level of activity and to improve production efficiency. The estimated expense was comprised of termination costs of € 31 million, facility and equipment costs of € 10 million, and fees and the French revitalization levy on redundancies.

- Expected timing of outflows of economic benefits

With respect to the provision for retirement benefits, the expected timing corresponds to the average number of years of employee service remaining. Given the age pyramid within the group, the timing is long-term.

With respect to provisions for operating activities, the expected timing of outflows of economic benefits falls between one and two years.

Provisions for risks which are sales-related are generally short-term and are utilized once a final invoice has been issued.

Other provisions are generally short-term (under two years) except for judicial proceedings, the duration of which cannot be known or estimated.

- Uncertainties as to the amount or timing of these outflows

The uncertainties as to the amount or timing of provisions for risks are low compared to their overall amount. These provisions cover a multitude of disputes over small amounts, and the uncertainty surrounding each dispute has no impact on the total amount of such provisions, or on the timing.

In respect of provisions for other expenses, management has made its best estimate of the amounts likely to be incurred on the basis of information available to it when the financial statements were prepared. Future costs of the restructuring plan may differ significantly from the amount of the provision.

The uncertainties as to timing generally concern only the legal proceedings, where it is difficult to know when a conclusion will be reached.

Retirement benefits

Retirement benefits principally concern lump-sum payments made to employees on their retirement under the provisions of French national wage agreements and labor law. In other countries, benefit obligations relate principally to defined contribution plans (the main exceptions being in Norway, Greece and the Philippines). The obligations are measured using the projected unit credit method and the following actuarial assumptions:

	2013	*2012*
Discount rate	3.0%	2.8%
Rate of annual increase in remuneration	2.5%	2.5%
Rate of employer social charges	42%/45%	42%/45%

Employee turnover rates used are specific to each company.

Change in the actuarial liability over 2012 and 2013:

	France	*Other countries*	*Total*
At January 1st, 2012	**2**	**3**	**5**
2012 expense	1	0	1
Directly in equity	1	-1	0
Ecarts de conversion		0	0
Autres		0	0
At December 31st, 2012	**4**	**2**	**6**
2013 expense	1		1
Directly in equity		1	1
Translation differences			0
Other			0
At December 31st, 2013	**5**	**3**	**8**

At December 31st, 2013, "Other countries" relate principally to subsidiaries in the Philippines and Greece, for amounts of 1,394 K€ and 1,018 K€ respectively.

Changes in the discount rates used by the group led to an increase in liabilities of approximately 598 K€. The provision for retirement benefits was increased accordingly and recognized in "Other recognized income and expense" in comprehensive income, in accordance with the amendments to IAS 19.

The actuarial liability is equal to the defined benefit obligation less plan assets, as follows:

- € 5.6 million at December 31st, 2009
- € 4.5 million at December 31st, 2010
- € 4.6 million at December 31st, 2011
- € 5.4 million at December 31st, 2012
- € 7.8 million at December 31st, 2013

Analysis of plan assets

	12/31/2013	*12/31/2012*
Actuarial obligation (M€)	12	10
Equities	6.8%	9.2%
Alternative investments	3.5%	
Bonds	17.0%	15.6%
Money market	22.0%	18.3%
Held to maturity bonds	35.2%	36.8%
Real estate	14.3%	18.3%
Other	1.1%	1.9%
Plan assets (M€)	4	4
Net actuarial obligation (M€)	8	6

The liability for retirement benefits does not include any amounts in respect of company officers.
The 2013 expense in respect of defined contribution plans amounted to € 7.3 million.

B.7 Net financial indebtedness

Schedule of debt maturities:

	Total 2013	Current	Non-current *	Total 2012	Current	Non-current
Loans from financial institutions	34	32	2	60	49	11
Bank overdrafts	4	4		10	10	
Finance lease liabilities	2	1	1	3	2	1
Other borrowings and financial liabilities	13	12	1	4	2	2
Due to minority shareholders	24	7	17	13	13	
Total financial liabilities	77	56	21	90	76	14
Short-term investments	59	59		61	61	
Cash and bank	105	105		109	109	
Total cash and cash equivalents	**164**	**164**		**170**	**170**	
Net debt	-87	-108	21	-80	-94	14

** due after five years: 126 K€*

The amounts due to minority shareholders concern the estimated residual amount owing in respect of 2013 share purchases.

Reconciliation to cash and cash equivalents as presented in the Consolidated Statement of Cash Flows:

	Total 2013	Total 2012
Bank overdrafts	-4	-10
Short-term investments	59	61
Cash and bank	105	109
Cash and cash equivalents	160	160

Loans from financial institutions:

Schedule of loans by principal currency and type of interest rate (in millions of euros)

	Total	€	CNY	CAD	TRL	COP	ARS	Other
Type of interest rate								
- fixed	3				1		1	1
- floating	31	20	2	4		4		1
Total 2013	34	20	2	4	1	4	1	2
	Total	**€**	**CNY**	**CAD**	**BRL**	**COP**	**ARS**	**Autre**
Type of interest rate								
- fixed	6	1			2		2	2
- floating	54	31	3	5		15		
Total 2012	60	31	3	5	2	15	2	2

Schedule of loan categories

	12/31/2013	Available	Total credit line	Amount in currency at 12/31/2013		Rate	Expiry date	Financial Covenant
Credit lines								
Teleperformance SA	20	280	300	20	€	Euribor	2017.06	(a)
					USD	Libor		
MMCC Solutions Canada	4	2	6	6	CAD	Bank's prime rate + 0.50	2014.01	(a)
TGI	0	7	7	0	USD	Libor $ + 0.5	2014.05	yes
TP China	0	1	1	0	CNY	PBOC + 15 %	2014.08	no
Total	24	290	314					
Secured bank loans								
Teledatos	0			1	COP	DTF + 3 %	2014.03	no
TP China	1			10	CNY	PBOC + 20 %	2014.08	no
TLS Contact China	1			9	CNY	120 % of PBOC	2014.12	no
Citytech	1			9	ARP	9.90%	2016.10	no
Other	1							
Total	4							
Unsecured bank loans								
TP Chile	1			819	CLP	8.4 % - 9.24 %	2014.04	no
Teledatos	4			10,047	COP	DTF + 1.00 % - 4.71 %	2015.09	no
Metis	1			4	TRL	0.78 % - 1.15 %	2015.06	no
Total	6							
Total	**34**	**290**	**314**					

Covenants

(a) Based on the consolidated financial statements of Teleperformance SA

At year-end	Ratios *2013*		*2012*
Teleperformance SA			
Consolidated net debt / EBITDA	< 2,0	(1)	(1)
Consolidated net debt / Consolidated net equity	<0,7	(1)	(1)

(1) not applicable as the group has positive net debt.

Assets secured against financial liabilities

	12/31/13	*12/31/12*
Non-current assets	1	3
Accounts receivable - Trade and other receivables	1	1
Total	2	4

Finance lease liabilities

The group relies only to a minor extent on finance lease financing and, in consequence, the amount of its finance lease liabilities is not significant (€ 2.5 million and € 3.6 million at December 31st, 2013 and December 31st, 2012, respectively.

Sensitivity to interest rate changes

The group's exposure to a change of 1 % in interest rates, based on the amount of current net debt at December 31st, 2013 and 2012, is set out as follows:

	12/31/2013	12/31/2012
Cash and cash equivalents	164	170
Current financial liabilities	-56	-76
Net position	108	94
Impact of a 1% rate change	1	1

The group's low sensitivity to changes in interest rates as a result of its low level of short-term debt means that the use of derivative financial instruments and interest rate hedges are not required.

The heading "Current financial liabilities" includes an amount of € 20 million drawn down from the € 300 million syndicated credit line facility put in place on June 29th, 2012 for a period of five years.

B.8 Accounts payable – Trade and Other current liabilities

	12/31/2013	12/31/2012
Accounts payable-Trade	87	81
Other payables	101	104
Taxes payable	49	61
Accruals	74	79
Other operating liabilities	25	25
Total	336	350

B.9 Financial instruments

Financial assets

	Current	Non-current	Total 12/31/2013	Total 12/31/2012
Loans	5	6	11	6
Derivative financial instruments	5		5	3
Guarantee deposits	6	27	33	32
Gross financial assets	**16**	**33**	**49**	**41**
Write-downs	-1		-1	-1
Carrying amount	15	33	48	40

Foreign exchange hedging operations

Revenues and operating expenses of group companies are denominated principally in the currency of each country concerned. However, the group is exposed to foreign exchange risk in certain subsidiaries where revenues are denominated in a currency other than the functional currency.

To cover these exchange risks, hedge contracts are entered into on the following principal currencies:

- the US dollar and the Mexican peso
- the Australian dollar, the Canadian dollar, the Philippine peso and the US dollar

The policy of the group is cover its highly probable forecast transactions denominated in foreign currency, usually up to 12 months ahead. The group uses forward exchange contracts and plain vanilla foreign exchange options.

In addition, following the extension of the cash pool in 2010 to countries outside the euro zone (particularly the United States and Mexico), hedging arrangements were put in place to cover the risk of changes in exchange rates amongst the various currencies managed in the cash pool.

Finally, a number of loans between Teleperformance SA and its subsidiaries are also hedged.

The fair value of hedging arrangements covering forecast transactions on the group loans and cash pool are considered to be Level 2 in the fair value measurement hierarchy (see accounting policy A.25 *Determination of fair values*).

The principal derivative financial instruments in place at the year-end are as follows:

Derivative financial instruments (in millions)	Notional amount in currency	Notional amount in € at 12/31/2013	Fair value in € au 12/31/2013	Recognized in equity	Recognized in 2013 income
Hedge of forecast 2014 USD/MXN transactions					
Put & call USD - options	38	28	0	0	0
Forward USD sales	58	42	0	0	0
Sales of USD options *	20	15	0	0	0
Hedge of forecast 2014 USD/PHP transactions					
Put & call PHP - options	1,980	32	0	0	0
Forward PHP purchases	5,651	92	-1	-2	1
PHP put sales *	1,130	18	0	0	0
Hedge of forecast 2014 COP/EUR transactions					
Forward € sales	28	28	-1	-1	0
Hedge of forecast 2014 COP/USD transactions					
Forward USD sales	20	15	0	0	0
Hedge of forecast 2014 INR/USD transactions					
Put & call INR - options	280	3	0	0	0
Forward INR purchases	775	9	0	0	0
INR put sales *	190	2	0	0	0
Hedge of forecast 2014 AUD/USD transactions					
Put & call AUD - options	13	8	0	0	0
Forward AUD purchases	27	18	1	1	0
Sales of AUD options *	10	6	0	0	0
Purchases of AUD options *	1	1	0	0	0
Hedge of forecast 2013 AUD/USD transactions					
Forward AUD sales	9	6	0	0	0
Forward AUD purchases	7	5	0	0	0
Hedge of forecast 2013 PHP/USD transactions					
Forward PHP purchases	585	10	0	0	0
Hedge of forecast 2013 USD/MXN transactions					
Forward USD sales	34	25	1	0	1
Hedge of forecast 2014 EUR/TND transactions					
Forward TND purchases	42	19	0	0	0
Hedges of intra-group loans					
- in BRL	13	4	1	0	1
- in USD	9	7	0	0	0
Cash pooling hedges					
- in MXN	1,130	63	-1		-1
- in USD	101	73	-1		-1

* *not eligible for hedge accounting*

Derivative financial instruments (in millions)	*Notional amount in currency*	*Notional amount in € at 12/31/2012*	*Fair value in € at 12/31/2012*	*Recognized in equity*	*Recognized in 2012 income*
Hedge of forecast 2013 USD/MXN transactions					
Put & call MXN - options	13	10	1	0	0
Forward MXN sales	28	21	1	1	0
Sales of MXN options *	9	7	0	0	0
Hedge of forecast 2013 COP/EUR transactions					
Forward € sales	20	20	0	0	0
Hedge of forecast 2013 COP/USD transactions					
Forward USD sales	16	12	0	0	0
Hedge of forecast 2013 AUD/USD transactions					
Put & call AUD - options	11	9	0	0	0
Forward AUD sales	16	12	0	0	0
Sales of AUD options *	8	6	0	0	0
Hedge of forecast 2012 PHP/USD transactions					
Forward PHP purchases	445	8	0	0	0
Hedge of forecast 2012 USD/MXN transactions					
Forward USD sales	16	12	0	0	0
Hedge of forecast 2012 AUD/USD transactions					
Forward AUD sales	10	8	0	0	0
Hedges of intra-group loans					
- in BRL	24	9	0	0	0
- in GBP	40	50	1	0	1
- in USD	12	9	0	0	0
Cash pooling hedges					
- in GBP	7	9	0	0	0
- in MXN	1,240	72	-1	0	-1
- in USD	57	43	0	0	0

** not eligible for hedge accounting*

At December 31st, 2013, the fair value of derivative financial instruments was - € 1.1 million (compared with € 1.9 million at December 31st, 2012), shown as "Other financial assets" (for € 4.6 million) and "Other financial liabilities" (for € 5.7 million).

Counterparty credit risk (Credit value adjustment - CVA) and own credit risk (Debt value adjustment - DVA) are included in the fair values of hedging instruments, but the amounts are not significant.

C. Notes to the Consolidated Statement of Income (in millions of euros: M€)

C.1 Effect of changes in foreign exchange rates

The effect of changes in foreign exchange rates on statement of income line items is as follows:

	2013	2012 at 2013 rates	2012
Revenues	2,433	2,255	2,347
Operating profit	196	185	193
Financial result	-7	-11	-7
Net profit	129	119	129
Net profit - group share	129	118	127

C.2 Other operating revenues

Other operating revenues principally comprise government grants for € 9.0 million (compared with € 10.3 million in 2012) including € 2.6 million concerning the new French "competitiveness" tax credit ("CICE – Crédit d'impôt pour la compétitivité et l'emploi") implemented in 2013.

C.3 Share-based payments

Incentive plan share awards

The Board of Directors' meeting on July 30th, 2013 approved the award of 840,000 incentive plan shares to group personnel under the authorization, limited to a maximum of 2 % of the share capital of the company, given at the Shareholders' General Meeting of May 30th, 2013. The same meeting approved the setting-up of a long-term incentive plan for company officers, with the award of 300,000 shares. The two plans have identical conditions for vesting, as follows:

Date of board meeting allocating the awards	07/30/2013
Vesting period	07/31/2013 to 07/30/2016
Grant date	08/02/2013
Number of share awards *	1,140,000
Number of share awards outstanding at 12/31/2013	1,140,000
Fair value of a share award at the grant date (€)	33.37
** including company officers*	300,000

Vesting of the share awards is conditional on the beneficiaries remaining with the group until at least the end of the vesting period and on meeting the following performance conditions relating to the financial years between 2013 and 2015:

Each beneficiary may acquire the full amount of his share award if all of the following conditions are met:

The increase in revenues is equal to or above 16 % AND the increase in EBITA* is equal to or above 27 % AND ROCE* is equal to or above 12.5 %.

Each beneficiary may acquire 75 % of his share award if ROCE* is equal to or above 12.5 % AND one of the two following conditions is met:

- the increase in revenues is equal to or above 14.4 % and less than 16 %. and the increase in EBITA* is equal to or above 24.3 % ; OR
- the increase in revenues is equal to or above 14.4 % and the increase in EBITA* is equal to or above 24.3 % and less than 27 %.

Each beneficiary may acquire 50 % of his share award if ROCE* is equal to or above 12.5 % AND one of the two following conditions is met:

- the increase in revenues is equal to or above 12.8 % and less than 14.4 % and the increase in EBITA* is equal to or above 21.6 % ; OR
- the increase in revenues is equal to or above 12,8 % and the increase in EBITA* is equal to or above 21.6 % and less than 24.3 %.

All beneficiaries lose all rights to vesting in the event of any of the following cases: the increase in revenues is less than 12.8 %, OR the increase in EBITA* is less than 21.6 % OR ROCE* is less than 12.5 %.

The expense recognized in 2013 in respect of these plans amounted to € 4.9 million, out of which € 2.2 million relating to taxes and social contributions.

* see accounting policy A28 *Glossary*

At the Board of Directors' meetings held on July 27th and November 30th, 2011, and May 29th and July 30th, 2012, a total of 1,131,500 incentive plan share awards with the following characteristics were allocated to group personnel and company officers under the authorization given at the Shareholders' General Meeting of May 31st, 2011, limited to a maximum of 2 % of the share capital of the company at that date:

	Plan 07/27/11	Plan 11/30/11	Plan 05/29/12	Plan 07/30/12
Date of AGM authorizing the plans	05/31/2011	05/31/2011	05/31/2011	05/31/2011
Date of board meeting allocating the awards	07/27/2011	11/30/2011	05/29/2012	07/30/2012
Vesting period	07/28/2011 to 07/27/2013	12/01/2011 to 11/30/2013	06/01/2012 to 05/31/2014	07/30/2012 to 07/30/2014
Grant date	09/09/2011	12/01/2011	06/01/2012	07/30/2012
Number of share awards *	1,099,000	30,500	2,000	
Number of share awards cancelled in 2013	-48,500	-7,500	0	2,000
Number of shares vesting in 2013	1,050,500	23,000		
Number of share awards outstanding at 12/31/2013	0	0	2,000	2,000
Fair value of a bonus share at the grant date	15.1 €	13.2 €	17.0 €	17.4 €
** including company officers*	170,000	0	0	0

The Board of Directors at its meeting on February 26th, 2013 formally recorded the achievement of the performance conditions attached to the incentive plans of July 27th, 2011 and November 30th, 2011. In consequence, the share awards were vested in those beneficiaries who fulfilled the condition of presence at the vesting date, either July 27th, 2013 or November 30th, 2013. A total of 1,073,500 existing shares were transferred to the beneficiaries, of which 1,050,500 concerned the plan of July 27th, 2011 and 23,000 the plan of November 30, 2011.

Management considers that all other outstanding incentive share awards not yet vested as of December 31st, 2013 will vest. The expense recognized in 2013 in respect of these plans amounted to € 5.2 million, compared with € 10.3 million in 2012.

In order to be able to meet the future vesting of shares under these plans, the company had acquired 1,131,960 Teleperformance shares in the market during the second half of 2011, paying a total amount of € 17.3 million which was deducted from equity. There has been and will be no dilutive effect on vesting.

C.4. Other operating income and expenses

	2013	*2012*
Other operating income	**2**	**7**
Other operating expenses	**-8**	**-10**
- costs	-8	-20
- net changes in provisions	0	10

Other operating expenses in 2013 principally included restructuring cost in Argentina and Chile and closure costs of the Belgian businesses.

During 2012, an amount of € 9.7 million had been released from the restructuring provisions set up for the French operations in 2009 and 2010, corresponding to costs incurred which are included in the above line item 'costs'.

Other operating expenses in 2012 principally included restructuring costs (redundancies) in Italy totaling € 2.8 million, a provision of € 1.4 million for the implementation of a non-compete agreement with a former company officer, and provisions totaling € 2 million for the costs of liquidating Austrian and Vietnamese subsidiaries (€ 1.5 million and € 0.5 million, respectively).

C.5 External expenses

	2013	2012
Building rents and charges	134	129
Telecommunications	63	66
Hire and maintenance of equipment	46	44
Fees	23	24
Travel and entertainment	33	33
Consumables	11	11
Other	91	80
Total	401	386

C.6 Financial result

	2013	2012
Income from cash and cash equivalents	1	2
Other interest expense	-9	-13
Financing costs, gross	-9	-13
Exchange gains and losses	1	9
Change in fair value of derivative financial instruments	0	-5
Financial result	-7	-7

C.7 Income tax

Income tax expense was € 59.5 million in 2013, compared to € 56.6 million in 2012.

	2013	2012
Consolidated net profit	**129**	**129**
Current tax expense	64	64
Deferred tax expense (credit)	-4	-7
Profit before taxes	**189**	**186**
Standard rate of tax in France	34.43%	34.43%
Expected tax expense	**-65**	**-64**
CVAE	-2	-1
IRES/IRAP	-1	-1
Tax rates in foreign jurisdictions	15	12
Other permanent differences and other items	1	6
Unrecognized deferred tax assets	-8	-9
Total	-60	-57

C.8 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to ordinary shares by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares.

Diluted earnings per share is calculated by dividing the net profit attributable to ordinary shares by the weighted average number of ordinary shares outstanding during the year, as adjusted for the effect of all potentially dilutive ordinary shares.

	2013	2012
Net profit - group share	**129**	**127**
Weighted average number of shares used to calculate basic earnings per share	56,774,885	55,395,561
Dilutive effect of bonus shares	3,517	768,652
Weighted average number of shares used to calculate diluted earnings per share	56,778,402	56,164,213
Basic earnings per share (in €)	2.27	2.30
Diluted earnings per share (in €)	2.27	2.27

Weighted average number of shares used to calculate basic and diluted earnings per share:

	2013	2012
Ordinary shares in issue at January 1	56 598 048	56 598 048
Treasury shares	-135 186	-1 202 487
Shares issued in year	312 023	0
Total	56 774 885	55 395 561

The average share price used to calculate the dilutive effect of incentive plan share awards was determined using the available share prices over their vesting period.

D. Segment reporting

Segment information is reported in respect of the group's geographical segments, as set out below.

Inter-segment operations are not significant and are not identified separately.

2013	*English-speaking & APAC*	*Ibero-LATAM*	*Continental Europe & MEA*	*Holdings*	*Total*
Revenues	**947**	**762**	**724**		**2,433**
Operating profit	**91**	**81**	**11**	**13**	**196**
Capital expenditure	46	51	30	0	**127**
Depreciation and amortization	43	39	24	1	**107**
Goodwill impairment		3			**3**

2012	*English-speaking & APAC*	*Ibero-LATAM*	*Continental Europe & MEA*	*Holdings*	*Total*
Revenues	**910**	**738**	**699**		**2,347**
Operating profit	**98**	**88**	**3**	**4**	**193**
Capital expenditure	30	51	28	1	**110**
Depreciation and amortization	41	37	22	1	**101**

E. Commitments and other contractual obligations

Warranties given by the group

Under an 8-year service contract awarded in July 2007 by a UK customer to a subsidiary, MMTP Ltd., Teleperformance was requested by the customer to provide a first demand guarantee to a maximum of £ 1,755,000, covering amounts which MMTP Ltd. might owe relating to the service contract. The guarantee was given on July 23rd, 2007.

Under a board resolution dated December 21st, 2011, Teleperformance has given a performance guarantee to a customer, Research In Motion (RIM), in respect of a commercial contract effective from December 23rd, 2011 with a number of group subsidiaries. The maximum amount covered by the guarantee is the greater of (i) € 15 million and (ii) the total amount of sums paid or payable by RIM to the subsidiaries concerned during the 12 month period prior to the loss event. This ceiling does not apply should the loss be caused by infringement of RIM's intellectual property rights, death or injury, damage to property, or breach of confidentiality. The guarantee will stay in force while any obligation of a subsidiary has not been extinguished.

Under a board resolution dated July 31st, 2013, Teleperformance has given a performance guarantee to Apple Inc. covering the duration of a commercial contract entered into with a number of group subsidiaries. The maximum amount covered by the guarantee is the greater of (i) US $ 60 million and (ii) the total amount of sums paid by Apple to the subsidiaries concerned during the 12 month period prior to the loss event.

Under a board resolution dated November 25th, 2013, Teleperformance has given a performance guarantee to the Secretary of State for the Home Department of the United Kingdom covering the duration of a commercial contract entered into with a number of group subsidiaries. The maximum amount covered by the guarantee is £ stg. 60 million.

Category and maturity of contractual obligations at December 31st, 2013

	Total 12/31/2013	Under 6 months	Over 6 months	Total 2014	2015 to 2018	After
Recognized in the statement of financial position						
Loans from financial institutions	34	8	24 *	32	2	
Bank overdrafts	4	4		4		
Finance lease liabilities	2		1	1	1	
Other borrowings and financial liabilities	14	7	5	12	2	
Due to minority shareholders	24	7	0	7	17	
Not recognized in the statement of financial position						
Operating leases	410	51	47	98	236	76

* *including € 20 million drawn down on the revolving credit line of € 300 million in force until June 29th, 2017.*

Category and maturity of contractual obligations at December 31st, 2012

	Total 12.31.2012	Under 6 months	Over 6 months	Total 2013	2014 to 2017	After
Recognized in the statement of financial position						
Loans from financial institutions	60	16	33 *	49	11	
Bank overdrafts	10	10		10		
Finance lease liabilities	4	1	2	3	1	0
Other borrowings and financial liabilities	3	2	0	2	1	0
Due to minority shareholders	13	13		13		
Not recognized in the statement of financial position						
Operating leases	355	44	49	93	212	50

* *including € 30 million drawn down on the revolving credit line of € 300 million in force until June 29th, 2017.*

F. 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.

G. Exposure to exchange risk from translation of foreign subsidiaries' financial statements on consolidation

The analysis of group revenues by principal currency in 2013 and 2012 is set out in the following schedule:

Revenues (M €)	2013	%	2012	%
Euro	663	27.3%	634	27.0%
US dollar	863	35.5%	773	32.9%
Brazilian real	207	8.5%	224	9.6%
Mexican peso	99	4.1%	115	4.9%
£ sterling	179	7.4%	174	7.4%
Colombian peso	106	4.4%	89	3.8%
Argentine peso	50	2.1%	62	2.6%
Other	266	10.9%	277	11.8%
Total	2,433	100%	2,347	100%

Sensitivity of group profit before tax to a change of 1 % in the exchange rate of the euro compared with other currencies:

The group estimates that an increase or decrease of 1 % in the exchange rate of the euro compared with other currencies would have impacted 2013 profit before tax and equity by approximately € 1.9 million and € 5.1 million, respectively.

At December 31st, 2013, the group's exposure to foreign exchange risk is summarized as follows:

in M€	Assets	Liabilities	Net position before hedging	Net position after hedging
12/31/2013				
Euro	585	230	355	355
USD	618	90	528	527
BRL	95	23	72	73
MXN	108	19	89	88
GBP	131	21	110	110
COP	94	19	75	75
Other	260	93	167	167
Total	1,891	495	1,396	1,395
12/31/2012				
Euro	579	245	334	334
USD	583	93	490	489
BRL	103	28	75	75
MXN	124	26	98	98
GBP	136	20	116	116
COP	117	31	87	87
Other	278	96	183	183
Total	1,919	539	1,380	1,382

H. Related party disclosures

Description of transactions with group subsidiaries

Brand name royalties and technical assistance fees are paid to the parent company by the subsidiaries. Loans are made to certain subsidiaries, there are cash-pooling transactions, and dividends are distributed to the parent by the subsidiaries.

Description of relationships between the parent company and the related parties

The principal U.S. subsidiary of the group has relations with two U.S. companies which supply its telecommunications services and manage the preparation and payment of its salary and social charges; the wife of a member of the executive committee is a shareholder in each company. The amount invoiced by the two companies in 2013 amounted to € 16.4 million and € 23.7 million.

There are no other transactions with related parties that are significant and/or entered into at conditions that are not at arms' length.

Remuneration of company officers (Executive Committee)

Remuneration of company officers in respect of 2013 and 2012 is summarized as follows:

Remuneration	*2013*	*2012*
Short-term benefits	11	10
Post employment benefits	4	
Share-based payments (1)	16	
Total	31	10

(1) The indicated amount corresponds to the incentive plan share's fair value vested by the executive committee members on July 27th, 2013.

During 2012, a group subsidiary made a loan of US$ 5 million to a company officer of the group, at arms' length conditions. The loan amounted to US$ 3.8 million at December 31st, 2013 and is repayable in 2016 at the latest.

The group has obtained non-compete agreements from its principal officers. As for the two corporate officers, the commitment covers a term:

- which could last 2 to 3 years for Mr. Julien provided that he fulfills a 9 months' notice period; this commitment could amount up to 3 years' remuneration
- of 2 years for Mr. Salles Vasques and could amount up to 2 years' remuneration.

I. Principal foreign exchange rates

Currency	*Country*	*12/31/2013*		*12/31/2012*	
Europe		*average rate*	*closing rate*	*average rate*	*closing rate*
£ sterling	United Kingdom	0.849	0.834	0.811	0.816
The Americas					
Brazilian real	Brazil	2.867	3.258	2.510	2.704
Canadian dollar	Canada	1.368	1.467	1.285	1.314
US dollar	USA	1.328	1.379	1.286	1.319
Mexican peso	Mexico	16.962	18.073	16.911	17.185
Colombian peso	Colombia	2 483.1	2 651.0	2 310.0	2 330.0

J. Scope of consolidation

The group did not make any significant acquisitions or disposals in 2013.

		% interest	*% control*
Parent company	**Teleperformance**	100	100
	Contact centers		
	Continental Europe & MEA		
Albania	CC Albania	100	100
	Albania Marketing Services	67	100
	Service 800 Albania	100	100
Germany	All by Phone + Net	100	100
	twenty4Help Knowledge Service GMBH Nuremburg	100	100
	twenty4Help Knowledge Service GMBH Dortmund	100	100
	GN Research Germany	67	100
Austria	Teleperformance Unternehmensberatung	100	100
Belgium	Société Européenne de Telemarketing	100	100
	Techmar Europe	100	100
Czech Republic	Lion Teleservices CZ	90	90
Denmark	Teleperformance Denmark	100	100
Egypt	Service 800 Egypt	86	86
Finland	Teleperformance Finland	100	100
France	Teleperformance France	100	100
	GN Research France	64	95
	Teleperformance Europe Middle East and Africa	100	100
	TP Intermédiation	100	100
Greece	Ypiresia 800	100	100
	Direct Response Service	100	100
	Mantel	100	100
	Customer Value Management	100	100
Italy	In & Out	100	100
	GN Research S.p.A	67	100
Lebanon	Teleperformance Lebanon	51	51

subsidiaries		*% interest*	*% control*
Luxembourg	GN Research SA	67	67
	Ukraine Contact Center	100	100
Morocco	Société Anonyme Marocaine d'Assistance Client	100	100
Norway	Teleperformance Norge	100	100
Netherlands	PerfectCall	100	100
Poland	Centrum Telemarketingowe	100	100
	twenty4Help Knowledge Service Sp zoo.	100	100
Rumania	The Customer Management Company	100	100
	S 800 Customer Service Provider	100	100
Russia	Direct Star	100	100
Sweden	Teleperformance Nordic	100	100
	twenty4Help Knowledge Service AB	100	100
Slovakia	Lion Teleservices SK	77	85
Switzerland	SCMG	100	100
Tunisia	Société Tunisienne de Telemarketing	100	100
	Société Méditerranéenne de Télémarketing	100	100
	GN Research Tunisie	64	95
Turkey	Metis Bilgisayar	100	100
Ukraine	KCU	100	100
TLS Contact	TLS Group SA	100	100
	TLScontact WOFE	100	100
	TLScontact Algérie SARL	100	100
	TLScontact France SAS	100	100
	TLScontact Algérie SAS	100	100
	TLScontact Ltd (Hong Kong)	100	100
	TLScontact Indonesia	99	99
	TLScontact Lebanon SARL	100	100
	TLScontact Maroc SARL	100	100
	TLScontact International Co (Thailand)	100	100
	TLScontact Enterprises Co (Thailand)	100	100

subsidiaries		*% interest*	*% control*
TLS Contact	TLScontact (UK) Limited	100	100
	TLScontact Égypte Company SEA	100	100
	TLScontact Tunisie SARL	100	100
	TLScontact Philippines Corporation	100	100
	TLScontact South Africa	100	100
	TLScontact (RU)	100	100
	TLScontact Danismanlik HVTLS	100	100
	TLScontact Ukraine	100	100
	English-speaking & APAC		
Canada	MMCC Solutions	100	100
	AllianceOne Limited	100	100
	Nova Information Technologies Ltd	100	100
China	North Asia United CRM Technologies (Beijing)	84	100
Hong Kong	Hong Kong Asia CRM	84	84
India	CRM Services India	100	100
Indonesia	P.T. Telemarketing Indonesia	100	100
Jamaica	Outsourcing Management International	100	100
Philippines	Telephilippines	100	100
Singapore	Telemarketing Asia Singapore	100	100
South Africa	MMTP South Africa Trading	100	100
United Kingdom	BPS Contact Centre Services	100	100
	MM Teleperformance Holdings Ltd	100	100
	MM Teleperformance UK	100	100
	MM Group Ireland Ltd	100	100
USA	TP USA	100	100
	Americall Group	100	100
	Merkafon Management	100	100
	Teleperformance Delaware	100	100
	AllianceOne	100	100
	AllianceOne Receivables Management Inc	100	100
	U.S Solutions Group Inc	100	100

subsidiaries		*% interest*	*% control*
	Ibero-LATAM:		
Argentina	Citytech	100	100
Brazil	Teleperformance CRM	100	100
	Sao Paulo Contact Centers	100	100
Chile	TP Chile	100	100
Colombia	Teledatos	100	100
Costa Rica	Costa Rica Contact Center	92	92
El Salvador	Compania Salvadorena de Teleservices	100	100
Mauritius	Mauritius Contact Center	100	100
Mexico	Teleperformance Nearshore North	100	100
	Merkafon de Mexico	100	100
	Sistemas de Localizacion	100	100
	Impulsora Corporativa Internacional	100	100
	Propesa (Proveedora de Personal Especializado)	100	100
	SHT Servicios Hispanic Teleservices	100	100
	HTG Hispanic Teleservices Guadalajara	100	100
	Teleperformance International	100	100
	HTC Hispanic Teleservices Corp	100	100
Portugal	Plurimarketing-Telemarketing	100	100
Spain	Iberphone	100	100
	CEE Iberphone SL	100	100
	Fonomerk	100	100
	twenty4Help Knowledge Service S.L.	100	100
	Teleperformance Mediacion Agencia	100	100
	Teleperformance Servicios Auxiliares S.L.U.	100	100

	Holding companies		
Luxembourg	Luxembourg Contact Center	100	100
The Netherlands	Dutch Contact Centers	100	100
USA	Teleperformance Group	100	100

All companies are fully consolidated.

6.7 Statutory auditors' report on the consolidated financial statements

For the year ended December 31st, 2013

This is a free translation into English of a report issued in the French language and is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the year ended December 31st 2013, on:

- the audit of the accompanying consolidated financial statements of Teleperformance S.A.,
- the justification of our assessments;
- the specific verifications and information required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

1. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31st, 2013 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

2. Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following matters:

At each reporting date, the company tests the carrying amount of goodwill to determine whether it is impaired, and also assesses other non-current assets to determine whether there is any indication of impairment, as described in notes A14. *Impairment* and B1. *Intangible assets of the consolidated financial statements*. We have examined how the impairment testing is performed, and assessed the cash flow forecasts and assumptions used. We have also verified that the disclosures in notes A14. *Impairment* and B1. *Intangible assets* are appropriate.

As disclosed in note A2. *Basis of pre*paration, these estimates are based on assumptions that by their nature are uncertain, and actual amounts may differ significantly from the forecast information used.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3. Specific verifications and information

As required by law, we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris La Défense and Neuilly sur seine

February 26th, 2014

KPMG Audit IS Éric Junières	Deloitte & Associés Laurent Odobez
Partner	*Partner*

7. Parent company financial statements

7.1 Balance sheet, at December 31st

ASSETS (in thousands of euros)	Notes	*2013*	*2012*
Net intangible fixed assets	1 ; 2 ; 3	180	269
Net tangible fixed assets	1 ; 2 ; 3	2,567	3,111
Net financial fixed assets			
Investments in subsidiaries and affiliates	1 ; 2 ; 3	954,364	883,419
Receivables from subsidiaries and affiliates	1 ; 2 ; 3	61,318	85,217
Other	1 ; 2 ; 3	31	521
Total financial fixed assets, net	1 ; 2 ; 3	1,015,713	969,157
Total fixed assets		1,018,460	972,537
Current assets			
Advances and payments on account			
Accounts receivable – Trade		16,689	14,152
Other receivables		70,900	73,261
Marketable securities	4	54,812	60,684
Cash and bank	5	27,594	25,723
Prepaid expenses	5	603	509
Total current assets	5	170,598	174,329
Unrealized exchange losses	18	293	395
Total assets		1,189,351	1,147,261

LIABILITIES & SHAREHOLDERS' EQUITY (in thousands of euros)	Notes	2013	2012
Share capital		143,150	141,495
Issue, merger & contribution premiums		575,727	556,181
Legal reserve		14,150	14,150
Other reserves		102,380	106,146
Retained earnings		831	547
Net income for the period		34,942	34,174
Regulated provisions			
Total shareholders' equity	6	871,181	852,692
Provisions for contingencies and expenses	8	2,257	19,038
Liabilities			
Financial liabilities		231,792	219,302
Accounts payable – Trade		5,064	7,005
Tax, personnel and social security liabilities		3,326	3,060
Other liabilities		75,714	46,115
Deferred income			
Total liabilities *	9	315,896	275,482
Unrealized exchange gains	18	17	47
Total liabilities & shareholders' equity		1,189,351	1,147,261
* due after one year		72,294	44,916

7.2 Income Statement, year ended December 31st

(in thousands of euros)	Notes	*2013*	*2012*
Revenues	10	51,409	46,920
Release of depreciation, amortization and provisions		1,972	
Other income		168	145
Total operating income		53,549	47,065
Purchases and external expenses		20,540	25,590
Taxes other than income taxes		1,600	948
Wages and social charges		10,301	14,493
Depreciation, amortization and provisions		1,291	1,335
Other expenses		425	257
Total operating expenses		34,157	42,623
Net income from operations	**10**	**19,392**	**4,442**
Net income from investments in subsidiaries and affiliates		40,013	38,322
Interest income from loans		3,558	4,734
Other interest and related income		41,149	43,800
Release of provisions and transferred expenses		9,068	12,222
Total financial income *		93,788	99,078
Amortization and provisions		25,593	17,894
Interest and related expenses		44,763	46,814
Total financial expenses **		70,356	64,708
Financial result	**11**	**23,432**	**34,370**
Profit on ordinary activities before income taxes		**42,824**	**38,812**
Net amount of:			
- capital gains on disposal of fixed assets		- 303	-138
- other non-operating income and expense		307	486
- release of depreciation, amortization and provisions			230
Exceptional result	**12**	**4**	**578**
Income taxes	13	7,886	5,216
Net income		34,942	34,174
* including income from affiliated companies		11,633	11,879
** including expenses from affiliated companies		28,124	21,125

7.3 Cash Flow Statement, year ended December 31st

(in thousands of euros)	*2013*	*2012*
I Cash Flows from operating activities		
Net income	34,942	34,174
Depreciation, amortization and impairment losses on fixed assets	879	944
Changes in other provisions	16,774	5,683
Capital (gains)/losses on disposal of fixed assets and shareholdings	- 25	- 357
Internally generated funds from operations	52,570	40,444
Change in working capital requirements	8,265	18,256
Net cash from operating activities	60,835	58,700
II Cash flows from investing activities		
Acquisitions of fixed assets		
Tangible and intangible fixed assets	- 246	- 1,479
Investments in subsidiaries and affiliates		- 6,629
Other financial fixed assets	- 74,000	- 55,052
Disposals and reduction of fixed assets		
Tangible and intangible fixed assets		
Investments in subsidiaries and affiliates		12,200
Other financial fixed assets	26,580	39,654
Net cash from investing activities	- 47,666	- 11,306
III Cash flows from financing activities		
Increase in share capital		
Acquisition of treasury shares	924	-268
Dividends paid	- 16,313	- 25,488
Repayment of financial liabilities	- 78,149	- 280,091
Increase in financial liabilities	66,934	250,091
Net cash from financing activities	-26,604	- 55,756
Change in cash and cash equivalents	- 13,435	- 8,362
Cash and cash equivalents at beginning of period	- 60,680	- 52,318
Cash and cash equivalents at end of period	- 74,115	- 60,680

7.4 Notes to the Parent Company Financial Statements

Contents in detail

A. Highlights of the year

A.1 Changes in shareholdings

During the year ended December 31st, 2013 Teleperformance carried out the following changes in shareholdings:

- subscription to the share capital increase of Teleperformance France in an amount of € 50 million, by incorporation of debt for € 30 million; the remainder, € 20 million, is to be paid up within five years.
- subscription to the share capital increase of the subsidiary Teleperformance UK in an amount of € 35 million by incorporation of debt.
- subscription to the share capital increase of Teleperformance EMEA in an amount of € 3.2 million by incorporation of debt.

A.2 Financing arrangements

A2/a Syndicated credit line agreement

On June 29th, 2012, the company obtained the renewal of its syndicated credit line facility of € 300 million for a period of five years; the facility had been due to expire on January 31st, 2013.

Drawdowns under the credit line may be in euros or in US$, and are repayable *in fine*.

At December 31st, 2013, an amount of € 20 million had been drawn down under the facility, compared with € 30 million at December 31st, 2012.

A2/b Loans granted in 2013

In the context of the financial management of its subsidiary companies, Teleperformance made a number of loans to them during 2013 in a total amount of € 74 million, principally to the following companies:

- the subsidiary Teleperformance France for € 30 million,
- the Luxembourg subsidiary LCC, for € 16.5 million,
- € the Italian subsidiary In & Out for € 10 million,
- the subsidiary Teleperformance Colombia for € 6 million,
- the Colombian subsidiary Teledatos for € 3 million,
- the Spanish subsidiary Iberphone for € 2 million,
- the Belgian subsidiary Techmar for € 1.4 million,
- the Luxembourg subsidiary TLS Group for € 1 million.

A.3 Incentive plan shares

The Board of Directors has made the following share awards, subject to performance and service conditions, under the authorization given at the Shareholders' General Meeting of May 31st, 2011:

- at its meeting held on July 27th, 2011, a total of 1,099,000 shares were allocated to 100 beneficiaries, including 170,000 shares to the president of the Board of Directors,
- at its meeting held on November 30th, 2011, a total of 30,500 shares were allocated to 10 beneficiaries, subject to performance and service conditions,
- at its meeting held on May 29th, 2012, 2,000 shares were allocated to a single beneficiary,
- at its meeting held on July 30th, 2012, 2,000 shares were allocated to a single beneficiary.

The Board of Directors at its meeting on February 26th, 2013 formally recorded the achievement of the performance conditions attached to the incentive plans of July 27th, 2011 and November 30th, 2011. In consequence, the share awards were vested in those beneficiaries who fulfilled the condition of presence at the vesting date, either July 27th, 2013 or November 30th, 2013. A total of 1,073,500 existing shares were transferred to the beneficiaries, of which 1,050,500 concerned the plan of July 27th, 2011 and 23,000 the plan of November 30th, 2011.

The related provision of € 16.5 million was released to 2013 income.

The Board of Directors' meeting on July 30th, 2013 approved a new award of 840,000 incentive plan shares to 126 beneficiaries under the authorization given at the Shareholders' General Meeting of May 30th, 2013. The vesting period is of three years, until July 30th, 2016. Vesting is subject to performance (using criteria over financial years from 2013 to 2015) and service conditions.

An amount of € 1.3 million tax and social contribution related to this plan was paid.

As the Company has not yet decided if the shares will be bought or created, no provision is recorder in the financial statements at December, 31st, 2013. The Board of Directors decided to make the definitive granting of performance shares conditional upon the beneficiaries' remaining within the Group and on meeting Group's performance conditions relating to the financial years between 2013 and 2015.

Each beneficiary may receive the full amount of his share award if the following conditions are met:

- the increase in revenues is equal to or above 16 %, and
- the increase in EBITA* is equal to or above 27 %, and
- the ROCE* is equal to or above 12.5 %.

Each beneficiary may receive 75 % of his share award if ROCE* is equal to or above 12.5 % and one of the two following conditions is met:

- the increase in revenues is equal to or above 14.4 % and less than 16 %. and the increase in EBITA* is equal to or above 24.3 %; or
- the increase in revenues is equal to or above 14.4 % and the increase in EBITA* is equal to or above 24.3 % and less than 27 %.

Each beneficiary may receive 50 % of his share award if ROCE* is equal to or above 12.5 % and one of the two following conditions is met:

- the increase in revenues is equal to or above 12.8 % and less than 14.4 %. and the increase in EBITA* is equal to or above 21.6 %; or
- the increase in revenues is equal to or above 12,8 % and the increase in EBITA* is equal to or above 21.6 % and less than 24.3 %.

All beneficiaries lose all rights to vesting in the event of any of the following cases: the increase in revenues is less than 12.8 %, the increase in EBITA* is less than 21.6 % or ROCE* is less than 12.5 %.

** EBITA (Earnings Before Interest Taxes and Amortization): Net 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.*

A.4 Dividend distribution by way of shares

On May 30th, 2013, Teleperformance's Board of Directors decided to make a dividend distribution by way of shares. On the same day, the shareholders' general meeting approved the distribution and fixed the issue price at € 32.02.

The dividend was paid up in the form of an issue of 662,142 new shares.

The share capital increase represented € 1.7 million of nominal and € 19.6 million of share premium.

B. Accounting principles, rules and methods

(K€: in thousands of euros)

The annual financial statements have been prepared on the basis of information available at the time, and are presented in accordance with the principles and methods of the French chart of accounts and of CRC regulation no. 99-03 in compliance with the principles of matching and prudence, and using the going concern basis.

Recognition of assets and liabilities, and income and expenses in the financial statements is made on the basis of historical costs.

B.1 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 of the Company. This is determined on the basis of estimated future cash flows for the next five years. The cash flows of the first year are based on the budget approved by management. For the following two years, cash flows are based on forecasts prepared by the managements of the subsidiaries on the basis of their knowledge of the business sector, future growth possibilities, and the risk profile. The terminal values calculated after five years assume perpetual future growth equal to inflation. Cash flows are discounted using the weighted average cost of capital.

The estimates are based on information available at the time of preparation of the financial statements, and may be revised in a future period if circumstances change or if new information is available. Actual results may differ from these estimates.

The 2013 impairment review has resulted in impairment loss provisions of € 18 million on the shareholding in Teleperformance France, and € 4 million, € 1.3 million and € 1 million on those of the Spanish subsidiary Iberphone, of Teleperformance Intermediation and of Teleperformance EMEA, respectively. A release of € 7 million was made in respect of the shareholding in the Italian subsidiary In & Out.

For the impairment test of the shareholding in Teleperformance France, the effect of the new French "competitiveness" tax credit was included in the determination of the recoverable amount, for € 60.2 million.

The provision for contingencies and expenses of € 6 million made on the shareholding in Teleperformance EMEA in 2011 and partially released in 2012, for € 5 million, was fully released at December 31st, 2013.

The discount rates applied are specific to each geographical zone:

-	United Kingdom	7.9 %
-	Central Europe	6.9 %
-	France	7.4 %
-	North America	7.8 %
-	Nearshore	11.4 %

Increases and decreases in provisions for impairment losses of investments in subsidiaries and affiliates are included in the financial result, except for any reversals on disposal of shares, which are included in the exceptional result.

B.2 Receivables from subsidiaries and affiliates

Loans made to group companies are presented under the heading "Receivables from subsidiaries and affiliates" within financial fixed assets.

When denominated in a currency other than the euro, they are translated to euro at closing rates except for loans that are hedged; these are translated using the rate of the hedge instrument. Exchange gains and losses are recognized in profit or loss.

B.3 Tax group

With effect from January 1st, 2013, the tax savings for the group resulting from the utilization of tax losses of members are immediately transferred by Teleperformance to the relevant loss-making subsidiary, which recognizes the income immediately. For the subsidiary to benefit from this change, the tax savings from the utilization of tax losses must have resulted in an effective reduction of tax for the group.

In the event of a member exiting the tax group, Teleperformance is now committed to transferring to it the benefit resulting from any utilization of its tax losses prior to December 31st, 2012.

B.4 Interest and exchange risk management

The group uses financial instruments, contracted with a number of financial institutions of good standing, to manage its exposure to interest and exchange risks. These financial instruments comprise principally currency swaps for hedging purposes, forward currency sales and purchases, and exchange options for hedging purposes.

B.5 Centralized cash management

Advances from Teleperformance to its subsidiaries relating to the cash pool are presented in "Other receivables", while amounts lent to it are shown in "Other financial liabilities".

Note 1 – Fixed assets (in K€)

	2013			2012
	Cost	*Depreciation, amortization and impairment losses*	*Net*	*Net*
Intangible fixed assets	3,544	3,364	180	269
Tangible fixed assets	6,516	3,949	2,567	3,111
* land	305		305	305
* buildings	3,326	2,302	1,024	1,210
* other	2,885	1,647	1,238	1,596
Financial fixed assets	1,237,954	222,241	1,015,713	969,156
* investments in subsidiaries	1,173,093	218,729	954,364	883,419
* receivables from subsidiaries	64,830	3,512	61,318	85,216
* other	31		31	521
Total	1,248,014	229,554	1,018,460	972,536

Note 2 – Changes in tangible and intangible fixed assets (in K€)

Gross

variations	01/01/2013	increase	decrease	12/31/2013
Intangible fixed assets	3,580	93	129	3,544
Tangible fixed assets	6,376	154	14	6,516
* land	305			305
* buildings	3,316	10		3,326
* other	2,755	144	14	2,885
Total	9,956	247	143	10,060

Depreciation, amortization and impairment losses

variations	01/01/2013	increase	decrease	12/31/2013
Intangible fixed assets	3,311	181	129	3,364
Tangible fixed assets	3,265	697	13	3,949
* buildings	2,106	196		2,302
* other	1,159	501	13	1,647
Total	6,576	878	142	7,313

Note 3 – Changes in financial fixed assets (in K€)

Changes in the gross amount of investments in subsidiaries and affiliates in 2013 were as follows (in K€)

	Total
Gross amount at January 1st, 2013	1,085,149
Acquisitions, price adjustments and subscriptions to share capital increases:	88,247
Teleperformance France	50,000
Teleperformance UK	34,997
Teleperformance Europe Middle East and Africa	3,250
Disposals and capital reductions:	- 303
Non-group shareholdings	- 303
Gross amount at December 31st, 2013	1,173,093

The schedule of investments in subsidiaries and affiliates is set out at the end of the notes to the financial statements.

Receivables from subsidiaries and affiliates (before write-downs)

These amount to 64,830 K€ and relate to the following companies (in K€):

	01/01/2013	*increase*	*decrease*	*12/31/2013*	*Amount due in more than 1 year*
Fonomerk (Spain)	329			329	329
Luxembourg Contact Centers	5,504	18,550	5,682	18,372	
MM Teleperformance (UK)	48,736		48,736	-	
IMC Corée	980			980	980
Service 800 Egypt	8,641		1,970	6,671	
Service 800 Roumanie	2,450			2,450	
Teleperformance Italy	6,500	10,000		16,500	
Teleperformance Greece	2,000		2,000	-	
Teleperformance Austria	1,203			1,203	1,203
Teleperformance Colombia		6,000		6,000	
Teledatos (Colombia)		3,000		3,000	
Teleperformance Rumania		250	170	80	
SPCC (Brazil)	8,285		4,630	3,645	2,686
Perfect call	1,600		1,600	-	
Techmar (Belgium)		1,400	400	1,000	1,000
Teleperformance Intermédiation	250	150	150	250	
GN Research Italy	850			850	
Iberphone (Spain)		2,000		2,000	
Teleperformance France		30,000	30,000	-	
UCC (Ukraine)		500		500	
Teleperformance EMEA		3,250	3,250	-	
ICIS	400	1,014	414	1,000	
Total	87,728	76,114	99,013	64,830	6,198

Changes in provisions for impairment losses (in K€)

	01/01/2013	increase	decrease	31/12/2013
Financial fixed assets				
- investments in subsidiaries and affiliates	201,730	24,300	7,301	218,729
- receivables from subsidiaries and affiliates	2,512	1,000		3,512
Total	204,242	25,300	7,301	222,241

Tangible and intangible fixed assets

All tangible and intangible fixed assets are depreciated or amortized on a straight-line basis, based on their category and the expected useful life in the business:

	Expected useful life
Intangible fixed assets:	
- software	3 - 5 years
Tangible fixed assets:	
- buildings (*)	15 - 25 years
- building improvements	8 - 10 years
- IT equipment	3 - 5 years
- other fixed assets:	5 - 10 years
- miscellaneous improvements	5 - 10 years
- automobiles	5 years
- office furniture	10 years

(*) *according to the type of building and the nature of the component*

Financial fixed assets – Investments in subsidiaries and affiliates

Increases in provisions

Increases in provisions on investments in subsidiaries and affiliates during 2013 amounted to € 24.3 million, for the following companies:

- Teleperformance France for € 18 million
- Iberphone (Spain) for € 4 million
- TeleperformanceIntermediationfor € 1.3 million
- Teleperformance EMEA for € 1 million.

Note 4 – Marketable securities

Marketable securities amounted to € 51.7 million.

These comprised € 4.6 million in money market and mutual funds with a market value of the same amount as of December 31st, 2013, a US$ denominated deposit certificate amounting to € 45 million and option premiums of € 3.1 million relating to the centralized management of operational exchange risks (option premiums received of the same amount are shown in liabilities).

At December 31st, 2013, Teleperformance also owned 123,961 own shares, with a carrying value of € 2.1 million, as follows:

- 58,461 shares acquired for a total of € 0.9 million at an average unit price of € 15.3236 to enable the company to meet the future vesting of shares under incentive plan share awards. A total of 1,073,500 shares with a carrying amount of € 16.5 million were transferred to beneficiaries under the July 27th, 2011 and November 30th, 2011 plans. This amount is presented in the income statement as an exceptional expense. The corresponding provision of the same amount has been released and is presented as an exceptional release.
- 58,500 shares acquired in July 2012, intended to be cancelled.
- 7,000 treasury shares held at December 31st, 2013 under a liquidity agreement. Related purchases and sales are set out in the following schedule:

Number of treasury shares held by Teleperformance at January 1st, 2013	31,516
Number of treasury shares bought in 2013 under the share buy-back program commencing October 4th, 2012	1,290,230
Number of treasury shares sold in 2013 under the share buy-back program commencing October 4th, 2012	1,298,746
Number of treasury shares bought in 2013 under the share buy-back program commencing May 30th, 2013	862,864
Number of treasury shares sold in 2013 under the share buy-back program commencing May 30th, 2013	878,864
Number of treasury shares held by Teleperformance at December 31st, 2013	7,000
Carrying value of treasury shares held at December 31st, 2013	264,503

In accordance with the requirements of art. L.225-210 ss.3 of French company law, Teleperformance maintains reserves of an amount, excluding the legal reserve, at least equal to the carrying amount of treasury shares.

Note 5 – Cash and cash equivalents in the Cash Flow Statement (in K€)

	12/31/2013	12/31/2012
- Bank advances	- 1,638	- 85
- Marketable securities *	49,566	40,591
- Cash and bank	27,594	25,726
- Current accounts: cash pooling	- 149,637	-126,912
- Cash and cash equivalents at end of period	-74,115	-60,680

* *excluding treasury shares and the related provision.*

Note 6 – Maturity of current assets at December 31st, 2013 (in K€)

Gross amount	*Total*	*Due under one year*
- Accounts receivable – Trade (1) (2)	18,208	16,689
- Other receivables (3) *	74,780	64,337
- Advances and payments on account		
- Marketable securities	54,812	54,812
- Cash and bank	27,594	27,594
- Prepaid expenses	603	603
Total	175,997	164,035
(1) unbilled amount	*1,759*	*1,759*
(2) doubtful amount	*1,519*	-
(3) amount of income receivable	*20,922*	*10,686*

**including 49,537 K€ in respect of cash pooling receivables from subsidiaries*

Changes in provisions on receivables are as follows:

	01/01/2013	*increase*	*decrease*	*12/31/2013*
Accounts receivable - Trade	1,514	168	163	1,519
Other receivables	4,253		373	3,880
Total	5,767	168	536	5,399

Note 7 – Changes in shareholders' equity (in K€)

	Total
At January 1st, 2013	852,692
- dividends paid	- 38,486
- cancelation of treasury share dividends	831
- net income (loss)	34,942
- increase in share capital	1,655
- increase in share premium	19,547
At December 31st, 2013	871,181

The share capital at December 31st, 2013 comprised 57,260,190 shares of € 2.50 nominal value. 662,142 shares were issued in 2013.

Note 8 – Provisions for contingencies and expenses (in K€)

Changes in this heading are as follows:

	01/01/13	*Increase*	*Decrease* A	B	*12/31/13*
Unrealized foreign exchange loss	395	293	395		293
Employee retirement benefits	624	244			868
Restoration costs for leased premises	200				200
Own shares allocated to incentive share plans	16,819	527	16,450		896
Risks related to subsidiaries & affiliates	1,000		1,000		
Total	19,038	1,064	17,845		2,257

A: release utilized
B: release non-utilized

Commitments for payments of retirement and post-employment benefits arising from labor agreements and legal requirements are classified as provisions for contingencies, and have been measured using the projected unit credit method, under the following actuarial assumptions:

Discount rate:	* 3 %
Annual rate of increase in salaries:	2.50 %
Rate of social charges:	45 %

* *Iboxx rate*

Actuarial differences are recognized in the income statement of the parent company (the following schedule includes an analysis of the 2013 amount), but are recognized directly in equity in the consolidated financial statements:

Change in the provision for retirement benefits	
At the beginning of the year	624
+ Service cost	105
+ Interest cost	17
+ Actuarial gains and losses	122
actuarial changes	*91*
new participants	*58*
withdrawals in the year	*- 27*
At the end of the year	868

Receivables and liabilities in currencies other than the euro are measured at closing rates, except when hedged, in which case they are measured at the rate in the hedge contract.

Unrealized exchange gains and losses are shown separately on the balance sheet. Unrealized exchange losses are provided for.

Note 9 – Maturity of liabilities (in K€)

Certain loans are subject to covenants in the form of financial ratios as disclosed in the notes to the consolidated financial statements. At December 31st, 2013, the company was in compliance with all of the financial ratios.

	Amount	Due under one year	Due between one and five years	Due over five years
Loans from financial institutions *(1)*	21,765	21,765		
Other financial liabilities *	210,027	210,027		
Sub-total, financial liabilities	231,792	231,792		
Operating liabilities *(2)*	8,390	8,390		
Other liabilities *(3) (4)*	75,714	3,420	72,294	
Deferred income	-	-		
Total	**315,896**	**243,602**	**72,294**	**-**
(1) amount of bank advances	*1,638*	*1,638*		
(2) amount of supplier invoice accruals	*3,955*	*3,955*		
(3) amount of other accruals	*2,367*	*2,367*		
(4) amount of income taxes saved on subsidiaries' tax losses utilized	*52,294*		*52,294*	

* *amounts due to subsidiaries under the cash pooling scheme: 199,713 K€*

Note 10 – Net income from operations (in K€)

Revenue analysis	*2013*	*2012*
- royalties and management fees from subsidiaries	49,185	45,360
- rents and rental charges	457	457
- other	1,767	1,103
Total	51,409	46,920

Net income from operations in 2013 amounted to € 19.4 million.

The average workforce was 47, including 41 managers/supervisors and 6 other employees

Note 11 – Financial result (in K€)

	2013	*2012*
Dividends	40,013	38,322
Provisions on investments in subsidiaries and affiliates (net of releases)	- 16,999	- 9,145
Other provisions for impairment losses (net of releases)	372	3,647
Provisions for unrealized exchange losses (net of releases)	102	- 173
Foreign exchange gains and losses, net	2,218	2,706
Net income from sale of marketable securities	15	43
Net interest income (expense) on financial investments	- 2,289	- 1,030
Total	23,432	34,370

Note 12 – Exceptional result (in K€)

The exceptional result is as follows:

	2013			*2012*
	income	*expense*	*net*	*net*
Capital transactions				
- Intangible fixed assets	-	-	-	-
- Tangible fixed assets	-	-	-	2
- Financial fixed assets	-	303	- 303	- 138
- Other capital transactions	701	16,824	- 16,123	495
Revenue operations	71	91	-20	- 10
Depreciation, amortization and provisions (net of releases)	16,450	-	16,450	230
Total	17,222	17,218	4	579

Note 13 – Analysis of income taxes and unrecognized deferred tax assets and liabilities (in K€)

	Pre-tax income	Income tax			Net income
		(A) Theoretical	*(B) Adjustments*	*Amount*	
Profit on ordinary activities	42,824	14,275	- 6,390	7,885	34,939
- standard rate (33.33 %)	59,823	14,275	- 6,390	7,885	51,938
- long-term (0 %)	- 16,999	-	-	-	- 16,999
Exceptional result	4	1	-	1	3
- standard rate (33.33 %)	307	1	-	1	306
- long-term (0 %)	- 303	-	-	-	- 303
Total	42,828	14,276	- 6,390	7,886	34,942

With effect from January 1st, 2013, the tax savings for the group resulting from the utilization of tax losses of members under the French tax group disposition are immediately transferred by Teleperformance to the relevant loss–making subsidiaries. Prior tax savings outstanding as of December 31st, 2012 which are included within liabilities in the amount of € 45 million will be transferred back in the event of a subsidiary exiting the tax group or utilizing the tax losses itself. The tax group will declare a tax loss of € 3.8 million for 2013, which will be carried forward, increasing the tax group's accumulated tax losses to a total of € 51.8 million.

The company has recognized a receivable of € 17.2 million from its tax losses carried back, of which € 10.7 million and € 6.5 million will be recovered at the latest by December 31st, 2014 and December 31st, 2015, respectively.

Unrecognized deferred tax assets and liabilities	*Base amount*	*Income tax*
Liabilities		
Assets		
• Taxed accruals deductible in the future		
- Organic tax	77	26
- Participation construction	19	6
- Tax on high remuneration	736	245
- Retirement benefits	868	289
Total	1 700	566

The companies in the French tax group in 2013 are the following:
Teleperformance, Teleperformance EMEA, Teleperformance Intermédiation, Teleperformance France.

The French tax inspection in respect of the 2010 and 2011 tax years was concluded during the year. The amount of reassessments is not significant.

Note 14 – Balances and transactions with group companies (in K€)

The schedule below summarizes the main balance sheet and income statement items that relate to consolidated subsidiaries:

Balance sheet	*Net amount*
Assets	
- investments in subsidiaries and affiliates	954,364
- receivables from subsidiaries and affiliates	61,318
- accounts receivable – Trade	13,451
- other receivables	50,684
Liabilities	
- provisions for contingencies and expenses	-
- financial liabilities	209,729
- accounts payable - Trade	2,228
- other liabilities	52,294

Income statement	*Net amount*
Income	
- revenue	51,409
- income from investments in subsidiaries and affiliates	40,012
- other financial income	3,633
- release of provisions	8,000
Expenses	
- purchases and external expenses	11,326
- financial expenses	2,669
- provisions	25,300

Note 15 – Disclosures relating to company officers

The total of all categories of remuneration paid in 2013 to company officers amounted to € 525,000, compared to € 900,000 in 2012.
Directors' fees paid in 2013 in respect of the 2013 financial year amounted to € 218,000, compared to € 226,000 in 2012.

Note 16 – Exposure of the company to interest rate risks (in K€)

The Company's exposure to interest rate risks at December 31st, 2013 is summarized as follows:

	Gross amount	*Due within one year*	*Due between one and five*	*Due after five years*
Financial assets				
- Loans and advances within the group	64,830	57,323	4,889	1,309
- Current accounts: cash pooling	49,537	49,537		
Total financial assets	114,367	106,860	4,889	1,309
- at fixed rates				
- at floating rates (*)	*114,367*	*106,860*	*4,889*	1,309
Financial liabilities				
- Loans from financial institutions	21,765	21,765		
- Other borrowings and financial liabilities	210,027	210,027		
Total financial liabilities	231,792	231,792		
- without interest	*100*	*100*		
- at fixed rates				
- at floating rates (*)	*231,692*	*231,692*		

(*)*Floating rates are based on Euribor and Libor US$ or £ Libor with maturities between three months and one year.*

Note 17 – Exposure of the Company to foreign exchange risks (in K currency)

The Company's exposure to foreign exchange risks at December 31st, 2013 is summarized as follows:

	Currency amounts at December 31st, 2013	***Including hedged loans***
Financial assets		
- Group loans and advances		
US$	(a) 9,200	9,200
Brazilian reals	(b) 11,875	11,875
Swiss francs	(c) 4,200	4,200

(a) The loans denominated in US$ made to the subsidiary Service 800 Egypt are hedged by currency swaps.

(b) Two loans hedged by a currency swap have been made to the Brazilian subsidiary SPCC. The two loans were repaid in part during 2013.

(c) This relates to a loan denominated in Swiss francs made to the Luxembourg subsidiary Luxembourg Contact Center, which is hedged by a foreign currency swap.

	Currency amounts at December 31st, 2013	***Including hedged loans***
Financial liabilities		
- Loans from financial institutions		
Czech crowns	19,000	19,000

Note 18 – Unrealized exchange gains/ losses on assets and liabilities denominated in foreign currency (in K€)

Balance sheet heading	unrealized exchange losses			unrealized exchange gains
	Total	offset by foreign currency hedges (unrealized exchange losses)	provision for contingencies	Total
Trade accounts receivable	293		293	17
Total	293		293	17

Note 19 – Financial commitments (in K€)

Commitments given

- Cautions to financial institutions for loans granted to subsidiaries

French subsidiaries	Total	for subsidiaries	expiry date
UBS real estate KMBH (Teleperformance France)	398	398	March 2020
Commerz Real investment Gesellschaft mbh (Teleperformance SA)	568	568	September 2020
Total	**966**	**966**	

Foreign subsidiaries	Total	for subsidiaries	expiry date
Société générale (In & Out)	1,883	1,883	12/31/2014
Citi Bank Colombia (Teledatos)	7,154	7,154	01/24/2014
HSBC (Teleperformance CRM)	698	698	05/31/2014
Nordea (Teleperformance Denmark)	335	335	01/31/2014
Montreuil tax office (GN Research France)	1,214	1,214	04/25/2014
Société générale (Centrum Telemarketing)	238	238	04/30/2014
Cuvier Montreuil (GN Research France)	211	211	03/31/2019
BNP Paribas (Beijing TLS Contact Consulting)	1,751	1,751	10/10/2014
HSBC (North Asia CRM)	2,800	2,800	06/22/2013
BNP Paribas (Beijing TLS Contact)	943	943	10/10/2014
HSBC (Citytech Argentina)	2,609	2,609	08/19/2016
Total	**17,953**	**17,953**	

- Guarantees given

Under an 8-year service contract awarded in July 2007 by a UK customer to a subsidiary, Teleperformance UK., Teleperformance was requested by the customer to provide a first demand guarantee to a maximum of £ 1,755,000, covering amounts which Teleperformance UK. might owe relating to the service contract. The guarantee was given on July 23rd, 2007.

Teleperformance SA had also given a comfort letter to La Poste in respect of the latter's award of public contracts to the subsidiary GNResearch France. The commitment was to make its best efforts to assist its subsidiary financially. It was given for a period of two years from the date of signature and expired on October 20th, 2012.

Under a board resolution dated December 21st, 2011, Teleperformance has given a performance guarantee to a customer, Research In Motion (RIM), in respect of a commercial contract effective from December 23rd, 2011 with a number of group subsidiaries. The maximum amount covered by the guarantee is the greater of (i) € 15 million and (ii) the total amount of sums paid or payable by RIM to the subsidiaries concerned during the 12 month period prior to the loss event. This ceiling does not apply should the loss be caused by infringement of RIM's intellectual property rights, death or injury, damage to property, or breach of confidentiality. The guarantee will stay in force while any obligation of a subsidiary has not been extinguished.

Finally, Teleperformance has given comfort letters to a number of banks to guarantee commitments of its subsidiaries located in Italy, Chile, Colombia, Greece, Spain, Germany, Poland and the United Kingdom in a total amount of € 27 million.

- Financial instruments used for purposes of hedging:

The company has contracted financial instruments in order to hedge its own foreign exchange risks or those of its subsidiaries.

As of December 31st, 2013, these derivative financial instruments may be summarized as follows:

	Commitments received			**Commitments given**
Derivative financial instruments (in thousands)	*Notional amount (in thousands of foreign currency)*	*Notional amount (in thousands of euros) at 12/31/2013*	*Fair value (in thousands of euros) at 12/31/2013*	
Hedge of forecast 2014 US$/MXN transactions				Teleperformance has granted an internal foreign exchange hedge to its Mexican subsidiaries amounting to 140,000 K US$ at a fixed exchange rate of 13.11. Its fair value is – 32,935 K MXN at December 31st, 2013.
Put & Call US$– options	38,000	27,556	- 99	
Forward US$ sales	58,500	42,422	114	
Sales of US$ options *	20,000	14,503	199	
Hedge of forecast 2014 US$/PHP transactions				Teleperformance has granted an internal foreign exchange hedge to its subsidiary Teleperformance USA amounting to 235,000 K US$ at a fixed exchange rate of 43.38. Its fair value is - 3,929 K US$ at December 31st, 2013.
Put & Call PHP– options	1,980,000	32,306	- 272	
Forward PHP purchases	5,650,750	92,199	- 968	
PHP put sales *	1,130,000	18,437	12	
Hedge of forecast 2014 AUD/US$ transactions				Teleperformance has granted an internal foreign exchange hedge to its subsidiary Teleperformance USA amounting to 50,000 KAUD at a fixed exchange rate of 0.918 US$. Its fair value is 1,880 KUS$ at December 31st, 2013.
Put & Call AUD– options	13,000	8,431	417	
Forward AUD sales	27,500	17,834	815	
Sales of AUD options *	10,000	6,485	89	
Purchases of AUD	1,000	649	- 3	
Hedge of forecast 2013 AUD/US$ transactions				
Forward AUD sales	8,750	5,674	287	
Forward AUD purchases	6,865	4,452	- 114	
Hedge of forecast 2013 PHP/US$ transactions				
Forward PHP purchases	585,435	9,552	- 193	
Hedge of forecast 2013 US$/MXN transactions				
Forward US$ sales	33,630	24,387	608	
Hedges of intra-group				
- in BRL	12,766	3,918	616	
- in US$	9,454	6,856	127	
Cash pooling hedges				
- in MXN	1,130,000	62,524	- 1,407	
- in US$	101,000	73,241	- 1,235	
			- 1,007	

* *not eligible for hedge accounting*

In accordance with agreements signed with its subsidiaries, Teleperformance:

- is committed to pay back 50 % of profit margins on the foreign exchange contracts, defined as the difference between the actual results made on the external and internal contracts; the fair value of these commitments at December 31st, 2013 was:
  - For the hedging of forecast MXN/US$ transactions: 18,927 K MXN
  - For the hedging of forecast PHP/US$ transactions 811 K US$
  - For the hedging of forecast AUD/US$ transactions: 55 K US$
- and will support any losses unless caused by errors made by subsidiaries in estimating underlying exposures.

Other commitments

- Individual rights to training

During 2013, 71 training hours were granted to employees under the law of March 4th, 2004. The outstanding commitment at the end of 2013 was for 3,309 hours.

Note 20 – Statutory auditors' fees

Statutory auditors' fees in 2013 amounted to € 632,000, compared with € 590,000 in 2012.

7.5 Schedule of subsidiaries and affiliates, December 31st, 2013

In K currency	*Share capital*		*Average rate*	*Closing rate*	*Reserves and retained earnings (before appropriation of current year result)*		*% holding*
I - Detailed information							
Subsidiaries where the gross carrying amount of shares exceeds 1 % of the parent company's share capital							
A. Subsidiaries (more than 50 % owned by the company)							
Teleperformance Intermédiation 21-25 rue Balzac 75008 Paris	3,750	EUR			894	EUR	100
Teleperformance Europe Middle East and Africa 21-25 rue Balzac 75008 Paris	3,500	EUR			- 1,098	EUR	100
Teleperformance France 6-8, rue Firmin Gillot 75015 Paris	85,736	EUR			- 27,727	EUR	100
Compania Salvadorena de Telemarketing Edificio Plaza Olímpica Avenida Olímpica y Pasaje 3 Segundo Nivel San Salvador – El Salvador	12	US$	0.7532	0.7251	28,401	US$	100
Luxembourg Call Centers 4 bd Joseph II 1840 Luxembourg	70,500	EUR			139,441	EUR	100
MM Group Holdings 17-54 Hartfield Road SW 19 3SE London, United Kingdom	45,750	GB£	1.1778	1.1995	16,056	GB£	100
SPCC Rua Fl. de Abreu 623 01029 001 Sao Paulo, Brazil	156,500	BRL	0.3509	0.3070	47,844	BRL	100
Iberphone Avenida de Burgos 8A 28036 Madrid, Spain	14,442	EUR			- 5,572	EUR	100
Teleperformance Belgium *(in liquidation)* Rue de la Borne 14 - 1080 Brussels, Belgium							
Service 800 Thisseos 330 176 75 Athens, Greece	2,100	EUR			20,558	EUR	100
Plurimarketing Rua Al. Braga 25B, 1150 003 Lisbon, Portugal	885	EUR			19,633	EUR	95
Teleperformance Nordic St Eriksgatan 113 - 11384 Stockholm, Sweden	277	SEK	0.1157	0.1129	210,055	SEK	100
Teleperformance Singapore 210 Middle Road Unit 188994 Singapore	4,000	SGD	0.6021	0.5743	920	SGD	100
In & Out Via Di Priscilla 101 00199 Rome Italy	5,650	EUR			- 1,118	EUR	100
Teleperformance Colombia Calle 70 A 4 41 Bogota DC Colombia	108,300	COP	0.0004	0.0004	128,256	COP	100
Citytech Av. Leandro N Alem 896 2 Piso 1001 Buenos Aires, Argentina	8,220	ARS	0.1384	0.1116	57,044	ARS	88
Teleperformance Group Inc. 1601 Washington Av. Suite 400 - Miami Beach FL 33139, USA	328	US$	0.7532	0.7251	625,223	US$	100
B. Investments (10 - 50 % of share capital held by the company)	none						
II Information in total							
A. Subsidiaries not set out in section 1	none						
a) French subsidiaries (in total)							
b) Foreign subsidiaries (in total)							
B. Affiliates not set out in section 1	none						
a) French subsidiaries (in total)							
b) Foreign subsidiaries (in total)							

In K currency	*Carrying amount of shareholding (in K€)*		*Outstanding loans and advances made by the company (in K€)*	*Commitments and warranties given*	*2013 revenues*		*2013 net income*		*Dividends received (in K€)*
	gross	*net*							
I - Detailed information Subsidiaries where the gross carrying amount of shares exceeds 1 % of the parent company's share capital **A. Subsidiaries (more than 50 % owned by the company)**									
Teleperformance Intermédiation	6,647	2,847	250		1,911	EUR	- 703	EUR	
Teleperformance Europe Middle East and Africa	9,609	2,250			39,759	EUR	114	EUR	
Teleperformance France	319,276	121,276			188,694	EUR	- 13,697	EUR	
Compania Salvadorena de Telemarketing	6,000	6,000			51,860	US$	12,933	US$	5,222
Luxembourg Call Centers	72,696	72,696	18,371		0	EUR	- 32,976	EUR	
MM Group Holdings	88,626	88,626			0	GB£	9,454	GB£	
SPCC	62,365	62,365	3,645		0	BRC	63,844	BRC	
Iberphone	26,280	19,280			65,720	EUR	- 477	EUR	
Teleperformance Belgium *(in liquidation)*	2,152	2	2,938		0	EUR	0	EUR	
Service 800	5,572	5,572			67,977	EUR	5,599	EUR	2,000
Plurimarketing	7,754	7,754			68,158	EUR	6,521	EUR	4,845
Teleperformance Nordic	6,586	6,586			470,883	SEK	51,337	SEK	2,308
Teleperformance Singapore	3,221	3,221			5,009	SGD	992	SGD	295
In & Out	33,905	33,905	16,500		79,476	EUR	- 907	EUR	
Teleperformance Colombia	63,058	63,058			262,852	COP	19,794	COP	
Citytech	7,517	7,517			364,506	ARP	4,444	ARP	
Teleperformance Group Inc.	449,972	449,972			0	US$	19,434	US$	24,733
B. Shareholdings (10 to 50 % holdings): none									
II Information in total									
A. Subsidiaries not set out in section I									
a. French subsidiaries (in total)	none								
b. Foreign subsidiaries (in total)	1 849	1 432	1 544						
B. Affiliates not set out in section I									
a. French subsidiaries (in total)		none							
b. Foreign subsidiaries (in total)		none							

7.6 Schedule of shareholdings and short-term investments, December 31st, 2013

(in euros)		*number of shares*	*carrying amount*
FRANCE			
	Teleperformance France	135,736	121,276,100
	Teleperformance Intermédiation	250,000	2,846,739
	Teleperformance EMEA	35,000	2,250,000
	Miscellaneous shares with a carrying amount of less than € 15,000		-
	Marketable securities	124,388	6,720,376
	Total France		**133,096,215**
EUROPE			
United Kingdom	MM Teleperformance holdings	22,127,013	88,625,993
Benelux countries	Luxembourg contact centers	1,249	72,695,877
Spain	Iberphone	240,000	19,280,494
Portugal	Plurimarketing	841,125	7,754,325
Greece	Service 800	200,000	5,572,107
Italy	In and out SPA	200,000	33,905,184
Sweden	Teleperformance Nordic	2775	6,586,198
Czech Republic	Lion Teleservices	2,340	876,384
	Miscellaneous shares with a carrying amount of less than € 15,000		2,168
THE AMERICAS			
Argentina	Citytech	7,192,441	7,517,125
Brazil	SPCC	156,500,049	63,365,442
USA	Teleperformance Group Inc.		
	ordinary shares	259,000	307,922,194
	preference shares	68,700	142,050,303
El Salvador	Teleperformance Salvador	79,992	6,000,000
Mexico	Impulsora	99,999	326,477
	Sistemas	57,099	217,652
Colombia	Colombia Multi Media Center	390	63,058,500
	Miscellaneous shares with a carrying amount of less than € 15,000		7,698
ASIA-OCEANIA			
Singapore	Teleperformance Singapore	6,200,000	3,220,966
	Miscellaneous shares with a carrying amount c less than € 15,000	3	2,320
AFRICA			
	Miscellaneous shares with a carrying amount of less than € 15,000		3,820
	Total outside France		**828,991,227**
Overall total			**962,084,442**

7.7 Five-year summary (financial amounts in €)

		2009	2010	2011	2012	2013
I	**Share capital at the end of the year**					
	Share capital (€)	141,490,120	141,495,120	141,495,120	141,495,120	143,150,475
	Number of shares issued	56,596,048	56,598,048	56,598,048	56,598,048	57,260,190
	Maximum number of potential shares:					
	- by exercise of subscription rights					
	- by allocation of incentive plan shares	3,000 (*)				781,539
II	**Selected income statement information**					
	Revenues, excluding VAT	39,907,668	40,941,079	44,461,497	46,919,577	51,408,682
	Net income (loss) excluding income taxes, depreciation and amortization, and provisions	32,833,991	52,799,348	34,802,526	46,166,929	60,480,524
	Income taxes	- 8,712,052	6,549,048	7,452,630	5,215,513	7,886,077
	Net income (loss) after income taxes, depreciation and amortization, and provisions	- 54,413,250	38,746,473	- 50,245,530	34,174,466	34,942,177
	Dividends distributed	18,676,696	18,676,696	25,483,580	38,486,672	45,808,152
III	**Selected information per share**					
	Net income (loss) excluding depreciation and amortization, and provisions	0.73	0.82	0.48	0.72	0.92
	Net income (loss) after income taxes, depreciation and amortization, and provisions	- 0.96	0.68	- 0.89	0.60	0.60
	Dividends distributed	0.33	0.33	0.46	0.68 (***)	0.80
IV	**Personnel**					
	Number of salaried personnel	40	39	41	43	47
	Total remuneration (**)	3,394,931	7,083,390	13,346,576	12,864,321	7,062,140
	Amount of employee fringe benefits (social security, personnel benefits)	1,396,343	1,560,927	1,788,837	1,628,851	3,238,602

(*) *Following the authorization given to the management board to grant incentive plan shares (AGM held on June 1st, 2006)*

(**) *Includes in 2011 the provision of € 7.8 million recorded in "wages and salaries" concerning the treasury shares destined to meet the allocations under the incentive share plan*

(***) *To be proposed to the AGM to be held on May 7th, 2014*

7.8 Statutory auditors' report on the financial statements

For the year ended December 31st, 2013

This is a free translation into English of a report issued in the French language and is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the year ended December 31st, 2013, on:

- the audit of the accompanying financial statements of Teleperformance S.A.,
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

1. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31st 2013 and of the results of its operations for the year then ended in accordance with the French accounting principles.

2. Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following matter:

Note B.1 to the financial statements, *Investments in subsidiaries and affiliates*, discloses the accounting principles relating to the measurement of impairment losses on investments in subsidiaries and affiliates. Our procedures consisted in assessing the data and assumptions on which such estimates rely, reviewing the company's calculations, comparing prior years' accounting estimates with the corresponding actual data and examining management's approval procedures for these estimates. We have assessed the reasonableness of these estimates on these bases. We remind you that these estimates are based on forecasts that by their nature are uncertain and that actual amounts may be significantly different.

These assessments were made in the context of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3. Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French Commercial Code relating to remuneration and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements or with the underlying information used to prepare these financial statement, and, where applicable, with information obtained by your Company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Paris La Défense and Neuilly sur seine

February 26th, 2014

KPMG Audit IS	Deloitte & Associés
Éric Junières	Laurent Odobez
Partner	*Partner*

8. Additional Information

8.1 Person responsible for the Registration Document

Statement by the person responsible for the Registration Document

"I hereby certify, after having taken all reasonable measures to this effect, that the information contained in this registration document is, to the best of my knowledge, in accordance with the facts and makes no omission likely to affect its import.

I certify, to the best of my knowledge, that the accounts have been prepared in accordance with applicable accounting standards and give a fair view of the assets, liabilities and financial position and profit or loss of the Company and all the undertakings included in the consolidation, and that the management report contained in Section 8.6 pages 214 and 215 of this Registration document presents a fair review of the development and performance of the business and financial position of the Company and all the undertakings included in the consolidation as well as a description of the main risks and uncertainties to which they are exposed.

I have obtained a completion letter from the auditors stating that they have audited the information contained in this registration document about the financial position and accounts and that they have read this document in its entirety."

February 28th, 2014

Paulo César Salles Vasques
Chief Executive Officer

8.2 Statutory auditors

8.2.1 Statutory auditors

Primary auditors	***Alternate auditors***	***Initial appointment***	***date of expiry of current term of office***
KPMG Audit IS 3 cours du Triangle 92939 Paris La Défense Cedex France Tel: +33 1 55 68 68 68	KPMG Audit ID 3 cours du Triangle 92939 Paris La Défense Cedex France	05/31/2011	2016 annual shareholders' meeting
Deloitte & Associates 185 avenue Charles de Gaulle 92524 Neuilly-sur-Seine France Tel: 01 40 88 28 00	BEAS 7/9 villa Houssay 92524 Neuilly-sur-Seine Cedex France	05/31/2011	2016 annual shareholders' meeting

8.2.2 Auditors' fees

In respect of the 2012 and 2013 financial years, the auditors and members of their networks received the following fees (in thousands of euros):

	KPMG				***Deloitte***			
	Amount		***%***		***Amount***		***%***	
	2013	***2012***	***2013***	***2012***	***2013***	***2012***	***2013***	***2012***
Audit:								
Audit, certification, review of the company and consolidated accounts								
- issuer (parent company)	376	337	25 %	23 %	241	226	25 %	20 %
- consolidated subsidiaries	1,032	995	68 %	68 %	633	621	66 %	55 %
Other procedures and services directly related to the auditors' engagement								
- issuer (parent company)	36		2 %					
- consolidated subsidiaries	12	33	1 %	2 %	3			
Sub-total I	**1,456**	**1,365**	**96 %**	**93 %**	**877**	**847**	**91 %**	**75 %**
Other services, if any:								
- legal, employment, tax	65	69	4 %	5 %	53	122	6 %	11 %
- other		30		2 %	30	167	3 %	15 %
Sub-total II	**65**	**99**	**4 %**	**7 %**	**83**	**289**	**9 %**	**25 %**
Total	**1,521**	**1,464**	**100 %**	**100 %**	**960**	**1,136**	**100 %**	**100 %**

Furthermore, the Group uses Grant Thornton and BDO to audit some of its subsidiaries. In 2013, audit fees totalling € 669,000 were paid to Grant Thornton (as compared to € 740,000 in 2012) and fees totalling € 68,000 were paid to BDO (as compared to € 87,000 in 2012).

8.3 General observations

In this Registration Document, unless stipulated to the contrary, the terms 'Company' and 'Teleperformance'refer to Teleperformance SA and the term 'Group' refers to the Company and its subsidiaries and shareholdings.

This Registration Document (notably Section 5.3 *Trends and prospects*) contains information on the Group's objectives and forecasts, which are 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, hypotheses and estimates which the Company believes to be reasonable and is subject to change or amendment owing to uncertainties notably relating to the risks inherent in any business as well as the political, economic, financial and regulatory environment and competition. Moreover, some of the risks described in Section 1.6 *Risk Factors* should they materialize, may affect the Group's business and our ability to achieve our objectives and forecasts.

The prospective statements, objectives and forecasts contained in this Registration Document could be affected by known and unknown risks, uncertainties or other factors that might result in the Group's future results, performance and achievements differing significantly from the objectives and forecasts made or suggested herein. These factors could include changes to the economic and business environment and regulations as well as the factors set out in Section 1.6 *Risk Factors*.

The Company makes no commitment and gives no warranty as to the realization of the objectives and forecasts set out in this Registration Document.

Investors are asked to pay close attention to each of the risk factors described in Section 1.6 prior to making an investment decision. Our business, situation or financial results or our objectives and forecasts may be negatively impacted should some or all of these risks materialize. Furthermore, other risks that have not yet been identified or which we consider to be of little significance may also have a negative impact and investors could lose some or all of their investment.

8.4 Cross-reference table

to the provisions of the 809/2004 European Commission

8.5 Cross-reference table to the annual financial report

under Article L.451-1-2 of the French Monetary and Financial Code

	Pages	Section
1/ Management report ***(see details at 8.6)***		
Analysis of the business trends	131	5
Analysis of the results	131	5
Analysis of the financial position	131	5
Major risk factors and uncertainties	23	1.6
Table of the capital increases delegations	34	2.2.3
Elements that might have an impact in the event of a tender offer	75	3.3.1.5
Share buyback programs of the Company	35	2.2.4.4
2/ Consolidated financial statements	139	6
3/ Company financial statements	185	7
4/ Statutory auditors' report on the company's financial statements and the consolidated financial statements	184+206	6.7+7.8
5/ Auditors'fees	209	8.2.2
6/ Statements of the persons responsible for the annual financial report	208	8.1

8.6 Cross-reference table to the management report

Applicable provisions		***Comments on the financial year***	Section
French Commercial Code	L.225-100, L.225-100-2, L.232-1, L.233-6 & L.233-26	Objective and comprehensive analysis of the development of the Company's and Group's business, earnings and financial position	5
French Commercial Code	L.225-100 & L.225-100-2	Non-financial KPIs specifically relevant to the Company's business activity	4
French Commercial Code	L.233-6	Significant new shareholdings acquired during the year in companies with registered offices located in France	1.3.4.3
French Commercial Code	L.232-1 & L.233-26	Major events occurring between the balance sheet date and the date of preparation of the report	6.6
French Commercial Code	L.232-1 & L.233-26	Foreseeable changes in the Company’s and the Group’s position	5.3
French General Tax Code	243 bis	Dividends distributed in respect of the last three financial years and amounts of distributed income eligible for the 40 % tax rebate in respect of the same periods	2.52
Applicable provisions		***Group presentation information***	
French Commercial Code	L.225-100 & L.225-100-2	Description of the main risks and uncertainties to which the Company is exposed	1.6
French Commercial Code	L.225-100 & L.225-100-2	Corporate use of financial instruments: financial risk management objectives and policy	1.6.1
French Commercial Code	L.225-100 & L.225-100-2	Corporate exposure to price, credit, liquidity and cash flow risk	1.6.1
French Commercial Code	L.225-102-1, L.225-102-2 & R.225-104	Social and environmental impact of the Company's activity (including "Seveso" sites)	4.2+4.3
French Commercial Code	L.232-1	Research and development	n/a
Applicable provisions		***Information related to corporate governance***	
French Commercial Code	L.225-102-1	List of all offices held and duties performed by each corporate officer in all companies during the financial year	3.1.2
French Commercial Code	L.225-102-1	Total remuneration and benefits of any kind awarded to each corporate officer during the financial year	3.5
French Commercial Code	L.225-102-1	Commitments of any kind made by the Company in favor of its officers representing remuneration, payments or benefits due or liable to be due upon the assumption, termination or alteration of these responsibilities or at a later date	3.5.2.3
French Commercial Code	L.225-184	Options granted, subscribed to or purchased during the year by corporate officers and by the first ten non-corporate officer employees of the Company, and options granted to all employee beneficiaries by category	n/a
French Commercial Code	L.225-185	Terms and conditions pertaining to the exercise of options by corporate officers and directors and lock-in conditions	n/a
French Commercial Code	L. 225-197-1	Lock-in conditions pertaining to bonus shares allotted to corporate officers and directors	2.2.5.3+3.5.2.4
French Monetary and Financial Code	L.621-18-2	Transactions in Company shares performed by directors and related persons	3.6.4

Applicable provisions		***Information on the Company and share capital***	
French commercial Code	L.225-211	Breakdown of treasury share sales and purchases during the year	2.2.4.4
French commercial Code	R.228-90	Adjustments, if any, for securities giving access to the capital in the event of share repurchases or financial transactions	n/a
French commercial Code	L.225-100	Table summarizing currently valid authorizations given by the general meeting of shareholders to the Board of Directors in respect of capital increases	2.2.3
French commercial Code	L.225-102	Statement of employee participation in the share capital as of the balance sheet date and proportion of share capital represented by shares held by employees under the company savings scheme and by current and former employees within company mutual funds	2.3.1.3
French commercial Code	L.464-2	Injunctions or financial penalties for practices contrary to anti-trust legislation	n/a
Applicable provisions		***Information relating to the financial statements***	
French commercial Code	R.225-102	Five-year summary	7.7
Applicable provisions		***Other information***	
French commercial Code	L.225-100-3	Factors liable to have an impact in the event of a public offering	3.3.1.5
French commercial Code	L.233-13	Identity of direct or indirect holders of 1/20, 1/10, 3/20, 1/5, 1/4, 1/3, 1/2, 2/3, 18/20, 19/20 of the share capital on the voting rights to shareholders' meetings	2.3
French commercial Code	L.233-13	Companies controlled and share of the capital of the Company they hold	n/a
French commercial Code	L.441-6 & D.441-4	Payment terms	5.2.1.7
Applicable provisions		***Documents attached***	
French commercial Code	L.225-37	Report of the Chairman of the Board of Directors	3.3

8.7 Cross-reference with environmental, labor and social information

Pursuant to Decree No. 2012-557 of April 24th, 2012 on the implementation of Article 225 of Act No. 2010-788 of July 12th, 2010 and Article 12 of Act No. 2012-387 of March 22nd, 2012

ENVIRONMENTAL INFORMATION	Pages	Section
Global environmental policy		
Company organization and assessment and certification procedures	118	4.3.1
Employee training and awareness measures regarding environmental protection	118	4.3.1
Resources assigned to the prevention of environmental risk and pollution		n/a
Amount of provisions and guarantees for environmental risks		n/a
Pollution and waste management		
Prevention, reduction or compensation measures regarding atmospheric, aqueous and terrestrial pollution seriously affecting the environment		n/a
Prevention of waste generation, waste recycling and elimination	118	4.3
Noise pollution	120	4.3.2
Measures implemented with regard to all other forms of pollution inherent to a specific activity		n/a
Sustainable use of resources		
Water consumption and supply in view of local restrictions	121	4.3.3
Raw materials consumption and measures implemented to improve consumption efficiency	120	4.3.3
Energy consumption, measures implemented to improve energy efficiency and use of renewable energies	118	4.3
Land use	120	4.3.3
Climate change		
Greenhouse gas emissions	121	4.3.4
Adaptation to the consequences of climate change	121	4.3.4
Protection of biodiversity		
Measures implemented to preserve or promote biodiversity	120	4.3.3

SOCIAL INFORMATION

The local, economic and social impact of our business		
Impact of the Company's activity on employment and regional development	122	4.4.1
Impact of the Company's activity on local and neighboring communities	122	4.4.1
Stakeholder relations		
Conditions of discussions with stakeholders (professional inclusion associations, teaching establishments, environmental protection associations, consumer and local residents' associations)	122	4.4.1
Partnership and sponsorship activities	123	4.4.2
Subcontractors and suppliers		
Integration of social and environmental factors in the procurement strategy	125	4.4.3
Importance of subcontracting and integration of CSR in relationships with suppliers and subcontractors	125	4.4.3
Fair practices		
Anti-corruption measures	126	4.4.4
Measures implemented in relation to consumer health, safety and security	125	4.4.3
Other action in support of human rights	126	4.4.5

1. Introduction to the Group

2. Information on the Company and its share capital

3. Corporate Governance

4. Environmental, Labor and Social Information

5. Comments of the financial year

6. Consolidated Financial Statements

7. Parent Company Financial Statements

8. Additional Information