Registration Document

Annual financial report

2018

Teleperformance
each interaction matters

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2018 REGISTRATION DOCUMENT

including the annual financial report

Incorporation by reference

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

1. Relating to the 2017 financial year

The management report, the consolidated and Company accounts as well as the corresponding statutory auditors' reports and the statutory auditors' special report on regulated agreements and commitments, contained in the Registration Document filed with the *Autorité des marchés financiers*, on March 2nd, 2018 under number D.18-0095.

2. Relating to the 2016 financial year

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

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

This Registration Document was filed with the *Autorité des marchés financiers* on March 4th, 2019, in accordance with Article 212-13 of the AMF's General Regulation.

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

This document is available online on the websites of Teleperformance (www.teleperformance.com) and the *Autorité des marchés financiers* (www.amf-france.org).

TELEPERFORMANCE IN 2018

GROUP PROFILE

Founded in 1978 by Daniel Julien, Teleperformance is a global leader in outsourced high value-added services solutions for businesses. It is the worldwide preferred partner "High Tech / High Touch" of fast-growing and leading companies in their market and fast developing for the implementation of strategies to optimize their customer experience and business processes. Teleperformance thus offers its clients a global and integrated offer, falling into two categories of services in 2018:

High value-added services to businesses

Core services
– Customer care
– Technical support
– Customer acquisition
– Back-office services

Specialized services
– On-line interpreting
– Visa application management
– Debt collection

Setting up a third category of activities in October 2018: Teleperformance D.I.B.S. (Digital Integrated Business Services) following the acquisition of Intelenet.

Intelenet is a major player in integrated services for business process management, digital transformation and high value-added consulting.

MISSION

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

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

This "High Tech / High Touch" approach combines technologies and emotional intelligence. It is today the true DNA of Teleperformance.

HIGH TECH

Expertise in advanced technological tools
- Optimized and well performing proprietary IT tools
- Reliable, user-friendly and digital solutions integrating Robotic Process Automation (RPA) procedures
- Expertise of Intelenet in digital transformation solutions

HIGH TOUCH

Emotionnal intelligence (E.I)
- 300,000+ employees
- High value-added global solutions requiring empathy and sales capabilities
- Hiring and training
- Support and Great Place To Work®
- Management and performance evaluation

VALUES

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

Cosmos | Integrity
I say what I do & I do what I say

Air | Innovation
I create and I improve

Earth | Respect
I treat others with kindness and empathy

Fire | Commitment
I'm passionate and engaged

Metal | Professionnalism
I do things right the very first time

HIGHLIGHTS OF THE YEAR

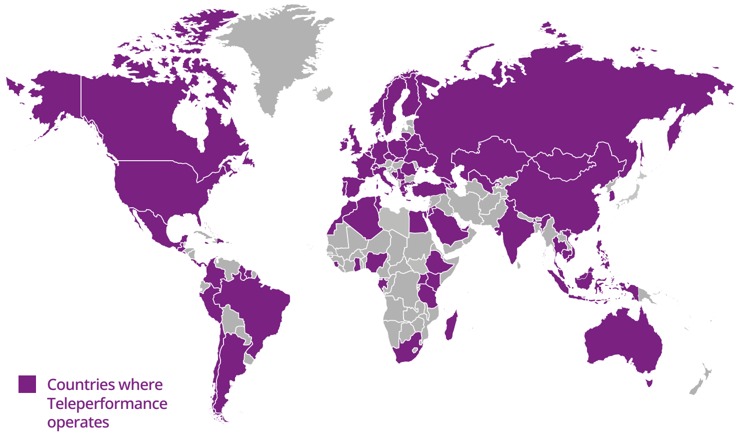
CREATION OF TELEPERFORMANCE D.I.B.S., DIGITAL INTEGRATED BUSINESS SERVICES, FOLLOWING THE ACQUISITION OF INTELENET

Teleperformance D.I.B.S. (Digital Integrated Business Services) is a new category of activity created by Teleperformance, that mainly brings together the activities of Intelenet, a major player in high value-added services and digital transformation solutions acquired in October 2018, and Praxidia consulting activities.

With 58,000 employees, Intelenet manages more than 40 centers in 11 countries in North and South America, Europe, the Middle East, India and the Philippines. It supports more than 110 leading clients in more than 25 languages and offers multinational companies innovative solutions recognized for their excellence.

GLOBAL LEADERSHIP

Teleperformance has the largest geographical footprint in the industry and is capable of handling programs in 265 languages. With more than 850 clients worldwide, the Group generates revenue of €4.4 billion, of which 50% from multinationals.



EWAP **€1,586 million**

Ibero-LATAM **€1,149 million**

CEMEA **€962 million**

Specialized Services **€639 million**

Intelenet **€105 million ***

** 3-month consolidation.*

In 2018, Teleperformance started operations in new countries like in Bosnia, Taiwan and, with the acquisition of Intelenet, Guatemala and Saudi Arabia.

KEY FIGURES

OPERATIONS IN

80 COUNTRIES

265 LANGUAGES

170 MARKETS

850+ CLIENTS

300,000+ EMPLOYEES

SUCCESSFUL ISSUE OF A 7-YEAR BOND FOR €750M

Teleperformance successfully completed in July 2018 a €750 million bond offering with a coupon of 1.875% and a 2025 maturity.

This issue enabled the group to refinance the acquisition of Intelenet, improve its financial flexibility, extend the maturity of its debt and diversify its financial resources.

Standard & Poor's has confirmed Teleperformance's rating of "BBB-" – Investment grade – with a stable outlook, the highest rating in the customer experience sector.

NEW VISUAL IDENTITY

Teleperformance unveiled in September its new brand identity and logo in line with its status as a genuinely global group where innovation and technology play a central role in support of the human experience.

This new visual identity stands for what Teleperformance is today and the transformation it has undertaken in recent years.

The launch of the new visual identity was accompanied by a global advertising campaign in order to convey the strengths and values of Teleperformance.

TELEPERFORMANCE CONFIRMED ITS LEADERSHIP IN SECURITY AND DATA PROTECTION

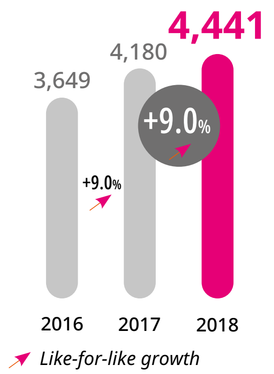
On February 12th, 2018, Teleperformance was BCR (Binding Corporate Rules) approved by the CNIL (*commission nationale de l'informatique et des libertés*). The group was the first player in its sector to obtain this approbation.

Internal organization and procedures are fully compliant with the General Data Protection Regulation (GDPR) effective May 25th, 2018.

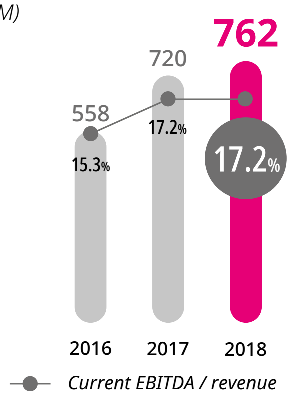
KEY FINANCIAL FIGURES

GROWTH AND PROFITABILITY

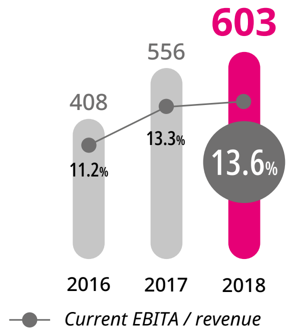
Revenue
(€M)



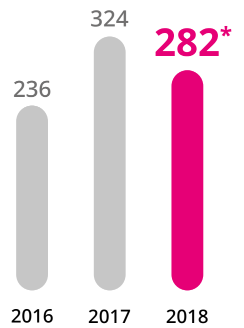
Current EBITDA
(€M)



Current EBITA
(€M)

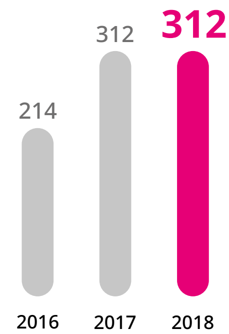


Net free cash flow
(€M)

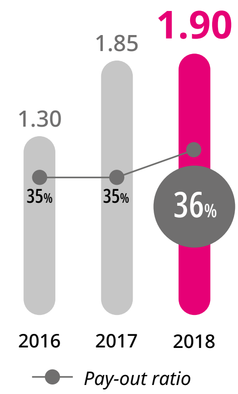


** Including €25m of non-recurring*

Net result Group share
(€M)

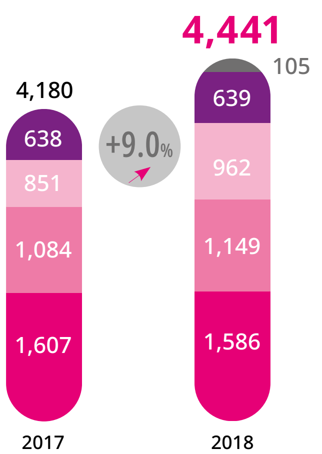


Dividend per share
(€)

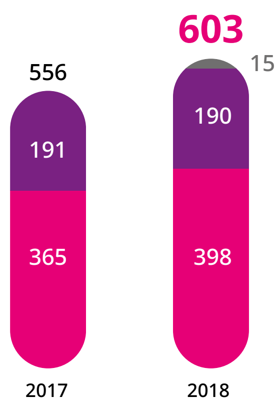


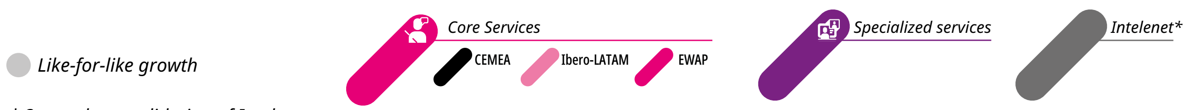
A DIVERSIFIED AND PROFITABLE PORTFOLIO OF ACTIVITIES

Revenue breakdown by activity and linguistic region in 2018 *vs* 2017 (€M)



Current EBITA breakdown by activity in 2018 *vs* 2017 (€M)





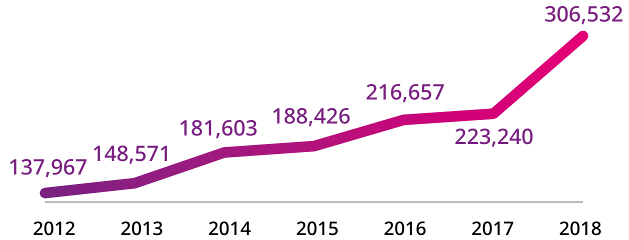
** 3-month consolidation of Intelenet*

This information is provided in various chapters of the Registration Document and defined in the 4.1.1 *Alternative Performance Measures (APMs) section.*

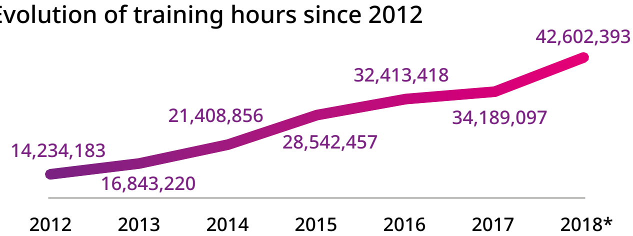
KEY EXTRA FINANCIAL FIGURES

HIGH TOUCH STRATEGY

Headcount evolution since 2012

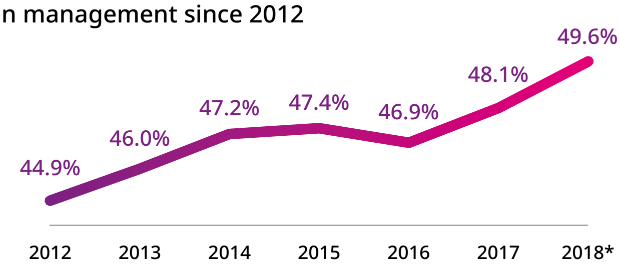


Evolution of training hours since 2012



** Excluding Intelenet.*

Evolution of the share of women
in management since 2012



** Excluding Intelenet.*

DIVERSITY POLICY WITHIN THE BOARD OF DIRECTORS

1
LEAD INDEPENDENT DIRECTOR

9
INDEPENDENT DIRECTORS
64%

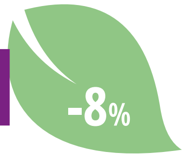
6
WOMEN
43%

6
REPRESENTED NATIONALITIES

China
Colombia
United States
France
Philippines
United Kingdom

ENVIRONMENT AND COMMITMENT IN FAVOR OF COMMUNITIES

0.71



CARBON FOOTPRINT TONNE PER EMPLOYEE

5.5
MILLION OF US DOLLARS OF DONATIONS IN CASH AND IN KIND *

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

85,374
VOLUNTEERED HOURS*

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

MESSAGE FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

3 QUESTIONS TO DANIEL JULIEN

What are the key takeaways from the Group's 2018 results?

In 2018, Teleperformance generated strong like-for-like growth of +9%, well above the market average, and also achieved an improvement in its EBITA margin. We demonstrated our Group's exceptional agility, by restoring our growth drive in the EWAP region, notably thanks to new developments in the digital economy ecosystem, and by sustaining our ramp-up in the CEMEA region. Once again, we've strengthened our position as worldwide leader in outsourced customer experience management.

In what way was 2018 a key year for the Group's future?

Beyond financial results, we significantly strengthened our global footprint in our three operating geographies in 2018.

Thanks to the October 2018 acquisition of India-based outsourcing company Intelenet, which employs 58,000 people and specializes in integrating digital solutions into client processes, we have significantly enhanced our services offering, particularly in banking, hospitality, transportation and healthcare.

Today, the services offered by Teleperformance are classified into three categories:

- Core Services, which cover customer care, technical support and customer acquisition.
- Digital Integrated Business Services (D.I.B.S), which cover the end-to-end outsourcing of client processes.
- High-value Specialized Services, which include online interpreting, visa application management and services related to debt collection.

Together, our enhanced organization and expanded skills base are enabling us to effectively meet our clients' needs in terms of their development and digital transformation.

Since end-2012, Teleperformance has recorded like-for-like growth of more than +5% for 27 straight quarters, as well as an improvement in EBITA margin every year. This performance has earned us our status as a growth company and we fully intend to continue in this direction.

This approach and success are based on our High Tech / High Touch DNA. The efficiency gains offered by artificial intelligence technology with the development of automated systems show the High Tech side in our customer experience activities. We have to remain, first and foremost, a great place to work, because our business is primarily based on the excellence, the fulfilment and the emotional intelligence displayed by our 300,000 employees in delighting our customers. This is what we call our High Touch approach.

Reflecting this evolution and our values, we unveiled the new brand identity and logo of Teleperformance in early September, expressing its status as a truly global enterprise where innovation and technology play a central role in supporting the human experience. The new, resolutely contemporary, multicultural and digital identity reflects the Group's evolution in recent years.

> *We are looking forward to the coming years with confidence and ambition*

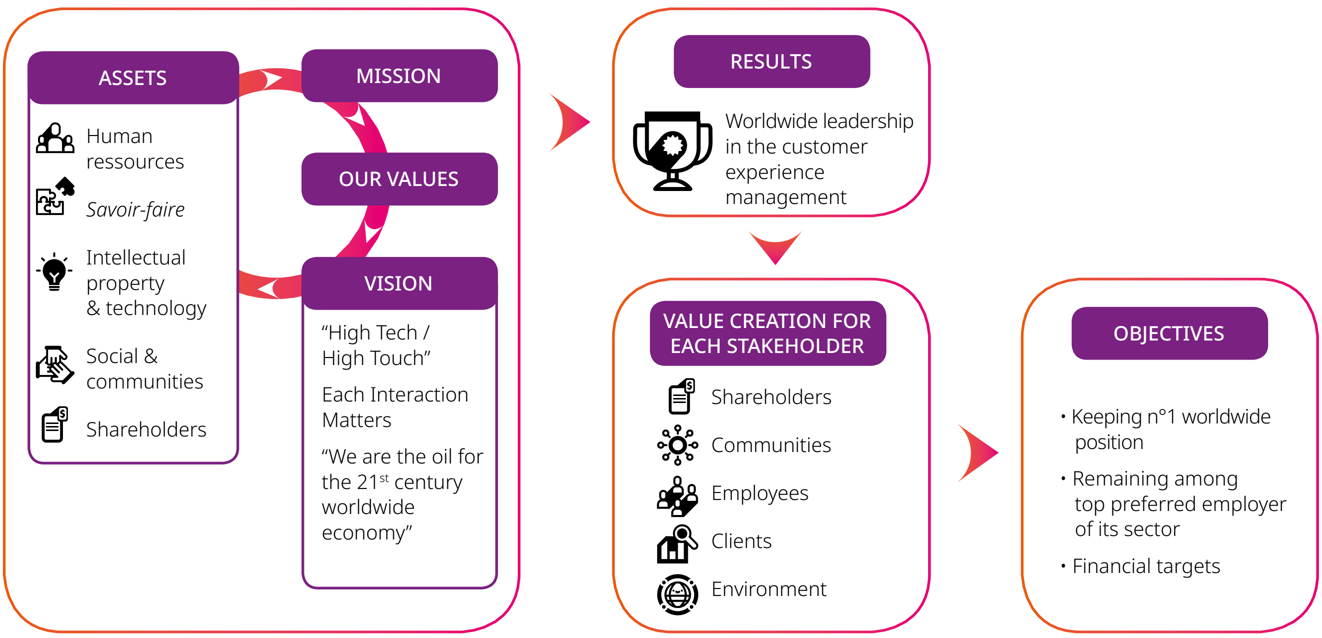
How do you see 2019, which has only just started, and the longer term?

We are looking forward to the coming years with confidence and ambition. Our targets for 2019 are like-for-like revenue growth of at least +7% and an improvement in EBITA margin before non-recurring items of +20 basis points.

Looking further ahead, we have confirmed our 2022 targets, at constant scope of consolidation, to revenue of at least €6 billion and EBITA before non-recurring items of at least €850 million. We will also continue to implement our carefully controlled strategy of selective acquisitions, while maintaining our commitment to financial discipline. The successful implementation of this strategy should enable us to raise these targets at a later date.

I would like to thank all our stakeholders, customers, employees, partners, the communities where we operate all over the world and naturally our shareholders for their loyalty, commitment and renewed support in 2018 in our development as an efficient, front-ranking and value-creating organization. I am particularly pleased to present, for the first time in this year's Registration Document, the Sustainable and Responsible Investment business model that underpins our continuous improvement process.

A VALUE CREATION BUSINESS MODEL



A RECOGNIZED MODEL

10 Great Place to Work® awards won in 2018

EWAP region (3)

Ibero-LATAM region (7)

A TEAM OF EXPERIENCED MANAGERS TO DEVELOP, INNOVATE, DELIVER, CONTROL

EXECUTIVE COMITTEE OF TELEPERFORMANCE

Daniel Julien
Chairman & CEO
Chairman of the Executive Committee

SPECIALIZED SERVICES

Scott Klein
President

TELEPERFORMANCE D.I.B.S.

Bhupender Singh
President

CORE SERVICES

Jeffrey Balagna
Chief Operating Officer

Agustin Grisanti
Ibero-LATAM
President

Brian Johnson

and

David Rizzo
EWAP
co-Presidents

Yannis Tourcomanis
CEMEA
President

CONTROL / SUPPORT

Olivier Rigaudy
Deputy CEO,
in charge of Finance

João Cardoso
Chief R&D and
Digital Integration

Fabricio Coutinho
Chief Marketing Officer

Lyle Hardy
Chief Information Officer

Leigh Ryan
Chief Legal &
Compliance Officer

Alan Winters
Chief Administrative Officer

AN EXPERT, BALANCED AND INDEPENDENT BOARD OF DIRECTORS TO SET THE GROUP'S STRATEGIC ORIENTATIONS

BOARD OF DIRECTORS OF TELEPERFORMANCE

DIRECTOR

1. Daniel Julien (Chairman)
2. Jean Guez
3. Bernard Canetti
4. Leigh Ryan
5. Philippe Dominati

INDEPENDANT DIRECTOR

6. Wai Ping Leung
7. Christobel E. Selecky
8. Angela Maria Sierra-Moreno
9. Robert Paszczak
10. Alain Boulet
11. Emily Abrera
12. Stephen Winningham
13. Pauline Ginestié

LEAD INDEPENDANT DIRECTOR

14. Patrick Thomas

1 Introduction to the group and risks

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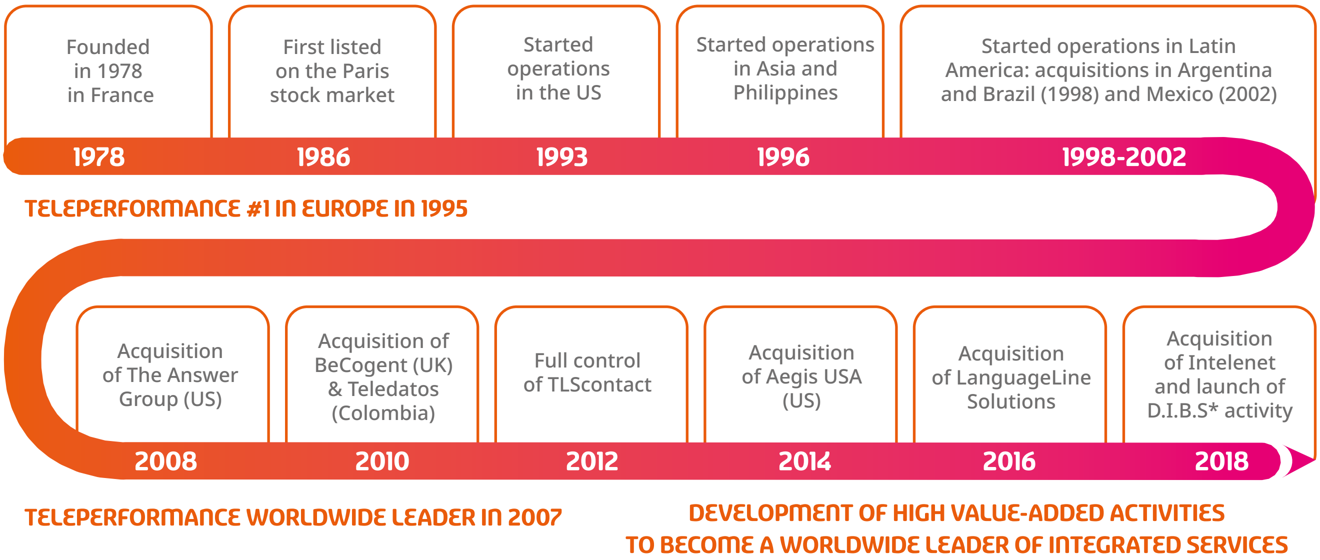
1.1 THE GROUP

1.1.1 Major stages of the Group's development

Key dates in the Group's development and evolution



* *Digital Integrated Business Services.*

1978-1995: Building Teleperformance's European leadership

1978

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

1986

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

1988

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

1989

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

1990

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

1993

Teleperformance opened its first contact center in the US.

1995

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

1996-2007: Building Teleperformance's world leadership

1996

Teleperformance gained a foothold in Asia with the opening of contact centers in the Philippines, followed by Singapore.

1998

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

2003

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

2004

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

2007

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

2007-2015: Consolidating world leadership

2008

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

2009

Teleperformance reorganized its France-based legal entities and operations forming a new subsidiary Teleperformance France.

2010

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

2011

Teleperformance adopted a Board of Directors structure; Daniel Julien became Chairman and CEO. A year later, co-founder Jacques Berrebi resigned from his position as board advisor and stepped down from his operating duties.

2013

The board of directors separated the roles of Chairman of the Board and Chief Executive Officer, appointing Daniel Julien as Chairman and Paulo César Salles Vasques as CEO.

2014

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

TLScontact, a Teleperformance outsourced services management subsidiary working for governments, started a contract with the British government's Visas and Immigration department *(UKVI)*. Teleperformance ramped up its value-enhancing operations across the world by establishing visa application centers in 15 new countries.

2015

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

2016-2018: Developing specialized services and integrated digital transformation services

2016

Teleperformance launched a new specialized services range provided by LanguageLine Solutions LLC, a US-based over-the-phone and video interpretation solutions leader, which it acquired in 2016 together with the TLScontact visa application and accounts receivable management business.

2017

The Group received its first public long-term debt rating, "BBB-" investment grade, the best financial rating of the sector, from Standard & Poors (S&P). It successfully completed a €600 million 7-year bond issue, which helped fund the LanguageLine Solutions LLC acquisition.

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

2018

Teleperformance formed a new business categorie, Teleperformance D.I.B.S. (Digital Integrated Business Services), which primarily covers the operations of Intelenet, a major value-enhancing and digital transformation services provider, that it acquired on October 4th, 2018, and the Praxidia consulting business that it launched in April 2018. The Intelenet acquisition was funded by a €750 million bond placement.

Teleperformance launched its new visual identity and "TP" logo symbolizing its transformation and its new market focus on high value-added digital transformation integrated services.

1.1.2 A "High Tech / High Touch" corporate outsourced services management world leader in full evolution

1.1.2.1 Introduction: Teleperformance, a "High Tech / High Touch" company

As world outsourced customer experience management leader with more than 300,000-plus employees across 80 countries, the Group delivers advisory and integrated solutions to corporations and governments worldwide to manage and optimize all aspects of the customer experience cycle on their behalf, as well as providing high value-added specialized services. The Group manages programs in 265 languages and dialects on behalf of major multinationals operating in various industries.

Throughout 2018, services provided fell into the following **business categories:**

- **Core Services,** including customer relations, technical support, customer acquisition and back-office services;
- **Specialized Services,** high value-added services including online interpreting, visa application management, data analytics and accounts receivable management.

In October 2018, the Group created a further business category: Digital Integrated Business Services (Teleperformance D.I.B.S.) primarily comprising:

- Intelenet's business process management and digital transformation services, a company acquired in October 2018;
- High value-added consulting and data analysis solutions of Praxidia, which was formed in April 2018;
- Teleperformance business process management and digital solutions.

For the first time, Teleperformance will present its operations broken down between three business categories when it releases its first quarter 2019 revenues.

Teleperformance's offering in all areas is multi-channel and meets consumer demand *via* phone, email, SMS, website chat, face-to-face or social media. It furthermore covers the entire customer experience supply chain from back office data processing to dealing with consumers/front office users. It is suited for all business sectors and is available in several languages.

Teleperformance has extensive resources with which to fulfill its mission. The Group offers businesses around the world its know-how in terms of human resource management, management of dedicated customer experience infrastructures as well as high-performance technology ensuring quality, security and reliability.

The Company also draws on its own worldwide chain of local, "nearshore" or "offshore" contact centers to meet the needs of many markets.

Teleperformance pitches itself as a "High Tech / High Touch" business alluding to the two underlying pillars of its value-adding business model: a human touch and technology.

1.1.2.2 Teleperformance business segments

1.1.2.2.1 Core Services

2018 key figures

	Region	Revenue *(in millions of euros) (in % total Group rev)*	Total headcount at December 31st, 2018	Number of countries of operations	Client key sectors
Core Services		3,697 (84%)	235,823	**53**	All sectors
Linguistic regions	EWAP	1,586 (36%)	101,654	**12**	All sectors
	Ibero-LATAM region	1,149 (26%)	86,774	**13**	All sectors
	CEMEA	962 (22%)	47,395	**29**	All sectors

Core Services cover a broad services offering primarily comprising technical support, customer care, customer acquisition and back-office services (excl. Intelenet services).

Core Services worldwide break down into three broad linguistic regions:

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

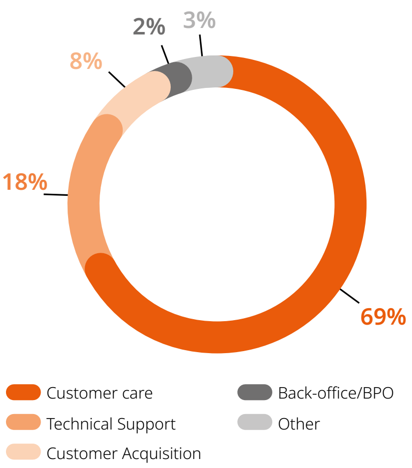
Teleperformance's Core Services offering is multi-channel: its solutions cover the management of all types of consumer or citizen interaction channels to contact firms and government agencies, by voice (*i.e.* phone, video and face-to-face) and non-voice (*i.e.* chat, email and social media) services. These services are backed both by worldwide quality standards and state-of-the art IT systems.

Most of the Group Core Services consist of managing incoming calls from consumers or citizens requesting information. Management of outgoing calls, which is a smaller Group business, largely comprises customer acquisition services.

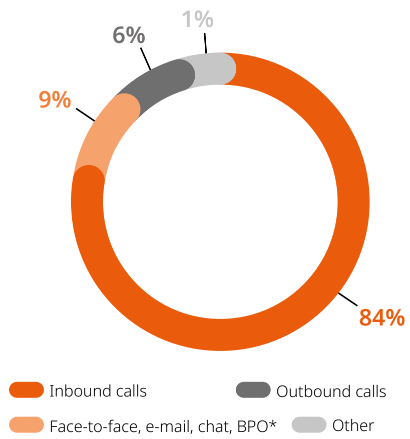
To fulfill its mission, the Group has a global chain of contact centers providing domestic, offshore and multilingual services in 265 languages.

Breakdown of Core Services revenue (2018)

By service type

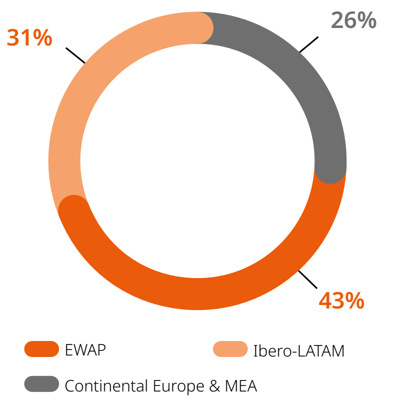


By contact type



**BPO : Business Process Outsourcing*

By linguistic region



Details of main service type

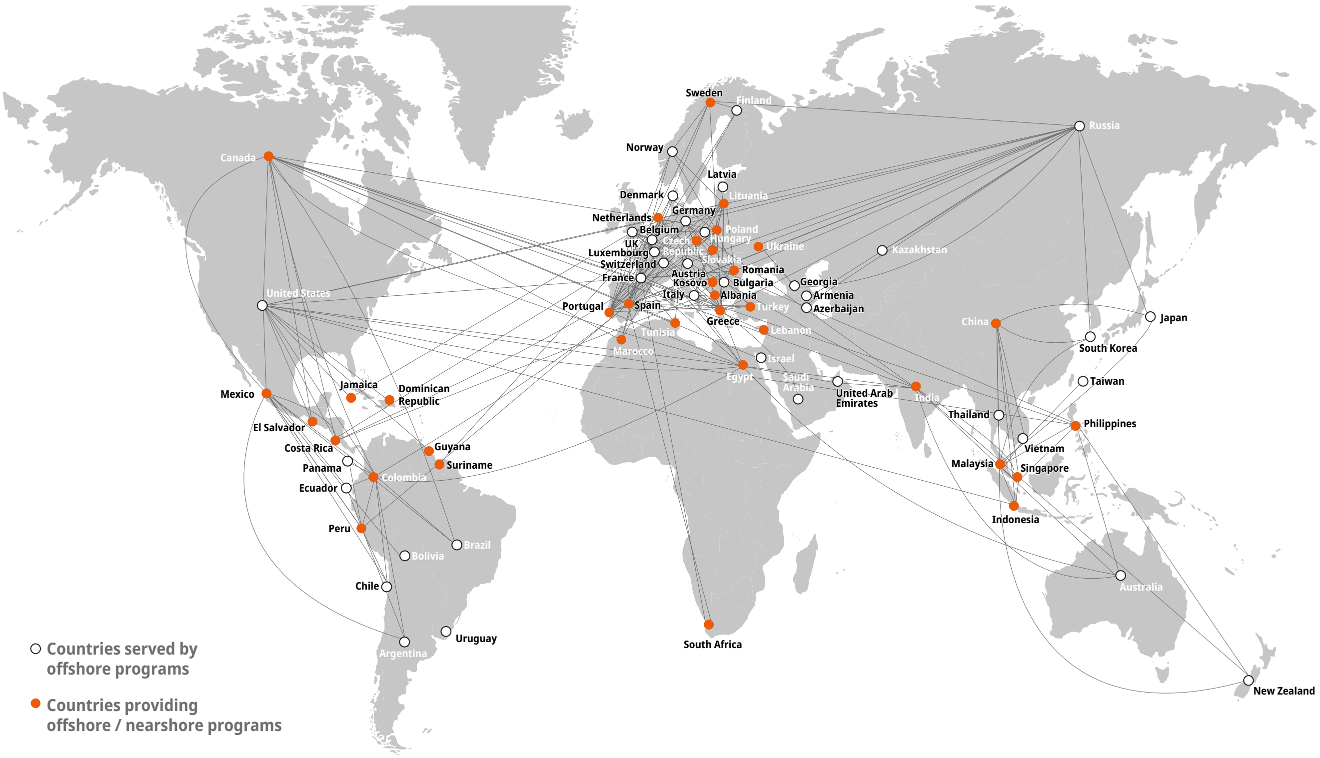
Service type	Description of services and solutions
Customer relations	• Subscriptions/sale of new goods and services including cross-selling and upselling • Invoice explanations and payment requests • Claim processing and dispute resolution • Pro-active steps to boost customer relations, such as welcome offers, satisfaction questionnaires and contract renewal reminders • Specialized new e-services, such as online gaming assistance and social media content moderation services
Technical support	• Corrective action procedure management and coordination • Customer assistance to introduce various products (e.g. equipment, software and networks) and software (operating systems, databases and programming environments) as well as post installation assistance (BtoC) • Assistance to install, operate and repair networks, and set up firewalls and data distribution (BtoB) Teleperformance provides several levels of support: • Level 1 – solutions to standard problems based on specific processes • Level 2 – solving more complex problems by phone, remote systems access or onsite • Level 3 – high level assistance for one-off and critical cases
Customer acquisition	• Generating leads and scheduling appointments • Services to check cross-sale and additional sales data • Loyalty program and management • Surveys and programs to attract customers • Customer account management
Back office services (excluding Intelenet)	Back office services provide transparent procedures between back and front office operations, guaranteeing a more efficiently managed, better quality customer experience. Teleperformance's backoffice services break down as follows: • Fraud prevention • Order and account management • Invoicing and refunds • Coding • Debt collection

A global offer of domestic and offshore solutions

Backed by a global integrated domestic, nearshore and offshore network of operations in 36 countries, Teleperformance offers a unique range of sourcing solutions worldwide in all languages tailored to all customer needs and limits.

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

Map of offshore/nearshore Group locations and main markets covered



Breakdown of Core Services revenue by program type

(in % of total revenue)	2018	2017	2016
Domestic	57%	60%	62%
Nearshore/offshore	43%	40%	38%

Example of specialized regional services: multilingual platforms

Teleperformance develops specialized services tailored to client needs all around the world.

Teleperformance pioneers development of multilingual hubs delivering optimal customer experience management multi-channel solutions to big multinationals. Such hubs house staff from across the world who work together on Pan-European and Pan-Asian programs.

Teleperformance's multilingual offering is a genuine distinguishing factor covering 140 markets in over 40 different languages from five regional hubs located in Portugal, Netherlands, Greece, Malaysia and Egypt. Criteria applied to selecting these locations are very exacting. Hubs should be set up in appealing, stable cities with an educated, multicultural population.

Multilingual hub location

A solution regularly awarded the Great Place to Work® label

Teleperformance's multilingual hubs regularly receive the prestigious Great Place To Work® label. The Group attracts top class staff by offering a unique multicultural workplace in highly livable cities steeped in history.

Everything is provided to help staff and supervisors move and settle in to their new surroundings: they are provided plane tickets and temporary hotel stay, and leisure activities are offered so that they feel at home in their new location.

1.1.2.2.2 Specialized Services

2018 key figures

	Region	Total headcount at December 31st, 2018	Number of countries of operations	Client key sectors
Specialized Services		12,521	58	All sectors
Main companies	LanguageLine Solutions (LLS)	6,114*	17	Healthcare Government agencies Banking and insurance Telecommunications
	TLScontact	1,727	44	Government agencies/ Authorities
	AllianceOne Receivables Management (ARM)	4,071	3	Financial services Government agencies Telecommunications
	Praxidia	598	6	All sectors

* *Excluding external interpreters under contracts with LLS.*

2018 Specialized Services revenues amounted to €639 million and accounted for 14% of total Group revenue. The Group does not disclose revenues of individual Specialized Services companies.

LanguageLine Solutions (LLS)

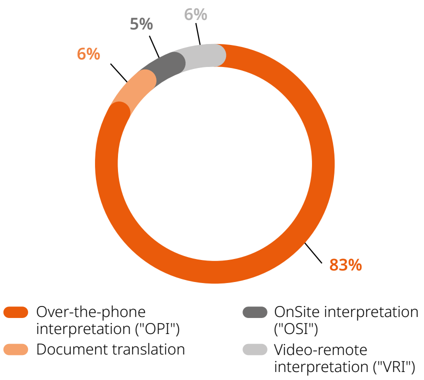
Founded in 1982 and acquired by Teleperformance in September 2016, LanguageLine Solutions is the leading provider of over-the-phone and video interpreting solutions in North America, serving a range of companies and institutions in the healthcare, insurance, financial services, telecommunications and public sectors. Headquartered in Monterey (California – United States), LLS posted US$388 million revenues in the most recent year prior to Teleperformance's acquisition in 2016, which has consolidated the Group's global leadership in the high value-added services sector while boosting revenues and earnings.

LanguageLine Solutions provides essential services to a wide range of clients in sectors where Teleperformance already has a strong presence with its core service activities. In 2018, LLS offered services in nearly 260 languages to 28,000 customers in the United States, Canada and the UK, backed by efficient top class network of nearly 9,600 employed and freelance interpreters.

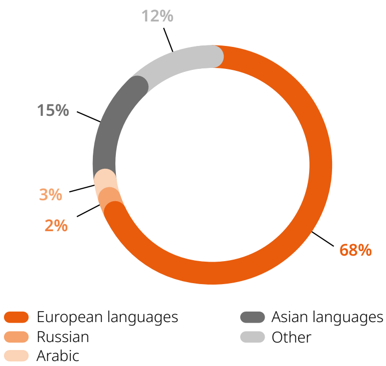
Details of main service type

Service type	Description of services and solutions
Over-the-phone interpreting (OPI)	• 24/7, year-round fast access by phone to top-class interpreters covering nearly 260 languages
Video remote interpreting (VRI)	• Direct face-to-face interaction thanks to dedicated equipment or mobile platforms that improve the communication experience, due to the addition of visual cues and body language • Specially suited for groups and young children
On-site interpreting (OSI)	• Required for more complex interactions regarding confidential issues • Involving several participants or young children
Other services	• Document translation and localization services These services are often selected in addition to online interpreting services already provided to a client • Specific training and equipment related to linguistic services

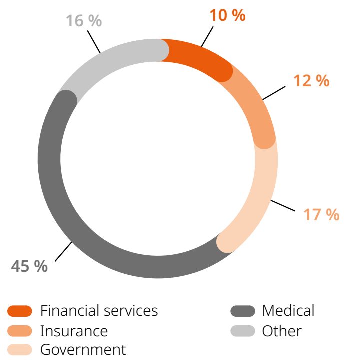
Breakdown of LanguageLine Solutions revenue by language service type (2018)



Breakdown of LanguageLine Solutions workforce by language (2018)



Breakdown of LanguageLine Solutions revenue by client sector (2018)



A global network of interpreters working from home

In 2011, LanguageLine Solutions made a major change to the management of its interpreter database, by switching from a contact center system to a work-at-home (WAH) system. The 9,600 LLS interpreters are currently spread across 17 countries. Over 6,000 are LLS employees and the rest are sub-contracted or freelance workers under contract with the country.

The expanding pool of WAH interpreters is a key strategic advantage enabling LLS to provide a constant supply of interpreters perfectly tailored to demand. They represent more than 80% of all interpreters working for the firm.

LanguageLine Solutions interpreters can deliver top quality of service thanks to the ERP Olympus cloud platform system.

Synergies with other Teleperformance Group business activities

In 2017, the first synergies between Teleperformance Core Services and LanguageLine Solutions' were developed in recruitment. In 2018, over 700 Arabic, Spanish, Italian, Portuguese and Russian interpreters were recruited to serve the US market thanks to Teleperformance's major presence in Egypt, Colombia, Albania, Portugal and Lithuania. These synergies have a positive impact on the Company's business growth and margins.

Teleperformance aims to progressively develop LLS' business on all markets and generate synergies between its various activities.

TLScontact

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

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

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

TLScontact has 145 centers in Europe, Asia and Africa, handling over 6 million visa request interactions per year, serving governments in the Schengen zone (France, Switzerland, Italy, Germany, Denmark, the Netherlands, Hungary and Belgium) Commonwealth countries including the UK and countries with specific regulations (Cyprus, Kazakhstan).

TLScontact has a robust and unique business model. While it enters into long-term contracts with governments, it is usually individual applicants who pay for TLScontact services in addition to visa costs and so they expect top quality application handling service. As a "one-stop shop" for visa applicants, TLScontact is able to offer them a range of high value-added products and services (travel insurance policies, VIP or fast track processing, etc.).

Lastly, the outsourcing market continues to evolve with new governments signing up, who are won over by the value-added solution, and TLScontact in particular in view of the strong productivity gains that the company offers.

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

Changes in the geo-political and geo-economic landscape in certain regions (*e.g.* Brexit, crises in the Middle East, etc.) have created several business opportunities for TLScontact, given the influx of people to accommodate and process.

AllianceOne Receivables Management (ARM)

ARM is a major player on the North American outsourced accounts receivable management market. The firm offers a comprehensive range of debt collection services and contact center solutions designed to meet the needs of clients, primarily in the North American market. The company has close to 4,000 employees operating in the United States, Canada and Jamaica.

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

Praxidia

To support companies in their goal to constantly improve the customer experience, in 2018 Teleperformance launched Praxidia, a new high value-added consulting solution.

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

Teleperformance is a pioneer in high value-added data analysis services to manage customer and employee experience.

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

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

Praxidia's goal is to become the customer experience partner of choice, fully in line with the Group's strategy to ramp up its service offering. This solution expands the high value-added services range offered to the Group's global accounts and thus enables it to deepen its partnership with them over the long term. This new solution, resulting from the natural evolution of Teleperformance's core business towards greater added-value and an increased focus on technology, is one of the cornerstones of the Group's ongoing transformation.

After acquiring Intelenet in October 2018, the Group created a new business category called Teleperformance D.I.B.S. (Digital Integrated Business Services). Praxidia merged with Intelenet's Knowledge Services business (see section 1.1.2.2.3 – *Acquisition of Intelenet and creation of Teleperformance D.I.B.S.*) to become Praxidia Knowledge Services, a new Teleperformance D.I.B.S. division specializing in consulting, forecast modeling, data analysis and high value-added automated solutions.

Praxidia is a genuine expert in digital transformation systems and procedures and employed close to 600 people in 2018, mainly in the United States, the United Kingdom, Italy and France.

1.1.2.2.3 Acquisition of Intelenet and creation of Teleperformance D.I.B.S.

Intelenet key figures in 2018

	Revenue *(in millions of euros)*	Total headcount as of 12/31/2018	Number of countries of operations	Main client segments
Intelenet	410	58,144	11	• Financial services • Tourism and airline companies • Distribution • Healthcare

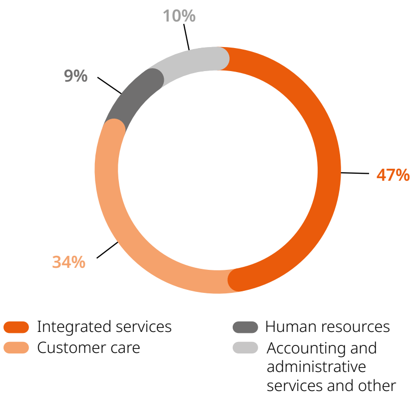
Intelenet's business

Teleperformance completed the Intelenet acquisition on October 4th, 2018.

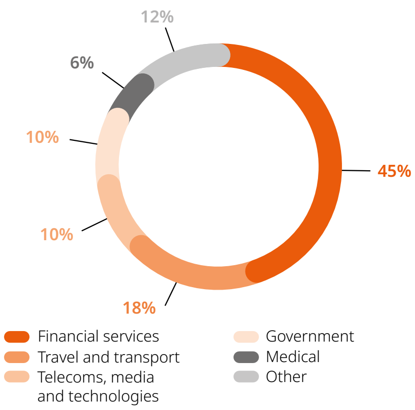
Intelenet was founded in 2000 in Bombay (India) and is a key player in high-end services such as multi-channel customer experience management, back-office, HR management as well as financial and administrative management. At the time of the acquisition, the company had over 110 leading clients, mainly in English-speaking countries, India and the Middle East.

Intelenet clients operate mainly in banking, financial services and insurance, travel, tourism, e-commerce and healthcare.

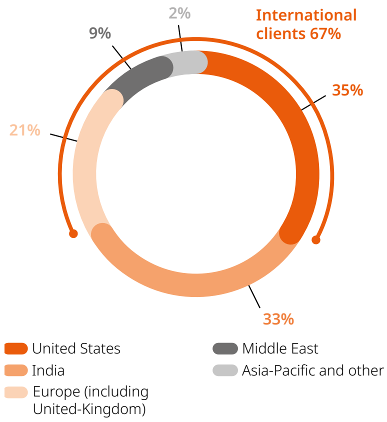
Revenue breakdown by service type (2019E*)



Revenue breakdown by client sector (2019E*)



Revenue breakdown by region (2019E*)



* *Intelenet estimates as of March 31st, 2019 released for the announcement of Teleperformance's June 2018 acquisition.*

Thanks to integrated solutions, Intelenet helps clients boost revenue, enhance quality and reduce operating costs while improving customer satisfaction:

- the company delivers proprietary solutions designed by multi-skilled consultants including 200-plus highly-qualified engineers and expert business and procedure consultants;
- digital integration underpinned by robotic process automation;
- best-in-class operations with more than 58,000 employees working in 40 centers mainly in India, the Philippines, the United Arab Emirates, Poland and Guatemala.

The Intelenet acquisition was strategic for Teleperformance for three reasons:

- Intelenet's high value-added integrated solutions and expertise in corporate digital transformation reinforce Teleperformance's offering significantly;
- Intelenet's leading position in India also consolidates the Group's presence on this growing market;
- Intelenet's expertise in a wide range of sectors enables Teleperformance to continue diversifying its global client base.

The acquisition also marks a big leap forward in Teleperformance's five-year strategic plan.

Details of main service type

Transaction Processing Vertical	2 sector examples • Healthcare: transaction processing related to the Revenue Cycle Management (RCM) in the US healthcare system • Financial services: transaction processing related to product underwriting
Human Resources Outsourcing	Workforce administration service outsourcing Payroll service outsourcing
Finance & Accounting Services	Risk management Procure to pay/client order processing
Customer Management Services	E-services Social media Contact centers
Consulting/Knowledge Services	Analtytics services Guidance on operational services Optimization optimization
Digital Offerings	Robotic solutions Artificial Intelligence Machine learnings

Teleperformance D.I.B.S. – a new legal entity

Teleperformance D.I.B.S., or Digital Integrated Business Services, is the new business category launched by Teleperformance f in October 2018, which encompasses Intelenet's operations, Teleperformance's business management procedures and digital platform services, and Praxidia's high value-added consulting and analysis services.

The majority of Teleperformance D.I.B.S.'s business lies in integrated services and dedicated support services. By combining business-critical processing service experience and know-how, Teleperformance D.I.B.S. can offer clients integrated transformation solutions across the entire supply chain.

1.1.2.3 The four essential elements underpinning Teleperformance's success

1.1.2.3.1 Recognized global leadership

Teleperformance is a partner of choice on the big multinationals market and a highly reputed global employer in its market.

Teleperformance currently owns 218,000 computer workstations covering more than 160 markets and has over 300,000 employees in 400-plus contact centers in 80 different countries. The Group runs programs in 265 languages and dialects on behalf of over 850 clients, mainly big multinationals operating in various sectors.

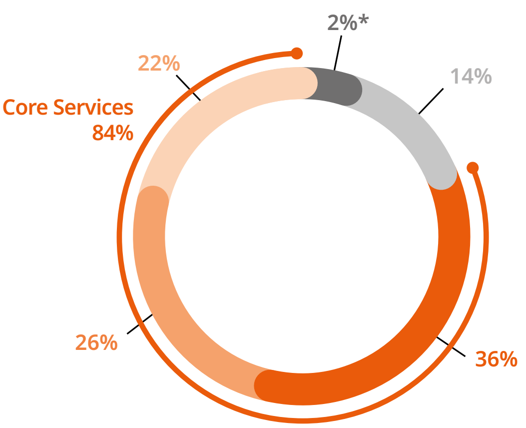
The Group has a stable and strong corporate client base around the world. The revenue breakdown per region and the Group's total workforce in Core Services reflect its position as world leader on its main market.

Core Services break down into three broad linguistic regions as follows:

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

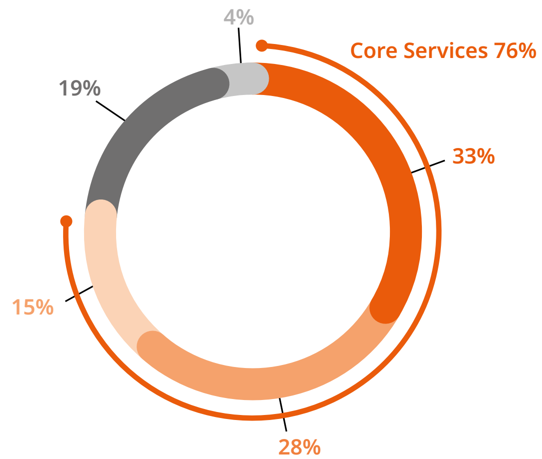
The breakdown of the countries of operation is presented in section 1.6.2 *Operational organization chart.*

Breakdown of revenue by business and linguistic region (2018)



** 3-month consolidation in 2018.*

Breakdown of workforce by business and linguistic region at December 31st, 2018



Total headcount of the Group's top 10 countries at December 31st, 2018

Country	Total headcount
India	72,594
Philippines	41,292
United States	34,228
Mexico	19,338
Brazil	19,259
Colombia	17,871
Portugal	9,534
Greece	8,034
United Kingdom	7,833
Tunisia	7,198

1.1.2.3.2 A diversified client base

With over 850 clients generating 97% of revenues excluding those of LanguageLine Solutions, Teleperformance has the most diversified client base in the industry. This subsidiary, LanguageLine Solutions, US market leader in over-the-phone interpreting services, has further boosted diversity by bringing an additional 28,000 (including many individual) clients.

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

This diversification trend continued in 2018 with industries other than telecommunications, internet and pay TV accounting for 80% of Group revenues, up from 60% in 2014.

Breakdown of revenue by client business sector

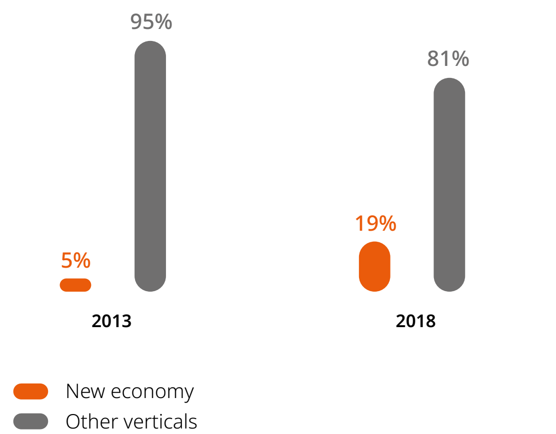
(in % of total revenue)	2018	2017	2016*
Telecoms, Internet	14%	14%	19%
Pay TV	6%	7%	9%
"Telecommunications" sector	**20%**	**21%**	**28%**
Technology, consumer electronics, media	14%	14%	14%
Financial services	12%	12%	13%
Healthcare and insurance	13%	14%	7%
Public sector	7%	7%	6%
Travel agencies, hotels, airlines	6%	6%	6%
Retail, e-commerce	8%	7%	6%
Energy	3%	3%	4%
Other	17%	16%	16%
"Non-telecommunications" sector	**80%**	**79%**	**72%**
TOTAL	**100%**	**100%**	**100%**

** The 2016 revenue breakdown excludes LanguageLine Solutions, company acquired in September 2016.*

The Teleperformance offering is at the cutting edge in an increasingly digital customer environment. The contribution of digital economy players covers a wide range of sectors, presented in the chart below.

The share of new economy clients in the Group revenue surged from 5% in 2013 to 19% in 2018 (chart below). The most prominent sectors in this e-services environment include retail, transport, leisure, travel agencies, consumer goods and social media. This change contributes significantly to the Group's strong revenue growth worldwide. It is a reflection of the Group's ability to meet the new customer experience requirements of new economy players.

Contribution of new economy players to the Group's 150 top clients' revenue



Client portfolio concentration rate *(in % of total revenue*)*

	2018	2017	2016
Top client	8%	8%	7%
Top 5	18%	20%	20%
Top 10	28%	30%	30%
Top 20	41%	43%	44%
Top 50	58%	61%	61%
Top 100	72%	75%	75%

* *Excluding LanguageLine Solutions revenues given the specific nature of LanguageLine Solutions' interpreting business, with 28,000 clients including individual users, this company, a Group subsidiary since September 2016, was not included in the calculation of the concentration rates.*

Despite Teleperformance's status as the partner of choice of a large number of leading multinationals in their industries, no one client accounts for over 8% of revenues, excluding LanguageLine Solution business. The biggest client accounted for 7.4% of 2018 Group revenues.

The concentration of the client base has slightly reduced overall since the previous year.

Moreover, thanks to its world market leadership, the Group earns over 50% of its revenues from multinational clients it serves in more than two markets.

1.1.2.3.3 High Tech positioning: technology and data analysis

The Group develops and acquires technology to deliver cutting-edge services as a major player in digital transformations.

An integrated global IT and telecommunications network

Teleperformance delivers client services underpinned by a complex high-tech platform tapping into several data technologies covering state-of-the-art connection systems, computer hardware and software.

The Group's IT and telecoms networks cover all continents in the world and are based on MPLS (MultiProtocol Label Switching) systems, which are specific data transmission systems used for all kinds of traffic, *e.g.* voice, IPv4 and IPv6 packets and even Ethernet or ATM frames. These networks come with sophisticated connection systems as well as hacking prevention and detection features.

The Group continues to streamline the architecture of systems and technological standards. The Group has a wide range of proprietary technical tools and solutions, tested and scalable mainly in managing customer relations, operations, human resources and security.

The main solutions and tools are described per field below:

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

Human resources and operations

Solution type	Description of services and solutions
CCMS	Integrated software package for the management of on-site services (Contact Center Management System – CCMS) created in 1998 and rolled out worldwide across the Group from 2005. The software helped to standardize operational processes and shore up security of business data production processes.
Olympus	Developed for US-based online interpreting services. Created in 2013, LanguageLine Solutions® OlympusSM is a schedule management cloud-based platform. For online service orders, the platform enables users to find the right interpreter among the company's 9,600 interpreters working from home, the right language among 260 languages on offer, the right area of expertise (healthcare, law, finance, insurance, etc.) and level required (from making an appointment to a medical diagnosis) in record time. This system can meet any interpreting service demand coming from all channels including voice, video and chat.
TLSconnect	Developed for visa application management services to governments. Created in 2007, TLSconnect is a real-time software management suite that supports and records every operational process step required to process visa applications, allowing users to administer processing flow and quickly clear any operational bottlenecks. Analytical features and automated reports assist management in assessing the efficiency of operations across different performance metrics.

Customer relations and automation

Solution type	Description of services and solutions
TP Client & TP Marketing	Evolutive CRM platforms enabling omni-channel interaction with voice, video, chat, email, bots or social media. Created in 1999, the late 2017 version includes new features to manage chat interactions. This CRM tool is the basis of the Group's integrated omni-channel strategy; to date it has been implemented with more than 200 clients.
TP Bot	An automated and smart service in partnership with Artificial Solutions and integrated into TP Client in 2017. Advanced natural language processing functionality, support for various languages and interfaced with all social media platforms. The fields of application are varied and include the IoT (smart cars, smart homes etc.), mobile apps and smart websites.

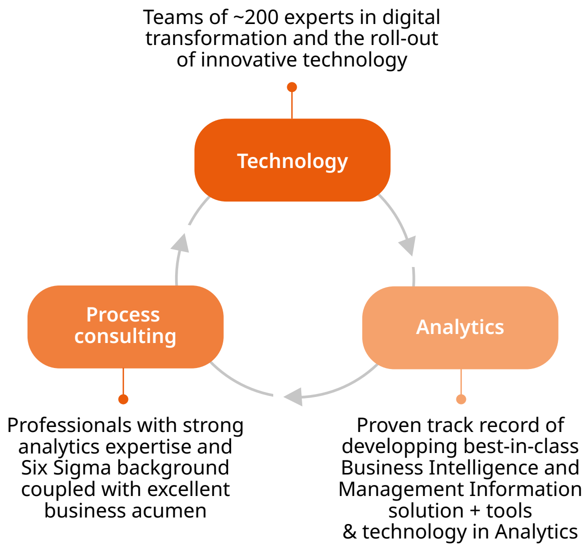
Intelenet's consulting and technological offer: Technology, Analytics and Process Consulting (TAP™)

Intelenet has been part of Teleperformance D.I.B.S. since October 2018 and offers technological and consulting solutions including automatic procedures and data analysis.

This high value-added service is flexible and responsive, meeting the needs of clients aiming to improve their customer satisfaction in a dynamic environment while minimizing overheads.

The firm has an excellent track record in terms of results achieved using the solution, as well as in terms of stable, long term client relations.

TAP™ pillars



Example of a high-tech digital transformation solution

The TAP™ package can result in installing an automated, smart system tailored to each client sector.

iFARE is an Intelenet solution designed for the travel and hospitality sector that integrates AI technology into an airline ticketing fare calculator. It provides a more user-friendly experience while reducing operating costs. iFARE has been praised for its excellence on many occasions and is an award-winning solution.

Security

Solution type	Description of services and solutions
TP Observer	Real-time agent monitoring and security alerts in case of fraudulent behavior. Audio and visual monitoring of workstations and their immediate environment. This solution was created in 2007 and the latest version was rolled out late 2017.
Secure Contact (Secure IVR)	Launched in 2015, the objective is to protect client private data given over the phone (*e.g.* credit card details) by activating an automated processing feature that prevents the agent from viewing the data.

1.1.2.3.4 A High Touch positioning: human and procedure management

Human management: emotional intelligence and working environment

The Group constantly strives for excellence in the service it delivers to its clients. This goal is achieved through a quality human resource strategy (High Touch). In fact, the Group manages a genuine global "army" of over 300,000 people serving clients.

Teleperformance makes its employees the focus of its business. The Group is committed to being an employer of choice in its market, and considers this a pre-requisite in creating value for the various stakeholders: a happy employee is vital in satisfying end-users and thus Teleperformance's clients.

Accordingly, Teleperformance adopts various management procedures and initiatives to insure the objective is met, notably in employee recruitment, training and career development as well as wellbeing and workplace safety (see section 2.3.2 *HR development* and section 2.3.3 *Creating safe and healthy workplaces focused on wellbeing*).

As a responsible company, Teleperformance considers it a duty to monitor employee fulfillment closely. As such, programs and procedures were designed to stimulate human IQ (intellectual quotient) and EQ (emotional quotient).

Taking care of work place environment quality is another pillar underlying Teleperformance's High Touch strategy. The relevance of its approach to employee wellbeing and offering a unique workplace environment has been recognized by independent entities that specialize in this field.

10 Teleperformance subsidiaries received a Great Place to Work® award in 2018:

- three EWAP subsidiaries:
  - China,
  - Philippines,
  - India, where Teleperformance was ranked top BPO firm for the 5th year running;
- seven Ibero-LATAM subsidiaries,
  - Brazil for the 9th year running,
  - Mexico (two subsidiaries),
  - Salvador for the 5th year running,
  - Dominican Republic for the 4th year running,
  - Colombia for the 1st time,
  - Portugal for the 8th year running.

Teleperformance's High-Touch strategy aims to improve employee satisfaction and stand out as a company focused on the future (see section 2.3. *An employer of choice*).

Procedures: general principles

Management procedures for specific operations to deliver the required level of quality, to measure and ensure their consistency worldwide in a demanding environment in terms of personal and data security.

At the subsidiaries, the Group has implemented TOPS (Teleperformance Operational Processes and Standards), BEST (Baseline Enterprise Standard for Teleperformance), as well as business standards such as the COPC (Customer Operations Performance Centers) standard and the French Customer Contact Center Service standard. The system is also based on international management standards such as ISO 9001.

Three examples of operations management procedures

Procedure	Objectives
TOPS (Teleperformance Operational Processes and Standards)	TOPS are a process used to manage daily performance. The TOPS process allows performance and quality to be optimized, while managers are able to dedicate the majority of their working time to their agents. It was designed by the Group to manage its operations in a standardized manner in each subsidiary. It allows for improved quality control. TOPS was rolled out at all Group subsidiaries. The process is backed by the group's integrated software suite for service management *(CCMS – see next section*). TOPS provides a reference framework for Teleperformance that is tailored to its operations.
BEST (Baseline Enterprise Standard for Teleperformance)	BEST are qualitative standard manuals guaranteeing high-end service quality, high performance rates and proactive management of existing and future programs. BEST also serves to reinforce best practices in human resources management and projects for all Teleperformance operations worldwide.
COPC (Customer Operations Customer Centers)	The COPC-2000® standard supplies contact center management teams with the necessary information to improve their operational performance. COPC certification also provides a model for global performance management linking all of the Company's business areas. It also ensures operational consistency by meeting the high performance criteria required by the COPC standard. Teleperformance develops its own team of approved coordinators and COPC-qualified internal auditors.

Procedures to optimize working methods

Lean Six Sigma

One of the Teleperformance Institute's five priorities for 2018 was to usher in a corporate Six Sigma culture. Teleperformance's facility provides e-learning and face-to-face training courses for all Group management staff (supervisors, platform managers and operations directors, etc.).

With the support of an external partner, certification training was provided to 126 group managers. In all, 5,172 managers passed the first e-learning level qualification. The goal is to have 1,700 managers Yellow or Green Belt certified by the end of 2019.

Expanding training courses and setting up new HR procedures

In 2018, the Group developed training courses to build on staff skills and commitment (see section 2.3.2.1 – *Employee training*).

Examples:

- Putting on extra training courses (recruitment and training basics) for recruiters, trainers and account and quality managers;
- All employees attended at least one Teleperformance safety standards training course in 2018. As part of a drive to improve the Group's safety culture, access to online safety training was extended: more than 17,000 managers completed additional training;
- Developing regional centers of excellence: selected supervisors attended two-week training courses focused on best practices in their fields. Many already exist in the CEMEA region, the new centers of excellence are currently under development in China and the Philippines.

Teleperformance launched new employee performance evaluation procedures named Objectives and Key Results (OKR) late 2018. Implementing OKR is an integrated approach to the employee performance management system. The procedures will be rolled out in phases across the Group throughout 2019.

OKR stand out from standard planning practices as they are frequently defined, monitored and updated, generally every quarter. OKRs are a quick and easy way to build creative skills and plan for the future within each team.

Security procedures and standards

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

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

In 2015, the Group rolled out a set of ground-breaking security policies worldwide called the Essential Compliance and Security Policies (GECSP), designed to establish norms and standards to identify potential fraud or hacking risks. The "closed circuit" personal data protection procedures are bolstered by a compliance audit department (see section 1.2.1.1 *Data security and protection risks*) and is based on proprietary technology designed to:

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

These standards have made it clear that the current digital transformation is riddled with new challenges in terms of fraud and data leaks worldwide.

In 2016, the Group decided to strengthen its data protection policies in line with the EU's new general data protection regulations (GDPR) which took effect May 25th, 2018. The new policies enabled Teleperformance to comply with the new GDPR as soon as they took effect.

Teleperformance is fully aware of its duty towards its clients and employees in terms of protecting private data collected and used in everyday operations. In February 2018, Teleperformance was BCR (Binding Corporate Rules) approved by CNIL (the French national data protection authority), a supervisory authority within the European Union. BCRs provide Teleperformance legal ground to make safe international data transfers within and outside the EU. Teleperformance is currently the only BCR-approved international corporate services company as both data controller and data processor.

Teleperformance also set up a Global Privacy Office last year to oversee the Group's privacy protection plan. The office actively monitors changes in regulations in all countries where Teleperformance operates.

1.1.3 Group markets and positioning

1.1.3.1 Core services and Intelenet markets and competitive environment

1.1.3.1.1 Markets

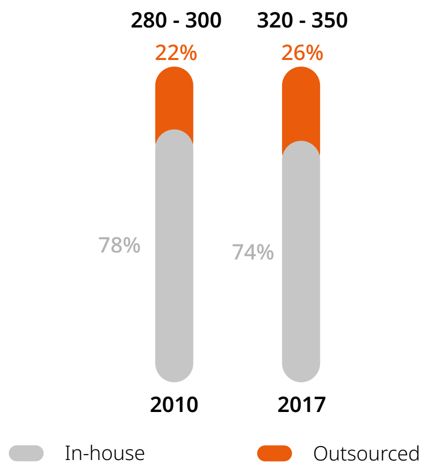
Core Services: customer experience management market

The global market in customer experience management relating to Teleperformance's Core Services business was valued at around US$320-350 billion, up from US$280-300 billion in 2010. This market growth was driven by an ongoing increase in the volume of omnichannel consumer and brand interactions, supported by the mobile and digital boom.

"Non-voice" channels (email, SMS, social media and chat) turn in double-digit annual growth; "voice" remains the main channel by far, albeit with slower growth.

This market excludes debt collection, visa application management and online interpreting services markets, which are included amongst the Group's by Specialized Services (see section 1.1.3.2 *Group Specialized Services Markets*).

Change in customer experience management global market outsourcing rate (2010-2017)
(in billions of US dollars)



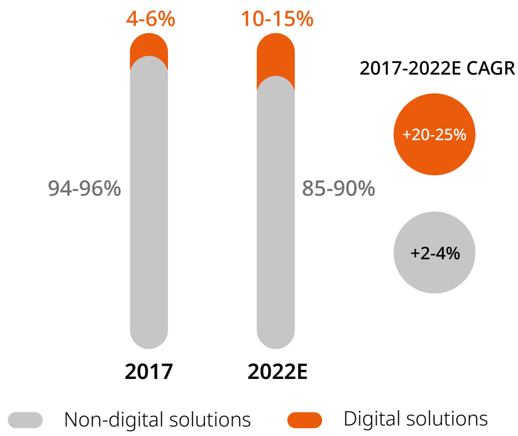
Sources: Everest (2018).

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

It was worth around US$83 billion in 2017 according to Everest, corresponding to an outsourcing rate of 26%. Frost and Sullivan valued this market at US$72 billion in 2017, up 5.3% over 2016. For the 2018-2020 period, Frost and Sullivan estimates outsourcing market growth in value at around 5% per year.

Market growth has thus far been driven by the positive impact of the mobile internet revolution, reflected in rapid growth of mobile online devices such as smartphones and tablets. Today, the rapid expansion of new services designed to assist consumers and citizens in their daily lives, such as the IoT or cloud services, have given rise to new needs such as social media content moderation, which further boost growth prospects.

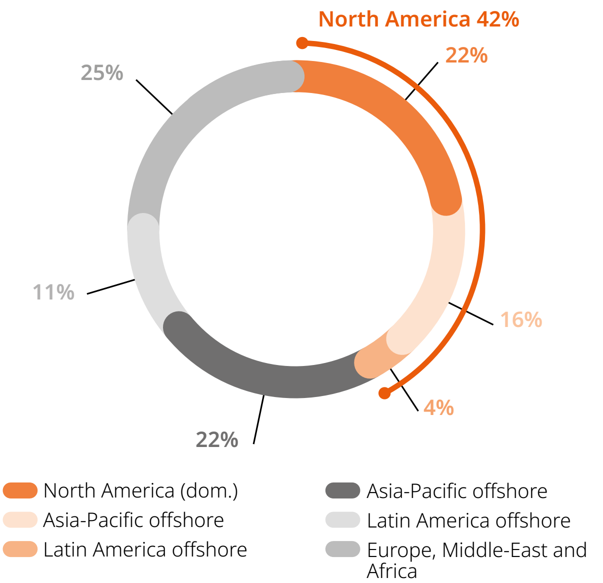
Digital solutions share of outsourced customer experience management market (2017-2022E)



Sources: Everest (2018).

The market's growth is driven by a surge in digital solutions. From 2017 to 2022, Everest estimated the average growth rate at 20-25% per year compared to just 2-4% for the "non-digital" market. Digital solutions should represent around 10 to 15% of the outsourced customer experience market by 2022, up from 4-6% in 2017.

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



Source: Frost & Sullivan (2017).

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

Outsourced customer experience management global market growth forecast by region (2017E-2020E)

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

Source: Frost & Sullivan (2017).

The Asia-Pacific region is one of the fastest growing markets with 6% average annual growth rate forecast from 2018 to 2020, driven mainly by China and India.

The Latin American region serving the nearshore North American market is also booming and should grow by around +7% per year.

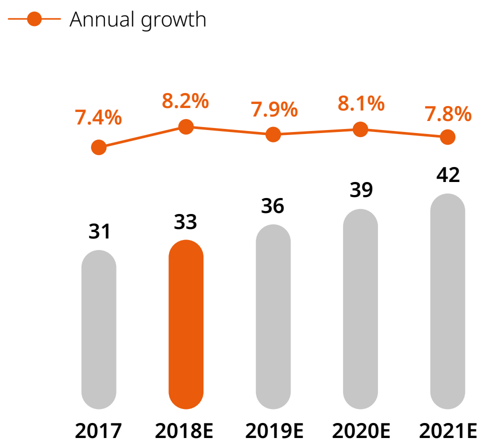
The ongoing expansion of the outsourcing market will continue to be underpinned by three trends:

- a permanent need for companies to improve customer service in a secure and controlled environment while optimizing costs by outsourcing customer experience management to a best-in-class provider;
- some market leaders dominating the new economy and digital clients;
- outsourcing leaders now offer reliable solutions backed by extensive experience (quality, security, sector expertise) and dedicated integrated resources (offshore/nearshore and omnichannel solutions, automation).

Intelenet's market

To fully meet clients' complex and growing needs, the Group formed a new category of business, Teleperformance D.I.B.S. after acquiring Intelenet in October 2018. Intelenet's market includes integrated business process management, digital transformation services, as well as knowledge services management. This market mainly encompasses services processed by offshore centers located in India serving English-speaking markets.

Size and evolution of Intelenet market (2017-2021E)
(in billions of US dollars)



Source: IDC (2018), NASSCOM, IBEF, World Bank, companies, internal estimates.

The 2018 market was estimated to be worth US$33 billion, up 8.2% year-on-year. Market growth from 2018 to 2021 in value is estimated at 8% p.a., which is set to continue to increase as ever more companies go digital. The trend includes new complex needs in business process automation, cyber security, social media and omni-channel offers.

1.1.3.1.2 Group's competitive environment and position

Direct competition in outsourced customer experience management

Teleperformance is the world leader in the outsourced customer experience market, which remains highly fragmented. With Core Services revenues of €3.7 billion (US$4.1 billion), the Group's global market share amounts to 6%.

In 2017, the top 8 companies held 28% of the outsourced market.

Teleperformance's global positioning, services and diverse client base give it a step ahead most direct American and regional competitors in terms of both revenue and earnings.

Ranking of the global top ten outsourced customer experience management market firms by number of countries of operations (2018)

#	Competitors	Countries
1	Teleperformance	80
2	Convergys/Concentrix	40
3	Webhelp	35
4	Arvato CRM	25
5	Sitel	25
6	Transcom	21
7	Sykes	21
8	Sutherland	20
9	TTEC	15
10	Alorica	14

Source: Group and corporate data.

In 2018, in the growing digital global market, which is becoming more complex in terms of data protection, multi-channel interaction management and high-tech innovations, the industry continued to consolidate led by the market leaders. The Group estimates this trend will continue in the foreseeable future.

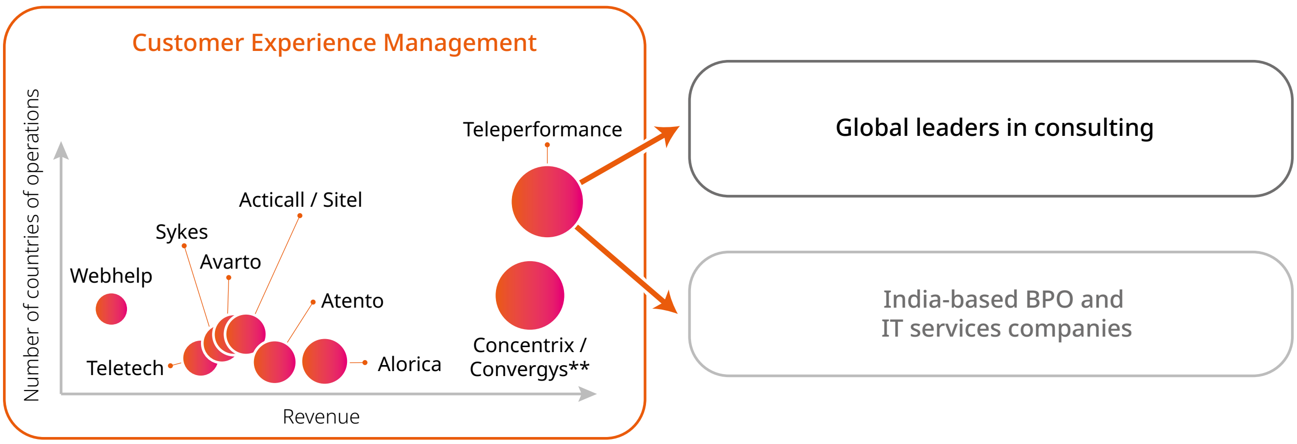
Competitive environment expanded to include consulting and IT firms

Teleperformance started serving new market segments when Praxidia was created and Intelenet was bought in 2018. As such the competitive landscape is progressively enlarging to consulting and IT companies.

The growing complexity of Core Services' markets and Intelenet's business process management has prompted demand to converge to meet the needs of clients, who increasingly require global, high value-added services from leading players.

Accordingly, Teleperformance has developed a unique from the field to board room positioning with a view to marketing a real global offering competing against specific players in every market segment.

An expanding competitive environment*



* *Bubbles scaled in proportion of revenue generated.*
** *Following acquisition in 2018 by Synnex, Convergys merged with Concentrix, a Synnex subsidiary.*

1.1.3.2 Group Specialized Services markets

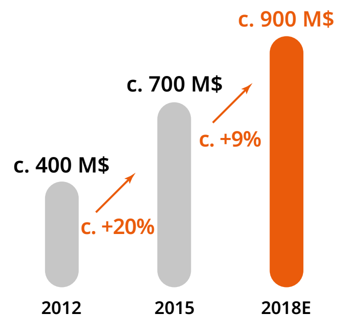
1.1.3.2.1 Online interpreting services

Online interpreting services include telephone (over-the-phone interpreting, or OPI) and video (over-the-video interpreting, or OVI) solutions. These make up the bulk of LanguageLine Solutions' business. While video interpreting services remain relatively small, they are growing quickly.

These services represented a worldwide market worth US$2.2 billion, *i.e.* 5% of the total language services market, estimated at over US$47 billion. The United States accounted for some 40% of the worldwide OPI and OVI market.

The US OPI and VPI markets were worth more than US$900 million in 2018.

2012-2018E US OPI and VPI service market trends

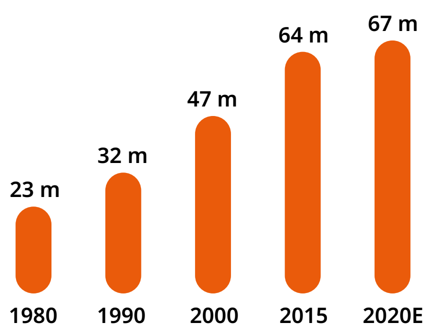


Source: Common Sense Advisory.

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

- new technologies and functionalities enabling a broader application of language solutions;
- organizations focusing on their core business, leading to the outsourcing of interpreting services;
- growing regulatory requirements in key sectors (health, insurance, etc.) continues to generate client demand;
- the number of US residents who speak languages other than English at home is increasing and will reach around 67 million by 2020 in the United States, *i.e.* around 20% of the US population.

Increase in number of Americans who speak another language than English at home *(in millions of people)*



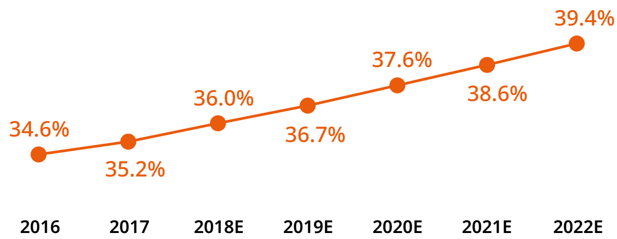
Source: US Census Bureau – National Population projections and LLS estimates.

LanguageLine Solutions is the leading provider of telephone and video interpreting solutions in North America, serving a range of companies and institutions in the healthcare, insurance, financial services, telecommunications and public sectors.

1.1.3.2.2 Visa application management services

The visa application management business in which TLScontact is engaged for the Schengen zone and English-speaking countries represented a market of some 36 million annual visa applications in 2018 and strong growth is expected over the next four years. This market is worth €1 billion per year.

Changes in number of visa applications for the Schengen zone and English-speaking countries between 2013 and 2022E *(in millions of applications)*



Source: TLScontact estimates.

With around a 10% market share in the Schengen zone and English-speaking countries combined, TLScontact is a major player on the outsourced visa application market. The 2013 agreement with the UK government (UKVI) has sharply raised TLScontact's share of the English-speaking market.

TLScontact's main rival is market-leader VFS.

The outsourced visa application management market will continue to grow, underpinned by the following trends:

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

1.1.3.2.3 Others

The global outsourced debt recovery management market is currently estimated at over US$30 billion, according to Kaulkin & Ginsberg. Teleperformance earned 2% of its revenue from this market in 2018.

1.1.4 Group strategy

1.1.4.1 History and vision

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

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

Numerous opportunities are opening up for Teleperformance.

The Group strives to shore up its presence in high-growth and high value-added regions and sectors, while continuing to innovate *via* the integration of omnichannel and digital solutions and seizing the potential offered by artificial intelligence.

These new levers complement ambitious yet realistic financial targets.

1.1.4.2 Long-term strategic growth plan

1.1.4.2.1 Solid outlook

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

Sustained organic growth

To tap into the growing and increasingly complex outsourced integrated corporate services market while continuing to deliver sustained organic growth until 2022, Teleperformance has adopted four main strategies:

- strengthen sector expertise in high-potential segments and environments, such as IT, retail, financial services and IoT;
- digital and omnichannel integration aiming at more efficient and fluid management of client interactions, with the gradual integration of artificial intelligence into the Group's omnichannel solutions, facilitated by the acquisition of Intelenet in October 2018;
- continuing to develop a global, high value-added offering, including data analysis and top-class consulting services. Teleperformance's approach is underpinned by an in-depth grasp of companies' grassroots customer experience requirements, all over the world. Client companies benefit from the Group's solid track record in terms of expertise in over twenty key sectors and state-of-the-art R&D facilities (CX Lab);
- continued expansion into BRICS (Brazil, Russia, India, China and South Africa) and MIST (Mexico, Indonesia, South Korea and Turkey) countries.

Pursuit of targeted acquisitions

The Group's acquisitions strategy primarily targets medium-sized companies offering a robust business and financial model and synergies with the Group's client base, operations and business activity.

The Group specifically keeps an eye out for all opportunities in high-value specialized services that would shore up its business, revenue and earnings.

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

The acquisition of LanguageLine Solutions in September 2016 reflected the Group's strategic decision to develop high value-added specialized services.

The October 2018 Intelenet acquisition confirms the Group's transformation plan. The strategic acquisition mainly enables the Group to significantly bolster its offering with high value-added integrated solutions and to tap into Intelenet's expertise, AI-embedded software and automated procedures designed for the digital transformations of companies. As a result, the Group is ramping up its presence in India, a very promising domestic and offshore market.

Via its targeted acquisitions, the Teleperformance Group is gradually positioning itself as a globally recognized high-end player in Business Process Outsourcing (BPO).

1.1.4.2.2 2022 targets

Teleperformance intends to continue posting average organic growth a year above market growth until 2022. The Group's objective is to attain revenues of at least €6 billion in 2022 at constant perimeter.

Thanks to a positive impact on Group margins from the continued improvement of Core Services' margins, and the increased contribution from Specialized Services and digital transformation services, the Group targets a recurring EBITA of at least €850 million in 2022 at constant perimeter.

Meanwhile, management plans to pursue its targeted acquisition strategy. Any acquisition will lead to higher long-term objectives.

1.1.5 2018 Highlights

1.1.5.1 Development and investments

1.1.5.1.1 Acquisition of Intelenet and launch of D.I.B.S. operations

Teleperformance completed the Intelenet acquisition on October 4th, 2018.

Founded in 2000 and headquartered in Mumbai India, Intelenet is a key player in the provision of high-end services encompassing omnichannel customer experience management, back-office, HR management as well as financial and administrative management. At the time of the acquisition, the company had over 110 leading clients, mainly in English-speaking countries, India and the Middle East.

Intelenet clients operate mainly in banking, financial services and insurance, travel, tourism, e-commerce and healthcare.

As a result of this acquisition, Teleperformance created a new business category, Teleperformance D.I.B.S. (Digital Integrated Business Services); it includes mainly Intelenet's high value activities and Praxidia's consulting solutions.

1.1.5.1.2 Launching a new visual identity

Teleperformance revealed its new visual identity and logo on September 5th, 2018, to reflect a truly global group focused on innovation and technology at the service of people. 'TP' is an abbreviation and familiar term for Teleperformance and will be used in all media, including the new TP website. The new logo illustrates what the Group has now become having transformed itself over the last few years.

1.1.5.1.3 €750 million bond issue

In July 2018, Teleperformance successfully issued a €750 million bond paying 1.875% p.a. interest and maturing in 2025. The bond funded the October 2018 Intelenet acquisition while also giving the Company more financial flexibility and allowing it to extend debt maturity and diversify its sources of finance. The successful issue attests to the market's confidence in the Group's credit rating. Standard & Poor's confirmed Teleperformance's BBB- rating – Investment grade – with a stable outlook, the best credit rating awarded in the customer experience sector.

1.1.5.1.4 Consolidating Group security leadership

In February 2018, Teleperformance became BCR (Binding Corporate Rules) approved by CNIL (the French national data protection authority), a supervisory authority within the European Union. BCRs provide Teleperformance legal ground to make safe international data transfers within and outside the EU. Teleperformance is currently the only BCR-approved international corporate services company as both data controller and data processor.

The EU's new general data protection regulations (GDPR) took effect May 25th, 2018. Group organization and procedures regarding data security now comply with the new security regulations after the investments it has made since 2016 into tightening data protection policies.

1.1.5.1.5 Extensions, new facilities and capital expenditure

Extensions and new facilities

In 2018, Teleperformance continued implementing its global development strategy by opening new facilities:

- in the English-speaking and Asia-Pacific regions (EWAP): Philippines, India, Canada and China;
- in the Ibero-LATAM region: Portugal, Mexico, Colombia and Peru;
- in Continental Europe & MEA (CEMEA) regions: mainly Tunisia, Morocco, Russia, Greece and Poland.

The Group has also increased the number of workstations at existing sites:

- in the English-speaking and Asia-Pacific regions (EWAP), Canada, China and Jamaica;
- in the Ibero-LATAM region, mainly Brazil, Spain, Mexico, Peru, Argentina and Portugal;
- in Continental Europe & MEA (CEMEA) regions, mainly Greece, Turkey, Romania, Tunisia, Russia, Dubai and Egypt.

18,000 new workstations were created in total over the year, a sharp increase year-on-year.

Capital expenditure

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

(in millions of euros)	**2018**	**2017**	**2016**
Net capital expenditure	196	147	190
% of revenue	4.4%	3.5%	5.2%

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

1.1.5.2 Awards

In 2018, Teleperformance once again received numerous awards from prestigious institutions and reputable independent consulting firms around the world, both for its market leadership and its world-class services in its industry, as well as for its HR development strategy, security and innovation capacity and commitment to social and environmental responsibility. The following list states the main awards received over the year by topic.

1.1.5.2.1 Teleperformance's leadership and world-class services

- Everest Group named Teleperformance the worldwide leader in management of outsourced contact centers for the 6th consecutive year;
- Seven 2018 Frost & Sullivan prizes awarded to Teleperformance:
  - Contact Center Outsourcing Company of the Year – Europe,
  - Contact Center Service Provider of the Year – Asia-Pacific,
  - Growth Excellence Leadership – Asia-Pacific,
  - Growth Excellence Leadership for the contact center outsourcing industry – China,
  - Company of the Year – Argentina,
  - Competitive Strategy Innovation and Leadership – Brazil,
  - Security & Compliance Competitive Strategy Innovation and Leadership – World;
- Teleperformance won the following European Contact Centre & Customer Service Awards (ECCCSA):
  - the best multilingual solution and the silver medal for the Employer of the Year in Greece,
  - the gold medal for the Best Large Outsourcing Partnership in Russia,
  - the silver medal for the best multi-channel/omnichannel customer experience in Portugal,
  - the silver medal for the Best Small Outsourcing Partnership in Romania.
- Teleperformance is ranked top Global Impact Sourcing by the IAOP (International Association of Outsourcing Professionals) in the Impact Sourcing in a Large Organization category;

- Teleperformance in India won six Contact Center World awards in the following categories: Best Community Spirit, Best Recruitment, Best Customer Service, Best Use of Social Media; Best Outsourcing Partnership with a Marquee E-Commerce Client, Best Contact Center;
- Teleperformance SE won the 2018 SAP Quality Award in the SAP innovation category.

1.1.5.2.2 Excellence in social and environmental responsibility

- Teleperformance earns the Verego label for corporate social responsibility for all of its locations.
- Great Place to Work® (GPTW): ten Teleperformance subsidiaries received a Great Place to Work® award in 2018:
  - three EWAP subsidiaries:
    - China,
    - Philippines,
    - India, where Teleperformance was ranked top of the BPO sector for the 5th year running;
  - seven subsidiaries in the Ibero-LATAM region:
    - Brazil for the 9th year running,
    - Mexico (two subsidiaries),
    - Salvador for the 5th year running,
    - Dominican Republic for the 4th year running,
    - Colombia for the 1st time,
    - Portugal for the 8th year running.
- Global Best Employers™ Program awarded to Teleperformance in 2018 by AON Hewitt in 7 countries:
  - Albania,
  - Guyana,
  - India,
  - Lithuania,
  - Morocco,
  - Tunisia,
  - Lebanon, for the TLScontact subsidiary;
- Best Place to Work® awarded to three countries:
  - Tunisia,
  - Albania,
  - Lebanon.

1.1.6 Organization chart (December 31st, 2018)

1.1.6.1 Teleperformance SE and subsidiaries

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

Moreover, Teleperformance collects a brand royalty charged to all subsidiaries. Note 23, *Relations with related companies* to the Company financial statements (page 197 of this Registration Document) gives details of the Company's relations with its subsidiaries.

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

Detailed information on Teleperformance's main subsidiaries is summarized in the table of subsidiaries and shareholdings in the notes to the Company financial statements (pages 198 and 199 of this Registration Document).

1.1.6.2 Operational organization chart*

Core Services			Specialized Services				
CEMEA	**EWAP**	**Ibero-LATAM**	**LanguageLine Solution**	**TLScontact**	**ARM**	**Praxidia**	**Intelenet**
Albania	Australia	Argentina	Canada	Albania	Canada	France	Egypt
Belgium	Canada	Brazil	Costa Rica	Algeria	Jamaica	Italia	Guatemala
Bosnia-Herzegovina	China	Chile	Panama	Armenia	USA	Luxemburg	India
Czech Republic	India	Colombia	Taiwan	Azerbaijan		Mauritius	Jordan
Denmark	Indonesia	Costa Rica	UK	Belarus		Netherlands	Mauritius
Egypt	Ireland	Dominican Republic	USA	Cambodia		UK	Poland
United Arab Emirates	Japan	Guyana		Canada		USA	Philippines
Finland	Korea	Mexico		China			Saudi Arabia
France	Malaysia	Peru		Egypt			UAE
Germany	Philippines	Portugal		Ethiopia			UK
Greece	Singapore	Salvador		France			USA
Italia	South Africa	Spain		Gabon			
Kosovo	UK			Georgia			
Lebanon	USA			Germany			
Lithuania				Ghana			
Luxemburg				Indonesia			
Madagascar				Ireland			
Morocco				Italy			
Netherlands				Jordan			
Suriname				Kazakhstan			
Norway				Kenya			
Poland				Kosovo			
Romania				Lebanon			
Russia				Luxemburg			
Slovakia				Madagascar			
Sweden				Morocco			
Switzerland				Mauritius			
Tunisia				Malaysia			
Turkey				Mongolia			
Ukraine				Montenegro			
				Netherlands			
				Nigeria			
				Philippines			
				Poland			
				Russia			
				Serbia			
				Sierra Leone			
				Singapore			
				South Africa			
				Spain			
				Switzerland			
				Tanzania			
				Thailand			
				Tunisia			
				Turkey			
				Uganda			
				UK			
				Ukraine			
				USA			
				Uzbekistan			
				Vietnam			

** Countries where Teleperformance branches and subsidiaries are located by business and linguistic region.*

1.2 RISKS AND CONTROL

RISKS' IDENTIFICATION & ANALYSIS

INSURANCE GLOBAL PROGRAMS

INTERNAL CONTROL LAYOUT AND INTERNATIONAL STANDARDS

Overall policy

The objective of the risk management policy is to identify and analyze the risks that the Group faces and set appropriate risk limits and controls.

Responsibilities

Supervision

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

This framework is regularly reviewed. In 2017, KPMG made a diagnostic study of it. The positive findings and the areas for improvement revealed by this review were presented to the Board after being presented to the Audit and Compliance Committee.

Through training and management rules and procedures, the Group aims to develop a rigorous and constructive control environment where all employees have a clear understanding of their role and duties.

Organization

Identifying, analysing, measuring and processing risk is the responsibility of the Group's three main departments: finance, legal & compliance and operations, at Company and Group level. This organization provides the framework for the risk management scheme.

This management scheme stems from the interaction of the three main departments with general management, the Audit and Compliance Committee and the functional and operational departments, which perform day-to-day management of the risks within their respective remits.

Implementation and continuous improvement

This interaction under the risk management scheme is embodied, among others, in joint exercises involving the main departments.

In 2018, this work related to compliance and protection topics such as:

- cross-functional review of the legal, operational or security-related aspects of the Group sites;
- mapping risks of corruption;
- instituting a crisis-management plan.

In 2019, the Group intends to continue its process of generalizing and formalizing risk mapping on the basis of its internal-control self-assessment scheme, deployed to all its subsidiaries.

Presentation of this section

This section was prepared jointly by the main departments that play a key role in identifying and controlling the main risks. It is based on the *Reference Framework* prescribed by the *Autorité des Marchés Financiers* (AMF – French financial markets authority).

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

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

1.2.1 Risk factors

The Group's strategy factors in, among others, the risks described below.

	Operating Risks	General risks	Financial Risks
Priority Risks			
	Business-related risks	Growth through acquisition of companies	Credit
	Technological evolution	Foreign operations	Liquidity
	Potential client dependency		Market
	Data security and protection		
	Competition risks		
Other Risks			
	Regulatory and legislative changes	Suppliers	Equity
	Fostering customer loyalty	Other Risks (Legal, Ethical and Employment)	
	Human Resources, employees and executive officers		

Risk management falls within the framework of the Group's schemes for risk management and internal control, as described hereafter. Those schemes have a role in enhancing control of group activities.

The risk management schemes for grave breaches of human rights, personal health and safety, and environmental breaches, are described in part 2.

1.2.1.1 Operating risks

Risks relating to the level of activity

Risk identification

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

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

Risk management

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

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

The Group also attaches particular importance to assessing its customers' satisfaction, and has instituted a stringent customer-relations management process that it maintains throughout the conduct of projects.

Risks entailed in technological evolution

Risk identification

Teleperformance operates in an environment subject to very fast-paced technological evolution. The Group must ensure that it adapts to new customer needs for services and innovation in order to anticipate increasing demand for solutions, particularly digital ones, for radically transforming the customer experience.

Risk management

Teleperformance ensures that it responds to customer demands, particularly by its Innovation department, by evolving its services in customer relations services, consulting and data analysis, and also its high-value-added specialized services and its integrated digital solutions. In this respect, Teleperformance enjoys worldwide recognition for having boosted its digital-technology capabilities.

Risks relating to potential client dependency

Risk identification

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

Risk management

With more than 850 clients, excluding LanguageLine Solutions, – as indicated in section 1.1 – Teleperformance has the most diversified client base in the industry.

Risks relating to data security and protection

Securing the technological platform

Risk identification

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

Risk management

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

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

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

Personal data protection and security

Risk identification

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

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

Electronic fraud cases have continued to increase throughout the world, as evidenced by the most significant cases published in the international press. In addition, many other incidents are settled confidentially, in the normal course of business.

Risk management

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

In addition, a Global Compliance and Security Council, chaired by the Global Deputy Chief Compliance Officer and Chief Privacy Officer meets quarterly to review security incidents, if any, ensure regular compliance with the GECSPs, and review results of the internal and external audits and other compliance matters. As Teleperformance places special attention on security matters, all regional CEOs and relevant operational and compliance officers attend the Global Compliance and Security Council meetings.

Also, as of February 1st, 2016, Teleperformance appointed a Worldwide Chief Legal Officer and Chief Compliance Officer, who reports directly to the Group Chairman and CEO. Teleperformance also appointed a Global Deputy Chief Compliance Officer and Chief Privacy Officer, who reports to the Chief Legal Officer and Chief Compliance Officer. These officers provide reports of activities to the Audit and Compliance Committee of the Board.

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

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

On February 12th, 2018, Teleperformance obtained certification of its Binding Corporate Rules ("BCRs") from the CNIL (French data protection authority). As the BCRs are implemented across all subsidiaries of the Group our subsidiaries follow them as both Data Controllers and Data Processors, which allow Teleperformance to transfer and process data globally.

Competition risks

Risk identification

The outsourced customer experience management market is fragmented and competitive. In each of the countries where it operates, the Group is faced with fierce competition comprising international and national businesses.

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

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

Risk management

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

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

Risks from regulatory and legislative changes

Risk identification

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

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

Governments may adopt legislation to restrict outsourcing of activities or to protect consumers' interests. For example, this has been the case in numerous countries that have adopted regulations giving individuals the option not to receive telemarketing cold calls. The risk of such regulations adversely impacting the Group's growth, viewed as a major risk in the past, is lessened in view of the nature of the Group's activities today.

Risk management

For many years, the Group has significantly increased its incoming-call activity and reduced the share of its business line of outgoing calls to private individuals. The revenue breakdown by business line is set out in point 1.1 *Introduction to the Group*.

Customer loyalty risks

Risk identification

Teleperformance's activity depends on its ability to retain and renew contracts with existing clients and to successfully win and negotiate new contracts. This ability is generally assessed in light of various criteria such as quality, security, cost and any item enabling differentiation from competitors.

Risk management

At December 31st, 2018, the average duration of a client relationship is 12 years. This loyalty is the result of a highly client-focused Group culture, reflected in rigorous procedures, a good understanding of client expectations and a highly responsive company structure: specific management of strategic accounts, regular activity reports, a marketing research laboratory, regular and detailed client satisfaction surveys and introduction of rapid response operational teams.

Risks relating to Human Resources, employees and executive officers

Risk identification

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

Risk management

The staff turnover rate is closely and regularly monitored by the Group. It not only impacts hiring and training costs, but also the quality of the services delivered to clients, and therefore the Group's operating profit.

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

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

Risk identification

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

Risk management

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

1.2.1.2 General risks

Risks relating to growth through business acquisitions

Risk identification

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

Risk management

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

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

Capitalized goodwill as of December 31st, 2018 amounted to €2,304 million and represents 39% of total assets.

Group risks due to foreign operations

Risk identification and management

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

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

On the basis of ratings published at the end of February 2019 by COFACE, which constantly monitors the development of emerging countries and releases ratings per country, the Group's concentration per production region are as follows:

- 69% of revenue in countries where the situation is regarded as favorable and low-risk or implying acceptable risks; these include major contributors to the Group revenue, notably the USA, Philippines and UK;
- 23% of revenue in countries where the situation is uncertain, including Brazil, Tunisia and Turkey;
- 8% of revenue in countries where economic and political outlook is considered to be very uncertain, notably El Salvador, Algeria and Albania.

Other risks

Supplier-related risks

Risk identification

The top Group suppliers are mainly temping agencies, IT hardware and software suppliers and telephone operators.

Risk management

The Group considers its risk to be limited. Additionally, for a given service or product it contacts several suppliers, all leaders in their market.

Legal risks

Risk identification

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

In the ordinary course of business, the Group is involved or risks being involved in various administrative or court proceedings. Within the scope of some of these proceedings, monetary claims are made or may be made against the Group. Provisions have been booked for these claims pursuant to IFRS.

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

Risk management

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

To the Company's knowledge, there is not, to date, any other governmental or legal court action or arbitration, apart from what is mentioned in this section and in note 9.5 *Litigation to the consolidated financial statements*, nor any court action of which the Company is aware that is pending or threatened, that may have or has had a material impact on the financial position or earnings of the Company or Group in the last 12 months.

Ethical risks

Risk identification

As of December 31st, 2018, the Group operates in 80 countries. It operates and develops its business in countries where risk of corruption is considered high. The Group may therefore be exposed to corruption risk with regard to some of its employees or partners, which would affect its reputation.

Risk management

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

The Group's Code of Ethics setting forth Teleperformance's values, as well as the principles for respecting diversity in dealings with third parties with which the Group is involved, is published on the Group's website.

Employment risks

Risk identification and management

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

In accordance with applicable accounting principles, these disputes are recognized under provisions for risks. These provisions amounted to €14.8 million at December 31st, 2018 and mainly concerned disputes with former employees, in particular in Argentina, Brazil and France.

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

1.2.1.3 Financial risks

The Group is exposed to the following risks:

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

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

Quantitative disclosures appear elsewhere in the consolidated financial statements.

It is the Board of Directors' role to define and oversee 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 training and management rules and procedures, the Group aims to develop a rigorous and constructive control environment where all employees have a clear understanding of their role and duties.

The internal audit department performs both periodic and ad hoc reviews of risk management controls and procedures, reporting to the Audit & Compliance Committee.

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

Credit risk

Risk identification

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

The Group's exposure to credit risk is mainly influenced by the individual characteristics of its clients. The Group's largest client accounts for 7.4% of global revenue. In addition, sales to telecommunications clients and Internet service providers represent a total of 15.5% of Core Services revenue. No country accounts for more than 10% of trade receivables, with the exception of the United States which represented approximately 36% of total trade receivables at December 31st, 2018.

Risk management

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

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

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

The Group provides performance guarantees on contracts when requested by certain clients. Guarantees are disclosed in note 9.4 *Guarantees and other contractual obligations* of the consolidated financial statements.

Liquidity risk

Risk identification

Liquidity risk is the risk that the Group may not be able to meet its debts when they become due.

Risk management

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

For several years now the Group has implemented a centralized cash management policy when permitted by local legislation. Companies included in the cash pooling represent over 65% of Group revenues.

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

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

The Group obtains financing in the form of loans, credit lines and bond issues from top-tier credit and financial institutions, repayment of which falls due between 2019 and 2026 as stated under note 7.4 *Financial liabilities* of the consolidated financial statements.

The available balance of the multi-currency syndicated credit line (€, USD) is 300 million euros and the balance available on credit lines contracted from a number of banks is 200 million euros at December 31st, 2018.

Net debt at December 31st, 2018 amounted to €2,100.7 million, compared to €1,326.37 million at December 31st, 2017.

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

Information relating to liquidity risk is provided in note 7.4 *Financial liabilities* of the consolidated financial statements.

Market risk

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

Foreign exchange risk

Risk identification

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

Risk management

The Group hedges currency risk on sales and charges, notably between the Mexican, Philippine and Colombian peso, the Indian rupee and the US dollar. These hedges are more fully described in note 7.5 *Currency hedging operations* of the consolidated financial statements.

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

Group policy is as follows:

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

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

The translation difference on Group consolidated revenue is disclosed in note 7.8 *Exposure to exchange risk due to consolidation* of the consolidated financial statements, which shows the breakdown of revenue by currency over the last two years.

The impact of changing foreign exchange rates on the Group's revenue, profit before tax and net profit Group share are disclosed in note 7.8 *Exposure to exchange risk due to consolidation* of the consolidated financial statements.

Sensitivity to interest rate changes

Risk identification

The Group is exposed to interest rate risk on its financial liabilities and cash holdings. Amounts subject to interest rate risk are as stated below:

Net debt	12/31/2018	Fixed rate	Subject to interest rate risk	12/31/2017	Fixed rate	Subject to interest rate risk
Total financial liabilities	2,437	1,986*	5451	1,611	1,179	432
Total cash and cash equivalents	(336)		(336)	(285)		(285)
NET DEBT	**2,101**	**1,986**	**115**	**1,326**	**1,179**	**147**

** Of which €400 million hedged by fixed-rate/variable-rate swaps.*

A 100 basis-point increase in interest rates would lead to a €5.8 million increase in our financial costs, while a reduction in interest rates by 100 basis points would reduce our financial costs by €6.5 million.

Equity risk

Risk identification and management

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

Short-term liquid investments at December 31st, 2018 amounted to €35.7 million, principally represented by money market funds and mutual funds.

Share capital and equity management

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

The debt-to-equity ratio is as follows:

(€ millions)	12/31/2018	12/31/2017
Net debt	2,101	1,326
Total shareholders' equity	2,225	1,922
DEBT-TO-EQUITY RATIO	**0.94**	**0.69**

From time to time the Group buys back its own shares on the market. On March 30th, 2018, Teleperformance SE and Kepler Chevreux entered into a new liquidity contract, implemented as from April 13th, 2018 and compliant with the AMAFI ethical charter allowed under the applicable regulations. This contract replaces the one signed on January 8th, 2017 with Oddo Corporate Finance. The amount of funds committed to this arrangement is €5.6 million. The number of treasury shares held at the end of the year is set out in note 6.1 *Share capital* of the consolidated financial statements.

1.2.2 Insurance, risk coverage and crisis management

1.2.2.1 Overall Group insurance strategy

Teleperformance's insurance strategy is designed to safeguard the Group's assets in view of risks to which they might be exposed.

The strategy aims to standardize and optimize coverage, manage insurance policies centrally and minimize costs.

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

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

A third-party organization may be entitled to audit and analyze the insurance programs to ensure the risk coverage is appropriate and sufficient.

The Group does not have a captive insurer and there are no material risks that the Group self-insures.

Total premiums paid for 2018 amounted to €7.3 million.

1.2.2.2 Insurance programs

General and professional liability insurance

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

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

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

Property damage and business interruption insurance

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

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

"Cyber" risks

A "cyber" risks insurance program supplements the existing policies for damage, business interruption and civil liability. These policies in combination cover the Group amongst others for any damage incurred to 3rd parties and any business interruption arising from the unavailability, alteration, theft and/or disclosure of its customer and operating data, together with the related incident-management costs

Other risks

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

1.2.2.3 Crisis management

In 2018, Teleperformance instituted a Group-wide crisis-management scheme to anticipate and manage sudden, unforeseen and major events with a likely negative impact on staff, the continuity of the Group's activity, financial results or reputation.

This scheme is based on:

- a manual containing all the procedures and rules associated with crisis management: alert reporting, the composition of the crisis-management unit, the unit's operating rules, the dedicated communication tools for crisis management;
- a training program for staff and managers;
- regular crisis exercises contributing to fostering awareness among staff and managers of the features specific to crisis management, and also contributing to continuous improvement of the scheme.

1.2.3 Risk management and internal control procedures

1.2.3.1 Choice of reference framework

For the drafting of this section, the Group based itself on the *Reference Framework* of the Autorité des Marchés financiers (AMF) updated in July 2010.

Firstly, the risk management and internal control systems are defined and their objectives set out. Then, the components of the system and the key players involved are summarized.

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

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

1.2.3.2 Risk management and internal control definition and objectives

Definition of internal control

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

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

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

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

1.2.3.3 Risk management and internal control system components

Introduction

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

These objectives have been communicated to the relevant managers and employees in the Group so that they understand and comply with the general policy of the organization with regards to risks and controls. The risk management and internal control systems rely on five closely related components, set out below.

Control environment, values and Code of Ethics

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

Teleperformance values

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

The Group's values are brought to the attention of all Teleperformance personnel. Teleperformance places great emphasis on its managers' ability to live up to these values on a daily basis. The training programs are described in section 2. *A benchmark employer*.

The Code of Conduct covering Teleperformance's values, as well as the principles for respecting diversity in dealings with third parties with which the Group is involved, was published on the Group's website. It also incorporates the United Nations Global Compact, joined by Teleperformance in July 2011. The principles of the Compact are also described in section 2.

Organization and responsibilities

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

In October 2018, a third family of services, Teleperformance D.I.B.S (Digital Integrated Services) was created following the acquisition of Intelenet.

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

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

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

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

Human resources management

Human resources management is a major component of the internal control system, and even more so in our industry where "*each interaction matters*".

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

These human-resources programs are developed and deployed under a dedicated scheme of governance, with the appointment of a Human Resources Director in 2018. All these programs are described in section 2.3 *A benchmark employer*.

These activities contribute to the development of employees, so that the Group continues to be a rewarding company for them, while giving them the ability to quickly take on a management role within the Group.

Information systems

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

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

Management and industry procedures

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

This system is based on international management processes such as the Six Sigma approach. Since 2018, the Group has been systematically developing the use of this methodology, providing training for all its managers, so as to develop a common language grounded in the notions of measurement, analysis and control. This development plan is described in section 2.3.2 *Human-resources development*.

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.

Information sharing

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

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

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

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

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

Organizational framework

The risk management system depends on dedicated management tools, procedures and risk managers as described in the introduction to this section and under 1.2.1 *Risk factors*.

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 and control

Key risks are identified and analyzed under 1.2.1 *Risk factors* in this section, along with the measures that can be used to limit their consequences. Key risks are monitored by the Group management.

In addition, a formal analysis of the key procedural points for oversight related to subsidiaries' financial reporting was carried out in February 2018 on the basis of the self-assessment internal control scheme, described in point *Process of preparing accounting and financial reporting* in this section.

The results of this analysis, as well as related monitoring, were presented during Audit & Compliance Committee meetings in April, July and November 2018.

In 2019, the Group intends to carry on with its process for generalizing and formalizing risk mapping based on the internal-control self-assessment process, for application in all of its subsidiaries.

Control activities

In addition to measures already listed under 1.2.1 *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 procedures and by local management through decentralized control procedures.

Centralized control procedures

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

Financial procedures

Section 1.2.3.5 provides details of the financial procedures related to the processing of financial information.

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

Legal procedures

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

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

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

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

Major litigation or litigation risks are monitored directly or coordinated by the Group Chief Legal Officer, who is assisted by a local network of lawyers.

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

Since 2013, the Group's Legal Department has implemented a system to monitor and manage the legal affairs and legal teams of its subsidiaries and holdings throughout the world.

IT and security procedures

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

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

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

The Group has a large, global operational team composed of specially trained IT, compliance and security experts tasked with identifying and assessing security risks and resolving and remedying security issues. This team implements comprehensive anti-fraud programs for the duration of business relations with Group clients and their customers. These programs focus on technological innovation, such as rapid detection of fraud and secure exchange of identifiable personal information between the caller and the customer.

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

Sales procedures

To manage its sales processes, Teleperformance has created a set of best practices to follow in order to standardize the approach to managing requests for proposals. Key international requests for proposals (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 2018, audit assignments were carried out in Group subsidiaries by the Internal Audit departments of the three main divisions (finance, legal and compliance and operations), according to the annual audit plan and priorities set by management during the year. These audits focused primarily on the control procedures implemented at local level.

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

1.2.3.4 The parties involved in internal control

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

The Board of Directors

The Board of Directors is charged with several tasks: it upholds the interests of employees, implements the Company's policy and performs the necessary checks and verifications. The Board also represents shareholders.

Pursuant to its duties, the Board of Directors closely monitors the Group's results on a regular basis, and reviews all types of risks (financial, commercial, operational, legal or personnel-related) relating to its business.

Audit and Compliance Committee

The Audit Committee, the organization and functions of which are explained in section 3, is responsible for preparing the control procedures carried out by the Board of Directors on accounting and financial matters and on the process of preparing the financial information and of risk management.

The Audit & Compliance Committee actively monitors areas within its remit. Based on the information it receives, this monitoring allows it to intervene at any time deemed necessary or appropriate and may lead it, where it detects warning signals as part of its mission, to discuss the matter with senior management and to convey the appropriate information to the Board.

The Executive Committee and local management

The Executive Committee includes the linguistic region and support managers.

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

Guidelines and procedures are communicated to the subsidiaries' local management, which is responsible for implementing them with the support of regional, operating and support managers.

The Global Compliance and Security Council

The Group Global Compliance and Security Council chaired by the Deputy Chief Compliance Officer and Chief Privacy Officer meets to review any security incidents and analyze the potential risk of such incidents.

To manage these functions proactively, a Global Privacy Office was created, as well as a Global Technology and Privacy Committee.

The functioning and management of these committees, and the various parties involved, are described in paragraph *Personal data protection and security*.

The Group Internal Audit Department

The Group is audited internally by a central team that reports to the Group Deputy Chief Executive Officer and Chief Financial Officer, who is a member of the Executive Committee. The Internal Audit Department also reports to the Audit & Compliance Committee as part of its duties.

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

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

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.

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

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

Definition and scope

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

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

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

Management processes in the accounting and financial organization

Organization and responsibilities

General organization

The Finance Department has a corporate practice and an operational practice. These two practices manage the organization of accounting and financial matters within the Group.

Corporate and operational practices

Within the corporate practice, dedicated teams of specialists ensure the implementation of accounting and financial management, under the supervision of senior management, in the following areas: consolidation and reporting, treasury, internal audit and financial communication.

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

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

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

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

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

Responsibilities

The preparation of the Group's consolidated financial statements is the responsibility of the Group Chief Financial Officer, who relies on the Chief Financial Officers of the Group's linguistic regions and subsidiaries. The latter, along with senior management, are in charge of implementing a financial organization that conforms to Group best practices and ensures that accounting and financial information is reliable and consistent for the purpose of the financial statements published by the Group.

The information system and management tool

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

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

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

Accounting standards

The Group's accounting standards comply with IFRS issued by the IASB and adopted by the European Union. These standards have been used as the guidelines for preparing the consolidated financial statements since 2005. All consolidated subsidiaries are required to apply them.

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

The Group Finance Department, with the help of the statutory auditors, keeps a constant watch on new IFRS under development, in order to alert management and anticipate their impact on the Group's accounts.

The statutory auditors

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

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

The auditors took part in all Audit Committee meetings for the 2018 financial year. They informed the Audit Committee of their work on Group procedures, presented the Committee with their conclusions on the financial statements and reported on the key points raised during the audit. The auditors also presented their audit plan to the Audit Committee.

Audit and Compliance Committee

Matters related to financial information that were reviewed at Audit Committee meetings in 2018 are described in the section concerning the work of the Board of Directors.

Process of preparing accounting and financial reporting

Operational processes related to the production of accounting and financial information

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

Use of the application guide

The Group uses the *application guide* to review internal control procedures for the main processes used to post entries in the accounts, by implementing a self-assessment system for each subsidiary.

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

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

Accounts closing

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

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

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

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

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

Approval of the accounts

The subsidiaries' Chief Executive Officers give Group management a formal commitment, expressed in a letter of representation, that the subsidiary's financial statements present a true and fair view of the subsidiary's affairs, that they use the AMF *Reference Framework*, that no fraud has been detected and that all legal and regulatory provisions have been complied with.

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

Financial communication

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

Teleperformance applies best market practices in this area. The Group provides shareholders with an extensive database of information on its activities and the latest news *via* its website at www.teleperformance.com.

The Group also organizes regular meetings with the financial community, not only on the occasion of result disclosures, but throughout the year at the major European, US and Asian stock exchanges.

1.3 VIGILANCE PLAN

In accordance with Article L.225-102-4 of the French Commercial Code, the Teleperformance Group vigilance plan ("Vigilance Plan") is designed to present the reasonable vigilance measures implemented Group-wide in order to identify the risks and prevent serious harm to human rights and fundamental freedoms, health and safety and the environment resulting from the operations of the Company and the companies it controls within the meaning of Article L.233-16 (II) of the French Commercial Code, whether directly or indirectly, and from the operations of suppliers or subcontractors with which an established business relationship is maintained, where such operations form part of this relationship.

Teleperformance employs approximately 300,000 people in approximately 80 countries and therefore carries on its business in a wide range of, sometimes, complex economic and socio-cultural environments liable to generate risks that fall within the scope of the Vigilance Plan.

Teleperformance is determined to ensure that the Group's core values are applied and upheld, not only by all managers and employees, but also by the suppliers and subcontractors with which it has an established business relationship. While compliance with applicable laws and regulations in each of the Group's operating countries is conducive to safeguarding the objectives pursued by the Group and the Vigilance Plan, in 2011 Teleperformance joined the United Nations Global Compact, thereby committing to abide by the principles of the Universal Declaration of Human Rights.

The Vigilance Plan covers three areas: human rights, health and safety, and the environment. Various working groups comprising representatives of the Compliance, Sustainability & Responsibility, Information System Security, Procurement, Internal Audit and Legal departments and senior management, are involved in drawing up and implementing the Plan.

A number of tools and procedures have already been introduced Group-wide, and certain information and procedures are described in the Teleperformance Registration Document. Other tools and procedures are currently under review and will be enhanced in order to meet new regulatory requirements and make allowance for the Group's new consolidation scope. In 2018, Teleperformance introduced an improved vigilance system.

The measures covered by the Vigilance Plan concern the following five areas: (i) risk identification and mapping, (ii) deployment of systems for mitigating risk and preventing serious harm, (iii) risk assessment procedures, (iv) establishment of a hotline policy and internal reporting system and (v) system for monitoring measures in place.

1.3.1 A risk map designed to identify and analyze risks and establish a risk hierarchy

The main risks identified by the Group under the Vigilance Plan involve serious harm to human rights and fundamental freedoms, health and safety and the environment. The risks identified as such will be documented within the framework of the Group global risk map.

1.3.1.1 Risks of serious harm to human rights and fundamental freedoms

As a Group that operates in approximately 80 countries, acutely aware of the diversity of socio-cultural environments within which it operates, Teleperformance promotes respect for all internationally recognized human rights and fundamental freedoms.

The Group's success and reputation are closely related to how Teleperformance conducts all its business activities in a responsible manner in accordance with its core values.

Teleperformance has identified two levels of issues regarding the infringement of human rights and fundamental freedoms.

- Within the Group, Teleperformance strives to uphold the principles related to fundamental labor rights, in particular:
  - non-discrimination in respect of employment and occupation (hiring, promotion…);
  - prohibition and elimination of all forms of forced or compulsory labor;
  - upholding freedom of association and the right to collective bargaining.
- On the outside, the Group is committed to exercising vigilance in identifying potential adverse impacts, whether direct or indirect, of its business in order to prevent and, if necessary, rectify such impacts. The Group asks each of its subsidiaries to work with suppliers and subcontractors that agree to comply with the Group's requirements in this area and who abide by the Supplier Policy[1].

  The behavior expected of suppliers and subcontractors with regard to human rights covers the following issues:
  - respect for human rights,
  - prohibition of child labor,
  - prohibition of forced and compulsory labor,
  - elimination of all forms of discrimination in respect of employment and occupation,
  - occupational health and safety,
  - freedom of association and the right to collective bargaining.

1.3.1.2 Risks of serious harm to health and safety

Risks to health and safety can materialize at any stage of the value chain. Among the potential victims of health and safety risks, the Group includes its employees at their place of work, Group clients and their customers. Teleperformance has identified the following main health and safety risks:

- for its employees:
  - occupational safety,
  - eliminating the risks of industrial accidents and occupational illness;
- for its clients and their customers:
  - personal data security.

1.3.1.3 Risks of serious harm to the environment

Teleperformance's business activity is non-polluting. Nevertheless, Teleperformance's global Environmental Policy[2] and the practical implementation of that policy are designed to reduce the Group's carbon footprint through sustainable measures that prioritize the circular economy in order to enable future generations to meet their own needs. Teleperformance seeks to foster awareness among all its employees and encourages them to adopt a set of environmentally-friendly behaviors at the workplace (reduce energy and paper consumption, etc.) and while performing their work duties outside the Company (minimize air travel, use public transport, etc.).

The risks of serious harm to the environment include the following events and risks:

- pollution: gradual or accidental pollution of the air and soil;
- resource consumption: excessive consumption of resources (water, electricity, paper, etc.).

On the supplier and subcontractor side, harm to the environment includes the risks of pollution, damage to ecosystems, waste of natural resources and dependence on fossil fuels.

1.3.2 Tailored measures to mitigate risks and prevent serious harm

Teleperformance has introduced measures to mitigate risks or prevent serious harm that are tailored to different circumstances. These measures are deployed at the Group and subsidiary levels, as well as with suppliers and other stakeholders. They are adapted in accordance with changing circumstances or risks identified in accordance with audit findings and messages reported *via* the various hotlines already set up or undergoing deployment.

These mainly consist of the following codes and policies:

- Code of Ethics;
- Code of Conduct, including Anti-corruption and influence peddling;
- Environmental Policy;
- Equal Opportunity Policy;
- Privacy Policy;
- Health and Safety Policy;
- Supplier Policy;
- Global Essential Compliance and Security Policies.

(1) The Group Supplier Policy, which is currently under review, is available on the Group's website.
(2) See 2017 Registration Document and Group environmental policy available on the Group's website.

1.3.3 Procedures for periodic assessment of the situation of the subsidiaries, suppliers or subcontractors with which an established business relationship is maintained

The Group has set up procedures for assessing its subsidiaries, suppliers and subcontractors. These procedures are conducted by Group teams or in consultation with external organizations in order to identify and prevent risks of serious harm to human rights, fundamental freedoms, health and safety.

Suppliers and subcontractors shall be periodically assessed, at subsidiaries' level, in accordance with the Group Supplier Policy. On the basis of the supplier assessment process and the replies made to the related questionnaire, supplier risk is assessed with regard to supplier practices in relation to human rights, labor rights and combating corruption.

In 2018, the Internal Audit Department conducted a review of compliance of the Group's sites with the local regulations concerning health and safety measures. This review has been made with the Compliance Department.

The Compliance Department conducts every year a number of annual compliance and security audits.

Since 2008, Teleperformance has measured employee satisfaction *via* the *E-Sat* **E**mployee **Sat**isfaction Survey. The aim of the survey is to gain a better understanding of how employees view the Group's business activity and their contributions towards it. The survey is conducted by a team focused on continuously improving the methods and processes used as well as on the results obtained.

By giving employees a chance to express their expectations and potential criticisms, E-Sat helps to improve working conditions and foster job fulfillment. Accordingly, action and improvement plans are drawn up, implemented and monitored in each subsidiary under the responsibility of the local HR director. In order to ensure continuous improvement of these plans, progress on each project is monitored on a monthly basis by a dedicated head office team.

1.3.4 Hotline policy for reporting the existence or materialization of risks

Teleperformance fosters a culture of openness and dialog that allows each person to express their point of view and voice their concerns. Employees are free to approach their line manager, human resources manager, corporate counsel or compliance officer.

The Group is currently rolling out a hotline policy and internal reporting system to encourage employees to report risks. This is similar to the Global Ethics Hotline Policy designed to encourage employees to report the existence of conduct or situations in breach of the Code of Conduct, including anti-corruption and influence peddling.

1.3.5 System for monitoring measures in place and assessing their efficacy

Teleperformance has continued to strengthen its organization, procedures and monitoring tools with regard to human rights, health and safety and the environment in order to verify the due application and continuous improvement of the Vigilance Plan:

- internal reporting system and indicators for monitoring the implementation of measures in place (confirmation letter from subsidiaries, employee and customer satisfaction surveys, etc.);
- information and training sessions (understanding of the law, the Group Vigilance Plan, Supplier Policy, etc.) provided to senior managers and employees;
- periodic audits;
- creation of a crisis management unit ensuring that all relevant persons at Teleperformance are duly informed and correctly deployed in the event of an incident, discussion with stakeholders and implementation of corrective or adaptive measures;
- discussions with stakeholders and implementation of remedial or preventive measures;
- organizational system headed by the Chief Administrative Officer, whose remit primarily includes compliance, sustainability & responsibility, and human resources. The Chief Administrative Officer reports to the Group Chairman and Chief Executive Officer and the Group Chief Legal and Compliance Officer.

  He assesses the results obtained in connection with the Vigilance Plan and reports to the Audit & Compliance Committee of the Board of Directors on progress with measure.

  This organization also includes a specific team in charge of drawing up the materiality matrix on the basis of discussions held with stakeholders at the Group's subsidiaries, which identifies and analyzes issues in the same areas targeted by the Vigilance Plan.

2 Extra-financial performance reporting

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2.1 GROUP OVERVIEW AND BUSINESS MODEL

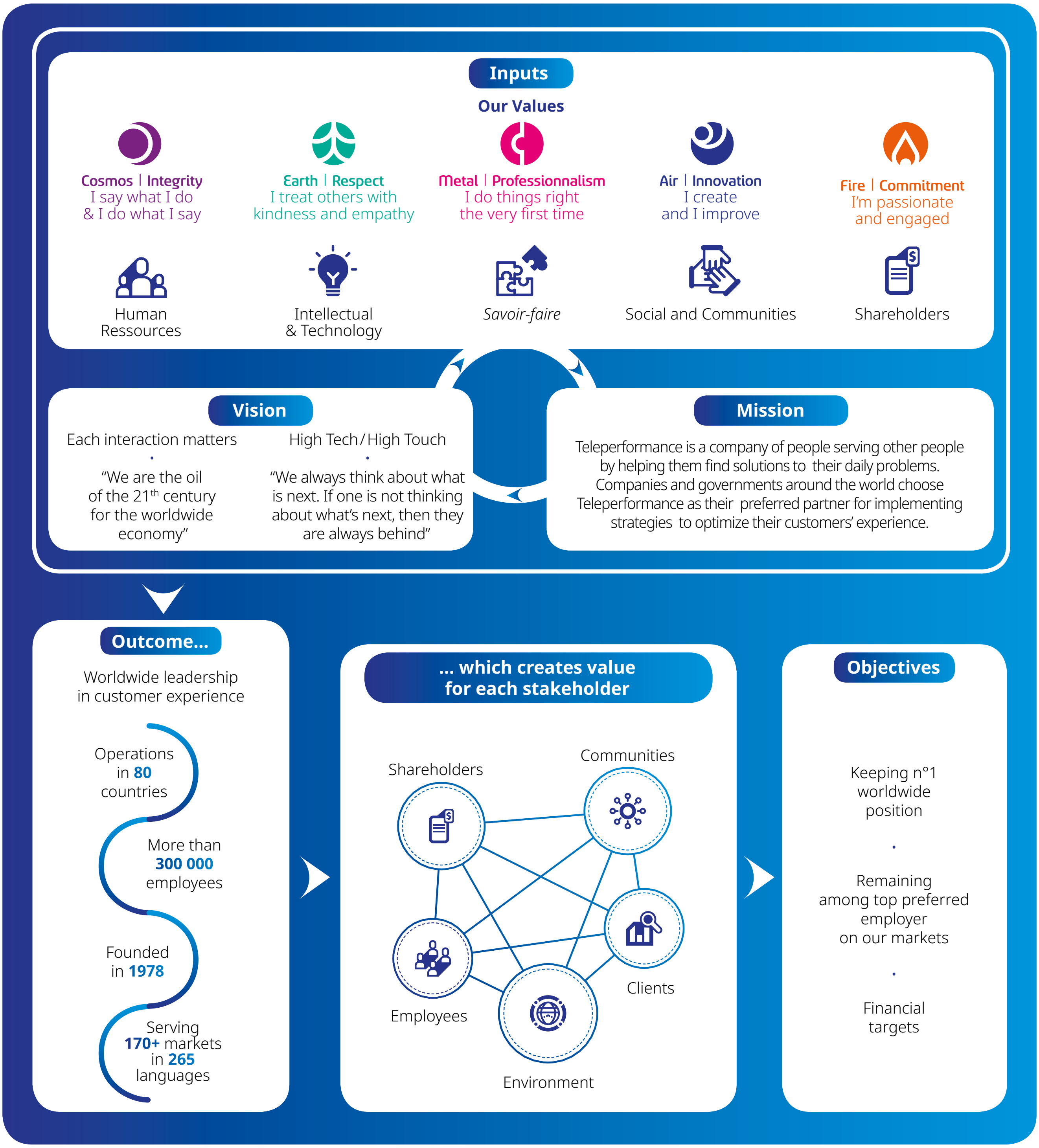
New uses relating to the simultaneous development of the Internet and smartphones have profoundly changed the business-client relationship. Consumers now have the power. Connected at all times, they seek instant access to brands to obtain **all kinds of information on the go, *via* their preferred communication channel (voice, chat, SMS, social media, etc.**).

The gradual yet constant development of multi-channel communication is therefore now a requirement, while social media amplifies consumer satisfaction (or dissatisfaction) towards the brand or distributor. Brands are therefore faced with more independent, educated and involved consumers, who need to be taken into account with regard to these new tools and behaviors.

In light of this growing complexity and the resulting technological sophistication, consumer brands are having to rethink their approach to customer relations.

Since its creation, the Teleperformance Group has been at the very heart of this challenge. A true partner to companies for multichannel customer experience management, Teleperformance has refined its business model in order to meet the technological and human challenges of its customers and provide them with cutting-edge data security and data privacy solutions.

The diagram below summarizes the Teleperformance Group business model:



- The Group has set itself the **task** of "helping brands and businesses find solutions for their customers' day-to-day challenges". The Group therefore specializes in handling their relations with brands and governments.
- **The Group's vision is that,** in an increasingly automated world, driven by a growing need for efficiency and speed, **"Each interaction counts"**. This slogan illustrates the *high-touch* strategy rolled out in 2018 (cf. section 1.1.2 A *"High Tech / High Touch" corporate outsourced services management world leader in full evolution*) and shows that Teleperformance is continuing its digital transformation by seeking out, hiring, training and supporting the growth of its employees. Teleperformance also contributes to a smoother, more secure globalized digital economy, which is becoming increasingly complex.
- **Teleperformance makes use of a range of resources** in order to achieve its objectives, be they technological, corporate, financial, or relating to human resources, founded on expertise. They are presented in the diagram above and include all of the resources and assets used to achieve the Group's objective. These assets and resources are deployed in strict compliance with the Group's values, which must be observed throughout the world in all of its locations and departments.

  These values form the foundation of the Group and its unique set of standards:

  - **integrity:** *I say what I do & I do what I say;*
  - **respect:** *I treat others with kindness and empathy;*
  - **professionalism:** *I do things correctly the first time;*
  - **innovation:** *I create and I improve;*
  - **commitment:** *I am passionate and committed.*
- **Teleperformance has become the global leader** in the outsourced customer experience market and operates on every inhabited continent around the world. With a foothold in 80 countries and more than 400 centers, **the Group employs more than 300,000 people** and supports the lives of 1 million people around the world. Teleperformance serves more than 850 customers on 170 separate markets, covering many of the 500 biggest global companies, in 265 languages. In 2018, Group revenues amounted to €4.4 billion. A detailed description of Teleperformance's activities and markets can be found in section 1.1 *The Group*.
- Over the last few years, the Group has posted significant growth, doubling in size primarily through organic growth, however also thanks to target acquisitions. This growth, combined with an improvement in profitability and free cash flow have made the Group a success, which benefits all of the Group's stakeholders.
- Below is a description of how the Group creates value for its stakeholders: It is based on the **universal principle of individual satisfaction: employee satisfaction is the first step in ensuring consumer satisfaction, and therefore that of Teleperformance's clients. This "satisfaction chain" needs to work properly in order to be able to create value for the Group's other stakeholders** (communities, lenders and shareholders).

  There is a strong and sustainable correlation between these two factors on all of the Group's markets. It sits at 0.9.

  - Quite logically, **the focus placed on the Group's 300,000 employees,** their working conditions, compensation, training and management are the cornerstone of the Group. The Group's objective is to make each interaction count: by offering in-depth training to its employees, it helps them strengthen their emotional intelligence and well-being. Teleperformance has rolled out a whole series of initiatives and instruments in this area, enabling it to monitor progress and ensure this objective is reached, in a line of business that has its own unique demands.
  - **Customer satisfaction is, without question, an essential part** of the Teleperformance business model. It is shaped by the quality of the teams, their language proficiency and their technical and digital capacity to provide end users with a fast and accurate response. It relies on flawless organization and discipline allowing continuous and consistent customer service. The security of data entrusted to the Group is a key part of the quality of the relationship. All of these aspects are subject to rigorous procedures and regular measures.
  - Teleperformance operates in many countries and therefore participates in developing local community support policies, by providing long-term support in the education sector or by helping more disadvantaged individuals. In addition, Teleperformance offers ad-hoc support during one-off events, such as climate disasters that may hit the countries or regions in which the Group is established.
  - Despite the Group's low environmental impact, it deploys **specific policies to reduce its consumption of electricity, water and paper. Teleperformance also prioritizes the reduction of its carbon footprint** by limiting air travel whenever possible, and by supporting local initiatives aiming to encourage Teleperformance employees' to pool their daily commutes.
  - In the financial sector, Teleperformance commits to **ethical business practices in line with its values**. The Group strongly believes that an efficient governance structure calls for excellence and profitable results. It is therefore committed to generating value for its shareholders, the key to the Group's independence, sustainability and development. The Group applies the corporate governance best practices. Lastly, it has implemented a fiscal policy in all the regions it operates in.
- The Group has set itself challenging goals. Its ambition is not simply to maintain its position as the **undisputed market leader, but instead to take the lead in all areas in relation to its competitors.**

In order to accomplish this goal, Teleperformance wants **to maintain its status as the sector's preferred employer on a global scale** and plans to build a headcount of between 400,000 to 500,000 employees in 4-5 years' time.

In terms of financial performance, the Group has confirmed its target of reaching by 2022 at least €6 billion in revenues at constant perimeter and an EBITA before non-recurring items of at least €850 million at constant perimeter.

2.2 STRATEGY AND KEY NON-FINANCIAL RISKS

2.2.1 Strategy and governance

Corporate social responsibility and sustainable development are intrinsically integrated into the Teleperformance Group's **strategy**. They are based on three key non-financial challenges and targets and are subject to dedicated programs:

- being **the market's preferred employer**;
- **boosting customer satisfaction** with leading global brands that partner with Teleperformance;
- **being a responsible corporate citizen** within the Group's sphere of influence.

A **dedicated governance structure was set up** to ensure the success of these programs and objectives. In 2018, the Group appointed a *Chief Business Administrator*, responsible for Human Resources. Their mission is to implement a policy ensuring the Group maintains its status as the preferred employer on the market and improve its corporate responsibility performance. The Deputy Chief Executive Officer is responsible for implementing and monitoring these policies.

In January 2019, the Group appointed a Corporate Social Responsibility Director, under the direct supervision of the Deputy CEO. Their mission is to coordinate the Group's CSR strategy, harmonize the various CSR initiatives and closely monitor the whole.

The different programs are coordinated and monitored by a steering committee comprising support functions and industry experts, specialists in their respective fields. These working groups formulate action plans, internal directives and global programs, and monitor the outcome of initiatives rolled out.

2.2.2 CSR goals and key risks

While drafting its next CSR report, the Group organized a series of internal interviews with its management teams, aiming to identify the main non-financial challenges facing its business. This initiative aimed to identify the main ways in which the Group's business impacts its key stakeholders, namely individuals, communities and the environment. These impacts depend on the role fulfilled by the Group, as an employer, service provider and corporate citizen.

Discussions with representative stakeholders will continue along these lines over the coming months, in order to enable the Group to better understand each party's key challenges, and define the most relevant action to take.

This internal exercise made it possible to precisely define and prioritize the main issues facing Teleperformance on a daily basis. They are presented below, and help to highlight the main objectives that the Group has set for itself and to better assess the policies it implements in relation to these topics. The main financial and non-financial risks identified that make it possible to define these CSR goals and challenges are set out in 1.2 *Risks and control*.

The Group's key CSR challenges

	Our impacts on individuals	Our impacts on communities	Our impacts on environment
Our roles as an employer	Improve the quality of life and employability of employees	Provide local development opportunities	Promote environmental responsibility in the group
Our roles as a service provider	Promoting secure consumer access to reliable and fast information	Develop an ethical business practice	Provide services that reduce carbon emissions
Our roles as a corporate citizen	Ensuring diversity and equality of opportunity for our employees	Support communities where Teleperformance operates	Promote sustainable use of resources

All of these goals are in line with the United Nations Global Compact, which Teleperformance joined in 2011. The Group that all of its subsidiaries apply and comply with the its fundamental principles.
This is the most important global initiative in terms of sustainable development. It is based on a commitment by companies to implement the ten sustainable development principles, as follows:

Human rights	1. Support and respect the protection of internationally proclaimed human rights 2. Make sure to not be complicit in human rights abuses
International labor standards	3. Uphold the freedom of association and the effective recognition of the right to collective bargaining 4. Contribute to the elimination of all forms of forced and compulsory labor 5. Contribute to the effective abolition of child labor 6. Contribute to the elimination of all forms of forced and compulsory labor
Environment	7. Support a precautionary approach to environmental challenges 8. Undertake initiatives to promote greater environmental responsibility 9. Encourage the development and diffusion of environmentally friendly technologies
Anti-corruption	10. Work against corruption in all its forms, including extortion and bribery.

Teleperformance's commitment in this regard is reflected by the incentives it has introduced to adopt and improve the practices described in the Group Code of Ethics, Equal Opportunity Policy and Supplier Policy, all of which are based on Teleperformance values.

2.3 AN EMPLOYER OF CHOICE

Teleperformance makes its employees the focus of its business. The Group is committed to being an employer of choice, an essential prerequisite in creating value for the various stakeholders. A happy employee is the first step in ensuring customer satisfaction, and therefore satisfying Teleperformance's clients.

To this end, the Group deploys a number of initiatives and tools in the areas of hiring, professional training and development, human rights, diversity and inclusion, wellbeing and work safety to monitor the progress and successful outcome of this goal.

The Group also launched a High Touch strategy that covers the entire human resources value chain. The High Touch strategy targets Teleperformance's employees and both direct and indirect customers and is illustrated by the catchphrase that reflects Teleperformance's identity and mission: "Each Interaction Matters". Teleperformance is pursuing its digital transformation by hiring, training, supervising and supporting the growth of its employees. As a responsible company, the Group is committed to fostering its employees' all-round development. To this end, it develops programs and processes to stimulate the Intelligence Quotient (IQ) and the Emotional Intelligence (EI) of the human mind.

Teleperformance plans to launch a specific training program on EI for all its employees in 2019. Hiring processes, job descriptions, evaluations and compensation criteria will be reviewed in order to take EI into account.

Teleperformance's High-Touch strategy aims to boost employee happiness and help it stand out from the crowd as a forward-looking company.

Teleperformance is fully committed to providing a unique work environment, and earns recognition from independent entities on a regular basis. For example, in 2018 ten Group subsidiaries were honored with awards from the *Great Place to Work*® Institute:

- three subsidiaries in the English-speaking region: in China, the Philippines and India, where the Group received the # 1 BPO in India Award for the 5th time by the Great Place to Work Institute;
- seven subsidiaries in the Ibero-LATAM region: in Brazil for the 9th consecutive year, in Mexico (for 2 subsidiaries), in El Salvador for the 5th consecutive year, in the Dominican Republic for the 4th consecutive year, in Colombia for the 1st year and in Portugal for the 8th consecutive year.

Competing companies must submit to a rigorous selection process to receive these awards. The ranking is based on employees' perception of their company (the Great Place to Work Trust Index© Survey) as well as company human resources management practices which are measured by a tool developed by the Institute.

Award and rankings given by independent entities on employee workplace satisfaction are now taken into account in the compensation scheme for executive officers (see section 3.2.2 *Remuneration of executive officers*).

2.3.1 Driving significant job creation

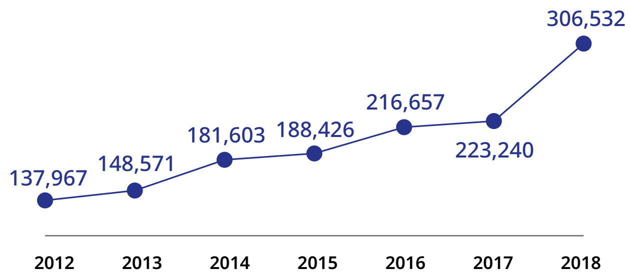
The information contained in this section concerns all Group consolidated companies unless otherwise specified.

2.3.1.1 Breakdown of total headcount by age, gender and linguistic region at December 31st, 2018

	Men	Women	Total	< 25 years old	< 35 years old	< 45 years old	> 45 years old
English-speaking and Asia-Pacific region (excl. USA)	38,390	40,431	78,821	33,926	32,714	8,298	3,883
Ibero-LATAM region	41,503	45,271	86,774	37,587	33,470	11,095	4,622
Continental Europe, Middle East & Africa	22,381	27,339	49,720	12,248	22,091	10,190	5,191
LLS excl. USA	27	56	83	16	38	22	7
Intelenet	36,371	21,773	58,144	23,981	27,111	5,739	1,313
Holding companies	27	28	55	3	16	17	19
Total excluding USA	**138,699**	**134,898**	**273,597**	**108,006**	**115,578**	**35,384**	**15,044**
United States			32,935				
TOTAL			**306,532**				

The breakdown of total staff by age and gender exclude the US subsidiaries, as local regulations prohibit collecting this data.

The Group's business growth mirrored a consistent increase in total staff over the last six years:



2.3.1.2 Full-time equivalent workforce in 2018 by linguistic region

	2018 workforce	2018 payroll expenses *(in millions of euros)*	2017 workforce	2017 payroll expenses *(in millions of euros)*
English-speaking and Asia-Pacific region	91,013	1,150	84,225	1,159
Ibero-LATAM region	71,384	748	65,324	704
Continental Europe & MEA	39,979	739	36,670	668
LanguageLineSolutions	3,843	148	3,779	148
Intelenet	44,922	63*		
Holding companies	49	18	53	18
TOTAL	**251,190**	**2,867**	**190,049**	**2,575**

* *The payroll expense of Intelenet relates to the period from October 4th, 2018 to December 31st, 2018.*

Salaries are determined in accordance with the laws in effect in the countries in which the Group operates.

2.3.1.3 Change in total headcount in 2018 by type of employment contract

	Permanent contract	Fixed-term contract	Temporary	Total
AS OF 01/01/2018	**165,358**	**47,687**	**10,195**	**223,240**
Change in scope	56,619	2	0	56,621
Hiring	194,470	40,538	10,764	245,772
Lay-offs	-32,404	-4,299	-944	-37,647
Transfers	5,360	-4,642	45	763
Other departures	-145,133	-28,120	-8,964	-182,217
AS OF 12/31/2018	**244,270**	**51,166**	**11,096**	**306,532**

The Group is unable to determine the exact number of disabled employees working for the Group, given that this information is considered to be discriminatory in some countries, like the United States and Italy.

2.3.1.4 Employee compensation and loyalty schemes

The Group compensation policy is based on shared principles, and is applied in a decentralized manner in line with the regulatory framework and local labor and market conditions. This policy aims to:

- *attract and retain talented individuals;*
- *reward individual and collective performance;*
- *be fair and consistent in line with the Group's financial and operational objectives.*

Teleperformance regularly invites its most valuable managers into a profit-sharing scheme through a bonus performance share plan, in compliance with its rules of governance. These bonus share plans are allotted on a case-by-case basis and aim to reward managers' loyalty and solid contribution to the Group's development. This is an exceptional compensation scheme and is therefore distinct from the Group's general compensation policy applicable to all employees. A detailed summary of the performance shares allotted by the Group is presented in section 7.2.5.3 *Performance shares granted under no consideration*.

Certain group subsidiaries have set up local staff incentive schemes. For example, the operating subsidiary in France implemented an open-ended profit-sharing scheme.

As of today, Teleperformance SE that employs less than 50 employees, does not have profit-sharing schemes in place. Teleperformance SE, on a voluntary basis, is studying the implementation in 2019 of such schemes for its employees.

2.3.2 Human resources development

Employee development is the Group's central focus. It is essential in providing our direct and indirect customers with the best possible service. The Group is making significant investments in this area. This policy is based on a number of training and employee development programs offered to new employees and throughout their career.

The Group has developed specific on and off-site training programs for both agents and the management team. These training programs cover a wide range of subjects, from Teleperformance culture to customer-specific training, professional development, safety and security, compliance and confidentiality.

2.3.2.1 Employee training

Training is a key factor in managing the Group's human resources, particularly given that its business relies on a large workforce.

The Group largely attained its target of a 3% increase in training hours provided across the Group in 2018. 42,602,393 training hours were provided in 2018, representing an increase of 25%.

Training falls under four separate programs:

- *Teleperformance Academy for the training of agents;*
- *Teleperformance Institute for the training of managers;*
- *Teleperformance University for high-potential employees;*
- *Continuous training on the e-learning platform for all employees.*

Teleperformance Academy

Specially designed for agents, Teleperformance Academy offers training that aims to optimize knowledge transfer and foster learning.

Since 2014, all new employees systematically attend an orientation seminar on their first day at Teleperformance, with a strong focus on group culture, values and safety.

Furthermore, training programs covering new campaigns are specifically provided to seconded agents, whether in order to support a new customer or the launch of a new product, or develop a new line of services. Depending on the specifications agreed upon with the client, these training sessions last on average between one week for simple operations to five weeks for more complex products requiring more in-depth knowledge.

In 2018, a total of 35,461,684 training hours were provided to agents *versus* 33,387,568 total hours in 2017. This represents 184 hours on average per agent in 2018 *versus* 179 hours in 2017.

Teleperformance Institute

Teleperformance Institute provides e-learning and “face to face” training to all Group management staff (supervisors, platform managers, operations directors, etc.).

In view of its global presence and desire to involve a maximum number of employees, the Group has developed a remote e-learning solution. For the sake of greater independence, the e-learning platform has been developed in-house since late 2011, and is available in the main Group languages. Thanks to this platform, Teleperformance employees were able to develop their leadership, communication, time management and project management skills. This represents 750,726 training hours in 2018, *i.e.* 1.8% of the total number of training hours in 2018, up from 1.4% in 2017.

This year, the training platform scored a resounding success with an average of 40,638 unique visitors per month (up from 31,435 in 2017). This performance may be attributed to the platform recast and expanded content offer.

In 2018, the Teleperformance Institute focused on five areas:

1) Developing the Six Sigma culture within the Group.

With the support of an external partner, certification training was provided to 126 group managers. 5,172 managers have obtained the first level of e-learning certification. The goal is to have 1,700 managers Yellow or Green Belt certified by the end of 2019.

2) Extending complementary training in "hiring" and "training fundamentals" to recruiters, instructors, account and quality managers, and training managers.

These courses were prepared in 2017, so that all supervisors would receive the same training and learn about the same basic targets during their first six months in their new post.

3) In 2018, a large majority of managers attended at least one course in Teleperformance safety standards. At the end of these e-learning sessions, every employee takes a test to assess the skills they've acquired. In 2018, as part of a drive to improve the Group's safety culture, access to online safety training was extended: more than 17,000 managers completed additional training.

4) Continuing to develop regional centers of excellence.

Selected supervisors complete a two-week course in best practices in their business line. Already well-established and recognized in the CEMEA region, these regional centers of excellence are currently being rolled out in China and the Philippines.

5) Continuing to roll-out the internal training quality standard (improvement of instructor training) and certification of Group subsidiaries.

In addition, over 1,000 training modules are available on the e-learning platform to help employees develop their skills in a wide variety of areas including hiring, soft skills and IT.

Teleperformance University

Teleperformance University is an executive program divided into six modules, three of which are provided face-to-face on-site and three *via* the e-learning platform:

- innovation, CX Lab and "Atlantic experience" (Lisbon, Portugal);
- marketing, solutions and strategy (São Paulo, Brazil);
- operations, IT and security (Salt Lake City, USA);
- social and environmental responsibility, NPS (Net Promoter Score) and Six Sigma (Manila, Philippines);
- finance (Athens, Greece);
- business development and final support (Guadalajara, Mexico).

Each module lasts one week and the whole training program is completed in ten months.

80% of the classes are delivered by senior leaders from Teleperformance. However, external instructors are also brought, including professors from renowned universities, who provide a more academic perspective.

This in-house university is geared towards high-potential managers aiming to become future senior leaders in the Group.

During the training, the multicultural and global scope of the Group is emphasized.

18 participants from 13 countries completed the training course over the academic year from September 2017 to July 2018. The next cohort, currently completing a course running September 2018-June 2019, has twice as many participants and has thus been divided into two groups.

2.3.2.2 Professional development

The Group aims to encourage employees' professional fulfillment, within a work environment that promotes performance and fosters skills development. Teleperformance has introduced a set of measures to help employees and drive their professional development.

Exclusively designed for Teleperformance employees, the JUMP program was rolled out in order to:

- promote career development within the Group;
- identify high-potential employees and prepare them to take on management positions;
- encourage leadership at every level of the business;
- encourage internal promotions.

This program is based on a dual training program offering both technical and behavioral training, as well as personal development plans.

2.3.3 Creation of a work environment that favors wellbeing, health and safety

With over 300,000 employees operating in 80 countries, Teleperformance requires matters of health and safety to be handled with the same level of expertise and according to the same standards across all regions. The quality and safety of the working environment must enable Group employees to realize their potential.

2.3.3.1 Health and safety policy organization and approach

The safety management system implemented by Teleperformance aims to efficiently control risks and prevent potential staff injuries in the performance of their duties. The health and safety policy rolled out by the Group goes beyond local regulatory requirements. In addition to focusing on employer and employee responsibilities, it also aims to increase awareness of workplace hazards and promote the use of preventative measures for all parties involved.

Each Group entity has its own Health and Safety department, supervised by both the local management team and the central Health and Safety department.

The Teleperformance health and safety management policy aims to act as a consistent approach integrating risk assessment within the corporate culture. The central Health and Safety department works closely with each subsidiary through its direct involvement with the local management team, and *via* an operating relationship with all health and safety experts forming part of the Teleperformance global network.

Network of health and safety experts and training

One or more health and safety experts are appointed by the local managing director of each subsidiary. The main role of an expert is to ensure the subsidiary's compliance with the Group Health and Safety policy *via* the implementation of rules and procedures defined by the Group. In order to maintain a consistent approach and a high degree of compliance, the constant development of health and safety experts' expertise and skills is essential. In this regard, specific training sessions are provided covering the requirements and practices set out in the Teleperformance Health and Safety policy. In order to monitor and assess the network's expertise, the health and safety experts are asked to complete questionnaires throughout their training.

Staff training

Teleperformance aims to promote a health and safety culture and related expertise across all levels of the organization. As part of the orientation program, new employees complete mandatory health and safety training. The goal is to raise their awareness and knowledge of these areas from the very beginning of their assignment.

Video to raise awareness of health and safety challenges

In 2018, the Group created and released a teaching video on health and safety at work. In this fun and informative video, an executive manager explains that health and safety are crucial factors for any organization. The video is played in waiting areas at call centers, as well as in recruitment, relaxation and even operating areas. There are multiple language versions and is an efficient way to get key messages to everyone involved.

Local Health and Safety committees, risk assessment and site inspections

In an effort to strengthen the global organization and ensure consistency at the local level, every subsidiary has its own local Health and Safety committee. These local committees handle the collective issues facing the sites, enabling managers to efficiently implement the group Health and Safety policy at their entities.

One of the cornerstones of the safety management policy is the identification of risks facing the Group, on both a global and local level. Assessments are carried out at least once a year at each site in order to identify potential risks and formulate appropriate solutions to reduce them. The Group audits local risk assessments on a regular basis in order to improve their accuracy.

2.3.3.2 Supporting the local roll-out of the Teleperformance Health and Safety policy

Toolkit: safety directives

Teleperformance is committed to providing all of its employees and subcontractors a safe working environment, while reducing the risk of injury and illness to the extent possible. To achieve this, the Group provides all of its subsidiaries with a health and safety "toolkit" on its intranet. This includes directives and best practices on subjects such as evacuation drills, emergency containment, smoke detectors and alarms, emergency exits, and pandemic prevention plans. The health and safety experts are also given tools (models, best practices, etc.) concerning health and safety training provided to new employees, site inspections, and risk assessments. Furthermore, every year the Group examines local tools in order to identify new best practices to share with the parties concerned.

An excellent working environment: guidelines relating to work premises

The working environment is an integral part of an employee's life. Teleperformance aims to create a positive environment, focusing on wellbeing and culture at work, in which employees feel fulfilled. This includes open-plan spaces that encourage cooperation and discussions, fitness rooms on-site at subsidiaries, free bike parking spaces and healthy and varied meals in cafeterias.

Since 2009, Teleperformance has implemented a global standard for its sites, guaranteeing a healthy, safe and pleasant working environment. It covers 12 areas, including lighting, acoustics, IT, safety, team-focused management, sustainable development, cleanliness and wellbeing in eight zones, such as operating areas, relaxation spaces and cafeterias.

This standard includes plans and guidelines covering hiring, training, workspace design and shared or leisure areas. It is updated yearly on the basis of internal and external references, in order to guarantee compliance with market changes and trends, employee expectations and international safety principles.

Passion 4U: wellbeing and stress reduction

Group employees spend a substantial amount of time and energy at work. Teleperformance therefore plays a vital role in improving their health, wellbeing and, ultimately, their quality of life, both as an employer and as a contributor to the health of broader society. In this context, Teleperformance teaches its employees about health in order to encourage them to make healthy decisions on a daily basis – at home, within their communities and at work.

The global Passion *4U* initiative promotes wellbeing and a better quality of life at work. By ramping up awareness of the benefits of adopting healthy habits and reducing stress, this program encourages the sharing of best practices between all of the Group's entities. All of the Passion *4U* initiatives are rolled out locally and include measures to reduce stress, promote work-life balance, encourage health and healthy eating, as well as ergonomics, fitness, sport, etc.

Main themes	Examples of the policies in place
Stress reduction	The stress inherent to any workplace can result in health and safety issues. Identifying stress factors is essential. In this regard, the Group focuses on creating ergonomic workspaces, relaxation areas, flexible schedules and programs to combat specific types of stress, aiming to encourage wellbeing and cultivate a feeling of belonging.
Work-life balance	A healthy work-life balance is essential for every employee. Having too little time to relax can give rise to stress and impact employees' health. Thanks to its staff management processes and programs, Teleperformance aims to bring balance back to its employees' lives, specifically through family-inclusive programs, childcare subsidies, flexible work schedules and telework solutions.
Health and healthy eating	Healthy eating, regular physical exercise and getting enough sleep can help employees reduce stress and illness, and have a better sense of wellbeing. Local campaigns are organized with a focus on specific issues, such as smoking, obesity, sleep disorders and hydration. Weeks dedicated to health initiatives are also organized. The Group provides access to health platforms, health specialists and dietitians, on-site doctors and nurses, and complementary healthcare.
Ergonomics	Given that the positions Teleperformance offers are predominantly sedentary, workplace ergonomics are an important health and safety factor. Through local and global campaigns, the Group aims to create a working environment that takes employee diversity into account with regard to size, height, age, and different working environments in terms of noise/hearing, lighting/sight, temperature and design.
Fitness	In order to promote its employees' wellbeing, performance and health, Teleperformance encourages them to do physical exercise through initiatives such as fitness, yoga and zumba classes at work, stretching exercises, encouraging them to ride to work, sports days and active breaks.
Sports club	Teleperformance fosters physical and emotional wellbeing as well as quality of life through games, fun and a spirit of camaraderie. The Teleperformance sports club is one of the most successful employee engagement initiatives. In 2018, the Group had 453 soccer teams, 156 volleyball teams and offered a wide range of other sports such as basketball, tennis, bowling, badminton and softball.
For Fun festival	Nine years ago, Teleperformance launched an ambitious and lively competition for employees looking to share their love of art, music, dance, short films and photography: the For Fun Festival. This annual global initiative showcases the Group's most talented employees. The objective is to create a fun, joyous atmosphere, encouraging a sense of pride in belonging to a group and helping to promote the Group's cultural diversity. In 2018, almost 6,000 employees from 28 different countries took part in this competition.

2.3.3.3 Workplace accidents

In 2018, the frequency rate was 6.8.

The work environment doesn't present any serious risks in terms of workplace accidents. In fact, excluding travel accidents, the vast majority of the rare workplace accidents were the result of slips or falls resulting in bruises or fractures. All workplace accidents and incidents are reported and recorded. Each of these accidents is also analyzed in detail to determine the root cause and continually improve the safety of the Group’s employees and to reduce the identified risks.

2.3.3.4 Preventing workplace accidents: audits and inspections

In an effort to ensure each entity's compliance with the Group's health and safety policy, a global, remote auditing system has been set up. Site inspections were also recently added. Depending on the level of maturity and the results obtained by each site, specific support from the Group or complete H&S audits are offered.

	Objectives	Methodology	2018 audits
Remote H&S audits	Remotely assess whether the key health and safety elements comply with the Group H&S requirements, identify discrepancies and prepare an action plan to rectify them.	Each company sends documents showing proof of its compliance with the Group's minimum requirements, via the Group's compliance platform. Each supporting document is examined remotely by a Group H&S auditor. Compliance reports are issued monthly to all managing directors relating to their entity, and every three months to the management team.	More than 250 sites audited in 2018. In 2019, additional sites will be audited as part of the Group's expansion.
On-site H&S inspections	Conducting a H&S site inspection and determining whether the key elements are satisfactory, or if any findings, whether positive or negative, have been drawn up for the Company.	These inspections are conducted by the safety and internal compliance audit team, trained in the most critical health and safety aspects and according to a two-stage approach: 1. Prior evaluation; 2. On-site inspections using an evaluation grid. The findings of the inspection are forwarded to the Company's management team, which then requests an action plan with monthly follow-ups. The overall findings are sent to Group management every quarter.	137 sites were inspected in 2018 (as of April).
Full audit and H&S support	Evaluating an entire site in order to assess compliance with Group requirements and international guiding principles and local regulations.	These audits will be conducted by the Group H&S team according to a two-stage approach: 1. Prior evaluation; 2. On-site audit using a comprehensive H&S audit evaluation sheet. The findings of the audit are forwarded to the Company's management team, which then requests an action plan with monthly follow-ups. The overall findings will be sent to Group management every month.	Launch of the process in 2019.
Compliance of H&S licenses	Verification that all sites have the health and safety licenses required by local legislation.	An initial investigation (phase 1) was conducted by each subsidiary in order to identify all of the licenses required for each site. Next (phase 2), each license identified was recorded in the internal system.	Phases 1 and 2 were completed in 2018.
Customer audits	The subcontracting policies of most major international clients consider the matter of employee health and safety important. In this context, customers conduct their own on-site H&S audits.	The methodology varies depending on each customer.	Data unavailable.

2.3.3.5 Work organization

Working hours

The Group's human rights charter sates that "working hours are capped at 48 hours per week, except for overtime, which is applied on an individual basis and always in compliance with local legislation".

Accordingly, the working hours of staff employed in contact centers and sales and administrative offices is organized in strict compliance with working time legislation, which varies from country to country.

Group employees work according to different procedures, mainly depending on clients' needs and local preferences, in compliance with the applicable statutory and regulatory provisions of each country. The Group may hire employees under full-time and part-time contracts and also hires temporary workers in order to achieve the flexibility required by its business operations, essentially in Continental Europe, Middle East and Africa.

The statutory number of daily and weekly working hours therefore varies considerably from one employee or country to the next.

The Group is committed to reducing absenteeism at its sites. Absenteeism is an ongoing measure of wellbeing and motivation. It is covered in a monthly report and a separate analysis per subsidiary, site and region. This indicator is reviewed at each subsidiary's Board of Directors meeting. The average rate of absenteeism was 6.8% excluding Intelenet in 2018, with a number of regional differences depending on the local social and regulatory environment: the English-speaking and Asia-Pacific region posted a rate of 7.6%, the Ibero-LATAM region 6.3% and Continental Europe, Middle East & Africa 6.6%.

WAHA programs

Core Services

Teleperformance's WAHA (Work At Home Agents) solution combines the services of highly qualified and effective agents, a flexible organizational structure, cutting-edge communications technology and the strictest security standards in the market.

This service model enables all types of candidates to access agent functions:

- people in remote locations (rural areas);
- disabled people (difficulties getting around);
- people with a specific profile and not seeking to work at a traditional contact center (seniors, homemakers, etc.).

The WAHA training model guarantees agent excellence. The management of remote agents, which is the result of several years' application, has become particularly effective in creating close ties, developing loyalty to the Company and to the brand and improving efficiency.

The number of Teleperformance agents working under the WAHA program is growing constantly. However, this figure remains marginal: at December 31st, 2018, only 2,976 Core Services employees were working under this model.

An incentive policy to significantly develop this practice was implemented in 2018.

The development of remote work (telework) within the Group

Subsidiary	Examples of telework
United States, Indonesia	The WAHA model was developed several years ago. WAHA agents are generally promoted to these roles after having proven themselves are the Group's traditional contact centers.
India	Most of our WAHA agents are women, who appreciate this opportunity to achieve a better work-life balance.
Holding	In accordance with the French law, in 2018 the holding company implemented a master agreement permitting up two days of telework per week.

Specialized Services

The number of Specialized Services employees who work from home is very high. Indeed, the organization of the LanguageLine Solutions interpreting business is based on an efficient network of 9,600 interpreters (including both employees and third-parties), more than 80% of whom work from home.

2.3.4 Labor relations

Since its creation, Teleperformance has been developing its business on the basis of its convictions and values, while remaining committed to its social responsibility: the Group is aware of the role played by trade unions in the representation and promotion of employees' interests, and aims to build its reputation as an ethical company that applies good practices with regard to employee relations and complies with local regulations. Teleperformance maintains regular dialog with recognized trade unions and other employee legal representatives. Social dialog takes place at every level within the Company and may exist in different forms depending on the culture, customs, practices and applicable legislation in each country.

2.3.4.1 Social dialog

Multiple channels of dialog and communication

Although the corporate culture favors direct access to the Group's managers and executives, Teleperformance has set up a number of initiatives at its subsidiaries to encourage discussion and communication with employees.

Examples of initiatives to encourage discussion with employees

Initiatives	Regions	Solutions
Informal and confidential discussions with management	Germany, Tunisia, Greece	Offer employees the opportunity to talk about current operations at the site and share their views, without the involvement of their direct supervisor, and in a friendly atmosphere.
Formal discussion with local management teams and managers	Worldwide	Organization of regular meetings between management and staff representatives or, where they exist, trade unions.
	China	Monthly meeting with newly recruited employees
	Albania, Argentina, Colombia, United States	Regular Chat with management.
	Colombia, Egypt, Greece, Russia, Salvador, United States	Focus Group between agents and managers.
	United States, Canada	Deployment of an online communication tool enabling employees to anonymously share their concerns with HR and management.

Employee satisfaction

An extensive employee satisfaction survey (E-Sat) is conducted every year. First launched in 2008, the aim of the survey is to gain a better understanding of how employees view their work.

This survey is conducted by a team that ensures the continuous improvement of the method and procedures. An external partner provides the results of a benchmark survey covering all countries in which the Group operates, thus enabling each subsidiary to compare its results with those of the local market.

In 2018, 118,509 employees at 68 subsidiaries working in 47 countries (48% of the Group's total headcount excluding Intelenet) completed the survey.

Taking employee opinion into account serves as a means of improving working conditions and promoting their professional development.

Under the responsibility of each local Human Resources Director, action plans are drawn up and implemented in each subsidiary on the basis of the results. In order to ensure continuous improvement in results, progress on each project is monitored on a monthly basis by a dedicated head office team.

Collective bargaining agreements

Certain group subsidiaries have a specific collective bargaining agreement. If no specific agreement exists, the labor laws in the country in question apply. Collective bargaining agreements are also regularly entered into each year with staff representatives. These agreements generally provide for the number of working hours, the notice period in the event of departure, salary increases, vacation time, the length of parental leave, payment of public holidays, or team rotas, etc.

In 2018, Teleperformance's subsidiary in France, Teleperformance France, entered into a majority collective bargaining agreement with three of its representative trade unions relating to negotiated collective contract termination at company level. During this procedure, Teleperformance France's management made the express commitment not to dismiss any of its employees for a twelve-month period following the first phase of departures under this agreement.

European Works Council

Launched in 2014 and officially registered in 2015, a Works Council currently comprising 19 standing members represents employees in the 18 European countries in which the Group operates. In 2018, the Works Council met Group management representatives three times, either in plenary session or in the form of a seven-member delegation (the officers), to discuss the economic and financial situation and major changes made during the year at European level.

2.3.4.2 Employee benefits

These benefits are managed locally, depending on the usual practices in effect in each country, and cover four main areas:

Bonuses

According to their financial performance, Group subsidiaries can decide to grant bonuses.

A bonus of €600 (net) was paid to all of the subsidiary's employees who receive gross wages of less than €30,000. 1,700 employees benefited from this one-off measure, *i.e.* over half of the subsidiary's employees.

Extra leave

Almost half of Teleperformance employees benefit from extra holidays in addition to the local statutory allowance. This additional leave varies in accordance with the corporate agreement specific to each Group subsidiary; for instance, it involves two extra days for all employees in Tunisia, 4-10 additional days in Germany depending on the facility, 2-5 days in the United Kingdom, to which up to 5 days may be added depending on length of service, and to up to 12 days in China and 25 days in the United States depending on length of service and seniority. Lastly, some subsidiaries grant exceptional leave for family events not covered by local legislation, for example five days' paternity leave in India, and time off for the wedding of a close relative in Colombia.

Subsidized meals

The majority of employees receive partially or fully subsidized meals, depending on local laws and customs: access to a canteen, restaurant vouchers or food purchase vouchers.

In some countries, such as Brazil and France, this is a statutory requirement. In other countries, it is a benefit offered to its employees.

Many subsidiaries negotiate reduced prices for their employees, usually with restaurants located near the office.

Preferential rates

Employees at most Group subsidiaries benefit from negotiated rates on various services other than restaurants, and sometimes enjoy them free of charge. These discounted or free services are offered through the works councils, where they exist, or by the HR Department at each subsidiary, sometimes in partnership with clients.

These preferential rates primarily apply in three priority areas:

Areas	Employee eligibility	Examples of offers
Cultural and recreational activities	Most of our employees benefit from individual or family discounts or free access to cultural events or recreational activities.	In 2018, 182 children of Teleperformance employees in Greece took advantage of a range of activities offered over a six-week period. Teleperformance employees in the United Kingdom also benefit from preferential rates at certain museums and theaters.
Tourist activities	More than three quarters of our employees are entitled to discounts with a number of travel agencies, hotels and airlines.	Reduced plane tickets are offered in Tunisia. "All-inclusive" trips at preferential rates are offered in the United Kingdom.
Sporting activities	Nearly all of our Group employees can participate in sporting activities at a reduced cost.	Employees at certain sites are offered free gym membership, such as in the United States and Morocco. At most other sites, Teleperformance has negotiated preferential rates with sports clubs. The Group promotes friendly sports matches between employees, by subsidizing the creation of in-house company teams (see further details under section 2.3.3.2 *Supporting the local roll-out of the Teleperformance Health and Safety policy*).

2.3.5 Diversity and equal opportunities

The Teleperformance equal employment opportunity policy is based on the sixth principle of the United Nations Global Compact:

"*The elimination of discrimination in respect of employment and occupation*" (see section 2.2.2 *CSR goals and key risks*).

The purpose of this policy is to provide guidelines to the subsidiaries so that procedures promoting equal access to employment, the elimination of discrimination, diversity, integration and non-discriminatory hiring are respected.

The selection process is not founded solely on the type of vacant position. "It shall also offer equal opportunities to all candidates, independently of personal characteristics such as race, color, gender, religion, political opinion, nationality, background, age, health, union membership or sexual orientation.

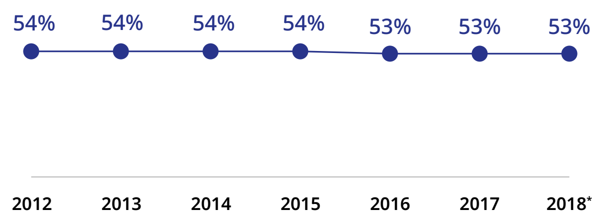
2.3.5.1 Measures taken to promote gender equality[1]

The Group has introduced a set of procedures and guidelines in order to promote equal treatment for men and women:

- in addition to Group guidelines, subsidiaries implement local equal opportunities policies;
- gender is not specified in 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;
- the annual employee satisfaction survey generates an alert when a correlation is detected between the degree of satisfaction expressed and the gender of the respondents.

Teleperformance's goal is to maintain an even overall breakdown between men and women. In 2018, women represented 52.5% of total headcount excluding Intelenet and men 47.5%.

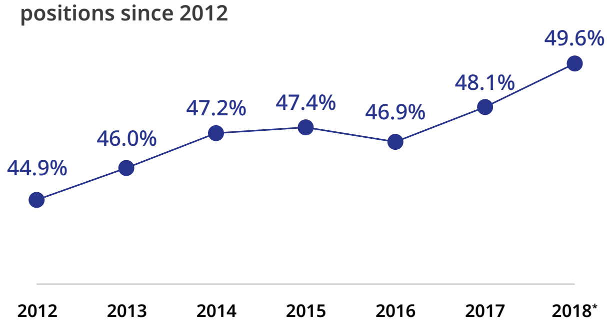
Change in the percentage of women in the total headcount



* *Excluding Intelenet.*

All of the measures rolled out to promote gender equality have resulted in an increase in the number of women in management positions from 44.9% in 2012 to 49.6% in 2018 (excluding Intelenet).

Change in the number of women in management positions since 2012



* *Excluding Intelenet.*

There are six women on the Board of Directors of Teleperformance SE, representing 43% of Board members, a ratio that complies with the recommendations of the APEF-MEDEF corporate governance code and statutory provisions regarding gender balance on Boards of Directors.

In addition, each subsidiary rolls out local initiatives geared towards gender relations in accordance with cultural issues:

Country	Examples of local initiatives
India	in 2014, Teleperformance India set up "Gendersmart", an extensive system of targeted communications to schools and higher education establishments in order to present our corporate culture and the safety and security measures that have been implemented for employees. Flexible working hours compatible with family life are also offered, as well as teleworking options, the right to maternity leave irrespective of seniority as well as a guaranteed return to the same position and salary.
Greece	A large-scale communication campaign on diversity was rolled out in 2018, highlighting the development and careers of women at Teleperformance.
Tunisia	In accordance with the Social Responsibility Label certification, a certain number of indicators are closely monitored, such as the ratio of training hours between men and women, the percentage of women on the Management Committee and the percentage of women among the ten highest salaries at the Company.
Argentina	Checks for bias in the hiring process are organized on a regular basis.
El Salvador	All focus groups at the subsidiary must comprise both men and women. Meanwhile, a plan to prevent sexual harassment has also been implemented.

(1) All of the figures presented in this chapter exclude the subsidiaries in the United States, for which local laws prohibit collecting information on the gender of employees.

2.3.5.2 Measures taken in favor of employment and integration of disabled workers

The Group employs disabled workers and complies with applicable local legislation on hiring, non-discrimination, and workstation layout. In addition to its legal obligations, wheelchair access at the centers has also been taken into account; a number of premises have already been adapted.

Local initiatives are implemented to promote the hiring of disabled workers.

Main local initiatives implemented to promote the hiring of disabled workers

Country	Initiatives
United States	Teleperformance attends student job fairs in order to present the employment and career opportunities it offers to disabled people.
France	The "Handiperformant" program was set up in order to help those with disabilities gain access to the professional world. This program includes daily personal support, reorganization of workstations and an internal policy of raising awareness so that each person's differences and specificities are considered as assets conducive to working better together.
Colombia	Teleperformance has signed agreements with governmental and private foundations in order to make contact with disabled personnel, essentially amputees and crutch-bound employees; workstations are regularly adapted in consultation with the relevant employees.

2.3.5.3 Measures taken to promote the hiring and retention of senior workers

The types of jobs on offer mainly attract those joining the headcount for the first time. This results in a high proportion of students, which is particularly significant in certain countries.

Teleperformance makes sure that the senior age group is not left out. A number of local initiatives have been developed:

Country	Examples of initiatives
United States	The US subsidiary posts its job offers on a wide range of websites and at jobs fairs, including those organized for veterans.
Norway, Switzerland	One week of extra leave for employees older than 60.
Colombia	The Colombian subsidiary employs seniors already eligible for retirement due to their skill set, in compliance with local laws.
United Kingdom	Active partnership with government agencies and NGOs working to ensure that job offers are available to people of all ages and backgrounds.

2.3.5.4 Anti-discrimination policy

Given the Group's international scale and the development of multilingual centers, Teleperformance naturally hires people of different origin and nationality to work in its facilities. Specific programs are therefore organized to encourage the welcoming and integration of foreigners.

In Europe and Asia, Teleperformance is leading the way in the development of multi-lingual hubs that combine employees of all nationalities at the same location, to serve pan-European and pan-Asian programs. These platforms offer major multinational groups dedicated and optimized omnichannel solutions in the customer experience management field. The Teleperformance multilingual offering serves 140 markets in over 40 different languages, from five regional hubs located in Portugal, the Netherlands, Greece, Malaysia and Egypt.

Teleperformance Greece organizes Greek culture days for all new foreign employees, and provides assistance to help them set themselves up in their new country.

2.4 A MAJOR SOCIAL COMMITMENT

Sharing the economic value it has created is an important principle adopted by Teleperformance. The Group is committed to ensuring that this economic value also benefits society, by examining its overall needs and challenges. Teleperformance is committed to seeing social progress alongside its own success.

2.4.1 Driving innovation and development through streamlined information distribution

The heart of the Group's business lies in quickly and accurately responding to consumers and citizens in need of information, contacts or solutions to their day-to-day problems. Teleperformance serves a broad spectrum of customers in this sector, handling more than 1.5 billion interactions every year worldwide. "Each interaction matters" for Teleperformance. This catchphrase reflects the importance it places on excellence in its line of business, which is the cornerstone of its success.

Teleperformance is a major player in the provision of innovative, multilingual solutions in local communities. This mission contributes to the social, economic and cultural development of Teleperformance's various markets.

Consumers' and citizens' needs are often largely ignored or unfulfilled by the different internal structures in place at large companies. Teleperformance's goal is to streamline its relationship with customers, citizens, brands and governments, despite processes that are becoming increasingly complex. Consequently, the Group has a role to play in informing and educating the broader public about processes and functions that require human assistance. This can be easily understood when it comes to technical support for everyday devices and digital services. Teleperformance is thus working with more and more global brands and social networks looking to moderate their users' online publications.

The ability to effectively and rapidly distribute reliable, verified information to a large multilingual customer base is one of the Group's fundamental qualities, making it an effective vehicle for distributing, developing and spreading innovation.

2.4.2 End-user satisfaction is one of the Group's key priorities

Consumer satisfaction is the key focus of the Group's business. In order to effectively track this, Teleperformance has developed a set of tools and processes that help measure performance.

The Group's main clients complete regular, standardized satisfaction questionnaires, which are processed by specific and dedicated teams. Results are monitored quarterly on a global scale according to customer or geographical area and, if necessary, corrective actions are taken. Each team's focus on quality and progress has resulted in real dedication to their customers. This dedication and understanding of real-world expectations are essential to delivering excellent service.

2.4.3 Measures in favor of regional and community development

Diversity and inclusion are integral values at Teleperformance. The Group aims to work with partners who share these values, in order to effect positive and significant change within local communities.

2.4.3.1 A strong foothold in regions and communities

Site location strategy

The choice of the Group's site locations is primarily based on an employment area approach. The business relies on a considerably large headcount. It is vital that the Group has suitable candidates nearby. Sites are therefore mainly located:

- in areas that are easy to access *via* a large public transport network; while proximity to an airport is also a priority for the centers dedicated to offshore business;
- near universities, in order to facilitate the recruitment of suitable candidates and multilingual personnel;
- in regions where the unemployment rate is high.

An important local employer

The Group is generally considered a major employer in most of its operating regions.

Teleperformance Philippines, which employs over 38,000 people operating from 24 centers spread across the country, is even the second largest private-sector employer in the Philippines. Therefore, Teleperformance’s impact on the local economy and employment market is considerable, especially in Manila where the Group operates from 18 centers.

For example, the economic and social impact of the three sites located in Tucuman, in Argentina, is substantial. With some 4,000 employees, the Group is one of the five main employment providers in the region.

On a smaller scale, the Group's presence in smaller towns outside large cities has a significant impact on the local economy: in Newry in Northern Ireland, Teleperformance employs over 900 people and is considered one of the town's leading employers for some 30,000 inhabitants.

Employment partnerships with local players

Teleperformance works in partnership with government employment agencies and schools on a regular basis.

Examples of major initiatives in place

Types of partners	Country	Partners	Examples of initiatives
Government agencies	Philippines	Technical Education and Skills Development Authority (TESDA); Department of Labor and Employment (DOLE); Public Employment Service Office (PESO)	Participation in training and skills validation programs in partnership with local authorities.
	Argentina	Employment agencies in the province of Tucuman	Candidates are put in contact with Teleperformance by employment agencies, and undergo the usual hiring and selection processes. If hired, the state covers a portion of their salary for a certain period of time.
	El Salvador	Ministry of Labor and Social Security	Development of educational programs aiming to help young people acquire and cultivate the skills they need to kick-start their careers.
Educational institutions	France	Nouvelle Aquitaine Region	Teleperformance provides training and sits on accredited prior learning panels for Baccalaureate and Bachelor's degrees.
	Morocco	Institut français du Maroc; the National Agency for the Promotion of Employment and Skills (ANAPEC)	Teleperformance provides introductory training to applicants having previously failed a recruitment test due to their lack of French language skills; once they've completed a three month course, they can then apply again.
	Northern Ireland	Young Enterprise Northern Ireland (charity aiming to encourage young people's goals and entrepreneurial skills)	For a number of years, a group of around fifteen volunteers at the Enniskillen site in Northern Ireland have given presentations on the world of work to students at a dozen primary and secondary schools.

In addition, most subsidiaries receive interns or students under apprenticeship and professional qualification contracts.

Combating tax avoidance

The Group believes that combating tax avoidance and paying taxes are actions that show support for regions and communities.

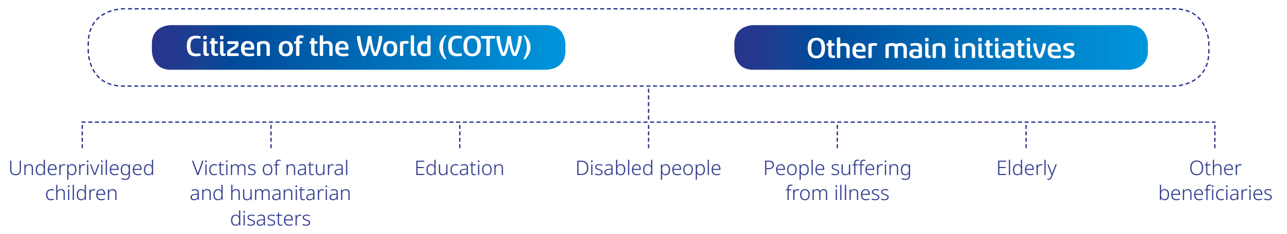
Through its subsidiaries, the Group pays taxes owing in all of the countries where it operates. It complies with applicable legislation that, in addition to the payment of taxes, requires the relevant tax returns to be submitted. It does not have nor makes use of any specific policy that would enable it to avoid paying tax, for example by way of complex arrangements. The current tax rate of 28% in 2018, as set out in Note 5 *Income tax* of section 5.6 *Notes to the consolidated financial statements*.

2.4.3.2 Charity and mutual assistance

In addition to emergency operations aimed at providing financial and material assistance to victims of natural or humanitarian disasters, the Teleperformance Group and its subsidiaries regularly support humanitarian initiatives on a local or national scale.

The diagram below shows the Group's main fields of action in terms of assistance and charity. Each of them is presented in more detail in the sections that follow.

Primary beneficiaries of the Group's main assistance and charity initiatives



Citizen of the World

Founded in 2006, the Citizen of the World (COTW) initiative initially aimed to help meet the most basic needs of the world's most at-risk children. Since then, the program's scope of influence has gradually been extended to other beneficiaries, for example in response to natural or humanitarian disasters all over the world, and education. COTW is part of Teleperformance's Corporate Social Responsibility efforts, which reinforce its commitment to take care of the community and help those in need. The Group encourages its employees to actively participate in these initiatives.

At each Teleperformance subsidiary, one or more COTW Ambassadors are appointed by the CEO. The Ambassadors' main responsibilities are to plan and carry out philanthropic activities, leveraging ties with local NGOs and associations, and encouraging employees to get involved in their communities and make a difference through global and local COTW actions.

All charities are selected at local level, following Group due diligence guidelines, ensuring that the charity is legitimate and operates ethically. Receipts of donations made to registered charities are to be signed and reported to both the local CFO and the Group through an online tracking tool on the 10th of every month, along with the description of the campaign, its main objectives and the nature of the in-kind donations.

In order to ramp-up and unify its efforts, the Group organizes monthly COTW meetings, where internal and external best practices are shared, as well as ad hoc trainings on specific topics, policies and procedures.

Main ongoing COTW program initiatives

Initiatives	Description
Participation in international days	Zero Discrimination Day, International Women's Day, Earth Hour, International Peace Day, World Habitat Day and Human Rights Day.
Clothing/Food Drive	Organization of events and activities to raise money and collect non-perishable food and clothing items to supply local families and children in need. Employees are encouraged to get involved in their local campaigns by volunteering in the collection and distribution process.
Health drive	Cash drives for medicines, toiletries and hygiene kits, as well as other essential healthcare items. With the belief that health equals wealth, the goal is to help ill and disabled children around the world by partnering with organizations that provide medical care.
School drive	Collection of school supplies for children in need returning to school, helping them access quality education.
Holiday drive	Collection of toys and encouraging donations to local selected charities bringing joy to children and families in need during the end-of-year holiday period. This initiative aims to give back to the less fortunate in our communities by spreading holiday cheer all around the world.

As part of the Citizen of the World program, in 2018 Teleperformance collected from its employees the equivalent of 5.5 million US dollars in cash and kind, as well as over 600 computers, exceeding targets.

Aid for victims of natural and humanitarian disasters

Teleperformance encourages its employees to get involved in supporting victims of natural and humanitarian disasters. Over the last 12 years, Group employees volunteered 517,331 hours of their time – including 85,374 hours in 2018 alone, in order to help those in need and victims of natural disasters.

Main actions to support victims in 2018

Natural or humanitarian disaster	Support provided by Teleperformance
Hurricanes Michael and Florence in the USA	Teleperformance USA provided essential supplies to affected populations.
Flooding in the Nabeul region in Tunisia	Partnership with the Red Crescent for a clothing and blanket drive for victims.
Fires in Algarve in Portugal	Employees were invited to participate in a bike riding challenge: for every kilometer tallied by employees on an exercise bike, Teleperformance provided one kilo of food; 500 kg of food was offered to the families affected.
Summer fires in Attica in Greece	Collection of essential items.
Refugees	Employees at Teleperformance UK offer their support to female refugees who are the sole caregiver for their children.

Aid to the elderly

Subsidiaries regularly partner with local or national charities that support the elderly.

Programs supported	Country	Actions
Fondation Hôpitaux de Paris-Hôpitaux de France	France	As part of the "Plus de Vie" (literally, "more life") fundraiser for hospitalized elderly people, Teleperformance France provides four of its customer relations centers free of charge to register donation pledges from individuals. This major charity campaign will finance a large number of projects aimed at combating pain, encouraging family reunions and improving the reception and comfort of elderly people.
Consiente abuelitos	Colombia	Provision of sanitary products to elderly people in need by volunteer workers.

Aid for underprivileged children

Teleperformance's commitment, in coordination with local associations and organizations, takes various forms, such as visiting and organizing activities at orphanages and pediatric hospitals, collecting toys, clothing and school accessories, etc.

Amongst the various initiatives carried out in 2018, Group subsidiaries organized or helped hand out food, clothing, and toys at a center for women and children escaping domestic violence in Albania. They are also involved in a tuberculosis prevention program, handing out multivitamins and food supplements to children with deficiencies, in partnership with the Red Cross in Russia.

Actions in support of disabled people

A large number of local initiatives are organized by the subsidiaries to help disabled people.

For example, in partnership with *Emel Tounès*, the Group's Tunisian subsidiary is an ongoing partner to the "Un bouchon, un sourire" association, which organizes the recycling of used plastic caps. The resale of the recycled material helps fund projects for people with disabilities. In Greece, a similar project helps children who are victims of traffic accidents by paying for wheelchairs. In Spain, Teleperformance works with *Caps for a new life*, which finances orthopedic equipment not covered by social security for children from low-income families.

Actions to support those suffering from illness

Teleperformance also provides assistance to people suffering from illness. In 2018, the following initiatives were carried out:

- in partnership with the *Juegaterapia* foundation, volunteers at the Madrid site in Spain helped organize a party and games for hospitalized children;
- Teleperformance UK continued its partnership with the Teenage Cancer Trust, a foundation that provides assistance and support to teenagers suffering from cancer.

Other charitable initiatives

Other local initiatives are organized for communities in need. Some of the various programs implemented worldwide in 2018 include:

- Teleperformance India organized clothing distribution to people living in slums;
- during the month of Ramadan, Teleperformance Tunisia coordinated collections of food and clothing for three humanitarian organizations: SOS Villages d'enfants, DARNA and Red Crescent;

lastly, there are a large number of social responsibility programs aimed at assisting local communities. Computers that no longer serve a professional purpose are donated to local charities. In 2018, one of the US subsidiaries donated some 300 computers to an association working for the homeless.

External training

Many of the Group's Latin-American subsidiaries have signed agreements with local universities in cities where Teleperformance operates. These agreements enable Teleperformance employees to enjoy discounted tuition fees.

In Mexico, agreements have been signed with 34 universities and institutes of technology, in cities where Teleperformance is based. Teleperformance employees are entitled to tuition fee discounts of 20-70%.

2.4.4 Fair practices and data protection

Teleperformance is deeply committed to fair practices, which must guarantee integrity and honesty between Teleperformance, its stakeholders, and its direct and indirect customers. Fair practices are essential components of an effective and comprehensive CSR policy.

2.4.4.1 Fair trade practices

Commitments to ethical business practices

The United Nations Global Compact

A signatory to the United Nations Global Compact since 2011, Teleperformance is committed to upholding and promoting the ten fundamental principles of the Global Compact relating to human rights, working conditions, the environment and anti-corruption (cf. section 2.2.2 *CSR goals and key risks*).

Teleperformance Values

The Teleperformance Group's business ethics commitments are based on its five core values: Integrity, Respect, Professionalism, Innovation and Commitment. These values underpin the Group's strategy and reflect Teleperformance's firm commitment to fair business practices in compliance with applicable laws and regulations.

Teleperformance Code of Ethics

Established in 2013, the Teleperformance Code of Ethics defines the rules, attitudes, actions and behavior expected and adopted by the Group, its directors and employees vis-à-vis all stakeholders (employees, service providers, suppliers, clients, customers, shareholders and other external partners including the media and public bodies). It sets out the general ethical principles incumbent on all Group employees, whatever their status or duties. The Code draws on the Group's values as well as referring to international standards such as the principles of the United Nations Global Compact. It is in keeping with the Group's firm and unflagging commitment to act as a responsible, human and morally irreproachable corporate citizen. It fulfills the regulatory and statutory requirements applicable to the Group's operations and should be read, in particular, in conjunction with the anti-corruption Code of Conduct (see hereafter). Compliance with these Code is a condition for membership in the Teleperformance Group, whose reputation is based on the fair practices and relationships that the Group builds with all of its partners and stakeholders, both internal and external.

The complete text of the Code of Ethics may be viewed on the Group website (https://www.teleperformance.com/en-us/codes-and-policies/code-of-ethics).

Anti-corruption measures

Managing corruption risk

Anti-corruption measures form part of the Group Global Compliance Framework, which the Group has updated significantly during 2018. The Teleperformance Group recognizes the importance of establishing rules and standards designed to prevent exposure of the Group to risks of corruption and influence peddling. These rules and standards help to safeguard the Group's reputation and maintain the trust of its partners and stakeholders, both internal and external. The Group's anti-corruption policy is based on the United Nations Global Compact principles and on compliance with local legislation and regulations prohibiting corruption. It is designed to foster employee awareness of the rules of proper conduct, particularly with regard to relationships with third parties.

In 2016, the Group set up a Compliance Department, thereby confirming its increased vigilance and the strengthening of anti-corruption practices, as well as establishing an identifiable authority on these matters for all Group subsidiaries.

In 2018, after review by the Audit and Compliance Committee and approval by the Board of Directors, Teleperformance strengthened these measures and set up a system aimed at reinforcing Group-wide anti-corruption measures. Notable features of this system include a corruption risk map and a specific anti-corruption Code of Conduct, and the Global Ethics Hotline Policy currently being implemented across the Group.

Measures taken to prevent corruption

Eliminating corruption is one the commitments made by the Group towards its employees, clients, customers and partners. The Group has adopted a "zero tolerance" principle. The Teleperformance Code of Conduct states that "at Teleperformance, all acts of corruption, bribery and extortion in any form are strictly forbidden."

As part of its continuous improvement process, the Group continued to formally record anti-corruption procedures in 2018. The main initiatives, placed under the supervision of the Deputy Chief Executive Officer and the Group Chief Legal and Compliance Officer are:

- corruption risk mapping, which aims to identify, analyze and manage the risks inherent to the Group's business activity and geographical exposure. The methodology is mainly based on interviews conducted with operating managers in the subsidiaries and in "support" functions, covering questions relating to the relevant business activities and internal and external stakeholders;
- publication of the Code of Conduct, which may be viewed on the Group website (www.teleperformance.com) and which reaffirms the Group's commitments to combating corruption and influence peddling, as well as other behavior related to business ethics and fair practices (regarding gifts, donations, conflicts of interest, etc.). Designed to serve as a practical guide, it defines the rules that each employee must follow and the behavior to be avoided, as well as providing a contact for questions. It also provides for disciplinary measures to be taken, in accordance with local statutory and regulatory provisions, for prohibited or non-compliant behavior;
- creation of a guide setting out internal procedures introduced to prevent risks of corruption;
- implementation of "due diligence" measures to reinforce the Group's vigilance regarding the integrity of third parties with which it deals (clients, customers, suppliers, intermediaries, subcontractors, etc.);
- update of the anti-corruption e-learning module for Group employees;
- implementation of the Global Ethics Hotline Policy, a whistleblowing system placed under the responsibility of the Worldwide Chief Legal Officer and Chief Compliance Officer which is currently being implemented for all Group employees. The hotline is designed to enable employees to report behavior or events that may constitute acts of corruption that could seriously harm the Group's business or reputation or cause it to incur liability. Alerts submitted *via* this system are treated confidentially. Where applicable, the hotline works in tandem with other existing whistleblowing channels in accordance with applicable local legislation.

Governance of the system has been placed under the responsibility of the Group Deputy Chief Executive Officer and the Legal and Compliance Departments. The procedures are rolled out with the help of designated personnel in the relevant operational departments and the compliance officers appointed at the subsidiary level. The Audit and Compliance Committee oversees the system and ensures the effective implementation of its measures.

Suppliers and subcontractors

Teleperformance makes sure that its subcontractors and suppliers are committed to an ethical approach and that they respect the principles of its "Supplier Policy", which was first drawn up in 2015.

This policy forms part of the Group Global Compliance Framework and refers in particular to the provisions of the Code of Ethics and the anti-corruption Code of Conduct. It ensures the consistency of procurement processes, the continuous improvement of procurement practices and their understanding by all internal and external stakeholders (*e.g.* employees, decision-makers, suppliers and subcontractors).

The implementation of this policy has led to the creation of a more centralized "Procurement" function. With the support of the Group Executive Committee, the Procurement Department is responsible for ensuring that the procurement process adheres to and is consistent with the Group's values and the Group Global Compliance Framework at every step of the relationship.

In practice, the policy sets out the expectations and behaviors to be adopted by the Group and its employees as well as by suppliers and their employees. The policy provides for the assessment of major suppliers *via* questionnaires at least once every two years. The policy also contains provisions regarding confidentiality, compliance with statutory and regulatory provisions and values of integrity, and prevention of conflicts of interest.

In line with the Group's organizational structure, the Procurement Department is organized around the three management regions (Ibero-LATAM, EWAP, CEMEA) in Core Services and by business line in Specialized Services. Accordingly, each region or business line can implement specific measures in addition to Teleperformance's global recommendations under the supervision of a regional procurement director, who provides guidance to each subsidiary in its region regarding the measures to be taken in order to make allowance for local considerations.

In 2016, this Supplier Policy was reviewed by an independent auditor (Verego) as part of the social responsibility certification process.

Teleperformance Group's Supplier Policy may be viewed on the website (www.teleperformance.com).

Teleperformance purchases mainly computer hardware and software, telecommunications services, and property and services related to its contact centers. Furthermore, Teleperformance makes very limited use of outsourcing. The Core Services operations (customer relations) are not outsourced.

Code of Conduct regarding transactions on securities

Teleperformance has introduced a Code of Conduct relating to transactions on securities pursuant to the recommendations of the *Autorité des marchés financiers* (French Financial Markets Authority) guide on prevention of insider misconduct in listed companies. The guide applies primarily to Group senior management and members of the Board of directors. The procedures in place are described in section 3.3.3.1 – *Code of Conduct relating to securities transactions*.

Measures taken to promote consumer health and safety

The operation of the Group's business typically entails limited risk of harm to consumers' health or physical safety.

2.4.4.2 Personal data protection and security

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

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

In 2015, the Group implemented worldwide 14 innovative security rules called the Global Essential Compliance and Security Policies (GECSP), designed to identify potential risks of fraud or breach of security rules and standards. They relate to the following thematic:

1. *Security data analytics policy*
2. *Clean desk policy*
3. *Infrastructure hardening policy*
4. *Fraud hotline reward & security awareness policy*
5. *Security and fraud communication policy*

6. *Facility access control policy*
7. *Contractual compliance policy*
8. *Security awareness training policy*
9. *Security guard post orders policy*
10. *ID badge policy*
11. *Login provisioning and de- provisioning policy*
12. *Risk discovery and fraud prevention policy*
13. *Social media confidentiality policy*
14. *Employee confidentiality policy*

The "closed circuit" personal data protection framework is strengthened by a compliance audit function (see section 1.2.1.1 *Risks relating to data security and protection*) and is based on proprietary technology designed to:

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

These standards are the result of the fact that the digital transformation that is happening around the world now brings with its new challenges in the area of fraud or data leakage risk.

In 2016, the Group embarked on furthering our stance on protection of data as the EU approved the new GDPR (General Data Protection Regulation) that would go into effect on May 25th, 2018. An important global project was launched to ensure Teleperformance would be ready and compliant with the regulation as the GDPR went into effect on May 25th, 2018.

Also, Teleperformance understood its obligations to its clients and its own people in both the protection and transfer of sensitive data collected and interact with on a daily basis. With this, Teleperformance sets out to obtain Binding Corporate Rules (BCR's) from the EU. BCR's are a legal framework that allows Teleperformance to transfer data within and outside of the EU safely and securely. Teleperformance is the only global BPO company to have obtained BCRs as both a Data Controller and Data Processor.

The Group received notification form the *Commission Nationale de l'Informatique et des Libertés* (The CNIL – French data protection authority), on behalf of the European Union, in February 2018 that Teleperformance's BCRs had been approved for the BCR's.

Also in 2018 Teleperformance created the Global Privacy Office. It is this office, headed by our Chief Privacy Officer, that is responsible for the management of our global privacy program. The Privacy Office also proactively monitors global changes to privacy regulations in all major geographies of the world in which the company both operate from, service clients from or service data subjects.

2.5 PROMOTING TELEPERFORMANCE'S ENVIRONMENTAL RESPONSIBILITY

The Group's main environmental objectives at all of its subsidiaries include reducing energy consumption, limiting packaging and paper waste and cutting back on travel (both air and road transport).

2.5.1 Citizen of the Planet (COTP)

Teleperformance's business activities inherently give rise to very little pollution. Nevertheless, Teleperformance is aware of the responsibility incumbent on each citizen and aims to minimize the negative impact of its activity on the environment by acting in a sustainable way, so as to ensure that future generations can meet their own needs.

The Citizen of the Planet (COTP) program was launched 10 years ago and aims to ensure that Teleperformance operates in an environmentally friendly and responsible manner.

Teleperformance is committed to raising individual environmental awareness, and so encourages its employees to apply a set of environmentally friendly principles to all aspects of their professional and personal life.

The welcome guide given to newly employed agents includes a chapter dedicated to environmental protection. It offers new employees useful advice and information, encouraging them to participate in the various Citizen of the Planet local initiatives.

Every employee is made aware of environmentally friendly practices and initiatives on a daily basis *via* poster campaigns aimed at reducing water consumption, and using electronic signatures to cut down on paper waste and reduce negative environmental impacts, etc. Many subsidiaries regularly circulate the site's energy and water consumption statistics and their evolving carbon footprint, to increase employees' environmental awareness.

The Social and Environmental Responsibility Committee determines the overall environmental policy and checks that the resources are appropriate for achieving the targets set. Meanwhile, the directors of each subsidiary are responsible for implementing and monitoring environmental policy at local level. Citizen of the Planet coordinators at each facility are responsible for reporting environmental information, which is forwarded to the head office *via* monthly reports.

Several subsidiaries have decided to formalize their efforts in this area by instigating procedures to obtain internationally recognized certification:

Certification	Description	Results
ISO 14001	Introduced in 1996 by the International Organization for Standardization (ISO), this standard is based on the principle of continuous improvement of environmental performance through limitation of the Company's carbon footprint.	The Istanbul site in Turkey, as well as our Ashby-de-la-Zouch site in the United Kingdom, have obtained ISO 14001 certification. The remaining UK sites will adopt the recommended environmental standards and procedures as soon as possible.
LEED certification (Leadership in Energy and Environmental Design)	LEED certified buildings are designed to enable reductions in energy consumption, CO_2 emissions, water consumption and generation of solid waste.	The Glasgow site in Scotland, Cebu IT Park in the Philippines, Beijing and Foshan in China and three sites in Colombia have obtained LEED certification.
HQE (high environmental quality) certification for commercial buildings	This standard aims to ensure that environmental concerns are taken into account during the commercial use of buildings.	The building in which Teleperformance France is located received the French "NF HQE" high environmental quality certification for occupied commercial buildings for its impact on the environment and its energy consumption.

2.5.2 Reducing the Group's carbon footprint

Given its locations, the Group has relatively limited exposure to climate change risks.

Its business does not generate material direct emissions into the atmosphere, water or ground and does not create any particular noise disturbance for the local community. The Group's business has no material direct impact on biodiversity.

However, Teleperformance strives to support the circular economy:

- by prioritizing the use of recycled paper;
- by providing employees with used battery and ink cartridge collecting bins;
- by installing metal can and plastic goblet collectors in break rooms and cafeterias;
- locally, Teleperformance has developed and encourages a wide range of initiatives aimed at raising global awareness amongst employees about their impact on the environment.

At constant consolidation scope, the carbon footprint per Teleperformance employee fell 7.7% between 2017 and 2018; it represents 0.712 tonnes per employee in 2018 *versus* 0.772 tonnes in 2017. This reduction is mainly due to the decrease in electricity consumption per employee. In 2018, the target set in 2015 to reduce each employee's carbon footprint was achieved.

The Group's carbon footprint in terms of emission sources taken into account came to 160,319 tons in 2018.

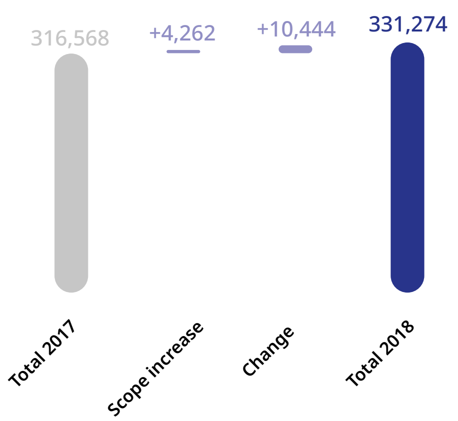
As reported, a 2.2% increase in the Group's overall carbon footprint compared to the previous year (156,919 tons in 2017) was recorded. This is primarily due to the increase in staff.

In 2018, energy, water and paper consumption and air travel all increased. This is also due to the increase in the Group's total headcount, resulting from the Group's strong growth.

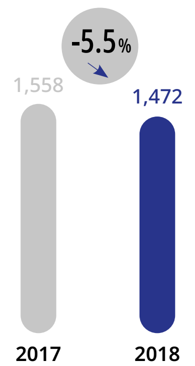
For the purposes of comparison, the amounts of consumption reported below are presented both in total and at constant headcount per employee (full-time equivalent).

2.5.2.1 Energy consumption

Electricity (in MWh)



Energy consumption per employee (kWh per employee)



Energy consumption in 2018 amounted to 331,274,449 kWh compared to 316,567,896 kWh in 2017.

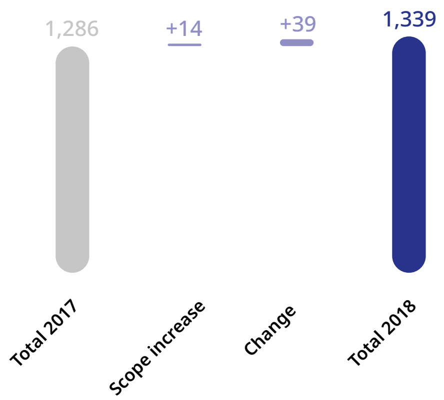
Energy consumption per employee fell 5.5% to 1,472 kWh in 2018 from 1,558 kWh in 2017.

Teleperformance is constantly refining its energy efficiency through measures such as the widespread use of low-energy light bulbs, the installation of motion detectors, brightness detectors, timers and the optimization of air conditioning systems.

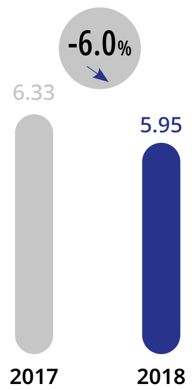
The Group uses renewable energies as part of its energy mix: a portion of the electricity supplied by current providers is derived from renewable energy (wind farms and solar power in particular), depending on the region.

2.5.2.2 Water consumption

Water (in thousands of m³)



Water consumption per employee (m³ per employee)



Water consumption in 2018 amounted to 1,338,931 m^3 compared to 1,285,691 m^3 in 2017.

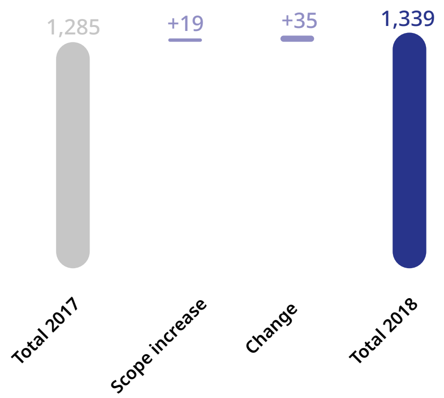
At constant headcount, water consumption per employee is down 6.0%: 5.95 m^3 per employee in 2018 *versus* 6.33 m^3 in 2017.

In 2018, several subsidiaries carried out works to reduce their water consumption, such as the installation of automatic mixer faucets in Greece.

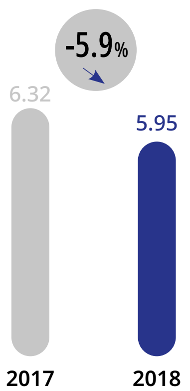
Awareness-raising initiatives amongst employees were launched, such as posters encouraging them not to waste water, and the publication of the local energy use and consumption report.

2.5.2.3 Paper consumption

Paper (in tons)



Paper consumption per employee (in Kg per employee)



Paper consumption in 2018 came to 1,339 tons, compared to 1,285 tons in 2017.

At constant headcount, paper consumption per employee fell 5.9% from 6.32 kg per employee in 2017 to 5.95 kg in 2018.

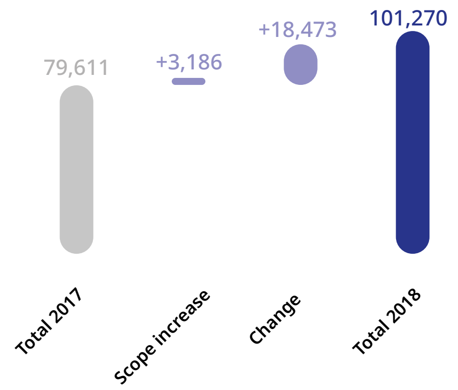
This decrease in paper consumption per employee is particularly marked in the CEMEA region (down 13.9%). This is the result of a series of measures, including reducing the number of individual printers, growing use of tablets, double-sided printing, electronic signatures for Group employees, in order to avoid unnecessary printing and thus minimize each employee's carbon footprint, and global use of digital documentation.

Certain initiatives at subsidiaries have been rolled out on a broader scale. For example, online payslips, adopted by the Portuguese subsidiary in 2007, have been gradually adopted by the rest of the Group. In 2018, around 90% of employees received their payslips online.

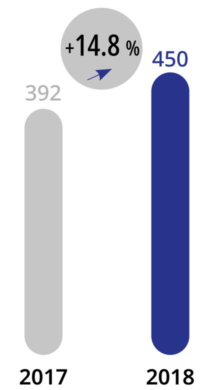
2.5.2.4 Travel

Air travel

Air travel (thousands of km)



Air travel per employee (in Km per employee)



Air travel in 2018 amounted to 101,269,765 km, up from 79,611,371 km in 2017.

450 km per employee was recorded in 2018, compared to 392 km in 2017, an increase of 14.8%.

This increase mainly results from an increase in employee travel in the EWAP region, which represents half of the Group's air travel. It is the result of a strengthening of the data security policy, which has led to multiple trips by US experts to Philippine subsidiaries.

The travel monitoring policy rolled out in early 2018 in the Ibero-LATAM region resulted in a 7% decrease in air travel, despite a 9% increase in staff.

In order to reduce travel and shrink its carbon footprint, the Group has been encouraging the use of video-conferencing and Internet phone calls by employees wherever possible. Otherwise, trains are preferred to air travel.

Promotion of public transport

Most Group facilities are located in areas that are easily accessible by public transport. Where this is not the case, or simply to encourage employees to avoid using their personal vehicles, contracts with private transportation companies can be implemented.

For example, a system of regular shuttle buses has been made available at no charge to employees at all of the centers in North Africa, the Philippines and Jamaica, as well as centers in Gurgaon in India, Xi'an in China, Usak and Balikesir in Turkey, Cairo in Egypt, and Água Branca and Lapa in Brazil. These buses are widely used: nearly nine out of ten employees at the six Moroccan sites benefit from the 144 shuttles at their disposal, as well as 400 employees at the Xian site in China.

Free shuttle and taxi services exist in other regions on a more selective basis, mostly for employees working outside normal hours, for example in El Salvador, Mexico and Russia, or for those residing in remote or dangerous areas.

In the absence of or in addition to shuttle buses organized by the subsidiary, some subsidiaries subsidize all or part of their employees' public transport season tickets.

Promotion of “green” transport

Teleperformance and its subsidiaries encourage their employees to use the greenest forms of transport possible.

The primary initiative is to promote the use of bicycles. Cycling to work is particularly suited to sites located in downtown areas, and several campaigns have been set up to encourage employees to prioritize using their bicycles, especially when traveling to and from work.

Examples of initiatives encourage bike riding:

Country	Initiatives
Colombia	Employees can borrow bicycles for free from a partner rental firm located on Company premises.
Albania	Teleperformance has sponsored the building of 26 bike sheds throughout the city of Durres with capacity for 520 bicycles.
Brazil	Inter-site purchases are carried out by a company that makes deliveries by bicycle.

In addition to these initiatives, the Group encourages the use of less harmful fuels. In India for example, employee shuttles run on natural gas.

Promotion of car-sharing

Car-sharing is included in our Group recommendations regarding site layout.

Ride-sharing is sometimes organized by Teleperformance, for example in Mexico. It is widely encouraged *via* posters displayed in break rooms, ads on the Company intranet and by means of special reserved parking spaces.

2.5.2.5 Business-specific recycling

The need to be at the cutting edge of technological innovations requires us to frequently renew our installed IT and telephone base, a key resource in the Group's business sector.

Teleperformance is committed to recycling this equipment once it is no longer fit for professional use.

Accordingly, Teleperformance's approach to recycling obsolete equipment combines ethical and environmental concerns.

Equipment	Measures in place	Action taken
Computers/Phones	**1.** disposal of sensitive material/equipment according to specific standards and charters **2.** donation to nurseries, schools and community-oriented NGOs.	In 2018, around 2,700 computers were recycled for sustainable disposal and 600 were donated throughout the world.
Paper	Double-sided printing is applied systematically and preference is given to purchasing recycled paper. Most subsidiaries recycle paper by installing special containers for this purpose in each department. Used paper is recovered for recycling by a third party, often in conjunction with local charitable programs.	In the Philippines, the proceeds from paper recycling are donated to the Kythe Foundation, a local NGO working for hospitalized children, to pay electricity bills.

Given the sensitive data that they may contain, all computers are wiped clean before leaving the Company. In some locations, such as the United States, hard drives are systematically removed and destroyed.

2.6 A RECOGNIZED CSR POLICY

The Group's CSR approach contributes to creating and fostering trusting and long-term relationships with each of its stakeholders, especially employees, customers and suppliers, while respecting the local cultures and customs in the countries where Teleperformance operates. Priority initiatives, which are at the heart of the Group's business, are a source of motivation for employees and are designed to improve the Company's social, societal and environmental impact, as well as its financial performance.

Teleperformance strives to exceed every one of its social responsibility objectives, through its programs to assist people in need and its contribution to environmental protection. Assessed by numerous non-financial ratings agencies and included on Socially Responsible Investment (SRI) indexes, Teleperformance's track record in terms of CSR is gaining recognition.

In 2018, Teleperformance was ranked among the top five global performers in the Business Support Services study published by Vigeo.

2.6.1 Certification

2.6.1.1 Verego SRS

In 2018, for the fourth year running, Teleperformance was awarded Verego *Social Responsibility Standard* certification, the most prestigious award in the area of corporate social responsibility, for all of its facilities worldwide. This enterprise-wide certification was renewed in early 2019.

Created in 2010, the Verego SRS assessment systems define a set of core social responsibility requirements designed to serve as a framework for organizations wishing to establish and manage their own social responsibility programs and objectives.

Teleperformance received certification in all five Verego SRS areas: Leadership, Ethics, People, Community and Environment. Performance is assessed according to specific criteria in each of the five certification areas.

Verego certifications reflect Teleperformance's drive to exceed every one of its social responsibility objectives, through its programs to assist people in need and its contribution to environmental protection.

2.6.1.2 Eco Vadis

In 2018, EcoVadis, a collaborative platform for rating the social and environmental performance of global supply chains, once again awarded two medals to a number of Teleperformance subsidiaries:

- Gold medal – Teleperformance France;
- Silver medal – Teleperformance Nordic (*i.e.* Sweden, Norway, Denmark and Finland).

These awards are based on online analyses covering a broad range of issues, which were completed for Teleperformance France in February 2019 and Teleperformance Nordic in September 2018.

EcoVadis assessment covers the environment, labor practices, human rights, business ethics and responsible procurement.

These two EcoVadis awards are proof of the structured, proactive CSR approach and effective policies and measures on crucial issues applied by the Company.

They amount to recognition, on the part an independent appraiser, of the excellence of Teleperformance's CSR policy, the continuous improvement of its performance and its standing as a reliable long-term partner.

2.6.2 Non-financial rating

The Group places great importance on its non-financial ratings and, through the quality and transparency of the data it supplies, aims to obtain ratings that reflect its CSR initiatives as accurately as possible.

Teleperformance is actively involved with three established and recognized non-financial rating agencies: MSCI, Sustainalytics and Vigeo. Through regular reviews, these agencies encourage the Group to improve and better understand the changing requirements. Teleperformance has received the following ratings from these three agencies:

Rating agency	2018 rating	Change
MSCI	AA	Stable since July 2014
Sustainalytics	68/100	Up from 67/100 in 2017

Teleperformance also receives a rating from Vigeo; this rating has improved each year since 2010.

2.6.3 ESG stock market indexes

The Teleperformance share is included in the following ESG indexes:

- Euronext *Vigeo Eurozone* 120 since December 2015, which selects the 120 leading companies in terms of CSR in the eurozone;
- international *FTSE4Good* index since June 2018, which identifies socially responsible companies that comply with environmental, social and governance criteria.

2.7 METHODOLOGY

Pursuant to the provisions of Articles L. 225-102-1 and R. 225-105-1 of the French Commercial Code, the Group must provide information on the measures that have been adopted with regard to the social and environmental consequences of its activity.

The Group has been committed to this endeavor for 12 years: in 2006 it initiated and piloted Citizen of the World, a program of charitable, humanitarian and collective welfare action plans, and in 2008 it launched an environmental program named Citizen of the Planet.

By adhering to the United Nations Global Compact in July 2011, Teleperformance was confirming its intent to position itself as a responsible corporate citizen, thereby undertaking to abide by the charter of values drawn up by the United Nations. Every year since then the Group has renewed its commitment, publishing the three elements of the “Communication on Progress” on its website:

- statement signed by the Chief Executive expressing continued support for the Global Compact;
- detailed description of improvement measures implemented in each issue area and the procedures employed;
- quantitative measurement of outcomes obtained or expected.

Teleperformance's business is not industrial and does not generate any significant air, water or ground pollution; the Group does not manufacture transformed products nor consume raw materials.

Given the tertiary nature of the Group’s business as a service provider, the issues it faces with regard to social, labor and environmental responsibility are essentially human.

Consequently, the Group has decided that this section on the Group’s non-financial performance should focus on the human aspects: employees and stakeholders, the territorial and social impact of its activities, and actions in favor of communities and regional development, etc.

The issues listed below have not been dealt with, as they are considered irrelevant at Group level in view of the fact that our activity consists of the provision of services:

- resources dedicated to preventing environmental risks and pollution;
- the amount of provisions and guarantees for environmental risks;
- land use;
- measures implemented to preserve or promote biodiversity;
- prevention, reduction or compensation measures regarding air, water and ground pollution seriously affecting the environment;
- measures related to noise pollution and any other form of pollution specific to a business activity;
- animal wellfare;
- food waste;
- responsible, fair and sustainable food.

2.7.1 Scope and collection of information

Data reported by the subsidiaries is verified internally to ensure consistency. It is then audited by KPMG's CSR specialists.

Data	Collection and monitoring	Period	Change in scope
Quantitative staff information	This data is gathered using the Group's reporting and consolidation tool This data is monitored by the Reporting and Consolidation Department, mainly via consistency checks and a comparative analysis with the previous year.	The data is valid as of December 31st, 2018.	It covers 100% of the headcount, for all subsidiaries in the consolidation scope (see note 13. in the Notes to the Consolidated Financial Statements). Data related to training, absenteism and workplace accidents excludes Intelenet that represents 19% of the total headcount.
Quantitative environmental information	This data is gathered via monthly reporting. This data is checked by the Reporting and Consolidation Department, which collects the supporting documents and performs consistency checks and a comparative analysis with the previous year.	For a given year N, the period covered runs from October 1st, year N-1 to September 30th, year N.	The scope of the published information for the reference period covers 88% of Group revenues, except in the case of water consumption, for which some subsidiaries (Argentina, France, Australia, United Arab Emirates, Switzerland, Sweden, Norway, Denmark and almost half of the centers in the United States) either lack the information to date or are unable to obtain it, given that water consumption is not itemized separately under rental charges. Accordingly, water consumption data covers only 80% of Group revenue.
Qualitative information	This data is gathered *via* a specific questionnaire sent to the biggest subsidiaries' finance departments. This data is checked via a comparative analysis and collection of supporting documentation.	This data is valid as of December 31st, 2018.	Qualitative information was gathered from the Group's most representative subsidiaries, covering 91% of employees; Canada, Costa Rica and all of the TLS Contact and Praxidia sites have been excluded.

2.7.2 Main indicators

To guarantee the consistency of the information treported, guidelines were introduced and circulated to all Group subsidiaries. These guidelines specify the exact definitions and formulas to use when reporting quantitative information. In some cases, a given subsidiary may not monitor a requested indicator internally and therefore cannot provide the relevant information.

Further information on the indicators set out in this report are provided below:

Year-end headcount	The year-end headcount 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 headcount	The average headcount was calculated by dividing the number of hours scheduled for the year by the standard annual number of hours worked. The standard annual number of hours worked is specific to each country, depending on local regulations.
Training hours	The number of training hours indicated may have been slightly underestimated, given that some subsidiaries only count training hours offered to agents. However, given that agents account for around 84% of the headcount and are clearly the main beneficiaries of training, this difference is unlikely to be material.
Industrial accident frequency rate	Number of accidents resulting in time off work divided by the number of paid hours of production multiplied by one million. The number of industrial accidents does not include accidents that occurred during travel between home and work.
Rate of absenteeism	This is the number of hours related to unscheduled absences divided by the number of remunerated production hours and unscheduled absences (not remunerated). Scheduled absences (holiday, maternity leave, training, etc.) are excluded from the calculation. The rate of absenteeism only concerns agents.
Management	This encompasses all functions other than those of agents and supervisors.
Dismissals	These are positions eliminated by the employer for economic reasons or due to internal restructuring, or due to gross negligence or incompetence leading to dismissal at the employer's initiative.
Other departures	This includes departures due to termination of contract by mutual agreement, expiry of contract, resignation or the transfer of an employee to another Group entity.
Water consumption	Total annual mains water consumption in cubic meters.
Energy consumption	Total annual consumption in kilowatts. Emission factors are specific to each country and are taken from the International Energy Agency (IEA) website.
Paper consumption	Total annual paper consumption (printer and toilet paper) in tons. The following conversion factors were used: 1 ton of paper = 400 reams of A4 or 200,000 sheets. 1 ton = 2,200 rolls of toilet paper. The emission factor is 0.41 ton of CO_2 per ton of paper consumed (source: ADEME).
Air travel	Number of kilometers traveled. This is calculated by multiplying the total number of journeys made by the "average distance in kilometers per country" (the most frequent return flight in the subsidiary is taken as the benchmark) using the following website: http://www.carbonneutralcalculator.com/flightcalculator.aspx The Group uses the distance from Paris to London as the benchmark given that the sales staff, who are the most frequent travelers within the Group, mainly take domestic flights. The conversion factor for air travel is 0.18 kg of CO_2 per kilometer traveled. This is calculated by dividing the CO_2 emissions generated by the Paris-London trip (0.07 ton of CO_2) by the same distance (377 km).
Carbon footprint	Carbon footprint corresponds to greenhouse gas emissions related to energy and paper consumption and the number of air kilometers traveled.

2.8 REPORT BY THE INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED NON-FINANCIAL PERFORMANCE STATEMENT IN THE MANAGEMENT REPORT

For the year ended December 31st, 2018

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

To the Shareholders,

In our capacity as independent third party of Teleperformance SE, certified by the French Accreditation Committee (*Comité Français d'Accréditation* or COFRAC) under number 3-1049[(1)], and member firm of the KPMG International network, as one of your statutory auditors, we hereby report to you on the consolidated non-financial performance statement for the year ended December 31st, 2018 (hereinafter the "Statement"), included in the Group Management Report, in accordance with the legal and regulatory provisions of Articles L.225 102-1, R.225-105 and R.225-105-1 of the French Commercial Code (*code de commerce*).

Responsibility of the Company

It is the Management Board's responsibility to prepare a Statement in accordance with legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of policies applied to mitigate these risks and the outcomes of those policies, including key performance indicators.

The Statement has been prepared applying the procedures of the company (hereinafter the "Guidelines"), the most significant aspects of which are presented in the Statement (or available upon request at the company's headquarters).

Independence and quality control

Our independence is defined by the provisions of Article L.822-11-3 of the French Commercial Code and the French Code of Ethics (*code de déontologie*) for statutory auditors. Moreover, we have implemented a quality control system that includes documented policies and procedures to ensure compliance with applicable ethical rules, professional standards, laws and regulations.

Independent third party's responsibility

On the basis of our work, it is our responsibility to express a limited assurance opinion about whether:

- the Statement complies with the provisions of Article R.225-105 of the French Commercial Code;
- the information provided is fairly presented in accordance with Article R.225-105-I(3) and II of the French Commercial Code concerning policy outcomes, including key performance indicators and actions relating to the main risks (hereinafter the "Information");

However, it is not our responsibility to express an opinion on:

- the company's compliance with any other applicable legal and regulatory provisions, [relating, in particular, to the duty of care requirement and the fight against corruption and tax evasion];
- the compliance of products and services with applicable regulatory provisions.

Nature and scope of our work

We performed our work described below in compliance with Article A.225-1 et seq. of the French Commercial Code, defining the conditions under which the independent third party performs its engagement, and with the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes* or CNCC) relating to this engagement, and with ISAE 3000 (International standard on assurance engagements other than audits or reviews of historical financial information).

We conducted work to form an opinion on the Statement's compliance with legal and regulatory provisions and the fair presentation of the Information therein:

- we gained an understanding of the activity of all companies in the consolidation scope, of the entity's exposure to the main social and environmental risks relating to the business activity and, if applicable, of its effects on respect for human rights and the fight against corruption and tax evasion, including any related policies and their outcomes;
- we assessed the appropriateness of the Guidelines in terms of their relevance, completeness, reliability, neutrality and clarity, by taking into consideration, where relevant, the sector's best practices;
- we verified that the Statement covers every category of information required under Article L.225-102-1, Paragraph III concerning social and environmental matters as well as respect for human rights and the fight against corruption and tax evasion;
- we verified that the Statement presents the business model and the main risks relating to the activity of all companies in the consolidation scope, including – if relevant and proportionate – risks due to its business relationships, products or services, in accordance with the disclosures required under Article R.225-105-I, and policies, due diligence procedures and outcomes, including key performance indicators;

(1) Scope available at www.cofrac.fr.

- we verified that the Statement presents the disclosures required under article R.225-105-II if they are relevant given the main risks or policies presented;
- We obtained an understanding of the process for identifying, prioritizing and validating the main risks;
- we enquired about the existence of internal control and risk management procedures implemented by the company;
- we verified that the Statement includes a clear, substantiated explanation of the lack of policy for one or more of these risks;
- we verified that the Statement covers all companies in the consolidation scope in accordance with Article L.233-16 within the limits specified in the Statement;
- we assessed the data collection process implemented by the entity to ensure the completeness and fair presentation of the policy outcomes and key performance indicators that must be mentioned in the Statement;
- for key performance indicators and the other quantitative outcomes[1] that we considered the most important, we set up:
  - analytical procedures to verify that data collected are correctly consolidated and that any changes to the data are consistent,
  - tests of details based on sampling to verify that definitions and procedures are correctly applied and to reconcile data with supporting documents. The work was carried out with a selection of entities contributing[2] to the reported data and represents between 16% and 19% of consolidated data of key performance indicators and results selected for these tests;
- we referred to documentary sources and conducted interviews to corroborate the due diligence procedures that we deemed the most important[3] (organization, policies, actions, qualitative outcomes);
- we assessed the overall consistency of the Statement based on our understanding of the company.

We believe that the sampling methods and sample sizes we have used, based on our professional judgment, are sufficient to provide a basis for our limited assurance opinion. A higher level of assurance would have required us to carry out more extensive procedures.

Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the Statement cannot be totally eliminated.

Means and resources

Our work drew on the skills of five individuals.

To assist us in conducting our work, we called on our firm's sustainable development and corporate social responsibility specialists. We conducted around ten interviews with the individuals responsible for preparing the Statement.

Opinion

Based on our work, and given the scope of our responsibilities, we have no material misstatements to report that would call into question the Statement's compliance with the applicable regulatory provisions, or the fair presentation of the information, taken as a whole, in accordance with the Guidelines.

Paris la Défense, February 28th, 2019
KPMG S.A.

French original signed by

Anne Garans *Partner* Sustainability Services	Jacques Pierre *Partner*

(1) Total headcount at 31.12 and breakdown by gender and age; Average FTE by category; Number of recruitments; Number of departures; Number of training hours; Absenteeism rate (for agents only); Electricity consumption; Greenhouse gas emissions (scope 2).

(2) Teleperformance China, Teleperformance Portugal, Telephilippines (Philippines), Teleperformance USA.

(3) Occupational health and safety conditions; Salaries and their evolutions; Training policies; Collective agreements outcomes; Measures implemented to promote gender equality; Measures implemented to reduce greenhouse gas generated by employees' transportations; Partnership and sponsorship actions; Measures implemented to prevent corruption.

3 Corporate Governance

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This report constitutes the report of the Board of Directors on corporate governance presented to the Shareholders' Meeting of Teleperformance SE to be held on May 9th, 2019, in accordance with the provisions of Articles L.225-37-2 to L.225-37-5 of the French Commercial Code. It was drawn up with the assistance of the senior management, the financial department and the legal department on the basis, in particular, of the works of the Board of Directors. It has been presented to the Remuneration and Appointments Committee before approval by the Board of Directors at its meeting held on February 28th, 2019.

3.1 GOVERNANCE

3.1.1 Governance structure

Choice of the method of exercise of executive management

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

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

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

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

The AFEP-MEDEF code, which does not favour any particular type of structure, provides that the Board of Directors may opt between a separation or a combination of the functions of Chairman of the Board and Chief Executive Officer depending on specific requirements. The chosen structure and the arguments for it are notified to shareholders and third parties.

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

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

At its meeting held on October 13th, 2017, the Board of Directors, upon recommendation of its Remuneration and Appointments Committee, put an end to the separation of functions adopted in 2013 and appointed a Deputy Chief Executive Officer. This choice results from the wishes expressed by shareholders to see the governance structure evolve and from a thorough study and analysis on the Group's governance conducted under the aegis of the Remuneration and Appointments Committee and, in particular, its Chairman.

This governance structure set up in October 2017 is thus based on a Chairman and Chief Executive Officer, Mr. Daniel Julien, founder and historical leader of the Group, a Deputy Chief Executive Officer, Mr. Olivier Rigaudy and an expanded Executive Committee in terms of skills and expertise.

The combination of the functions of Chairman of the Board and Chief Executive Officer and the appointment of a Deputy Chief Executive Officer enables the Group to assert a more transparent, rectilinear and, above all, flexible management organization structure in order to encourage the acceleration of the strategic decision-making process and decision-making circuits so that decisions can be implemented more quickly to meet the Group's current and future challenges.

In an effort to strengthen the continuity in the balance of powers and the active and constructive exchanges within it, the Board created, at its meeting held on February 28th, 2018, the function of Lead Independent director. The Board set forth the missions of the Lead Independent director and enshrined them in its Internal Regulations (see section 3.1.3.2.3 *Lead Independent director* below). It also decided to appoint Mr. Patrick Thomas, independent director, as Lead Independent director.

On the occasion of its annual discussion on the choice of governance structure, the Board, at its meeting held on February 28th, 2019, decided to maintain this governance structure, considering it the most suitable to the Company, the Group, its imperatives, its challenges and its strategy in the short and long-terms.

The limitations brought to the powers of the executive management are described in the Internal Regulations of the Board of Directors (see section 3.1.3.2.2 below) and in the Articles of association.

3.1.2 Corporate Governance Code

The Company refers to the AFEP-MEDEF corporate governance code for listed companies amended in June 2018 (the "AFEP-MEDEF code") and available on the MEDEF website (www.medef.com). In accordance with Article L.225-37-4 of the French Commercial Code, the report of the Board of Directors on corporate governance specifies the provisions of the AFEP-MEDEF code that have been set aside and the reasons therefore. The table below shows recommendations of the code that have not been applied by the Company, the practices of Teleperformance SE and the justifications of this non-application.

Recommendations of the AFEP-MEDEF code set aside or not applied	Teleperformance SE's practices and justifications
Non-compete compensation (§23) §23.3 When the agreement is concluded, the Board must incorporate a provision that authorizes it to waive the application of this agreement when the officer leaves.	The Board of Directors, at its meeting held on November 30th, 2017, upon recommendation of its Remuneration and Appointments Committee, authorized the amendment of the non-compete agreement entered into between Mr. Daniel Julien, Chairman and Chief Executive Officer, the Company and its subsidiary Teleperformance Group, Inc. The third amendment to this agreement was signed on December 1st, 2017. It is reminded that this agreement, entered into in 2006, and subsequently amended by decisions of the Board meetings held on May 31st, 2011, November 30th, 2011 and November 30th, 2017, was approved by the shareholders' meetings held on June 1st, 2006, May 29th, 2012 and April 20, 2018. At the same meeting held on November 30th, 2017, the Board also authorized the non-compete agreement between the Company and its Deputy Chief Executive Officer, Mr. Olivier Rigaudy. This agreement was signed on February 1st, 2018. The Board of Directors has made the choice, for these two agreements, in the deliberate interest of the Group, not to introduce a stipulation likely to make the non-compete obligation of its executive officers uncertain at the time of their departure. Teleperformance is a leader in its market. The success and sustainability of the Group is based on the vision instilled by its leaders, the strength of its values, the involvement of its talents and a complex organization to make agile a multinational present in nearly 80 countries and employing nearly 300,000 people. In addition, in the context of changes in the world today, the Group has entered a phase of transformation, particularly digital, involving important strategic and technical choices and a profound evolution of its business model. The elements which allow this mutation are the fruit of investments in reflection and experimentation. The protection of business secrets and, more generally, information on the strategy and organization of the Group is therefore essential for its durability and the effective protection of its legitimate interests. For this purpose, the Board of Directors wants to adopt a clear position with regard to key executive officers in the event of departure: they prohibit any competition, in any form whatsoever, during the contract period. The exercise of an option to waive the non-compete obligation at the time of departure is based, presumably, on conjectures as to the activity of the outgoing officer in the months following his departure. Through these non-compete agreements, the obligations of key officers after their departure are unambiguous and create a strong, clear and engaging relationship for both parties. The Board of Directors believes that the introduction of an opt-out option to its benefit would weaken this policy, to the detriment of protecting the interests of the Group.
§23.4 The Board must also make provision for no non-competition benefit to be paid once the officer claims his or her pension rights. In any event, no benefit can be paid over the age of 65.	With regard to recommendation 23.4 of the AFEP-MEDEF code, introduced in June 2018, the Board of Directors decided not to amend the provisions of the non-compete agreements, as approved by the shareholders meeting held on April 20th, 2018 (*supra,* about §23), to introduce a condition of age given the management criteria and the Group policy on the departure of corporate officers as reminded above (*supra,* about §23) which must remain independent of the age of the outgoing officer. Protecting the Group's strategic interests in case of departure is essential. The Board wishes to protect the Group not only from direct competition situations but also from more passive situations, such as consulting, allowing the disclosure, even indirectly, of information about the Group which together form its essence and the cement of its success. The risk against which the Group wishes to protect itself by the conclusion of such agreements does not disappear, in fact, with age.
§23.6 The non-competition benefit must be paid in instalments during its term.	The provisions of the non-compete agreements provide for (as has the case since their conclusion): • (i) with regard to the agreement incumbent on Mr. Daniel Julien, Chairman and Chief Executive Officer: a single payment of the non-compete compensation; • (ii) with regard to the agreement incumbent on Mr. Olivier Rigaudy, Deputy Chief Executive Officer: a single or several payments (over 12 months) as chosen by the Deputy Chief Executive Officer. The non-compete agreements provide for recovering mechanisms on a prorated basis of the compensation already paid in the event of death.
Representation of employee shareholders and employees (§7) Within a group, the directors representing employees elected or appointed in accordance with the legal requirements sit on the Board of the Company that declares that it refers to the provisions of this code in its report on corporate governance. recommendation.	Since 2015, Teleperformance SE has been a European company. As such, it has a Work Council of the European Company currently consisting of 19 employees representing 18 countries of the European Economic Area. This council is presided over by a representative of the Company and meets at least once a year. This representative body, which is additional to national processes, is more adapted to the international and European dimension of the Group and enables employees to be involved in the Group's considerations. The Group's choice was to place employee representation at the level that it considers to be the most relevant, in accordance with the objective of employee representation governed by the provisions of Article L.225-27-1 of the French Commercial Code. In France, a director representing employees was appointed to the main operational French subsidiary, Teleperformance France SA (and not at the level of the holding company, Teleperformance SE). In Teleperformance France SA, the director representing employees has a deliberative voice and the same rights, is subject to the same obligations, including confidentiality, and incurs the same responsibilities as the other directors. The Company is attentive to the application of the legal provisions regarding employee representation on boards of directors and in particular Article L.225-27-1 of the French Commercial Code. It also remains vigilant to legislative and regulatory developments in this matter and in particular those under discussion in the framework of the proposition of law known as the "PACTE law".

3.1.3 The Board of Directors

3.1.3.1 Composition of the Board of Directors

The Board of Directors currently consists of fourteen members:

- nine are foreign nationals or binationals, representing 64%, six nationalities being represented;
- nine have the status of independent directors in 2018 as defined by the internal regulations of the Board and the recommendations of the AFEP-MEDEF code.

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

Information on the Company's individual directors, and the list of their offices and positions, is provided in the paragraphs *List of directors in office and Main activities exercised by directors in office* hereafter.

Term of office

Pursuant to the provisions of Article 14 of the articles of association, directors are appointed for a three-year term, which expires at the end of the ordinary shareholders' meeting called to approve the financial statements for the year ended and held in the year in which the appointment expires. Directors may be re-elected.

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

Age limit

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

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

It will be proposed to the shareholders' meeting to be held on May 9th, 2019, to change the statutory age limit for the Chief Executive Officer and for the Deputy Chief Executive Officer from 70 to 75 (24th and 25th resolutions) and the age limit for a third of the directors in office from 70 to 75 (23rd resolution). In fact, upon recommendation of its Remuneration and Appointment Committees, the Board considered that age should not be a criterion taking priority over expertise, competence, results and engagement of persons with regard to the Group. Furthermore, a low age limit can have the indirect consequence of complicating the search for the necessary balance in the composition of the Board which must be able to combine, primarily, the diversification expected in terms of expertise, experience, nationality, gender and independence.

Ownership of shares in the Company

Pursuant to the internal regulations, each director must hold at least 500 shares of the Company during his or her term of office. The number of shares held by each director is presented in the paragraph *List of directors in office* below and equals, in value, to more than one year's directors' fees.

Furthermore, executive officers must retain in the registered form, further to grants of performance shares or equivalents, at least 30% of the shares acquired until the end of their office (see section 3.2.2 below).

List of directors in office

	Personal information			Experience		Position on the Board				
	Age	Gender	Nationality	Number of shares	Number of directorships in listed corporations(1)	Independence	Date of first appointment(2)	End of term of office(3)	Length of service on the Board as of 2018/12/31	Participation in Board Committees
EXECUTIVE OFFICERS										
Mr. Daniel Julien	66	M	French and American	974,314	0	No	05/31/2011	GM 2021	29 years(4)	-
INDEPENDENT DIRECTORS										
Ms. Emily Abrera	71	F	Philippines	1,000	0	Yes	11/27/2012	GM 2021	6 years	Remuneration and Appointments Committee
Mr. Alain Boulet	69	M	French	600	0	Yes	05/31/2011	GM 2019(5)	8.5 years	Audit and Compliance Committee (Chairman)
Ms. Pauline Ginestié	48	F	French and British	1,000	1	Yes	04/28/2016	GM 2019(5)	2.5 years	-
Ms. Wai Ping Leung	66	F	Chinese and British	1,000	0	Yes	04/28/2016	GM 2019(5)	2.5 years	-
Mr. Robert Paszczak	68	M	American	1,014	0	Yes	05/31/2011	GM 2019(5)	8.5 years	Remuneration and Appointments Committee (Chairman)
Ms. Christobel Selecky	63	F	American	1,000	0	Yes	05/07/2014	GM 2020	4.5 years	-
Ms. Angela Maria Sierra-Moreno	64	F	Colombian	1,000	0	Yes	05/07/2014	GM 2020	4.5 years	-
Mr. Patrick Thomas	71	M	French	500	2	Yes	11/30/2017	GM 2019(5)	1 year	-
Mr. Stephen Winningham	69	M	American and British	1,000	0	Yes	05/31/2011	GM 2021	8.5 years	Audit and Compliance Committee
NON-INDEPENDENT DIRECTORS										
Mr. Bernard Canetti	69	M	French	1,000	0	No	05/31/2011	GM 2020	13.5 years	Remuneration and Appointments Committee
Mr. Philippe Dominati	64	M	French	1,000	0	No	05/31/2011	GM 2020	22.5 years	-
Mr. Jean Guez	73	M	French	1,000	0	No	05/31/2011	GM 2020	8.5 years	Audit and Compliance Committee
Ms. Leigh Ryan	65	F	American	1,000	0	No	04/28/2016	GM 2019(5)	2.5 years	-

(1) *In companies other than the Company.*
(2) *The date indicated is the date of the first appointment as director following the change in the Company's governance from a structure with a Management Board and a Supervisory Board to a Board of Directors, as adopted by the combined shareholders' meeting held on May 31st, 2011.*
(3) *The Company has adopted a system of staggering directors' appointments, which explains why expiry dates vary.*
(4) *It is reminded that Mr. Daniel Julien is the founder of the Group.*
(5) *Renewals proposed to the Shareholders' meeting to be held on May 9th, 2019.*

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

Qualification as Independent director

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

The Board of Directors endeavors to ensure that at least half of its members meet the definition of independence in the AFEP-MEDEF code. It designates as independent or not its members according to a preliminary recommendation submitted by the Remuneration and Appointments Committee tasked with examining the personal situation of the director in question based on the criteria for independence set out in paragraph 8.5 of the AFEP-MEDEF code, it being specified that the Board may consider that a given member who fulfills the above independence criteria should not, however, be classified as independent given their specific situation or that of the Company, and vice versa.

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

Such agreements, if any, are described in paragraph *Statements on the situation of members of the administrative, management and supervisory bodies* hereafter and are, in any case, entered into at market conditions and their amounts are not material either for the Group or for the other party. As of the date of preparation of this Registration Document, this agreement concerns only a director (Mr. Daniel Julien) who is not independent. Thus, none of the directors qualified as independent, with regards to the criteria set forth below, have contracted directly or indirectly business relationships with the Company or the Group.

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

Criterion 1	**Employee or executive officer during the previous 5 years** Not to be, and not having been for the previous 5 years: • an employee or an executive officer of the Company; • an employee, executive officer or director of a company that the Company consolidates; • an employee, executive officer or director of its parent company or a company that the latter consolidates.
Criterion 2	**Cross-directorships** Not to have been for the past 5 years an executive officer of a company in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive officer of the Company holds a directorship.
Criterion 3	**Significant business relationships** Not to be a customer, supplier, commercial banker, investment banker or consultant: • that is significant to the Company or its Group; or • for which the Company or its Group represents a significant portion of its activity. The evaluation of the significance or otherwise of the relationship with the Company or its group must be debated by the Board and the quantitative and qualitative criteria that led to this evaluation (continuity, economic dependence, exclusivity, etc.) must be explicitly stated in the annual report.
Criterion 4	**Family ties** Not to be related by close family ties to an executive officer.
Criterion 5	**Auditor** Not to have been an auditor of the Company within the previous 5 years.
Criterion 6	**Period of office exceeding 12 years** Not to have been a director of the Company for more than 12 years. The loss of the status of independent director occurs on the date of the 12th anniversary.
Criterion 7	**Status of non-executive officer** A non-executive officer cannot be considered independent if he or she receives variable remuneration in cash or in the form of securities or any remuneration linked to the performance of the Company or Group.
Criterion 8	**Status of the major shareholder** Directors representing major shareholders of the Company or its parent company may be considered independent provided these shareholders do not take part in the control of the Company. However, beyond a 10% threshold in capital or voting rights, the Board, upon a report from the Appointments Committee, should systematically review the qualification as independent in the light of the composition of the share capital of the Company and the existence of a potential conflict of interest.

For the purposes of interpreting this table:

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

The qualification retained by the Board of Directors, upon recommendation of its Remuneration and Appointments Committee, for each of the directors as of December 31st, 2018 and as of the date of preparation of this Registration Document is the following:

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

(1) In this table:
• *means that the independent criterion is satisfied;*
x *means that the independent criterion is not satisfied.*

Diversity policy within the Board of Directors

The Board of Directors gives particular importance to the balance of its composition and those of its committees, in particular in terms of diversity. It relies upon the works of the Remuneration and Appointment Committee which proposes, as often as circumstances require, the desirable evolutions of the composition of the Board and its committees depending on the Group's strategy.

The works of the Committee aim in particular to ensure the synergy of the directors' competences and the diversity of their profiles, to maintain an independence rate within the Board with regard to the governance structure of the Company and its shareholders, to seek a balanced representation of women and men on the Board, and to promote an adapted representation of directors with different nationalities, in order to assure the shareholders and the market that its missions are performed with independence, objectivity and expertise required.

At its meeting held on November 30th, 2018, the Board of Directors reviewed, pursuant to the provisions of Article L.225-37-4 6° of the French Commercial Code, its diversity policy applied within it, the objectives of that policy, the manner in which it is implemented as well as the results obtained in 2018.

It considered that, in terms of Board composition, the objectives set for 2018 of maintaining a balanced representation of women and men within the Board, maintaining the presence of multiple nationalities and maintaining the presence of diversified national and international expertise and experience, are still met. Indeed, the Board comprises 14 members including 6 women (43%), 9 independent directors (64%) and representatives of 6 different nationalities. It comprises within it experienced and recognized professionals in their respective business sectors of a complementary nature and international dimension.

In terms of independence of its members, the Board also noted that, with a rate of independent directors at 64%, the objective of a continued independent rate higher than half of the members is still met.

With regard to the objective of diversity in terms of age, it lastly noted that less than a third of directors in office were over 70 years old.

Given all those elements, the Board considered that its composition was still fully satisfactory in 2018 with regards to the relevant diversity criteria. However, it intends to remain vigilant by examining all the factors of improvement that could, in the future, be beneficial to the dynamism of the Group.

The diversity policy within the senior management is described in section 3.1.4 *Executive Management.*

Main activities exercised by directors in office

Daniel Julien
Chairman and Chief Executive Officer

66 years old

Nationalities:
French and American

Number of shares held:
974,314

Term of office:
GM 2021

EXPERTISE AND EXPERIENCE

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

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

CURRENT DIRECTORSHIPS

Teleperformance Group

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

Other (non-listed companies)

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

DIRECTORSHIPS EXPIRED WITHIN THE LAST FIVE YEARS

Teleperformance Group

None

Other

None

Emily Abrera

Independent director and member of the Remuneration and Appointments Committee

71 years old

Nationality:

Filipino

Number of shares held:

1,000

Term of office:

GM 2021

EXPERTISE AND EXPERIENCE

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

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

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

CURRENT DIRECTORSHIPS

Teleperformance Group

None.

Other (non-listed companies)

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

DIRECTORSHIPS EXPIRED WITHIN THE LAST FIVE YEARS

Teleperformance Group

None

Other

None

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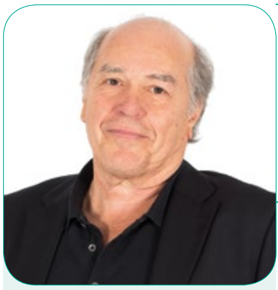

Alain Boulet

Independent director and Chairman of the Audit and Compliance Committee

69 years old

Nationality:

French

Number of shares held:

600

Term of office:

GM 2019

EXPERTISE AND EXPERIENCE

Mr. Alain Boulet was born on June 24th, 1949 and holds a Degree in Psychology, ethology and behavioral sciences from Nanterre University. Between 1975 and 1985, within the Time Warner Group, he designs and implements mail orders to win new clients and build customer loyalty for Southern Europe and then creates the first call centers dedicated to Time Group customers.

In 1985, he became the founding Chairman of the ONE agency. Initially based around its know-how on the mail-order business, the agency will become one of the leaders in terms of design and implementation of customer relationship management and communication strategies both for business to business and for business to consumer. He became Chairman of the SR Marketing Services in 1999, the group acting on the entire specialized marketing services chain. The expertise offered covering upstream and research with qualitative and quantitative studies businesses, data mining or predictive models, as well as the downstream with all specialized communication businesses such as sales promotion, Direct marketing or the Web to Field Marketing, animation and stimulation of sales networks.

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

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

CURRENT DIRECTORSHIPS

Teleperformance Group

None

Other

None

DIRECTORSHIPS EXPIRED WITHIN THE LAST FIVE YEARS

Teleperformance Group

None

Other

None

Bernard Canetti

Director and member of the Remuneration and Appointments Committee

69 years old

Nationality:

French

Number of shares held:

1,000

Term of office:

GM 2020

EXPERTISE AND EXPERIENCE

Bernard Canetti was born on May 7th, 1949 and graduated from the ESCP Europe Business School in 1972. Bernard Canetti's career has been focused on publishing and innovation. He was Chief Executive Officer of Éditions Robert Laffont's mail-order business until 1984, when he joined the Guilde Internationale du Disque, which he merged with the Editions Atlas Group in 1986. As CEO, then Chairman and CEO, he turned the Company, over 25 years into a profitable and powerful Group operating in 29 countries and market leader for online and mail-order sales of cultural collections and mass-market textile products. In 2010, he founded Comme J'aime and became the Company's Chairman. Following a spectacular growth, Comme J'aime is currently the leader in France of nutritional re-education programs for overweight people. At the end of 2012, he repurchased the Centre Européen de Formation (European Training Centre) and became the Company's Chairman. He transformed the Company into one of the main private establishments providing remote professional training and correspondence courses on the French market. In 2015, he set up and presided over Xynergy Group, a holding company which owns and manages Comme J'aime and the Centre européen de Formation.

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

CURRENT DIRECTORSHIPS

Teleperformance Group

None

Other (non-listed companies)

- Chairman of Comme J'aime SAS (France) and Comme J'aime Italie SAS (Italy)
- Chairman of Centre Européen de Formation SAS (France)
- Chairman of Xynergy Groupe SAS (France)
- Director of Productions Jacques Canetti and Editions Majestic (France)
- Manager of Bernard Canetti Entreprises EURL (France)

DIRECTORSHIPS EXPIRED WITHIN THE LAST FIVE YEARS

Teleperformance Group

None

Other

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

Philippe Dominati

Director

64 years old

Nationality:

French

Number of shares held:

1,000

Term of office:

GM 2020

EXPERTISE AND EXPERIENCE

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

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

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

CURRENT DIRECTORSHIPS

Teleperformance Group

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

Other (non-listed companies)

- Manager of Isado SARL (France)
- Manager of Trocadéro SCP (France)

DIRECTORSHIPS EXPIRED WITHIN THE LAST FIVE YEARS

Teleperformance Group

None

Other

None

Pauline Ginestié

Independent director

48 years old

Nationalities:

French and British

Number of shares held:

1,000

Term of office:

GM 2019

EXPERTISE AND EXPERIENCE

Born on December 30th, 1970, Pauline Ginestié holds an MBA from the Columbia Business School of Columbia University in New York. She holds a diploma in Economics and Finance from Sciences-Po Paris and a Masters degree in English Literature from the Paris X University. She started her career as an auditor with Price Waterhouse Coopers in Paris. In 1999, she joined NetValue USA as product and project manager, then Register.com in 2001.

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

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

CURRENT DIRECTORSHIPS

Teleperformance Group

None

Other

Listed companies:

- Director of PCAS (France)

Non-listed companies:

None

DIRECTORSHIPS EXPIRED WITHIN THE LAST FIVE YEARS

Teleperformance Group

None

Other

None

Jean Guez

Director and member of the Audit and Compliance Committee

73 years old

Nationality:

French

Number of shares held:

1,000

Term of office:

GM 2020

EXPERTISE AND EXPERIENCE

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

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

CURRENT DIRECTORSHIPS

Teleperformance Group

- Director of Société Tunisienne de Telemarketing SA (Tunisia)
- Director of Société Méditerranéenne de Teleservices SA (Tunisia)
- Director of Société Anonyme Marocaine d'Assistance Client SA (Morocco)
- Director of Luxembourg Contact Centers SARL (Luxemburg)

Other (non-listed companies)

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

DIRECTORSHIPS EXPIRED WITHIN THE LAST FIVE YEARS

Teleperformance Group

None

Other

None

Wai Ping Leung
Independent director

66 years old

Nationalities:

Chinese citizen with British nationality

Number of shares held:

1,000

Term of office:

GM 2019

EXPERTISE AND EXPERIENCE

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

She has been in the apparel industry since 1982 and has experience in supply chain management, retail and marketing. In 1994, she served as regional director responsible for export sales of apparel to European countries at Inchcape Buying Services, which was a global sourcing network and acquired by the Li & Fung Group in 1995. From 2000 to 2010, she served as an executive director and was appointed member of the Li & Fung Board, a company listed in the Hong Kong Stock Exchange, in charge of the exports to Europe and the USA. From 2011 to 2017, she has been the President of LF Fashion, a company of the Li & Fung Group. In July 2017, she was appointed as CEO of Cobalt Fashion Holding Limited, a joint venture company formed by LH Pegasus Holding Limited and South Ocean Knitters Holdings Limited.

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

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

CURRENT DIRECTORSHIPS

Teleperformance Group

None

Other (non-listed companies)

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

DIRECTORSHIPS EXPIRED WITHIN THE LAST FIVE YEARS

Teleperformance Group

None

Other

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

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Robert Paszczak

Independent director and Chairman of the Remuneration and Appointments Committee

68 years old

Nationality:

American

Number of shares held:

1,014

Term of office:

GM 2019

EXPERTISE AND EXPERIENCE

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

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

CURRENT DIRECTORSHIPS

Teleperformance Group

None

Other (non-listed companies)

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

DIRECTORSHIPS EXPIRED WITHIN THE LAST FIVE YEARS

Teleperformance Group

None

Other

None

Leigh Ryan

Director

65 years old

Nationality:

American

Number of shares held:

1,000

Term of office:

GM 2019

EXPERTISE AND EXPERIENCE

Ms. Leigh Ryan was born on November 6th, 1953, and holds a Bachelor's degree in International Relations from Pomona College in Claremont, California. She also holds a Juris Doctorate degree in Law from Georgetown University, where she was an editor of Law and Policy in International Business. On February 1st, 2016, Ms. Ryan was appointed Chief Legal Officer and Chief Compliance Officer *of* the Teleperformance Group. Prior to February 1st, 2016, Ms. Ryan was a partner with Paul Hastings LLP, an international law firm with 22 offices in the United States, Europe and Asia. Ms. Ryan has over 35 years of experience in corporate finance transactions, securities offerings, mergers and acquisitions, commercial transactions and corporate governance. She has substantial transactional experience in the telecommunications, technology, customer care and media industries, as well as the apparel and aircraft industries. In addition to practicing law full-time, Ms. Ryan was Global Chair of Talent Acquisition (attorney recruiting) at Paul Hastings for over 10 years.

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

Ms. Ryan is a member of the New York and California Bars. She is an Honorary Member of the Board of Directors of La Jolla Music Society, having served on the Board for 12 years, including 2 years as Chair of the Board. She also served as a member of the Advisory Board of *the* Corporate Counsel Institute in Washington, D.C. for over 13 years.

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

CURRENT DIRECTORSHIPS

Teleperformance Group

- Director and Chairwoman of various overseas subsidiaries of the Teleperformance Group (USA, UK, Canada, Costa Rica, India and Panama)

Other

None

DIRECTORSHIPS EXPIRED WITHIN THE LAST FIVE YEARS

Teleperformance Group

None

Other

None

Christobel Selecky

Independent director

63 years old

Nationality:

American

Number of shares held:

1,000

Term of office:

GM 2020

EXPERTISE AND EXPERIENCE

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

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

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

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

CURRENT DIRECTORSHIPS

Teleperformance Group

None

Other (non-listed companies)

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

DIRECTORSHIPS EXPIRED WITHIN THE LAST FIVE YEARS

Teleperformance Group

None

Other

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

Angela Maria Sierra-Moreno
Independent director

64 years old

Nationality:

Colombian

Number of shares held:

1,000

Term of office:

GM 2020

EXPERTISE AND EXPERIENCE

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

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

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

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

CURRENT DIRECTORSHIPS

Teleperformance Group

None

Other (non-listed companies)

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

DIRECTORSHIPS EXPIRED WITHIN THE LAST FIVE YEARS

Teleperformance Group

None

Other

- Director of Dinamica (Colombia)

© Thomas Laisné

71 years old

Nationality:

French

Number of shares held:

500

Term of office:

GM 2019

Patrick Thomas

Independent director and Lead Independent director

EXPERTISE AND EXPERIENCE

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

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

CURRENT DIRECTORSHIPS

Teleperformance Group

None

Other

Listed companies:

- Director, member of the compensation committee and chairman of the appointments and governance committee of Renault SA (France)
- Vice-chairman of the supervisory board and chairman of the compensation committee of Laurent Perrier SA (France)

Non-listed companies:

- Member of the supervisory board of Leica Camera AG (Germany)
- Member of the supervisory board of Château Palmer (France)
- Chairman of the supervisory board, chairman of the compensation committee and chairman of the invesments committee of Ardian (France)
- Vice-chairman of the supervisory board of Massilly Holding (France)
- Chairman and director of Shang Xia Trading (China)
- Chairman and director of Full More Group (Hong Kong)

DIRECTORSHIPS EXPIRED WITHIN THE LAST FIVE YEARS

Teleperformance Group

None

Other

- Director of Lacoste (France)
- Vice-chairman and member of the supervisory board of Gaulme (France)
- Director and censor (non-voting director) of Remy Cointreau (France)
- Manager of Hermès International and various terms of office in subsidiaries of the Hermès Group

Stephen Winningham

Independent director and member of the Audit and Compliance Committee

69 years old

Nationalities:

American and British

Number of shares held:

1,000

Term of office:

GM 2021

EXPERTISE AND EXPERIENCE

Mr. Stephen Winningham was born on December 1st, 1949, and holds a Masters in Business Degree (Finance & marketing) from Columbia University and pursued additional studies in Economics at New York University. He has 30 years of international experience in the banking field. He began his banking career at Citibank, NA, before moving to Drexel Burnham Lambert. He then held management positions at Paine Webber Inc. and Kidder Peabody & Co. in New York, which have since then merged with the UBS Group. He was managing director of Salomon Brothers-Citigroup from 1996 to 2007, when he was based in New York and Hong Kong. He became managing director of Lloyds Banking in London in 2007, specifically responsible for global finance institutions, and then for key accounts in 2009. Stephen Winningham has been a managing director and Co-Head of the Corporate Finance – Europe, Middle East and Africa – department at Houlihan Lokey in London since February 2012. He is also co-Founder and Chairman of City Harvest, a London charity addressing hunger.

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

CURRENT DIRECTORSHIPS

Teleperformance Group

None

Other (non-listed companies)

- Managing director of Houlihan Lokey (United Kingdom)

DIRECTORSHIPS EXPIRED WITHIN THE LAST FIVE YEARS

Teleperformance Group

None

Other

None

Evolution of the composition of the Board during 2018

In compliance with the AMF recommendation No. 2012-02, the table hereafter presents in a summarized manner the changes which occurred during 2018 in the Board's composition. This position is set as of December 31st, 2018.

	Departure	Appointment	Renewal/cooptation	Comments
Board of Directors	-	-	Ratification of the temporary appointment of Mr. Patrick Thomas as a director. Ms. Emily Abrera and Messrs. Daniel Julien, Bernard Canetti, Jean Guez and Stephen Winningham were renewed as directors.	Diversification in the Board's composition: Competence/ Independence/Knowledge of the Group/Lead Independent director
Audit and Compliance Committee	-	-	-	-
Remuneration and Appointments Committee	-	-	-	-
Others	-	-	-	-

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

It is proposed that the shareholders' meeting to be held on May 9th, 2019 to renew the terms of office of six directors which are expiring. If the shareholders' meeting approves the propositions submitted:

- the terms of office of Ms. Pauline Ginestié, Wai Ping Leung and Leigh Ryan and Mr. Patrick Thomas will be renewed for 3 years;
- the terms of office of Messrs Alain Boulet and Robert Paszczak will be renewed for 2 years.

In accordance with the diversity policy presented above (see *Diversity policy within the Board of Directors*), if the shareholders' meeting approves all the propositions thus submitted, these renewals will allow to maintain:

- a strong rate of independence, *i.e.*, 64%.

  The Board of Directors, upon proposal from its Remuneration and Appointments Committee, considered that Ms. Pauline Ginestié, Ms. Wai Ping Leung, Mr. Alain Boulet, Mr. Robert Paszczak and Mr. Patrick Thomas continue to be qualified as independent in application of the independence criteria of the AFEP-MEDEF code (*supra* paragraph *Qualification as independent director*);
- a percentage of women of 43%, thus complying with the legal provisions on the matter;
- a continued strong internationalization of its composition with six nationalities represented and 64% of non-French directors or binationals;
- a strong knowledge and expertise of the Group, its business and specificities necessary to the good functioning of the Board.

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

Family ties

To the Company's knowledge, there are no family ties between the directors.

Absence of conviction or indictment of corporate officers

To the Company's knowledge, as of the date of the present Registration Document, during the past five years, none of the directors or members of the executive management:

- had been convicted for fraud, or indicted and/or sentenced to an official public sanction by any statutory or regulatory authority;
- had been involved in a bankruptcy, a sequestration of assets or a liquidation procedure;
- had been prevented by a court order from acting in the capacity of a member of an issuer's administrative, management or supervisory body or from being involved in the management or conduct of an issuer's business affairs.

Absence of conflicts of interests

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

To the Company's knowledge, as of the date of this Registration Document:

- no conflicts of interest are identified between the duties of each director and member of the executive management to the Company and/or the Group in respect of their position as corporate officers and their private interests or other duties;
- no arrangement or agreement exists with the principal shareholders, customers or suppliers wherein one of the members of the Board of Directors or the executive management has been selected in such capacity;
- no restriction has been accepted by members of the Board of Directors or the executive management concerning the transfer of their holdings in the Company, other than restrictions attached to performance shares granted to them or in connection with the long-term incentive plan.

Service agreements or agreements entered into with a director

Mr. Daniel Julien, Chairman and Chief Executive Officer and non-independent director, is a 35% shareholder in a company that owns a building leased since 2010 to Servicios Hispanic Teleservices S.C. (Mexico). The total rental income amounted to US$591,973.95 in 2018 compared to US$577,843.62 in 2017.

This agreement is qualified as an ordinary agreement concluded on normal terms.

Loans and guarantees granted to directors

The Company has not granted any loans nor guarantees to any of its directors.

Interests in Group companies held by directors

In 2018, pursuing its policy of repurchasing minority shareholders, the Group acquired the shareholdings held by the three minority shareholders in the company GN Research S.A. (Luxembourg) (now named Praxidia S.A.) including 10% of the share capital held by Mr. Daniel Julien purchased for a total amount of €910,000. Following these transactions, the Group owns 100% of the share capital (compared to 67% before these repurchases) of Praxidia S.A.

This transaction was carried out on the basis of the market value determined as a result of the valuation made by an independent expert. The Audit and Compliance Committee reviewed the works of that expert and retained the lower range of its valuation for this transaction. This transaction was completed on these bases and was approved by the Board of Directors, Mr. Julien did not take part in the discussions or in the vote.

Mr. Daniel Julien, Chairman and Chief Executive Officer, holds 7% of the share capital of Hong Kong Asia CRM Ltd (Hong Kong).

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

3.1.3.2 Organization and functioning of the Board of Directors

3.1.3.2.1 Internal Regulations of the Board of Directors

On May 31st, 2011, the Company's Board of Directors adopted its internal rules, amended on February 28th 2019, aimed at explaining its role and procedures, in accordance with the legal and statutory provisions and corporate governance rules applicable to listed companies. The main provisions of the Board of Directors' internal regulations are described below.

Directors' rights and obligations

The Board of Directors may perform any checks and controls that it deems appropriate at any time. It may ask the Company to forward to it any documents of any kind that are useful for the performance of its assignment, regardless of whether such documents are issued by the Company or are intended for it. The directors are entitled to have any documents and information forwarded to them, in order to perform this assignment. This right shall be exercised *via* the Chairman of the Board of Directors; the directors may not personally interfere in the management of the Company or directly request the documents and information required.

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

Managing conflicts of interest

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

The internal regulations of the Board provide that every director is required to inform the Chairman of the Board of Directors of any conflict situation, even a potential situation, between the Company's interests and their direct or indirect interests, or, if applicable, those of the shareholder Group that they represent. In addition, they must abstain from attending the debate and taking part in voting the related resolution.

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

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

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

When appointed to the Board, each director receives the information regarding the Company and the Group as well as, if he or she considers it to be necessary, a supplementary training relating to the Company's specific accounting, financial and operational features of the Group, its business sector and its social and environmental responsibility issues. Interviews are set up with the Chairman and Chief Executive Officer, the Deputy Chief Executive Officer and/or the Group Chief Legal Officer. The formation of directors continues beyond their appointment, specifically through site visits and constitutes a continuing process.

The Board of Directors is a collegial body; its decisions are binding on all of its members. Directors and any person who attends its meetings are bound by a strict non-disclosure obligation and duty of discretion on information disclosed by the Company and received during the discussions of the Board and its Committees, and those of a confidential nature, or presented as such by the Chairman of the Board of Directors. In addition, if the Board of Directors is aware of confidential and precise information that is likely to have a material impact on the share price of the Company or of the companies controlled by the Company when it is published, within the meaning of Article L.233-3 of the French Commercial Code, the directors must comply with the regulations applicable to insider dealings and insider misconduct, and in particular, must refrain from disclosing this information to a third party as long as it has not been made public, and must refrain from performing any transactions involving the Company's securities.

Board meetings

The Board of Directors meets at least once a quarter, in order to discuss the progress of the Company's affairs and their foreseeable development. It is convened by the Chairman. If the position of Chairman is vacant, or if the Chairman is prevented from attending, the Board of Directors may be convened on a given agenda by the Chief Executive Officer, the appointed Vice-Chairman, where applicable, or by any director.

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

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

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

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

Minutes of proceedings

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

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

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

Committees

The Board of Directors may decide to set up internal Committees, for which it determines the membership and remits, and which perform their activities under its responsibility. The Board decided to create two permanent specialized Committees: the Audit and Compliance Committee and the Remuneration and Appointments Committee.

Each Committee reports to the Board of Directors on its work and informs the Board of any points that it considers problematic or requiring a decision, thereby assisting the Board's discussions. At each Board meeting, the Chairman of each Committee shall provide each Board member in attendance with a report on the Committee's work since the last Board meeting.

3.1.3.2.2 Missions and duties

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

- approving the annual and consolidated financial statements and the management report;
- establishing management forecasts documents;
- convening and setting the agenda for the shareholders' meeting;
- deciding whether to issue bonds;
- authorizing sureties, endorsements and guarantees;
- prior authorization of regulated agreements and commitments;
- setting up specialized Committees and determining their missions;
- deciding whether to pay any interim dividends;
- reviewing and determining the guidelines for the Company's business;
- selection of the organization structure of executive management;
- appointing and dismissing the Chairman, the Chief Executive Officer, and the Deputy Chief Executive Officers;
- co-opting members of the Board under the conditions determined by the regulations in force;
- defining the remuneration policy for executive officers and distribution of directors' fees within the global amount decided by the shareholders' meeting amongst Board members;
- determining the number of performance shares that executive officers are required to retain in registered form until the end of their term of office, in the event of the award of options or performance shares;
- reviewing the main issues in the field of corporate social responsibility;
- promoting long-term value creation by the Company by considering the social and environmental aspects of its activities;
- regularly reviewing, in relation to the strategy it has defined, the opportunities and risks, such as financial, legal, operational, social and environmental risks, as well as the measures taken accordingly;
- ensuring, if applicable, the implementation of a mechanism to prevent and detect corruption and influence peddling;
- ensuring that the executive officers implement a policy of non-discrimination and diversity, notably with regard to the balanced representation of men and women on the governing bodies;
- setting up the report on corporate governance.

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

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

Status of the current delegations and authorizations granted to the Board by the combined shareholders' meetings held on April 28th, 2016 and June 23rd, 2017 and propositions of authorizations submitted to the shareholders' meeting to be held on May 9th, 2019, on share capital increases

	Date of shareholders' meeting (Resolution No.)	Maximum nominal amount (*in euros*)	Duration (expiry)	Use made during 2018
ISSUES WITH PREFERENTIAL SUBSCRIPTION RIGHTS FOR SHAREHOLDERS				
Capital increase by issues of shares and securities giving access to the share capital, for which the primary security is not a debt instrument with maintenance of preferential subscription rights for shareholders*	June 23rd, 2017 (18th)	40 million(1)	26 months (Aug. 2019)	None
Capital increase by issues of shares and securities giving access to the share capital or to the issuance of debt instruments with maintenance of preferential subscription rights for shareholders*	**May 9th, 2019 (19th)**	**50 million(2)**	**26 months (July 2021)**	-
ISSUES WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS FOR SHAREHOLDERS				
Capital increase by issues of securities giving access to the share capital without preferential subscription rights for shareholders by public offering but with obligation to confer a mandatory priority right of 5 trading days minimum*	June 23rd, 2017 (19th)	28 million(3)	26 months (Aug. 2019)	None
Capital increase by issues of shares and securities giving access to the share capital without preferential subscription rights for shareholders by public offering or by remuneration of securities in a public offering but with obligation to confer a mandatory priority right of 5 trading days minimum*	**May 9th, 2019 (20th)**	**28 million(4)**	**26 months (July 2021)**	-
ISSUES RESERVED FOR EMPLOYEES AND, WHERE APPLICABLE, EXECUTIVE OFFICERS				
Free grants of performance shares to employees and/or executive officers	April 28th, 2016 (16th) **May 9th, 2019 (22nd)**	2.5% of the share capital(5) **3% of the share capital(6)**	38 months (June 2019) **38 months (July 2022)**	Used in 2018 in respect of 7,000 shares(7)
Capital increases reserved for members of a company or Group savings scheme	June 23rd, 2017 (20th) **May 9th, 2019 (21st)**	2 million **2 million**	26 months (Aug. 2019) **26 months (July 2021)**	None -
OTHER ISSUES				
Capital increase by capitalization of premiums, reserves or profits*	June 23rd, 2017 (17th) **May 9th, 2019 (18th)**	142 million **142 million**	26 months (Aug. 2019) **26 months (July 2021)**	None -

* *Suspended during a public offering.*
(1) *On this amount is applied the maximum amount set in the 19th resolution approved by the shareholders' meeting held on June 23rd, 2017.*
(2) *On this amount is applied the maximum amount set in the 20th resolution submitted to the approval of the shareholders' meeting to be held on May 9th, 2019. Maximum of €500 million for debt instruments.*
(3) *This amount is applied to the maximum amount set in the 18th resolution approved by the shareholders' meeting of June 23rd, 2017. Maximum of €300 million for debt instruments.*
(4) *This amount is applied to the maximum amount set in the 19th resolution submitted to the approval of the shareholders' meeting to be held on May 9th, 2019. Maximum of €300 million for debt instruments.*
(5) *Limitation of the number of performance shares that may be granted to executive officers to 0.612% of the share capital within this envelope.*
(6) *Limitation of the number of performance shares that may be granted, each year, to executive officers at 0.15% of the share capital within this envelope.*
(7) *See section 7.2.5.3 of the present Registration Document. It is specified that the Board of Directors decided to grant, on January 2nd and February 28th, 2018, a total of 7,000 performance shares on the basis of said authorization.*

Status of the authorizations granted to the Board by the shareholders' meetings held on June 23rd, 2017 and April 20th, 2018 and propositions of authorizations submitted to the combined shareholders' meeting to be held on May 9th, 2019 on share repurchases and their cancellation

	Date of shareholders' meeting (resolution No.)	Duration (expiry)	Terms
Share repurchases*	April 20th, 2018 (17th) **May 9th, 2019 (16th)**	18 months (October 2018) **18 months (Nov. 2020)**	Maximum purchase price per share: €180 Limit: 10% of the total number of shares **Maximum purchase price per share: €180** **Limit: 10% of the total number of shares**
Cancellation of shares	June 23rd, 2017 (16th) **May 9th, 2019 (17th)**	26 months (August 2019) **26 months (July 2021)**	10% of the total number of shares on date of cancellation decision **10% of the total number of shares on date of cancellation decision**

* *Suspended during a public offering.*

3.1.3.2.3 Lead Independent director

Following the decision to combine the functions of Chairman and Chief Executive Officer, and further to the continued improvement of the governance within the Company, the Board of Directors, at its meeting held on February 28th, 2018, decided, upon recommendation of the Chairman and Chief Executive Officer and the Remuneration and Appointments Committee, to create the function of a Lead Independent director and to amend, as a consequence, the Internal Regulations of the Board of Directors defining the modalities of the appointment of such Lead Independent director, as well as his or her missions. The creation of the function of Lead Independent director is part of the guarantees set up by the Company in order to reinforce the balance and control of powers, in accordance with the principles of good governance.

Appointment of the Lead Independent director

When the functions of Chairman of the Board and Chief Executive Officer are exercised by the same person, the Board of Directors appoints, among the directors qualified as independent by the Board of Directors, a Lead Independent director, on the recommendation of the Remuneration and Appointments Committee.

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

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

Functions of the Lead Independent director

Interim role: continuity of governance

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

  If necessary, he or she organizes the selection and appointment of a new Chairman of the Board.
- If, during the interim, it becomes necessary to appoint a new Chief Executive Officer, the Lead Independent director also organizes the selection process and appointment of this new Chief Executive Officer.

Relationships with shareholders

- The Lead Independent director is, with the Chairman, the Chief Executive Officer and the Deputy Chief Executive Officer, the shareholders' dedicated contact on issues that fall within the remit of the Board.
- The Lead Independent director shall keep the Chairman, the Chief Executive Officer and the Board informed of the main topics raised by shareholders.

Means of the Lead Independent director

The Lead Independent director:

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

Report of the Lead independent director on his activity in 2018

Mr. Patrick Thomas, independent director, was appointed Lead Independent director by decision of the Board of Directors held on February 28th, 2018.

At the meeting of the Board of Directors held on February 28th, 2019, Mr. Thomas gave a report on his activity under his mission as Lead Independent director. During the 2018 financial year, the Lead independent director has especially performed and taken part in the following works:

- Knowledge of the Group: the Lead Independent director visited various operational sites and various contact centers in the USA during work sessions and operational review with the Chairman and Chief Executive Officer and during the Board executive seminar in India. These visits were the occasion to become familiar with the businesses and specificities of the Group, to meet leaders, managers and agents and to discover some of the Group's initiatives in terms of corporate and environmental responsibility;
- Meetings with directors: the Lead Independent director had the occasion to meet individually independent directors in order to listen to their comments and suggestions on the Board's functioning and their modalities of access to information and their means of questioning and expression;
- Meetings with members of the Executive Committee: the Lead Independent director met with all the members of the Executive Committee and received from each of them a description of their history as well as their missions and responsibilities within the Group;
- Access and meetings with Group managers: at his request, the Lead Independent director talked with the Deputy Chief Executive Officer, the Internal Audit Director, the Risk and Insurance Director and the Secretary of the Board, allowing him to get acquainted with the Group's governance, audit processes and missions and remuneration structure of executive officers and managers;
- Succession plans: the Board of directors trusted the Lead Independent director with a specific mission in terms of succession planning. He has thus actively taken part in the reflection leading to the setting up of succession plans for executive officers and members of the Executive Committee. The objective of these succession plans is twofold: on the one hand, to face urgent situations or temporary unavailability of key officers and on the other hand, to ensure a sustained continuity of executive management in the long-term. These plans were designed and set up in cooperation with the Chairman and Chief Executive Officer, the Deputy Chief Executive Officer and Executive Committee members. They were shared with the Chairmen of the two specialized committees. These plans ensure the continuity of the governance in any type of situation and are meant to be reassessed. They are in essence confidential;
- Governance: during the financial year, the Lead Independent director reviewed the good functioning of the Group's governance. He found that there was a good alignment of the current governance structure with regard to the functioning of the Company and to the requirements of a listed company. He highlighted that, in particular, the fluidity of the interactions between the different actors within the management of the Company;
- Participation in Board Committees meetings: the Lead Independent director met with the Chairmen of the Board's Committees several times. He also attended some meetings and was associated with the works of the Remuneration and Appointment Committee (particularly in terms of remuneration of executive directors) and of the Audit and Compliance Committee.

3.1.3.2.4 Assessment of the functioning and works of the Board of Directors

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

In early 2019, an evaluation was conducted with the assistance of an external counsel. The latter has sent each director a detailed questionnaire in order to gather their opinions, comments and suggestions concerning the composition, the organization and the functioning of the board and the committees, and, more generally, on the Group's governance. To ensure complete freedom in the directors' answers, these have not been disclosed to the company. However, the conclusions of this evaluation were presented and discussed at the meeting of the Remuneration and Appointments Committee held on February 28th, 2019 and at the meeting of the Board of Directors held on February 28th, 2019.

This assessment shows a very positive appreciation of the directors on the organization and functioning of the Board and its committees.

In particular, the directors consider that the number of directors and the composition of the board in terms of nationality, independence, feminization, diversity and experience are very satisfactory. They wish for the future to see the process of refreshing the board continue, especially at the occasion of the renewal of terms of office. This process should also strengthen the Board's current expertise in the areas of new technologies and innovation.

A positive unanimous assessment emerges from the assessment of the relevance of the group's governance. Directors particularly appreciate the quality and the transparency of the discussions with the executive management.

Directors are satisfied with the topics discussed at board meetings, including those related to strategic, social, environmental and financial issues. If the board is satisfied with the succession plan put in place, some directors would like it to be regularly put back on the agenda in the future to ensure that it does not need to be updated. In this sense, the development of talents within the group is a subject that some directors would like to deepen further.

Directors also emphasize the quality and completeness of the information provided, while wishing to obtain more research notes on the market in which the group evolves and its evolution. Finally, they unanimously welcome the interest and quality of the annual seminar, which allows them to meet the main managers and to get a very detailed understanding of the group's strategy and operations.

Directors welcome how the Board and committee meetings are organized, conducive to good communication and effective individual participation, particularly because of the amount of discussion time allowed. They are particularly satisfied with the work done, the professionalism of the members and the dynamism of the Board and its committees.

The Board of Directors noted that the wishes and improvements identified during the previous formal evaluation conducted in 2015 were taken into account in a positive and proactive manner and contribute to the satisfaction of the directors and to the proper functioning of the Board of Directors and its committees.

3.1.3.3 Meetings and works of the Board of Directors in 2018

The Board of Directors

The Board of Directors met four times in 2018 and during a five-day seminar held for the purpose of reviewing operating strategy. During that seminar, held in one of the Group's operational sites, the directors had the opportunity to visit sites, meet and exchange on strategy with all key managers of the Group and to learn about of local initiatives in terms of corporate, social and environmental responsibility.

The directors' attendance rate was 93%. Board meetings lasted, in average, between three to four hours.

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

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

The following table provides a breakdown of individual members' attendance rate in 2018:

Directors	02/28/2018	04/20/2018	07/26/2018	11/30/2018	Total
Daniel Julien	Yes	Yes	Yes	Yes	100%
Emily Abrera	Yes	Yes	Yes	Yes	100%
Alain Boulet	Yes	Yes	Yes	No	75%
Bernard Canetti	Yes	Yes	Yes	No	75%
Philippe Dominati	Yes	Yes	Yes	Yes	100%
Pauline Ginestié	Yes	Yes	Yes	Yes	100%
Jean Guez	Yes	Yes	No	Yes	75%
Wai Ping Leung	Yes	Yes	Yes	Yes	100%
Robert Paszczak	Yes	Yes	Yes	Yes	100%
Leigh Ryan	Yes	Yes	Yes	Yes	100%
Christobel Selecky	Yes	Yes	Yes	Yes	100%
Angela Maria Sierra-Moreno	Yes	Yes	Yes	Yes	100%
Patrick Thomas	Yes	Yes	Yes	Yes	100%
Stephen Winningham	Yes	Yes	Yes	No	75%
ATTENDANCE RATE	**100%**	**100%**	**93%**	**79%**	**93%**

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

- examination and approval of the parent company and consolidated financial statements for the year ended December 31st, 2017, of the management report and the examination of management forecast documents;
- setting of the variable remuneration for 2017 for executive officers;
- review of directors' independence criteria and re-examination of the independence of each director;
- proposal to renew directorships and ratification of a directorship;
- designation of the Lead Independent director and determination of his missions;
- amendments to the Internal Regulations of the Board of Directors and to the Audit and Compliance Committee;
- convening of the shareholders' meeting held on April 20th, 2018, setting of the agenda for the meeting and approval of the reports and resolutions including the votes on remuneration paid or granted in connection with financial year 2017 ("say on pay");
- setting up and adoption of the report of the Board of Directors on corporate governance in respect of financial year ended December 31st, 2017;
- review of regulated and arm's length agreements and commitments in respect of financial year ended December 31st, 2017;
- renewal of the authorization given to the Chairman and Chief Executive Officer in terms of sureties, endorsements and guarantees and increase of the annual global envelope on the matter;
- grant of performance shares of February 28th, 2018;
- renewal of the term of office of the Chairman and Chief Executive Officer;
- composition of the Committees of the Board;
- determination of the directors' fees for the 2017 financial year;
- implementation of the share repurchase program;
- authorization of the Intelenet acquisition and its financing;
- review of the structure and modalities of financing of the Group;
- examination and approval of the consolidated accounts at June 30th, 2018, the half-yearly financial report and management forecast documents;
- renewal of the delegation on issues of bonds and debt securities;
- 2018 forecasts and 2019 budget;
- remuneration policy of executive officers for 2019;
- diversity policy within the Board and the committee set up by executive management in order to assist it regularly in the performance of its general duties: objectives, modalities of implementation and 2018 results, particularly with regard to gender balance in the 10% of positions with the highest level of responsibility;
- yearly discussion on the professional and employment equal treatment policy.

The Committees of the Board of Directors

In the performance of its missions and duties, the Board is assisted by two specialized Committees: the Audit and Compliance Committee and the Remuneration and Appointments Committee.

The works performed by the Committees, which report on their work after each of their meetings, assist the Board of Directors in its discussions and decision making. The Board Committees work on assignments entrusted to them by the Board. They actively prepare their works and inform the Board of all points which appear to raise an issue or require a decision, thus facilitating its deliberations. They also provide any advice and recommendation to the Board as falls within their remit, but have no power of decision, subject to the decisions that the Audit and Compliance Committee may adopt pursuant to applicable legal and regulatory provisions, under the responsibility of the Board.

The Audit and Compliance Committee

The internal regulations of the Audit and Compliance Committee have been drafted in accordance with the final report of the AMF working group on Audit Committees dated July 22nd, 2010. They were updated by decision of the Board of Directors at its meeting held on February 28th, 2018.

Composition

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

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

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

Alain Boulet	Chairman, independent
Jean Guez	Member
Stephen Winningham	Member, independent

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

The three members have the specific financial and accounting skills required to perform their duty of due diligence and to accomplish their duties. The skills are characterized by their professional experience, which they have acquired in senior management positions in companies, banks, or working for an audit firm or in the capacity of chartered accountant or statutory auditor, as described in section 3.1.3.3 above.

Responsibilities

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

Missions

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

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

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

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

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

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

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

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

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

Meetings in 2018

The Audit and Compliance Committee met four times in 2018.

Meetings of the Audit and Compliance Committee were held over two days before the meetings of the Board of Directors to review accounts, in accordance with the recommendations of the AFEP-MEDEF code which provides for sufficient time to have available and review the financial statements.

Members	02/26/2018	05/24/2018	07/24/2018	11/22/2018	Total
Alain Boulet	Yes	Yes	Yes	Yes	100%
Jean Guez	Yes	Yes	No	Yes	75%
Stephen Winningham	Yes	Yes	Yes	Yes	100%
ATTENDANCE RATE	**100%**	**100%**	**67%**	**100%**	**92%**

The statutory auditors attended all four meetings. Patrick Thomas attended the meeting of the Audit and Compliance Committee dated November 22nd, 2018 as Lead Independent director.

The Audit and Compliance Committee reviewed the following items in particular in 2018:

- the statutory audit of the parent company and consolidated financial statements performed by the statutory auditors:
  - the Group Chief Financial Officer's presentation of the financial statements. The exposure to financial risks and off-balance sheet commitments contained in the annexes of the accounts provided to Committee members,
  - the program of reviews carried out by the statutory auditors, the findings of those reviews and the accounting options selected,
  - the parent company and consolidated financial statements as of December 31st, 2017,
  - the half-yearly summary consolidated financial statements as of June 30th, 2018,
  - the statutory auditors certified without qualification the consolidated financial statements as of December 31st, 2017 and identified no misstatements in the summary consolidated financial statements as of June 30th, 2018,
  - the review of related parties;
- the effectiveness of the internal control and risk management systems:
  - Internal Regulations of the Audit Committee – which becomes the Audit and Compliance Committee,
  - organization of internal audit within the Group and Internal Audit Charter,
  - internal audit plan for the 2018 financial year,
  - overview of the assignments performed by the Internal Audit Department and follow-up,
  - presentation of the 2018 internal control self-assessment questionnaires,
  - results and follow-up of the self-assessment questionnaires completed by the subsidiaries,
  - corruption risk mapping,
  - approval of the Code of Conduct and the Ethics Hotline policy,
  - implementation of the crisis management plan,
  - certification of the Group on the Binding Corporate Rules within the framework of the General Regulation on Data Protection,
- the financial information preparation process:
  - point of information by the statutory auditors on the closing procedure of the 2017 financial year;
- the independence of the statutory auditors:
  - delivery to the Committee of the statutory auditors' annual independence declaration in respect of the year ended December 31st, 2017,
  - review of the amount and breakdown of the statutory auditors' fees,
  - update of the rules regarding the Audit Committee's approval of the provision of services that may be entrusted to the statutory auditors,
  - approval of the provision of services other than the certification of financial statements.

The Remuneration and Appointments Committee

Composition

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

The Remuneration and Appointments Committee is currently comprised of three members, two of whom are independent:

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

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

Missions

The Remuneration and Appointments Committee issues opinions and recommendations regarding:

- the determination of the remuneration policy and of the benefits granted to executive officers, including determining the variable portion by assessing the definition of the rules for setting this variable portion and the annual application of these rules;
- the overall policy for granting performance shares, together with the conditions attached to the final vesting of these shares;
- the global amount and rules of allocation of directors' fees;
- the succession plans;
- the candidates for membership of the Board of Directors, their status as independents, and annual review of such quality in accordance with the criteria defined by the AFEP-MEDEF code and/or the renewal of terms of office of directors.

Meetings in 2018

The Remuneration and Appointments Committee met three times in 2018, and the attendance rate was 89%.

Members	02/27/2018	04/20/2018	11/28/2018	Total
Robert Paszczak	Yes	Yes	Yes	100%
Emily Abrera	Yes	Yes	Yes	100%
Bernard Canetti	Yes	Yes	No	67%
ATTENDANCE RATE	**100%**	**100%**	**67%**	**89%**

In 2018, the Committee's work and discussions focused mainly on the following issues:

- reviewing the independence of the directors;
- renewal of directorships to be proposed to the 2018 shareholders' meeting and propositions to the Board on the Committee's composition;
- assessment of the performance conditions of the June 23rd, 2017 performance shares plan;
- 2017 variable remuneration, determination of the 2018 and 2019 remuneration policies for the executive officers;
- review and analysis on the opportunity to suspend or maintain the employment contract of the Deputy Chief Executive Officer;
- designation of the Lead Independent director and determination of his missions;
- amendments of the Internal Regulations of the Board of Directors and the Audit and Compliance Committee;
- proposal of beneficiary and approval of the plan regulations for the performance shares plan of February 28th, 2018;
- review and adoption of the Board's report on corporate governance;
- discussion on letter to shareholders for the shareholders' meeting;
- recommendation to the Board on the modalities of allocation of directors' fees for financial year 2017;
- definition of the diversity policy applied to Board members with regards to criteria such as age, gender or qualifications and professional experience, as well as the objectives of that policy, its implementation modalities and its results obtained during the 2018 financial year;
- authorization of grant of performance shares and increase the envelope of directors' fees to be submitted to the approval of the 2019 shareholders' meeting;

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

3.1.4 The Executive Management

Composition

Daniel Julien

Chairman and Chief Executive Officer and Chairman of the Executive Committee

Individual information and the list of terms of office of Mr. Daniel Julien are described in section 3.1.3.1 above.

Olivier Rigaudy

Deputy Chief Executive Officer and Group Chief Financial Officer

Born on May 4th, 1959, Mr. Olivier Rigaudy is a graduate of the Paris *Institut d'Études Politiques* and holds a Masters' degree in Business Law and a Postgraduate Accounting Studies Diploma (DECS). He began his career in the audit department at KPMG. He then joined the Finance Management of the Pechiney Group in the Mergers & Acquisitions Department before serving as Director of Finance and Investors Relations at Club Méditerranée in 1992. He served as Chief Financial Officer of the Castorama (Kingfisher) Group from 1999 to 2003 and as Corporate Secretary of Conforama from 2004 to 2009.

He joined the Teleperformance Group in February 2010 as Group Chief Financial Officer and was appointed Deputy Chief Executive Officer of Teleperformance SE on October 13th, 2017.

Mr. Rigaudy holds directorships in various French and overseas subsidiaries of the Teleperformance Group. He does not hold any directorships in companies outside the Group.

The Executive Committee

The Chairman and Chief Executive Officer is assisted by an Executive Committee comprising the Group's key managers who are based around the world. As of the date of preparation of this Registration Document, the Executive Committee is presided over by the Chairman and Chief Executive Officer and is composed of:

- the Deputy Chief Executive Officer and Group Chief Financial Officer;
- the Group Chief Legal Officer and Chief Compliance Officer;
- the Group Chief Operating Officer;
- the President of the Ibero-LATAM region;
- the Co-Presidents of the English-speaking and Asia-Pacific region;
- the President of the Continental Europe, Middle-East and Africa region;
- the President of Teleperformance D.I.B.S. (Digital Integrated Business Services) division;
- the President of the Specialized services division;
- the Chief Research and Development and Digital Integration Officer;
- the Chief Administrative Officer;
- the Chief Marketing Officer and;
- the Chief Information Officer.

The Executive Committee is responsible for the Group's operational management. It meets at least twice per month. It implements the strategic orientations, ensures the coherence of the actions undertaken by all of the subsidiaries and discusses the major operational initiatives necessary to the development of the Group and to its performance.

Missions

The Chairman and Chief Executive Officer has been granted full powers to act in the Company's name in all circumstances. He exercises his powers within the scope of the corporate objects and subject to the powers expressly conferred by law on the general meeting of shareholders and the Board of Directors. In addition, the Chairman and Chief Executive Officer represents the Company in its relations with third parties and exercises his powers within the limits provided for by the articles of association and the Board of Directors' internal rules (see section 3.1.3.2.2 of this Registration Document). The Chairman and Chief Executive Officer is assisted by a Deputy Chief Executive Officer whose powers are determined by the articles of association. Furthermore, the Board of Directors determines or authorizes expressly and prior to their completion the following issues:

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

Diversity policy within the senior management

Pursuant to the provisions of Article L.225-37-4 6° of the French Commercial Code, the Board of Directors is required to describe how the Company seeks to achieve a balanced representation of women and men on any committees set up, if applicable, by senior management in order to assist it in the performance of its duties and with regard to gender balance in the 10% of positions with the highest level of responsibility.

The Group Executive Committee is made up of the Chairman and Chief Executive Officer, the Deputy Chief Executive Officer, the four regional Presidents (co-Presidency in the case of the EWAP region) and Group senior executives. As of today, 14 people currently sit on this committee, including one woman.

Achieving diversity and balanced representation is a permanent objective for Teleperformance as it offers an openness beneficial to the optimal development of the Group. This diversity is, above all, multi-criteria: it is reflected in a wide range of attributes, including social mix, skills, expertise, experience, culture and background. The aim is not only to hire, develop and retain employees with diverse personal characteristics – above all, it is to build on such differences, ensuring that everyone can contribute to meeting the Group's targets by fulfilling their maximum potential.

This objective is also expanded at all levels of the Group, both regional and local.

In particular with regard to balanced representation of women and men, it is reminded that as of December 31st, 2018, women represented 52.5% of Group headcount (excluding subsidiaries in the USA where local regulations do not allow to check the data collected on such issue and excluding Intelenet). As of the same date, the percentage of women in management positions was 49.6%.

As an example, at regional level, it should be noted that in the Continental Europe, Middle-East and Africa region (CEMEA), women represented 57% of this region Management Committee members.

In addition, the Group identified the 169 employees representing the top 10% of positions in terms of responsibility. Among these 169 employees, 31 are women (*i.e.* 18.3%). At the Company level, the top 10% positions comprises 11 people including six women. Teleperformance remains vigilant by examining all the factors of improvement of diversity within it, particularly in terms of gender balance, that could be beneficial to the Group's development and its dynamism.

3.2 REMUNERATION OF DIRECTORS AND EXECUTIVE OFFICERS

3.2.1 Remuneration of directors

3.2.1.1 Rules for allocation of directors' fees

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

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

The directors' fees for a financial year are paid the following year.

For the 2016 financial year (directors' fees paid in June 2017), the following rules, which were decided by the Board at its meeting held on July 28th, 2015, were applied:

- each director received an annual fixed fee of €20,000 and a variable amount of €3,500 per meeting subject to attendance;
- each Committee member received a variable fee of €2,500 per meeting attended. The Committee Chairmen received an annual fixed fee of €5,000;
- a fee of €1,500 for participating in a Board or Committee meeting was paid for directors traveling from a country outside Europe.

At its meeting held on June 23rd, 2017, the Board decided to pay an exceptional fee to the directors in view of their work, time spent and their commitment in preparing the works of the Board and its Committees both during and between meetings.

For the 2017 financial year (directors' fees paid in June 2018), the Board, at its meeting held on April 20th, 2018, set the following rules:

- each director received an annual fixed fee of €22,500 and a variable amount of €5,000 per meeting subject to attendance;
- each member of the Remuneration and Appointments Committee received a variable fee of €3,000 per meeting attended and the Committee Chairman received an annual fixed fee of €10,000;
- each member of the Audit and Compliance Committee received a variable fee of €3,500 per meeting attended and the Committee Chairman received an annual fixed fee of €12,500;
- A fee of €1,500 for participating in a Board or Committee meeting for directors traveling from a country in Europe (excluding France) or of €3,000 for participating in a Board or Committee meeting for directors traveling from a country outside Europe, was paid to directors.

Upon recommendation of the Remuneration and Appointments Committee and based on a study conducted by an external independent firm, the Board of Directors, at its meeting held on February 28th, 2019, decided to propose to the shareholders' meeting to set the global annual maximum amount of director' fees at €1,000,000. The increase thus proposed is justified in particular by the necessity to add new skills within the Board, by the creation of the function of Lead Independent director and by the modification of the Group's dimension and environment. Subject to the approval of this resolution by the shareholders' meeting to be held on May 9th, 2019, the allocation rules will be further reviewed, while keeping the general principles on the matter, at the occasion of the allocation of directors' fees for the 2018 financial year to be paid in 2019.

The gross amount of directors' fees paid in 2017 (in respect of the 2016 financial year) amounted to €599,775[1] and those paid in 2018 (in respect of the 2017 financial year) €699,875..

(1) Of which €41,398 paid to Directors whose term of office was not renewed.

3.2.1.2 Directors' fees and other remuneration paid to directors

Table 3 of the AMF recommendations – Individual breakdown of the amounts of directors' fees and other remuneration paid to directors (gross amounts)

	Montants versés en 2017	Montants versés en 2018
Daniel Julien, *Chairman and Chief Executive Officer*		
• Directors' fees	n/a	n/a
• Other remuneration	*see section 3.2.2.1*	*see section 3.2.2.1*
Emily Abrera, *director*		
• Directors' fees	€53,200	€71,500
• Other remuneration	-	-
Alain Boulet, *director*		
• Directors' fees	€56,200	€68,041
• Other remuneration	-	-
Bernard Canetti, *director*		
• Directors' fees	€61,200	€69,459
• Other remuneration	-	-
Philippe Dominati, *director*		
• Directors' fees	€46,200	€47,500
• Other remuneration (1)	€60,000	€80,000
Pauline Ginestié, *director* (2)		
• Directors' fees	€36,289	€53,500
• Other remuneration	-	-
Jean Guez, *director*		
• Directors' fees	€52,700	€61,500
• Other remuneration	-	-
Wai Ping Leung, *director* (2)		
• Directors' fees	€34,289	€59,500
• Other remuneration	-	-
Robert Paszczak, *director*		
• Directors' fees	€63,200	€81,500
• Other remuneration	-	-
Leigh Ryan, *director* (2)		
• Directors' fees	n/a	n/a
• Other remuneration	$1,150,000 (3)	$1,173,000 (4)
Christobel Selecky, *director*		
• Directors' fees	€50,700	€59,500
• Other remuneration	-	-
Angela Maria Sierra-Moreno, *director*		
• Directors' fees	€50,700	€59,500
• Other remuneration	-	-
Patrick Thomas, *director* (5)		
• Directors' fees	-	€1,875
• Other remuneration	-	-
Stephen Winningham, *director*		
• Directors' fees	€53,700	€66,500
• Other remuneration	-	-

(1) Mr. Philippe Dominati receives directors' fees as Chairman of the Board of Directors of Teleperformance France SA.
(2) Director since April 28th, 2016.
(3) Ms. Leigh Ryan, director since April 28th, 2016, holds an employment contract with Teleperformance Group, Inc., US subsidiary of the Company, as Group Chief Legal Officer and Chief Compliance Officer under which she received, for 2017, a fixed gross remuneration of US$1,150,000 and benefits in kind for a total amount of US$49,884. These benefits in kind consist of a healthcare insurance plan, a life insurance policy and the matching contribution paid by Teleperformance Group, Inc. under the non-qualified deferred compensation plan (described in section 3.2.2.1 – benefits in kind below). She does not receive any directors' fees from the Company nor any Group subsidiaries in which she holds directorships. No performance shares were granted to her in 2017.
(4) For 2018, the remuneration elements of Ms. Leigh Ryan, as Group Chief Legal Officer and Chief Compliance Officer, are composed of a fixed gross remuneration of US$1,173,000 and benefits in kind for a total amount of US$63,034. These benefits in kind consist of a healthcare insurance plan, a retirement contribution, a life insurance policy and the matching contribution paid by Teleperformance Group, Inc. under the non-qualified deferred compensation plan (described in section 3.2.2.1 – benefits in kind below). No performance shares were granted in 2018.
(5) Director since November 30th, 2017.

3.2.2 Remuneration of executive officers

The Group's remuneration policy for senior executives (including executive officers) is designed to support the Group's strategy. It also seeks to align the interests of the employees concerned with those of the shareholders as it establishes a link between performance and remuneration while guaranteeing a competitive compensation offer in accordance with the Group's different businesses and services and the different geographic markets in which it operates.

The remuneration policy, designed in a simple and transparent manner, pursues three main objectives:

- attracting, developing and retaining talents and high potential as well as recognized skills;
- encouraging performance;
- aligning remuneration levels with the performances of the Group and of the subsidiaries concerned, if applicable.

Remuneration must thus be competitive and consistent with regard to observed market practices. They are structured around the following components:

- a fixed remuneration the amount of which takes into account the position, the level of responsibilities carried out, the experience and recognized technical skills and leadership;
- a variable remuneration subject to (i) performance criteria adapted, consistent with the environment in which the person concerned operates as well as the short-term and long-term performance and objectives of the Group and (ii) relevant qualitative criteria with regard to the Group's objective.

  This variable remuneration is defined under a maximum amount. It is not a target amount that may vary due to exceptional items or if objectives are exceeded. Group policy has always sought to establish a close link between remuneration and performance over the long-term while discouraging conduct and situations that could lead to major or even excessive risk-taking in pursuit of short-term gains. This is the reason why the variable part of the remuneration is equal to the fixed part and is subjected to the achievement of ambitious objectives linked to the Group's strategy;
- an indemnity due in respect of a non-compete agreement (the specificities of which can differ depending on applicable legal and regulatory requirements) the objective of which is to protect the legitimate interests of the Group and all its external and internal stakeholders following in the event of departure of an executive;
- benefits in kind;
- the eligibility for long-term share-based profit-sharing schemes (performance shares, long-term incentive plan, etc.) granted subject to performance and presence conditions.

  The policy stems from the desire to associate key managers and senior executives in the Group's long-term development and align their interests with those of the shareholders by giving them an interest in the value of the Company shares. It is based on the following principles:

  - the acquisition (vesting) of performance shares is subject to performance and presence criteria applicable to both executive officers and all employee beneficiaries;
  - the performance conditions are in line with the long-term Group strategy as defined by the Board of Directors;
  - the performance and presence criteria are assessed and measured over a three-year period; their determination and expected levels of achievement are decided by the Board of Directors which, after recommendation of the Remuneration and Appointments Committee, sets the thresholds for calculating the performance expected or achieved and for determining the number of shares definitively vested;
  - with regards to frequency, the Group decided, starting in 2019, to modify its practice in the matter to provide from now on a grant every year and not every three years. The Group thus wished to adapt its practice to the market and its shareholders' expectations;
  - the number of performance shares granted to a beneficiary is determined in accordance with his or her role and responsibilities and, where applicable, local considerations;
  - long-term incentive plans are subject to identical rules and performance and presence criteria as performance share grants;
  - if a beneficiary leaves the Company, he or she does not retain the shares granted under a performance share or long-term incentive plan and not yet definitively vested, unless otherwise decided by the Board of Directors which would decide in compliance with the recommendations of the AFEP-MEDEF code in this respect (prorate, retention of performance conditions and justifications of its decision);
  - executive officers must retain at least 30% of shares vested until the end of their term of office and have taken the commitment not to engage in hedging transactions (see section 3.3.3.3 hereafter).

This remuneration structure is reviewed each year by the Board of Directors, on the basis of the works of its Remuneration and Appointments Committee. On this occasion, the Board discusses the opportunity to amend the remuneration or its structure due to circumstances (new functions, acquisitions, integrations, new businesses, new countries, etc.) having an impact on the Company, its Group or its organization. In any case, the Board of Directors ensures that the principles on which its remuneration policy is based and contained in paragraph 24.1.2 of the AFEP-MEDEF code are respected.

The remuneration elements paid to the executive officers of Teleperformance SE are determined by the Board of Directors, upon recommendation of the Remuneration and Appointments Committee and taking into account the shareholders' expectations collected during a continuous exchange. That Committee, which composition, missions and works are described in section 3.1.3.3 above, is chaired and composed in majority by independent directors. It also prepares its recommendations on the basis of studies conducted by external independent firms specialized in remuneration issues.

Pursuant to legal and regulatory provisions, the remuneration elements paid or granted in respect of financial year 2018 in accordance with the principles and criteria approved by the shareholders' meeting held on April 20th, 2018 (see section 3.2.2.1 hereafter) and the remuneration policy for 2019 (see section 3.2.2.2 below), are submitted to the approval of the shareholders' meeting to be held on May 9th, 2019 and are presented below.

3.2.2.1 Fixed, variable and exceptional elements of the total remuneration and the benefits of all kind paid or granted to executive officers in 2018 (in application of the principles and criteria approved by the shareholders' meeting held on April 20th, 2018)

The remuneration elements of Mr. Daniel Julien, it being reminded that he served as executive Chairman until October 13th, 2017 and has served as Chairman and Chief Executive Officer since that date, were determined, for 2017, by the Board of Directors, upon recommendation of the Remuneration and Appointments Committee, at its meetings held on December 1st, 2016 and February 28th, 2017. For 2018, his remuneration elements were determined by the Board of Directors at its meetings held on November 30th, 2017 and February 28th, 2018.

The remuneration elements of Mr. Olivier Rigaudy, Deputy Chief Executive Officer since October 13th, 2017, were determined, for 2018, by the Board of Directors, upon recommendation of the Remuneration and Appointments Committee, at its meetings held on November 30th, 2017 and February 28th, 2018. It is reminded that Mr. Rigaudy did not receive any remuneration in respect of his office for the period from October 13th, 2017 to December 31st, 2017.

Based on the principles and criteria for the determination, allocation and grant of elements comprising the total remuneration and benefits of all kind due to executive officers as approved by the shareholders' meeting held on April 28th, 2018, the remuneration is paid, in its entirety, to Mr. Julien, Chairman and Chief Executive Officer, by the US subsidiary, Teleperformance Group, Inc., of which Mr. Julien is an executive officer, and to Mr. Rigaudy, Deputy Chief Executive Officer, by Teleperformance SE.

The remuneration is denominated and paid, in US dollars by the US subsidiary Teleperformance Group, Inc., for the Chairman and Chief Executive Officer, and in euros, by Teleperformance SE for the Deputy Chief Executive Officer, the Group bearing thus the social costs and contributions in those countries pursuant to applicable local regulations. It is reminded that the payment of the variable remuneration, in respect of 2018, is conditional on the positive vote of the sharelholders' meeting to be held on May 9th, 2019.

Fixed, variable and exceptional elements of the total remuneration and the benefits of all kind paid or granted in connection with financial year 2018 to Mr. Daniel Julien, Chairman and Chief Executive Officer

Table 1 of the AMF recommendations – Summary table on remuneration and stock options and shares granted to Mr. Daniel Julien, Chairman and Chief Executive Officer *(gross amounts – in euros)*

	2018*	2017*
Remuneration due in connection with the financial year (detailed in table 2)	4,487,593	4,705,583
Value of multi-year variable remuneration granted during the financial year	n/a	n/a
Value of stock options granted during the financial year	n/a	n/a
Value of performance shares granted during the financial year** (detailed in table 6)	n/a	n/a
TOTAL	**4,487,593**	**4,705,583**

* *Remuneration denominated in a foreign currency for a given year is converted into euros at the average exchange rate for the year (for 2018, €1 = US$ 1.184 and for 2017, €1 = US$ 1.129).*

** *It is reminded that the Group's was to provide for a grant of performance shares or equivalent mechanisms every three years. The last grant was implemented in April 2016.*

Table 2 of the AMF recommendations – Summary remuneration table of Mr. Daniel Julien, Chairman and Chief Executive Officer *(gross amounts – in euros)*

	2018(1)		2017(1)	
	Amounts due	Amounts paid(2)	Amounts due	Amounts paid(2)
Fixed remuneration	2,217,061	2,296,242	3,321,523	3,321,523
Annual variable remuneration	2,217,061(3)	1,266,892(4)	1,328,609	1,328,609
Multi-year variable remuneration	n/a	n/a	n/a	n/a
Exceptional remuneration	n/a	n/a	n/a	n/a
Directors' fees	n/a	n/a	n/a	n/a
Benefits in kind	53,471	53,471	55,450	55,450
TOTAL	**4,487,593**	**3,616,605**	**4,705,583**	**4,705,583**

(1) *Remuneration denominated in a foreign currency for a given year is converted into euros at the average exchange rate for the year (for 2018, €1 = US$ 1.184 and for 2017, €1 = US$ 1.129).*
(2) *The remuneration paid includes the portion of the remuneration payable in respect of the current financial year and the balance of the remuneration payable in respect of the previous financial year and not paid during that year.*
(3) *The payment of the variable remuneration in respect of financial year 2018 is subject to the approval of the remuneration elements paid or granted for 2018 by the shareholders' meeting to be held on May 9th, 2019, pursuant to the provisions of article L.225-100 II of the French Commercial Code.*
(4) *The payment of the variable remuneration in respect of financial year 2017 is subject to the approval of the remuneration elements paid or granted for 2017 by the shareholders' meeting to be held on April 20th, 2018, pursuant to the provisions of article L.225-100 II of the French Commercial Code.*

DETAILS OF REMUNERATION ELEMENTS OF MR. DANIEL JULIEN FOR THE 2018 FINANCIAL YEAR

For financial year 2018, the remuneration elements of Mr. Daniel Julien, Chairman and Chief Executive Officer, reflect the remuneration policy duly approved by the shareholders' meeting held on April 20th, 2018 (9th resolution).

Fixed remuneration

For 2018, the fixed remuneration of Mr. Daniel Julien, Chairman and Chief Executive Officer, was set at the gross amount of US$2,625,000 (*i.e.* €2,217,061), reduced compared to the previous financial year for which it was set at US$3,750,000, amount unchanged since 2013.

Variable remuneration

Upon recommendation of the Remuneration and Appointments Committee, the Board of Directors set the amount of variable remuneration for 2018 at the maximum amount of US$2,625,000, subject to performance criteria. It represents a level equal to his fixed remuneration.

Furthermore, the variable remuneration of Mr. Daniel Julien for 2018 is subject to a clawback scheme that is triggered in the event that all or part of this remuneration was received as the result of an accounting fraud affecting the consolidated financial statements, for which the Chairman and Chief Executive Officer was responsible or acted as an accomplice. This scheme will be implemented if, during either of the two years following the year in which the Chairman and Chief Executive

Officer received said remuneration, the Board of Directors identifies such fraud. The amount of variable remuneration that the Chairman and Chief Executive Officer would not have received if the fraud had not been committed will be repaid to the Company.

The Board of Directors set the quantitative and qualitative performance criteria, described below for the 2018 variable remuneration. The Board has introduced a point-based calculation system, in order to determine the full or partial fulfillment of said criteria. The maximum number of points that may be granted for the various quantitative and qualitative criteria is 100 points, a maximum of 80 points for quantitative criteria and a maximum of 20 points for qualitative criteria.

Taking into account the results, the recommendations of the Remuneration and Appointments Committee, and after approval of the financial items by the Audit and Compliance Committee, the Board of Directors, at its meeting held on February 28th, 2019, set the amount of the variable remuneration for 2018 of Mr. Daniel Julien at a gross amount of US$2,625,000, *i.e.* €2,217,061. Pursuant to the provisions of Article L.225-100 II of the French Commercial Code, the payment of the variable remuneration is subject to the approval of the remuneration elements paid or granted in respect of 2018 by the shareholders' meeting to be held on May 9th, 2019. The breakdown by criteria is described hereafter.

Quantitative criteria

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

The tables below describe the number of points, the targets set by the Board and the level of achievement confirmed by the Board at its meeting held on February 28th, 2019.

Current EBITA margin ratio

Number of points awarded	Target
0 point	less than 13%
10 points	Equal to 13% and less than 13.15%
20 points	Equal to 13.15% and less than 13.3%
30 points	Equal to 13.3% and less than 13.5%
40 points	Equal to 13.5% and above
TOTAL OF POINTS DEFINITELY GRANTED	**40 POINTS**

As to this criterion, upon recommendations of the Audit and Compliance Committee and of the Remuneration and Appointments Committee, the Board of Directors noted that the EBITA margin amounted to 13.6% and thus granted 40 points.

Organic revenue growth (excluding currency gains and losses)

Number of points awarded	Target
0 point	less than 3%
10 points	Equal to 3% and less than 4%
20 points	Equal to 4% and less than 5%
30 points	Equal to 5% and less than 6%
40 points	Equal to 6% and above
TOTAL OF POINTS DEFINITELY GRANTED	**40 POINTS**

As to this criterion, upon recommendations of the Audit and Compliance Committee and of the Remuneration and Appointments Committee, the Board of Directors noted that the organic revenue growth amounted to 9% and thus granted 40 points.

Qualitative criteria

The qualitative criteria, which have a 20-point weighting, relate to the mobilization and deployment of efforts in terms of external growth which is an element of the Group's strategy. The Board reviewed the level of achievement of the qualitative criteria with regard to the whole process leading to the Intelenet acquisition finalized on October 4th, 2018. This acquisition constitutes a major step in the Group's transformation led by the executive team for many years. It offers the Group the possibility to continue the quality upgrade of its offer by developing specifically the Group's digital capacities in order to sustain its growth and improve its operational profitability. The acquisition was welcomed by the stock market. It creates value for Teleperformance with a positive impact on revenue growth as well as operating margin and strengthens the Group's capacity to achieve its strategic objectives for 2022 of a revenue of at least €6 billion and an EBITA of at least €850 million (excluding acquisitions).

It was conducted by Mr. Julien and Mr. Rigaudy which went to India and the United States on several occasions. The Board particularly noted and welcomed, their personal involvement to mobilize the different specialized teams of the Group (financing and treasury, tax, consolidation, legal...) and to determine and map the great steps and guidelines of the acquisition process until its achievement and integration within the Group. It was conducted without any investment bank being commissioned on this project, thus resulting in substantial savings for the Group.

In its analysis, the Board also took into account the optimization of the existing financing covenants and those necessary in order to prepare for a potential acquisition in 2018.

As a result and given the very positive response by the markets, it was decided that the number of points granted was of 20 out of the 20 points allocated to these qualitative criteria.

Long-term remuneration

During financial year 2018, no performance shares or shares granted under a long-term incentive plan were granted to Mr. Daniel Julien. It is reminded that the Group policy was, until now, to grant performance shares (or equivalent mechanisms) every three years. The last grant was implemented in April 2016.

The Board decided, starting in 2019, to review the frequency of grants (one grant per year) (see introduction of section 3.2.2 above).

Benefits in kind

The benefits in kind granted to Mr. Julien consist of a company car, a healthcare insurance plan and the matching contribution for 2018 paid under the non-qualified deferred compensation plan.

This mechanism of non-qualified deferred compensation plan, similar to a deferred savings scheme, set up by the US subsidiary, Teleperformance Group, Inc, enables the beneficiaries to defer, at their own initiative, a portion of their remuneration within the limit of US$200,000 per year. Once deferred, Teleperformance Group, Inc. then matches 25% of this amount with a limit fixed at US$50,000 per year. The deferred and matched amounts are paid on the date of departure.

As of December 31st, 2018, Mr. Julien deferred the payment of US$200,000 matched by Teleperformance Group, Inc. to a total of US$50,000, *i.e.* €42,230.

Table 11 of the AMF recommendations – Summary of undertakings taken in favor of executive officers

Executive Officer	Employment contract	Additional pension scheme	Payments or benefits due or to be due upon termination or change of responsibilities	Payments relating to a non-compete agreement
Daniel Julien Chairman and Chief Executive Officer since October 13th, 2017 Expiry of term of office: GM 2021	No	No	No	Yes

Employment contract

The Chairman and Chief Executive Officer is not bound to the Company or any of its subsidiaries by an employment contract.

Additional pension scheme

Mr. Daniel Julien does not benefit from any additional pension scheme.

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

The executive officers are not entitled to any payments or benefits due or to be due as a result of termination of their appointment or a change in their responsibilities.

Payments relating to a non-compete agreement

With the concern of protecting the Group's interests, the Board of Directors authorized, since 2006, the conclusion of a non-compete agreement between the Group and Mr. Daniel Julien. This agreement was concluded on May 18th, 2006 and approved by the shareholders' meeting held on June 1st, 2006. It was subsequently amended by the decisions of the Board of Directors of May 31st, 2011 and November 30th, 2011, approved by the ordinary shareholders' meeting held on May 29th, 2012.

At its meeting held on November 30th, 2017, the Board of Directors decided to authorize the amendment of the terms of the non-compete agreement between Teleperformance SE, Teleperformance Group, Inc. and Daniel Julien, in order to limit the duration of the non-competition and non-poaching obligations at 2 years. This undertaking will be remunerated by a compensation limited to 2 years of gross remuneration (fixed and variable) paid in respect of the calendar year preceding the year of departure compared to an indemnity which previously could have reached 3 years of compensation. The agreement thus amended is a continuation of the policy on this matter and the will of the Board to protect the best interests of the Group and all its internal and external stakeholders (customers, employees, shareholders) in case of departure, whatever the cause, of Mr. Daniel Julien. It will also limit the financial impact for the Group insofar as the amount of the remuneration provided in consideration for the obligations incumbent on Mr. Daniel Julien is reduced. The amendment to the agreement was entered into on December 1st, 2017 and was approuved by the shareholders' meeting held on April 20th, 2018.

It is reminded that this agreement contains commitments, by Mr. Julien, of non-competition and non-poaching. As such, Mr. Julien is prohibited, for a period of 2 years, in all countries in which the Group operates at the time of the effective date of departure, directly or indirectly, to collaborate or participate, in any way whatsoever (in particular, as an employee, executive or non-executive officer, director, external consultant…), in a business activity and/or a company that competes with the Group. In addition, he must refrain from soliciting, directly or indirectly, the senior managers of the Group during the same period. The agreement provides for a nine-month mutual notice in the event of termination of employment within the Group.

SHAREHOLDERS' VOTE ON REMUNERATION ELEMENTS PAID OR GRANTED IN RESPECT OF THE 2018 FINANCIAL YEAR TO MR. DANIEL JULIEN, CHAIRMAN AND CHIEF EXECUTIVE OFFICER

In accordance with the provisions of Article L.225-100 II of the French Commercial Code, the fixed, variable and exceptional elements of the total remuneration and benefits of all kind paid or granted to each executive officer in respect of the year ended are submitted to the shareholders' vote.

It is then proposed to the shareholders' meeting to be held on May 9th, 2019 to issue a favorable vote on the fixed, variable and exceptional elements of the total remuneration and benefits of all kind paid or granted to Mr. Julien, Chairman and Chief Executive Officer in respect of the year ended December 31st, 2018. It is reminded that the shareholders' meeting held on April 20th, 2018 issued a favorable vote on the remuneration policy of Mr. Daniel Julien with 95.13% of favorable votes and the elements and structure of his remuneration evolved after the shareholders' expectations were taken into account by the Board of Directors. These evolutions are described in section 3.2.2.1 below.

Remuneration elements paid or granted in respect of 2018 to Mr. Daniel Julien

	Amounts or book value subject to vote*	Comments
Fixed remuneration	US$2,625,000, *i.e.*, €2,217,061	The gross fixed annual remuneration of Mr. Julien was approved by the Board of Directors at US$2,625,000. This amount was reduced following the evolution of the remuneration structure as of January 1st, 2018 (modifying the breakdown between the fixed and variable parts of the remuneration to raise it respectively from 70%/30% to 50%/50%).
Annual variable remuneration	US$2,625,000, *i.e.*, €2,217,061 (amount to be paid *after approval of the shareholders' meeting to be held on May 9th, 2019*)	At its meeting held on February 28th, 2019, the Board of Directors, upon recommendation of the Remuneration and Appointments Committee, and after approval of financial items by the Audit and Compliance Committee, set the amount of variable remuneration of Mr. Julien for the 2018 financial year as follows: ● with regard to the quantitative criteria (increase in revenues excluding currency gains and losses, and increase in the current EBITA margin ratio), all of the 80 points assigned to these criteria were granted; ● with regard to the qualitative criteria, all of the 20 points assigned to these criteria were granted. The amount of the 2018 variable remuneration has, accordingly, been set at US$2,625,000 *i.e.*, €2,217,061. The performance criteria as well as their expected and recorded fulfillment levels are described in section 3.2.2.1. *Variable remuneration* of the 2018 Registration Document. This remuneration is coupled with a clawback mechanism.
Multi-year variable remuneration in cash	n/a	Mr. Julien does not benefit from any multi-year variable remuneration.
Exceptional remuneration	n/a	Mr. Julien does not benefit from any exceptional remuneration.
Stock options, performance shares or other grants of securities	n/a	Mr. Julien does not benefit from any grant of stock purchase or subscription options. During the year 2018, no performance shares or equivalent scheme were granted to Mr. Daniel Julien by the Company or one of its subsidiaries. It is reminded that the Group's policy on the matter, for 2018, was to grant performance shares every three years. The last grant was decided in April 2016. The Group decided to amend its practice subject to the approval by the shareholders' meeting to be held on May 9th, 2019, in favour of a remuneration policy including a grant every year starting in 2019.
Directors' fees	n/a	Mr. Julien does not receive any directors' fees from the Company or its subsidiaries.
Benefits in kind	US$63,310, *i.e.*, €53,471	The benefits in kind granted to Mr. Julien comprise a company car, healthcare insurance plan and the matching contribution for 2018 paid under the non-qualified deferred compensation plan described in section 3.2.2.1 *Benefits in kind* of the 2018 Registration Document.

* *Remunerations in foreign currencies are converted into euros at the average annual rate.*

Remuneration elements paid or granted for 2018 financial year to Mr. Daniel Julien that are or have already been voted upon by the shareholders' meeting under the procedure for regulated agreements and commitments

	Amounts subject to vote	Comments
Termination payments	n/a	Mr. Julien does not benefit from any indemnity or payment in connection with the termination of his position.
Non-compete compensation	No payment	As founder of the Group, Mr. Julien is entitled to receive compensation under a non-compete agreement. This non-compete agreement, concluded in 2006 and subsequently modified, was amended upon authorization of the Board of Directors at its meeting held on November 30th, 2017 in order to limit the duration of the obligations incumbent on Mr. Julien at two years and correlatively limit the compensation at two-years' remuneration (fixed and variable). The amendment No 3 to this agreement, entered into on December 1st, 2017, was approved by the shareholders' meeting held on April 20th, 2018 (4th resolution) and is described in section 3.2.2.1 *Payments relating to a non-compete agreement* of the 2018 Registration Document.
Additional pension scheme	n/a	Mr. Julien does not benefit from any additional pension scheme.

Fixed, variable and exceptional elements of the total remuneration and the benefits of all kind paid or granted in connection with financial year 2018 to Mr. Olivier Rigaudy, Deputy Chief Executive Officer

On October 13th, 2017, upon proposal of the Chairman and Chief Executive Officer, the Board of Directors appointed Mr. Olivier Rigaudy as Deputy Chief Executive Officer. Following the combination of the functions of Chairman and Chief Executive Officer, given the Teleperformance Group's dimension and the necessity to rationalize the decision and representation process at Group level, the Chairman and Chief Executive Officer wished to have the possibility of entrusting a Deputy Chief Executive Officer with missions related to the general management and, in particular, the representation of the Company, and that the latter be a trusted person, based in France and with a solid knowledge of the Group. He thus proposed to the Board of Directors the candidacy of Mr. Olivier Rigaudy.

It was essential that Mr. Olivier Rigaudy, who was serving as Chief Financial Officer since 2010, continues to perform these duties in accordance with his employment contract, in complete independence from the assistance mission to the Chairman and Chief Executive Officer, which is linked to the function of Deputy Chief Executive Officer. The Board of Directors, upon recommendation of its Remuneration and Appointments Committee, thus decided to maintain his employment contract binding, since 2010, Mr. Rigaudy to the Company as Group Chief Financial Officer. Indeed, it considered that the duties of Mr. Rigaudy in respect of his office correspond to a mission to be distinguished from his employees' and technical duties.

The continuation of Mr. Rigaudy's employment contract is in line with the recommendation 21.2 of the AFEP-MEDEF code which provides that the employment contract must be terminated upon the appointment, as this recommendation does not apply to the Deputy Chief Executive Officer (reaffirmed by the application guide of the ADEP-MEDEF code of June 2018 published in January 2019).

At its meeting held on November 30th, 2017, the Board decided to set up his remuneration in respect of his duties of Deputy Chief Executive Officer as of January 1st, 2018. Mr. Rigaudy did not receive any remuneration in respect of his office for the period from October 13th, 2017 to December 31st, 2017.

In the interest of transparency, all the elements of the total remuneration of Mr. Rigaudy for 2018, both in respect of his term of office as Deputy Chief Executive Officer and of his employment contract as Group Chief Financial Officer are summarized in the table below.

	Officership as Deputy Chief Executive Officer (submitted to Shareholders' vote by law)	**Employment contract as Group Chief Financial Officer**	**Total remuneration**
Fixed remunerations (gross annual amounts)	€80,000	€520,000	€600,000 (50%)
Variable remunerations (gross annual maximum amounts) subject to distinct performance conditions	€380,000 (with clawback mechanism) – **payment conditional to a positive vote at the shareholders' meeting to be held on May 9th, 2019**	€220,000	€600,000 (50%)
Benefits in kind	n/a	Use of a company car	
Non-compete undertakings	Undertaking of 1 year compensated by an indemnity representing 1-year remuneration (fixed and variable) paid in respect of his executive functions as an employee and/or executive officer within the Group.		No implementation in 2018.
Other remuneration elements	**No additional indemnity in case of departure is provided under his employment contract** other than the indemnities set forth in application of legal provisions, it being specified that **the amount of these indemnities would not exceed, in any case, an amount equivalent to 2 years of his total remuneration.**		
Long-term remuneration (performance shares)	No grant in 2018.		

Table 1 of the AMF recommendations – Summary table on remuneration and stock options and shares granted to Mr. Olivier Rigaudy, Deputy Chief Executive Officer *(gross amounts – in euros)*

In the interest of transparency, this table includes the remuneration due to Mr. Olivier Rigaudy under his employment contract as Group Chief Financial Officer.

	2018	**2017****
Remuneration due in connection with the financial year (detailed in table 2)	1,208,779	748,779
Value of multi-year variable remuneration granted during the financial year	n/a	n/a
Value of stock options granted during the financial year	n/a	n/a
Value of performance shares granted during the financial year* (detailed in table 6)	n/a	n/a
TOTAL	**1,208,779**	**748,779**

* *It is reminded that, in 2018, the Group's policy in terms of performance shares grants (or equivalent mechanisms) provided for a grant every three years.*
** *In the interest of transparency, the amounts related to the 2017 financial year 2017, due and paid, are indicated for the full year. It is reminded that Mr. Rigaudy was appointed Deputy Chief Executive Officer on October 13th, 2017 and that he did not receive any remuneration in respect of his office in 2017.*

Table 2 of the AMF recommendations – Summary remuneration table of Mr. Olivier Rigaudy, Deputy Chief Executive Officer

(gross amounts – in euros)

In the interest of transparency, this table includes the remuneration due to Mr. Olivier Rigaudy in respect of his employment contract as Deputy Chief Financial Officer. This remuneration is described for financial year 2017 as a full year. It is reminded that Mr. Rigaudy was appointed Deputy Chief Executive Officer on October 13th, 2017.

	2018		2017*	
	Amounts due	Amounts paid(2)	Amounts due	Amounts paid(1)
Fixed remuneration				
• in respect to the office	80,000	80,000	n/a	n/a
• under the employment contract	520,000	520,000	520,000	520,000
Annual variable remuneration				
• in respect to the office	380,000(2)	0(2)	n/a	n/a
• under the employment contract	220,000(3)	220,000(4)	220,000	263,000(5)
Multi-year variable remuneration	n/a	n/a	n/a	n/a
Exceptional remuneration	n/a	n/a	n/a	n/a
Non-compete compensation	n/a	n/a	n/a	n/a
Directors' fees	n/a	n/a	n/a	n/a
Benefits in kind				
• in respect to the office	n/a	n/a	n/a	n/a
• under the employment contract	8,779	8,779	8,779	8,779
TOTAL	**1,208,779**	**828,779**	**748,779**	**813,779**

* *In the interest of transparency, the amounts related to the 2017 financial year, due and paid, are indicated for the full year. It is reminded that Mr. Rigaudy was appointed Deputy Chief Executive Officer on October 13th, 2017 and that he did not receive any remuneration in respect of his office in 2017.*

(1) *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.*

(2) *The payment of the variable remuneration for 2018 is conditional to the approval of the remuneration elements paid or granted in respect of 2018 by the shareholders' meeting to be held on May 9th, 2019 pursuant to the provisions of Article L.225-100 II of the French Commercial Code.*

(3) *The amount corresponds to the variable remuneration, subject to objectives to be achieved, set forth under his employment contract in respect of financial year 2018 to be paid in 2019.*

(4) *The amount corresponds to the variable remuneration, subject to objectives to be achieved, set forth under his employment contract in respect of financial year 2017 paid in 2018.*

(5) *The amount paid in February 2017 and this before his entry in office as Deputy Chief Executive Officer, includes an exceptional bonus (€65,000) linked to the personal implication as Group Chief Financial Officer in the acquisition process, financing of Language Line Solutions and the refinancing of the Group in 2016 and early 2017.*

DETAILS OF REMUNERATION ELEMENTS OF MR. OLIVIER RIGAUDY FOR THE 2018 FINANCIAL YEAR

For financial year 2018, the remuneration elements of Mr. Olivier Rigaudy, Deputy Chief Executive Officer, reflects the remuneration policy, in respect of his term of office, duly approved by the shareholders' meeting held on April 20th, 2018 in its 10th resolution (by 71.54% of favorable votes).

Fixed remuneration

For 2018, the amount of fixed annual remuneration of Mr. Olivier Rigaudy, as Deputy Chief Executive Officer, was set at €80,000. Furthermore, in 2018, Mr. Rigaudy received, in respect of his salaried functions of Group Chief Financial Officer, a fixed annual (gross) remuneration of €520,000, in accordance with the provisions of his employment contract.

Variable remuneration

Upon recommendation of the Remuneration and Appointments Committee, the Board of Directors set the maximum amount of variable remuneration of Mr. Olivier Rigaudy, in respect of his office as Deputy Chief Executive Officer for the 2018 financial year, at €380,000 subject to performance criteria. These performance criteria as well as the number of maximum points granted to each of these qualitative and quantitative criteria are identical to those determined for the Chairman and Chief Executive Officer, it being specified that personal involvements are taken into account in the determination of the achievement of the qualitative criteria (see section 3.2.2.1 *Variable remuneration* above).

Taking into account the results, the recommendations of the Remuneration and Appointments Committee, and after approval on financial items of the Audit and Compliance Committee, the Board of Directors, at its meeting held on February 28th, 2019, set the amount of the variable remuneration for 2018 of Mr. Olivier Rigaudy in his quality as Deputy Chief Executive Officer, at a gross amount of €380,000. Pursuant to the provisions of Article L.225-100 II of the French Commercial Code, the payment of this variable remuneration is conditional to the approval of the remuneration elements paid or granted in connection with financial year 2018 by the shareholders' meeting to be held on May 9th, 2019.

With regard to the detail, criteria by criteria, basis of this variable remuneration, identical to the one applicable to the variable remuneration of Mr. Daniel Julien, it is referred to the section 3.2.2.1 *Variable remuneration* above.

It is reminded that the variable remuneration of the Deputy Chief Executive Officer for 2018 is subject, such as for the Chairman and Chief Executive Officer, to a clawback scheme that is triggered in the event that all or part of this remuneration was received as the result of an accounting fraud affecting the consolidated financial statements, for which the Deputy Chief Executive Officer was responsible or acted as an accomplice. This scheme will be implemented if, during either of the two years following the year in which the Deputy Chief Executive Officer received said remuneration, the Board of Directors identifies such fraud. The amount of variable remuneration that the Deputy Chief Executive Officer would not have received if the fraud had not been committed will be repaid to the Company.

In addition, the employment contract as Group Chief Financing Officer provides for a maximum (gross) variable remuneration of €220,000 in respect of financial year 2018, determined in relation to performance criteria specific to technical and salaried functions described in the section *Employment contract* hereafter.

In the interest of transparency, these performance criteria and their level of achievement, for 2018, are described on the table below. They were reviewed by the Remuneration and Appointments Committee.

Performance Criteria (employment contract)	Ratio	Comments	Levels of achievement
Management of the performance to achieve 2018 results (including free cash-flow generation for the Group)	30%	Achievement of levels of growth, margin rate, levels of currency gains, levels of cash-flow.	100%
Renegotiation of Group financing agreements	30%	Renegotiation of credit conditions (ratios, covenants…) and US private placements (USPP).	100%
Deployment of an accounting management system and of a Digital Board Room	20%	• Implementation of a new accounting software shared in France, Turkey, Albania, Germany, Italy, Tunisia. • Deployment of the SAP Hana solution for the digital monitoring of the Group's performance. • Deployment of an integrated management system (ERP).	100%
Study and assessment of the impact of the IFRS 16 norm on the consolidated financial statements	10%	Implementation of the ANAPLAN solution, automated management system of rents and their accounting treatment.	100%
Continuation of dialog with shareholders and development of the Teleperformance audience in the financial and investors communities	10%	Increase of the pace of roadshow and development of shareholdings in Asia.	100%

Long-term remuneration

During financial year 2018, no performance shares or shares under a long-term incentive plan were granted to Mr. Olivier Rigaudy. It is reminded that the policy applicable did provide for a grant every three years.

Benefits in kind

Mr. Rigaudy did not receive any benefits in kind in respect of his office. It is reminded that, under his employment contract, he benefits from the use of a company car.

Table 11 of the AMF recommendations – Summary of undertakings taken in favor of executive officers

Executive Officer	Employment contract	Additional pension scheme	Payments or benefits due or to be due upon termination or change of responsibilities	Payments relating to a non-compete agreement
Olivier Rigaudy Deputy Chief Executive Officer	Yes	No	No	Yes

Employment contract

As described previously, the Board of Directors, upon recommendation of its Remuneration and Appointments Committee, decide to maintain the employment contract as Group Chief Financial Officer of Mr. Olivier Rigaudy.

This employment contract entered on February 1st, 2010, and therefore prior to his appointment, corresponds to the performance of technical functions, distinct from those related to his office as Deputy Chief Executive Officer, entrusted to Mr. Olivier Rigaudy since October 13th, 2017. In this regard, he is especially responsible for the facilitation and the supervision of accounting, financial and legal departments, the relations with banking institutions as part of the Group's financing operations and the monitoring of the Group's accounting closings.

As part of his office, he is required to take on additional functions and responsibilities of a different nature and of a more political logic. He assists the Chairman and Chief Executive Officer in the implementation of the Group's overall strategy in accordance with the orientations set by the Board of Directors and in the preparation of the Company's development plan as well as structural changes of the Group. In addition, these executive management functions give him the power to represent the Company under the authority of the Chairman and Chief Executive Officer thus allowing to rationalize the decision process.

His salaried functions and his term of office thus add up without being combined. Each of the actions undertaken by Mr. Olivier Rigaudy fall, without any ambiguity, under either his salaried function or his term of office as Deputy Chief Executive Officer.

The continuation of the employment contract takes into account the Group's economic and operational reality and considers Mr. Rigaudy's seniority within the Group and encourages the promotion of employees to the functions of senior executive managers. Finally, it is compliant with legal provisions and the recommendations of the AFEP-MEDEF code on the matter.

As a result, Mr. Olivier Rigaudy receives a distinct remuneration for his duties as Group Chief Financial Officer and for his office as Deputy Chief Executive Officer, of which the breakdown reflects the respective importance of the two missions.

Mr. Olivier Rigaudy thus continues to receive, in consideration for his duties as Group Chief Financial Officer, the remuneration provided for under his employment contract (a fixed (gross) annual remuneration of €520,000 and a maximum variable (gross) annual remuneration of €220,000). It is taken into account in the determination of the total remuneration and in the determination of the weight of the fixed and variable parts.

Additional pension scheme

There is no additional pension scheme in favor of the Deputy Chief Executive Officer.

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

The executive officers are not entitled to any payments or benefits due or to be due as a result of termination of their appointment or a change in their responsibilities. Under his employment contract as Group Chief Financial Officer, Mr. Rigaudy does not benefit from any specific payment or benefit due or to be due as a result of termination of their appointment or a change in their responsibilities. That agreement continues to be governed by the legal provisions on termination of his employment contract (in particular, severance pay in the case of termination by the employer, no indemnity in case of resignation or dismissal for gross or willful misconduct).

Furthermore, in accordance with the law, any subsequent amendment of Mr. Rigaudy's employment contract will follow the process of regulated related-party agreements (prior authorization by the Board of Directors, subsequent approval at the shareholders' meeting).

Payments relating to a non-compete agreement

The Board of Directors, upon recommendation of the Remuneration and Appointments Committee and in compliance with the Group's policy in terms of departure of key managers, authorized, at its meeting held on November 30th, 2017, the conclusion of a non-compete agreement between the Company and Mr. Olivier Rigaudy, Deputy Chief Executive Officer. This agreement was entered into on February 1st, 2018.

In this regard, Mr. Rigaudy undertakes to refrain, for a period of one year following his departure, in all the countries in which the Group operates at that date, from (i) collaborating with, (ii) taking part in, and (iii) investing in a business activity and/or company that competes with the Teleperformance Group or poaching its employees or officers, in any way whatsoever. In the event of departure, whatever the cause with the exception of death, Mr. Rigaudy shall receive a compensation capped at 1 year's (fixed and variable) gross remuneration as consideration for the performance of executive duties, as an employee and/or executive director within the Group. In accordance with the provisions of Articles L.225-38 *et seq.* of the French Commercial Code, this non-compete agreement was approved by the shareholders' meeting held on April 20th, 2018.

SHAREHOLDERS' VOTE ON REMUNERATION ELEMENTS PAID OR GRANTED IN RESPECT OF THE 2018 FINANCIAL YEAR TO MR. OLIVIER RIGAUDY, IN RESPECT OF HIS OFFICE AS DEPUTY CHIEF EXECUTIVE OFFICER

In accordance with the provisions of Article L.225-100 II of the French Commercial Code, the fixed, variable and exceptional elements of the total remuneration and benefits of all kind paid or granted to each executive officer in respect of the year ended are submitted to the shareholders' vote.

It is then proposed to the shareholders' meeting to be held on May 9th, 2019 to issue a favorable vote on the fixed, variable and exceptional elements of the total remuneration and benefits of all kind paid or granted to Mr. Olivier Rigaudy, Deputy Chief Executive Officer, in respect of the year ended December 31st, 2018 (it being specified that the remuneration received under his employment contract are not submitted to the vote).

Remuneration elements paid or granted to Mr. Olivier Rigaudy, in respect of his term of office as Deputy Chief Executive Officer, for the 2018 financial year

	Amounts or book value subject to vote*	Comments
Fixed remuneration	€80,000	The gross fixed annual remuneration of Mr. Olivier Rigaudy was set by the Board of Directors at €80,000 for 2018.
Annual variable remuneration	€380,000 (amount to be paid *after approval of the shareholders' meeting to be held on May 9th, 2019*)	At its meeting held on February 28th, 2019, the Board of Directors, upon recommendation of the Remuneration and Appointments Committee, and after approval of financial items by the Audit and Compliance Committee, set the amount of variable remuneration of Mr. Olivier Rigaudy for the 2018 financial year as follows: • with regard to the quantitative criteria (increase in revenues excluding currency gains and losses, and increase in the current EBITA margin ratio), all of the 80 points assigned to these criteria were granted; • with regard to the qualitative criteria all of the 20 points assigned to these criteria were granted. The amount of the 2018 variable remuneration of Mr. Olivier Rigaudy has, accordingly, been set €380,000. The performance criteria and their expected and recorded fulfillment levels are set out in section 3.2.2.1 *Variable remuneration* of the 2018 Registration Document. This remuneration is coupled with a clawback mechanism.
Multi-year variable remuneration in cash	n/a	Mr. Olivier Rigaudy does not benefit from any multi-year variable remuneration.
Exceptional remuneration	n/a	Mr. Olivier Rigaudy does not benefit from any exceptional remuneration.
Stock options, performance shares or other grants of securities	n/a	Mr. Olivier Rigaudy does not benefit from any grant of stock purchase or subscription options. During the year 2018, no performance shares or equivalent scheme were granted to Mr. Olivier Rigaudy by the Company or one of its subsidiaries. It is reminded that the Group's policy on the matter, for 2018, was to grant performance shares every three years. The last grant was decided in April 2016. The Group decided to amend its practice, subject to the approval by the shareholders' meeting held on May 9th, 2019, in favour of a remuneration policy including a grant every year starting in 2019.
Directors' fees	n/a	Mr. Olivier Rigaudy does not receive any directors' fees from the Company or its subsidiaries.
Benefits in kind	n/a	Mr. Olivier Rigaudy does not receive any benefits in kind in respect of his term of office.

* *These amounts correspond to amounts paid or granted to Mr. Olivier Rigaudy in connection with financial 2018 in respect of his office as Deputy Chief Executive Officer. It being reminded that Mr. Rigaudy received a distinct remuneration under his employment contract and described above.*

Remuneration elements paid or granted to Mr. Olivier Rigaudy, in respect of his term of office, for 2018 financial year that are or have already been voted upon by the shareholders' meeting under the procedure for regulated agreements and commitments

	Amounts subject to vote	Comments
Termination payments	n/a	Mr. Rigaudy does not benefit from any indemnity or payment in connection with the termination of his position.
Non-compete compensation	No payment	Mr. Rigaudy, Deputy Chief Executive Officer, is bound by a non-compete agreement authorized by the Board of Directors at its meeting held on November 30th, 2017, entered into on February 1st, 2018 and approved by the shareholders' meeting held on April 20th, 2018 (5th resolution) and detailed in section 3.2.2.1 *Payments relating to a non-compete agreement* of the 2018 Registration Document.
Additional pension scheme	n/a	Mr. Rigaudy does not benefit from any additional pension scheme.

3.2.2.2 Presentation of the remuneration policy applicable to executive officers for 2019

In drawing up its recommendations on 2019 remuneration for executive officers of the Company, the Remuneration and Appointments Committee has taken into account in particular the results of the votes expressed by shareholders at the meetings held on June 23rd, 2017 and April 20th, 2018, the Group's evolution, its environment and its activities. It also took into account a study on remuneration of Group executive officers conducted, at its request, by an external independent firm specialized in terms of remuneration. The latter determined comparable situations to those of the Teleperformance Group in order to proceed with relevant and adapted comparisons. That peer group comprises 33 listed companies in France, both in the CAC 40 and SBF 120 indices(1), and 27 listed companies in the USA(2) on different markets. The choice of these companies was made by considering:

- the market capitalization of the companies concerned;
- their size with regard to turnover;
- their important footprint in the USA;
- the number of employees (higher than 5,000 in France, higher than 10,000 in the USA);
- the nature of the business (services to companies, IT services, consulting, research, data processing…);
- business weight outside of France (at least higher than 50%);
- the total shareholders' return (or TSR) at least higher than 0 consecutively for 3 years.

Based on this peer group, the firm compared the policies and practices on remuneration of executive officers with regard to three criteria (TSR, activity growth, EBITDA growth) assessed over 1 and 3 years compared to the French and US peer group.

The firm's conclusions are the following:

- Teleperformance is positioned as one of the highest performing companies of the peer group, with regard to the criteria referred to above, irrespective of the period and criteria concerned;
- the fixed part of the executive remuneration is one the most important of the peer group. This is due to the absence of annual grant of performance shares under the long-term policy then applicable (one grant every three years), the policy is to be modified in 2019 (one grant every year);
- the quality and regularity of the Group's results leads to the regular achievement of stringent quantitative and qualitative performance criteria attached to the variable part of the remuneration;
- overall, the remuneration policy applied within the Group is positioned on the high end of the French peer group but is, however, slightly below median level of the US peer group.

The study conducted by the independent specialized firm confirms the good adequacy of structures and individual amounts of the remuneration of executive directors with the Group's size, its level of performance, the localization of its interests with regard to a representative peer group.

Based on this analysis and upon proposal of the Remuneration and Appointments Committee, the Board at its meetings held on November 30th, 2018 and February 28th, 2019, reviewed and set the principles and criteria for the determination, allocation and grant of the elements comprising the total remuneration and benefits of all kind for the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer for the 2019 financial year.

The Board of Directors thus decided, for 2019, upon recommendation of the Remuneration and Appointments Committee, to:

- maintain unchanged the global maximum amount of the remuneration, fixed and variable parts, of (i) the Chairman and Chief Executive Officer and this for the sixth consecutive year (unchanged since 2013) and (ii) the Deputy Chief Executive Officer;
- maintain unchanged the allocation between the fixed part and the variable part approved in 2018 for the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer (the fixed part representing 50% of the total remuneration and the variable part representing also 50%) and to introduce qualitative criteria related to corporate, social and environmental responsability aspects in the variable annual remuneration.

In drawing up its recommendations, the Remuneration and Appointments Committee also considered (i) the approval expressed by the shareholders' meeting held on April 20th, 2018 on the remuneration policy applicable to the Chairman and Chief Executive Officer (resolution approved at 95.13%) and (ii) the expectations expressed by shareholders on the remuneration policy applicable to the Deputy Chief Executive Officer (resolution approved at 71.54%).

In accordance with the principles of good governance to which it is attached, the Board reexamined the opportunity of the continuation or the suspension of the employment contract of Mr. Rigaudy. On this occasion, it reviewed:

- the operational reality of the Group: the functions of Group Chief Financial Officer are distinct from the ones of Deputy Chief Executive Officer and correspond to different responsibilities;
- the age and seniority within the Group of the concerned person: the Teleperformance Group is an organization structured around historical leaders and professionals having a strong knowledge of the Group and a great expertise of its businesses. Its long-term strategy lies in securing key identified talents and senior managers. Thus, the Board considers that the automatic termination or suspension of employment contracts could create a hindrance on internal promotions and access to high executive leadership. Mr. Rigaudy has been the Group Chief Financial Officer since 2010 and the Board wished, and deemed strongly necessary, to maintain his seniority, in particular with regard to the undesirable additional costs that would be caused to the Company (retirement, health insurance…) by suspending or terminating the employment contract;
- the level and degree of transparency of the Group in terms of remuneration of its executive managers: the Group described in a precise manner all the remuneration elements received by executive managers whether they correspond to a term of office or salaried functions. These elements are taken into account for the determination of the level of total remuneration.

The Board concluded on the appropriateness of the analysis conducted at the time of that appointment (on this analysis see *supra* paragraph *employment contract* in the section 3.2.2.1 of the present Registration Document for 2018) and, as a result, to the appropriateness of maintaining, without suspending, the employment contract of Mr. Rigaudy while reaffirming the imperative of a necessary transparency and comprehensiveness of all the remuneration elements of any nature.

(1) The companies of the French peer group are: AccorHotels, Alstom, Alten, Altran Technologies, Aperam, Arkema, Atos, Biomerieux, Bureau Veritas, Capgemini, Dassault Aviation, Dassault Systemes, Edenred, Elice, Eramet, Essilor International, Eurofins Scientific, Imerys, Ipsos, Legrand, Nexans, Plastic Omnium, Sartorius Stedim Biotech, Seb Groupe, Solvay, Spie, STMicroelectonics, Tarkett, TechnipFMC, Thales, Ubisoft, Vivendi, Worldline.

(2) The Companies of the US peer group are: ABM Industries Incorporated, Amphenol Corporation, Booz Allen Hamilton Holding Corp., Broadridge Financial Solutions, Inc., Caci International Inc, Cintas Corporation, Convergys Corporation, Epam Systems, Inc., Equifax Inc., Gartner, Inc., Genpact Limited, Global Payments Inc., Healthcare Services Group, Inc., Kar Auction Services, Inc., Leidos Holdings, Inc., Maximus, Inc., Parker-Hannifin Corporation, Paychex, Inc., Plexus Corp., Sanmina Corporation, Science Applications Intl Corp., Stanley Black & Decker, Inc., The Brink's Company, The Western Union Company, Total System Services, Inc., Unifirst Corporation, XPO Logistics, Inc.

Furthermore, some shareholders wished to express themselves, at shareholders' meetings, on the remuneration in respect of the employment contract and not only under the term of office. The Remuneration and Appointments Committee and the Board examined this request with regard to applicable legal provisions in terms of shareholders' vote on remuneration policy ("say on pay"). The provisions of Article L.225-37-2 of the French Commercial Code provide that the shareholders' vote concerns only the amounts due in respect of a term of office. The French Market Authority *(Autorité des marches financiers)* in its 2018 report on corporate governance and remuneration of executive officers in listed companies confirms this interpretation and reminds that the amounts that are not due in respect of a term of office are excluded from the vote (page 75). As a result:

- the Board decided to comply with the law applying the say on pay process on remuneration in respect of a term of office, it being understood that shareholders will be able to express themselves on any amendment of the employment contract under the mechanism of regulated related-party agreements;
- the Board agreed to continue to ensure the transparency and the comprehensiveness of the information given to shareholders on the total remuneration due or paid to executive officers, irrespective of it being under a term of office or an employment contract.

In relation to long-term share-based profit-sharing schemes, the Board of Directors, upon recommendation of the Remuneration and Appointments Committee, decided to modify some of the principles of allocation in order to make its policy in this matter more compliant with shareholders' expectations, the recommendations of the AFEP-MEDEF code and the practices commonly observed and in order to rebalance the variable part of the remuneration of executive officers in accordance with the findings of the study on remuneration conducted by the specialized firm. Subject to the approval of the shareholders' meeting, the principles of the new policy on the matter are the following:

- the acquisition (vesting) of performance shares is subject to performance and presence criteria applicable to both executive officers and all employee beneficiaries;
- the performance conditions, assessed over a three-year period, are in line with the long-term strategy as defined by the Board of Directors. The Board, upon recommendation of the Remuneration and Appointments Committee, sets the thresholds for calculating the performance expected or achieved and for determining the number of shares definitively vested. The performance criteria consist in the achievement of three financial measurable and verifiable criteria to facilitate the measure of the achievement or non-achievement: two internal criteria (Group organic growth and operating profitability) and one external criteria (stock performance) compared to a representative index over each achievement period. They are cumulative: they do not offset each other and no criteria is excluded to the benefit of others that would be achieved.
- with regard to frequency of grants, it is intended, starting in 2019, to have a grant every year compared to a grant every three years prior to 2019. This modification will allow to reduce the fixed part of the remuneration of executive officers to nearly 30% of the total corresponding to a level in line with the one observed in the study on remuneration conducted in 2018;
- the number of performance shares granted to a beneficiary is determined in accordance with his or her role and responsibilities and, where applicable, local consideration. The maximum number of performance shares that can be granted to executive officers cannot exceed 15% of the total number of performance shares granted each year;
- long-term incentive plans, if implemented, are subject to the same rules and performance and presence criteria as performance share grants;
- if a beneficiary leaves the Company, he or she does not retain the shares granted under a performance share or long-term incentive plan and not yet definitively vested, unless otherwise decided by the Board of Directors, which would decide in compliance with the recommendations of the AFEP-MEDEF code in this respect (prorata, retention of performance criteria and justifications of its decision);
- executive officers must retain at least 30% of shares vested until the end of their term of office and will need to take the commitment not to engage in hedging transactions.

The Board also discussed the continuation of the remuneration proposed for the functions of Chairman and Chief Executive Officer on the one hand, and of the Deputy Chief Executive Officer, on the other hand, in light of a change of governance structure or appointment of a new executive director external to the Group. In such circumstances, the Board of Directors will conduct a global analysis of the situation of the officer concerned, it being specified that the remuneration and its criteria will be set in accordance with existing practices within the Group and principles consistently affirmed. The individual expertise and experience of the officer concerned would also be taken in to consideration.

Structure and criteria of determination of the remuneration of the Chairman and Chief Executive Officer

Reminder of the evolution of the remuneration elements of the Chairman and Chief Executive Officer over the last three years

Financial year	2017	2018	2019	Observation
Fixed remuneration	US$3,750,000	US$2,625,000	US$2,625,000	Modification of the allocation between the fixed and variable parts (from 70%/30% to 50%/50%); **BUT** global remuneration amount (fixed and variable) unchanged since 2013; **AND** introduction of a clawback mechanism in 2018 (maintained for 2019); **AND** introduction, in 2019, of qualitative quantifiable performance criteria in terms of corporate and environmental responsibility.
Variable remuneration	US$1,500,000 (subject to performance criteria)	US$2,625,000 (subject to performance criteria) Introduction of a clawback mechanism	US$2,625,000 (subject to performance criteria) Clawback mechanism	
Long-term remuneration	Performance shares grant every three years (last grant decided in 2016).	Performance shares grant every three years (last grant decided in 2016).	Performance shares grant every year.	Modification due to practices observed and shareholders' expectations.
Benefits in kind	Use of a company car, benefit of a healthcare insurance plan and the matching contribution under the non-qualified deferred compensation plan.			Unchanged.
Non-compete undertaking	Undertaking of 2 years compensated by an indemnity corresponding to 2.5 years of remuneration or of 3 years compensated by an indemnity of 3 years at the Board's choice.	Undertaking of 2 years compensated by an indemnity capped at 2 years of remuneration (fixed and variable).		Modification to cap the compensation amount at 2-years remuneration to limit the financial impact for the Group while protecting the interests of all the stakeholders.

Fixed remuneration

For 2019, the annual fixed part of the remuneration of the Chairman and Chief Executive Officer, Mr. Daniel Julien, was set at the gross amount of US$2,625,000 (identical amount to the one set in 2018). It is reminded that the fixed part of the remuneration of Mr. Julien was reduced as of January 1st, 2018 from US$3,750,000 (unchanged from 2013 to 2017) to US$2,625,000.

Annual variable remuneration

The maximum amount of the variable remuneration of the Chairman and Chief Executive Officer for 2019, was set at a gross amount of US$2,625,000, an amount equivalent to that of its fixed annual remuneration (similarly to 2018).

The performance criteria for said variable remuneration were defined by the Board of Directors upon recommendation of its Remuneration and Appointments Committee, at its meeting held on November 30th, 2018. These conditions consist (i) for 80% of the maximum amount, in quantitative performance criteria (achievement of levels of revenues for 40% and of EBITA for 40%) and (ii) for 20%, in qualitative criteria corresponding, in accordance with the recommendations of the AFEP-MEDEF code, to identified priorities in terms of corporate and environmental responsibilities for 2019, namely:

- Corporate responsibility of the Company (for 10%):
  - Objective: continuation of the obtention of awards related to company employee and staff satisfaction ("Best Place to Work"/"Great Place To Work"/"AON Best Employer») issued by independent bodies,
  - Assessment elements: maintaining the number of awards obtained during the 2018 financial year (*i.e.* 10 awards);
- Data security (for 5%):
  - Objective: the integration of the entities and teams from the Intelenet acquisition into the Group's General Data Protection Regulation (GDPR) program,
  - Assessment elements:
    - Implementation of GDPR,
    - Audits,
    - Reports to the Audit and Compliance Committee;
- Group's capacity to face crisis situations: the Group set up in 2018 a crisis management process consisting in the organization, the means, the processes and the tools to prepare itself and face the occurrence of a crisis of a natural (catastrophe), economical, physical type or related to information, to reputation and to human resources, and to draw conclusions from it in order to improve them. The Board of Directors wished to include in its qualitative objectives the consideration of the importance of such a process enabling the Group to integrate all stakeholders, assess the different *scenarii* with a high degree of objectivity and take quick decisions. The measure of the achievement of that objective will be assessed with the help of an external consultant in charge of assessing two crisis management exercises in 2019:
  - Objective: the successful deployment of the crisis management process set up in 2018;
  - Assessment elements:
    - the deployment of the process through two successful exercises in 2019, upon the assessment of an external consultant,
    - number of persons trained throughout the Group (permanent members, alternate members, replacements...).

The expected levels of achievement of these conditions were set by the Board of Directors in a precise manner and are not made public for confidentiality reasons. The levels of achievement will be effectively noted and acknowledged by the Board and disclosed retrospectively (*i.e.*, for the 2019 remuneration, in the Registration Document for 2019 published in 2020).

Furthermore, the variable remuneration of the Chairman and Chief Executive Officer for 2019 remains subject to a clawback scheme set up in 2018 and described in section 3.2.2.1 *Variable remuneration*.

It is reminded that, in accordance with the provisions of Articles L.225-37-2 and L.225-100 II of the French Commercial Code, the payment of the variable remuneration granted, in respect of financial year 2019 to Mr. Daniel Julien, is subject to the approval by an ordinary shareholders' meeting to be held in 2020 of the remuneration elements in respect of 2019 for his office as Chairman and Chief Executive Officer.

Long-term remuneration (performance share grants or similar schemes)

In application of its new grant policy explained above, and subject to approval of the grant of performance shares authorization by the shareholders' meeting to be held on May 9th, 2019, the Board, upon recommendation of its Remuneration and Appointments Committee, decided that the maximum amount of performance shares that could be granted, each year, to the Chairman and Chief Executive Officer, shall not exceed 66,667 shares over the duration of the authorization. This annual cap is higher compared to the number corresponding and comparable to the previous grant (58,333 shares). The Board, upon proposal of the Remuneration and Appointments Committee, considered that this increase is justified and is in the shareholders' interest and especially took into account:

- the global remuneration of Mr. Daniel Julien is unchanged since 2013;
- the structure and achievement criteria of his remuneration and variable part became more stringent for the person concerned (reduction of the fixed part, introduction of a clawback mechanism) event though the results are steadily increasing;
- The definitive acquisition of the total number of shares granted subject to performance conditions pursuant to this policy is set in a longer period of time than in the past (five years compared to three years previously);
- the Group's size has doubled;
- the complexity of the Group's environment due, particularly, to recent acquisitions, their integration and the international development of operations increased.

Based on all these factual elements, the increase of the number of shares is justified and it also allows to align the shareholders' interests with those of the executive officer.

Benefits in kind

Benefits in kind granted to the Chairman and Chief Executive Officer comprise a company car, healthcare insurance plan and the matching contribution, in case of deferred remuneration payment, under the non-qualified deferred compensation plan, which is similar to a deferred savings plan, described in section 3.2.2.1 *Benefits in kind* above.

Deferred remuneration: compensation under non-compete undertakings or agreements

The Chairman and Chief Executive Officer is bound to the Group by a non-compete agreement, the modalities of which, described in section 3.2.2.1 *Compensation under a non-compete undertaking* above, were amended by the Board of Directors held on November 30th, 2017. The non-compete and non-solicitation undertakings are now capped at 2 years and the corresponding indemnity is capped at 2 years remuneration (fixed and variable), as approved by the Shareholders' meeting held on April 20th, 2018.

Other remuneration items

The remuneration structure of the Chairman and Chief Executive Officer does not provide for compensation or remuneration granted upon the taking or termination of duties, exceptional remuneration, multi-year variable remuneration, additional or complementary pension scheme, stock-option grants or the retention of performance shares, or equivalent scheme. In accordance with the recommendations of the AFEP-MEDEF code, in the event of departure of the executive officer before the end of the period envisaged for the assessment of the performance criteria for the long-term compensation mechanisms, continued entitlement to all or part of the performance shares or equivalent mechanisms must be evaluated and justified by the Board (prorata, continuation of the performance criteria and justifications of its decision).

Summary of the benefits granted to the Chairman and Chief Executive Officer

	Voluntary departure/ Dismissal for gross or wrongful misconduct	Forced departure	Retirement
Termination compensation	-	-	-
Non-compete compensation	2 years gross remuneration (fixed and variable) paid in respect of the calendar year preceding the year of departure.		
Additional pension	-	-	-
The impact on performance shares not definitely acquired	Loss (unless decided otherwise, in the latter case, by the Board of Directors which would decide in accordance with the recommendations of the AFEP-MEDEF code on the matter).		No accelerated vesting, *prorata* applied and performance conditions remain applicable.

Structure and criteria of determination of the remuneration of the Deputy Chief Executive Officer

It is reminded that the total remuneration of the Deputy Chief Executive Officer was the object of a study conducted by a specialized firm (see section 3.2.2.2 above) which found that the remuneration is positioned on the high end of the French peer group but slightly below median level of the US peer group. Considering the structure and the business geography of the Group, the Board maintained the total remuneration of the Deputy Chief Executive Officer at the same level, as it is justified.

Fixed remuneration

For 2019, the annual fixed part of the remuneration of Mr. Olivier Rigaudy, as Deputy Chief Executive Officer, was maintained at the gross amount of €80,000 (identical amount compared to the one for 2018).

Furthermore, it is reminded that Mr. Rigaudy, Deputy Chief Executive Officer, is bound to the Company by an employment contract as Group Chief Financial Officer since February 1st, 2010. In that regard, he will receive, in respect to his salaried functions, the remuneration set forth in his employment contract, *i.e.* an annual fixed (gross) remuneration of €520,000 (identical amount to the one received for 2018).

Annual variable remuneration

The maximum amount of the variable remuneration of the Deputy Chief Executive Officer was maintained at a gross amount of €380,000 (identical amount to the one set for 2018).

Furthermore, it is reminded that Mr. Olivier Rigaudy will receive in respect of his salaried functions of Deputy Chief Executive Officer, the remuneration set forth in his employment contract, *i.e.* a maximum variable (gross) remuneration of €220,000 for the 2019 financial year (identical to the amount for 2018), determined on the basis of performance criteria specific to his technical and salaried duties. This remuneration shall not be increased by the payment of exceptional bonuses.

The performance criteria for said variable remuneration were defined by the Board of Directors upon recommendation of its Remuneration and Appointments Committee, at its meeting held on November 30th, 2018. These conditions consist (i) for 80% of the maximum amount, in quantitative performance criteria (achievement of levels of revenues for 40% and of EBITA for 40%) and (ii) for 20%, in qualitative criteria corresponding, in accordance with the recommendations of the AFEP-MEDEF code, to identified priorities in terms of corporate, social and environmental responsibilities for 2019, namely:

- corporate responsibility of the Company (for 10%);
- data security (for 5%);
- the Group's capacity to face crisis situations (for 5%).

The performance criteria and the maximum number of points granted for each of the qualitative and quantitative criteria are identical to those determined for the annual variable remuneration of the Chairman and Chief Executive Officer, it being specified that the personal implications will be taken into account (see above) in the determination of the achievement of qualitative criteria.

The expected levels of achievement of these conditions were set by the Board of Directors in a precise manner and are not made public for confidentiality reasons. The levels of achievement will be effectively noted and acknowledged by the Board and disclosed retrospectively (*i.e.*, for the 2019 remuneration, in the Registration Document for 2019 published in 2020).

Furthermore, the variable remuneration of the Deputy Chief Executive Officer for 2019 remains subject, as for the Chairman and Chief Executive Officer, to a clawback scheme described in section 3.2.2.1 above.

It is reminded that, in accordance with the provisions of Articles L.225-37-2 and L.225-100 II of the French Commercial Code, the payment of the variable remuneration granted in respect of financial year 2019, in respect of his office is subject to the approval by an ordinary shareholders' meeting of his remuneration elements.

In the interest of transparency, the Company makes public the objectives of the variable remuneration of Mr. Rigaudy in respect of his employment contract, which for 2019 are the following:

- monitoring of the performance, financial profitability and return and cash (50%);
- finalization of the deployment of the ERP system in Europe and analysis before its implementation in India (15%);
- increase of the Group's analyst coverage (15%);
- repurchase of minority interests in the Group (10%);
- implementation of a relevant organization in terms of corporate and environmental responsibility (10%).

Long-term remuneration (performance share grants or similar schemes)

In application of its new grant policy explained above, and subject to approval of the grant of performance shares authorization by the Shareholders' meeting to be held on May 9th, 2019, the Board, upon recommendation of its Remuneration and Appointments Committee, decided that the maximum amount of performance shares that could be granted, each year, to the Deputy Chief Executive Officer, shall not exceed 22,000 shares over a three-years period. This number, reduced by over 60% compared to the grant in favor of the former Chief Executive Officer, results in a total variable remuneration (short and long-term) of 72% (all objectives achieved) of the person to align these objectives to the shareholders' interests.

Benefits in kind

The Deputy Chief Executive Officer does not receive any benefits in respect of his term of office. It is reminded that, in respect of his employment contract, he benefits from the use of a company car.

Deferred remuneration: compensation under non-compete undertakings or agreements

The Deputy Chief Executive Officer is bound to the Group by a non-compete agreement, the modalities of which are described in section 3.2.2.1 *Compensation under a non-compete agreement* above and which was authorized by the Board of Directors held on November 30th, 2017 and approved by the shareholders' meeting held on April 20th, 2018. This non-compete agreement, of a 1-year duration, is compensated at 1-year remuneration (fixed and variable) paid in respect of executive functions as an employee and/or executive officer within the Group.

Other remuneration items

The remuneration structure of the Deputy Chief Executive Officer does not provide for compensation or remuneration granted upon the taking or termination of duties, exceptional remuneration, multi-year variable remuneration, additional or complementary pension scheme, stock-option grants or the retention of performance shares, or equivalent scheme. In accordance with the recommendations of the AFEP-MEDEF code, in the event of departure of the executive officer before the end of the period envisaged for the assessment of the performance criteria for the long-term compensation mechanisms, continued entitlement to all or part of the performance shares or equivalent mechanisms must be evaluated and justified by the Board (*prorata*, continuation of the performance criteria and justifications of its decision).

Furthermore, his employment contract does not provide for compensation or remuneration granted upon the taking or termination of his duties, exceptional remuneration, multi-year variable remuneration, additional or complementary pension scheme, stock-option or performance shares grants or retention.

Summary of the benefits granted to the Deputy Chief Executive Officer

	Voluntary departure/ Dismissal for gross or wrongful misconduct	Forced departure	Retirement
Termination compensation*	-	No indemnity due in respect of his employment contract.	-
Non-compete compensation	1-year remuneration (fixed and variable) paid in respect of executive functions as an employee and/or executive officer within the Group.		
Additional pension	-	-	-
The impact on performance shares not definitely acquired	Loss (unless decided otherwise, in the latter case, by the Board of Directors which would decide in accordance with the recommendations of the AFEP-MEDEF code on the matter).		No accelerated vesting, *prorata* applied and performance conditions remain applicable.

* *In respect of his employment contract, Mr. Rigaudy can benefit (i) from indemnities, particularly dismissal indemnities, due in application of the French law provisions on termination of employment contracts at the Company's initiative and (ii) from retirement indemnities due in application of the French law provisions in the event of case of retirement.*

3.2.2.3 Stock subscription or purchase options and performance shares grants to executive officers

a. Stock subscription or purchase options

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

None.

History of grants of stock options (information required in Table 8 of the AMF recommendations)

None.

Stock subscription or purchase options granted or exercised by the top 10 beneficiaries other than executive officers (information required in Table 9 of the AMF recommendations)

None.

b. Performance shares and equivalent schemes

During the financial year 2018, no performance shares were granted in favour of Mr. Daniel Julien and Mr. Olivier Rigaudy.

Table 10 of the AMF recommendations – Overview of performance share plans granted by Teleperformance SE

The characteristics of the share performance plans are described in section 7.2.5.3 of present Registration Document.

Plan Number	130730TP	160428TP	161102TP	170623TP	180102TP	180228TP
Date of shareholders' meeting	05/30/2013	04/28/2016	04/28/2016	04/28/2016	04/28/2016	04/28/2016
Date of Board of Directors meeting	07/30/2013	04/28/2016	11/02/2016	06/23/2017	11/30/2017	02/28/2018
Grant date	07/30/2013	04/28/2016	11/02/2016	06/23/2017	01/02/2018	02/28/2018
Total number of share rights granted	840,000	914,300	151,508	11,600	6,000	1,000
Total number of beneficiaries	126	239	29	1	1	1
of which total number granted to executive officers:						
• Daniel Julien*	-	-	-	-	-	-
• Olivier Rigaudy **	-	-	-	-	-	-
Definitive vesting date	07/30/2016	04/28/2019	11/02/2019	06/23/2020	01/02/2021	02/28/2021
End of lock-in period	07/30/2018	n/a	n/a	n/a	n/a	n/a
Performance criteria***	Yes	Yes	Yes	Yes	Yes	Yes
Nature of shares granted	New or existing shares	New or existing shares	New or existing shares	New or existing shares	New or existing shares	new or existing shares
Total number of share rights cancelled or lapsed	205,000	103,700	11,632	0	0	0
Number of shares definitively vested	635,000	-	-	-	-	-
Number of rights outstanding	-	810,600	139,876	11,600	6,000	1,000

* *Since 2013, the grants in favor of executive officers have been made under the plans called long-term incentive described hereafter.*
** *Deputy Chief Executive Officer since October 13th, 2017.*
*** *The performance criteria are described in section 7.2.5.3 of the Registration Document for 2018.*

Information required under table 6 of the AMF recommendations – Overview of long-term incentive plans implemented by Teleperformance Group, Inc.

	TGI plan 2013	TGI plan 2016
Grant date	07/30/2013	04/28/2016
Total number of share rights granted	300,000	350,000
Total number of beneficiaries	2	2
• Daniel Julien	150,000	175,000
• Paulo César Salles Vasques*	150,000	175,000
Definitive vesting date	08/01/2016	04/29/2019
End of lock-in period	07/30/2018	n/a
Performance criteria**	Yes	Yes
Valuation of the shares, at the grant date, for each beneficiary, according to the method used for consolidation accounts	€5,050,500	€13,160,000***
Total number of share rights cancelled or lapsed	0	70,959
Number of shares definitively vested	300,000	0
Number of rights outstanding	0	279,041

* *Chief Executive Officer until October 13th, 2017.*
** *The performance criteria are described in section 7.2.5.3.*
*** *It is reminded that no grant was carried out in 2018, the Group's policy in terms of performance shares grants (or equivalent mechanisms) provides for a grant every three years.*
The valuation of the performance shares was determined according to the method used for the consolidated financial statements as at December 31st, 2016 and taking into account the following elements: This grant is subject to presence and performance criteria (see section 7.2.5.3). It is reminded that three criteria showing the best performance level out of the four criteria defined by the Board of Directors will be used to determine the number of shares definitively vested. Furthermore, given that one of the criteria is a market criterion (evolution of the share price compared to the SBF120 index), this criterion was taken into account in calculating the fair value of the performance shares. However, in accordance with the three best criteria rule, there is no guarantee that the market criterion will actually be applied. Accordingly, two fair values have been calculated. In application of the market criterion, the fair value was calculated at €48.51 per share. Excluding the market criterion, the fair value was calculated at €75.20 per share. As of December 31st, 2016, the fair value retained is €75.20.

The company Teleperformance Group, Inc., 100% US subsidiary of Teleperformance SE, implemented two long-term incentive plans settled in Teleperformance SE shares:

- in July 2013, involving a total amount of 300,000 shares granted to two beneficiaries, Mr. Julien then Chairman of the Board and Mr. Salles Vasques then Chief Executive Officer. The definitive vesting of the shares is subject to presence and performance conditions that are identical to those approved by the Board of Directors at its meeting held on July 30th, 2013 (Plan 130730TP). The shares were definitively acquired by the beneficiaries on August 1st, 2016 and the lock-in period ended on July 30th, 2018. These conditions are described in section 3.5.2.4 of the 2016 Registration Document;
- in April 2016, involving a total amount of 350,000 shares granted to two beneficiaries, Mr. Julien then Chairman of the Board and Mr. Salles Vasques then Chief Executive Officer. The definitive vesting of the shares is subject to presence and performance conditions that are identical to those approved by the Board of Directors at its meeting held on April 28th, 2016 (Plan 160428TP).

With regards to the shares granted to Mr. Paulo César Salles Vasques, it is reminded the following:

- following the termination of the executive functions of Mr. Salles Vasques in the Group, the Board of Directors, at its meeting held on October 13th, 2017, decided, pursuant to Recommendation 24.5.1 of the AFEP-MEDEF code, to reduce *prorata temporis* the right to acquire the 175,000 performance shares granted in April 2016 so as only to take into account the period during which, over the three years of the plan, he served as Chief Executive Officer and was in charge of executive functions. The maximum number of performance shares that may be definitively acquired by Mr. Paulo César Salles Vasques at the end of this period was thus reduced to 104,041. These shares are all subject to the performance conditions initially set;
- in addition, the Board, with the acceptance of Mr. Paulo César Salles Vasques, further decided to submit the acquisition of 50% of these 104,041 shares not only to the conditions set out in the long-term incentive plan but also to the achievement by him of objectives within the framework of the duties he accepted to retain within Teleperformance CRM SA, Brazilian subsidiary, in order to allow the keeping and development of the Group's business in Brazil.

The Board of Directors, at its meeting held on February 28th, 2019, upon recommandation of the Remuneration and Appointments Committee, noted that the conditions were met (see section 7.2.5.3 *Performance shares granted under no consideration*). Subject to the beneficiaries' presence at the end of the acquisition period, Teleperformance Group, Inc. will be required to deliver to the beneficiaries the Teleperformance SE shares which would have been previously purchased on the market.

Performance shares that became available during financial year 2018 (information required under Table 7 of the AMF recommendations)

Performance shares that became available for each executive director	Plan No and date	Number of shares which became available during the financial year	Vesting conditions
Daniel Julien	TGI plan 2013 dated July 30, 2013	150,000	Yes (conditions of performance(2) and of presence)
Olivier Rigaudy(1)	n/a	n/a	n/a

(1) Deputy Chief Executive Officer since October 13th ,2017.
(2) The performance conditions are described in section 7.2.5.3 of the present Registration Document.

3.3 COMPLEMENTARY INFORMATION ON CORPORATE GOVERNANCE

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

The terms and conditions of shareholder participation in general meetings are set out in chapter 7, section 7.1.2.4 *Shareholders' meetings* of the 2018 Registration Document.

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

In accordance with the provisions of Article L.225-37-5 of the French Commercial Code, the elements below are liable to have an impact in the event of a public offering:

- capital structure: see section 7.3 *Shareholding*;
- restrictions provided for by the articles of association on the exercise of voting rights and share transfers or clauses in agreements brought to the Company's notice in application of Article L.233-11 of the French Commercial Code: none;
- direct or indirect holdings in the Company's capital of which it is aware under Articles L.233-7 and L.233-12 of the French Commercial Code: see section 7.3 *Shareholding*;
- the list of holders of any security providing special rights of control and a description thereof: none (subject to double voting rights described in section 7.1.2.3 *Description of rights, privileges and restrictions, if any, on existing shares and each class of shares*);
- the means of control provided for in a putative employee shareholding system when the rights of control are not exercised by the employees: none;
- shareholders' agreements known to the Company that may involve restrictions on share transfers and the exercise of voting rights: see section 7.3.2 *Shareholders' agreements*;
- rules applying to the appointment and replacement of members of the Board of Directors and to amendments to the Company's articles of association: see sections 7.1.2.2 *Administration and management of the Company* and 7.1.2.8 *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 7.2.4.1 *Current authorizations* and 7.2.4.4 *Share buy-back program – Description of the new program*;
- company agreements that are modified or terminated by any change of control except where such disclosure, unless required by law, would cause serious detriment to its interests: see section 7.3.3 *Change of control of the Company*; and
- 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.

3.3.3 Transactions on Company's shares

3.3.3.1 Code of conduct relating to securities transactions

The Company complies with the position-recommendation No 2016-08 issued by the *Autorité des marchés financiers* (AMF-French Financial Markets Authority) on October 26th, 2016 and with the AFEP-MEDEF code. The Board of Directors adopted a code of conduct regarding securities transactions at its November 30th, 2011 meeting. This code specifies in particular the prohibition for insiders and related persons from using and/or disclosing insider information, and from advising another person to do insiders trading on the Company's financial instruments on the basis of insider information. The code was amended at the meeting of the Board of Directors held on February 28th, 2019.

3.3.3.2 Determination of black-out periods

Transactions involving the purchase or sale of the Company's securities or financial instruments are prohibited during the periods included between the date when insiders[(1)] become aware of specific information regarding the course of business or outlook which is likely to have a material influence on the share price if it were to be made public, and the date when that information is made public.

In addition, transactions are also prohibited during a period of:

- 30 calendar days prior to the publication date (inclusive) of the press release of the (parent company and consolidated) annual and half-yearly financial statements; this period expires on the day following publication (at midnight); and
- 15 calendar days prior to the publication date (inclusive) of the press release of the quarterly reporting; this period expires on the day following publication (at midnight).

Regarding the sale of performance shares in accordance with the Code of Conduct relating to securities transactions, it is strictly forbidden for beneficiaries of performance shares allocated free of charge to transfer their shares following the end of the lock-in period during the blackout periods defined below:

- the period beginning 10 trading days before the date (inclusive) set for the publication of the press release of annual and consolidated financial statements and expiring 3 trading days after the date of publication (inclusive) of such financial statements;
- the period beginning 10 trading days before the date (inclusive) set for the publication of the press release of the half-year consolidated financial statements and the publication of quarterly financial information and expiring 3 trading days after the date of publication (inclusive) of such financial statements;
- the period beginning when the beneficiary becomes aware of insider information (other than the quarterly financial statements and information referred to above) and expiring 10 trading days after the date (inclusive) on which this information is made public.

The Company draws up and issues at the beginning of each calendar year a timetable setting out periods during which transactions on Company's securities are prohibited. This timetable also specifies that the indicated periods do not affect the existence of other black-out periods arising as a result of awareness of specific information directly or indirectly relating to the Company, which is likely to have a material impact on the Teleperformance SE share price if it were to be made public.

(1) Executive officers and equivalent persons, as well as any person who has access to insider information on a regular or occasional basis.

3.3.3.3 Prohibition of hedging transactions

In accordance with the recommendations of the AFEP-MEDEF code, hedging transactions involving the Company's securities are prohibited. The executive officers have given a formal undertaking not to use transactions that hedge their risk on the shares arising from performance shares. To the Company's knowledge, no hedging instrument was implemented.

3.3.3.4 Summary of securities transactions carried out by Board of Directors and Executive Committee members

Pursuant to Article 223-26 of the AMF General Regulation, the securities transactions performed in 2018, as reported to the Company and to the AMF, are summarized below:

	Nature	Date	Number of shares	Average unit price
Patrick Thomas Director	Acquisition	04/06/2018	500	€124.50
David Rizzo Member of the Executive Committee	Sale	07/31/2018	12,000	€156.5640
Alan Truitt Member of the Executive Committee	Sale	08/02/2018	10,000	€157.8530
Brian Johnson Member of the Executive Committee	sales	08/06/2018 08/09/2018 08/09/2018 08/20/2018 08/20/2018 08/20/2018 08/21/2018 08/22/2018	3,000 3,000 3,000 1,000 500 500 500 500	€160.00 €160.00 €161.00 €162.50 €163.00 €163.50 €164.00 €164.50

3.3.4 Regulated agreements and commitments

No new regulated agreements or commitments were authorized by the Board of Directors during the 2018 financial year.

Pursuant to legal and regulatory provisions, the Board of Directors, at its meeting held on February 28th, 2019, carried out the annual review of the regulated agreements and commitments entered into before 2018 and the performance of which is continued during the financial year 2018. The statutory auditors' special report on regulated agreements and commitments referred to in Articles L.225-38 *et seq.*, and L.225-42-1 *et seq.* of the French Commercial Code is provided hereafter.

3.3.5 Statutory Auditors' special report on regulated agreements and commitments

This is a free translation into English of the Statutory Auditors' special report on regulated agreements and commitments issued in French and is provided solely for the convenience of English-speaking readers. This report on regulated agreements and commitments should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended December 31st, 2018

To the annual general meeting of Teleperformance SE,

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, 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, as well as the reasons justifying that such agreements and commitments are in the Company's interest, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements and commitments, if any. It is your responsibility, under the terms of Article R.225-31 of the French Commercial Code, to assess the interest involved in respect of the conclusion of these agreements and commitments for the purpose of approving them.

Our role is also to provide you with the information set forth in Article R.225-31 of the French Commercial Code relating to the implementation during the past year of agreements and commitments previously approved by the Shareholders' Meeting, if any.

We conducted the procedures we deemed necessary in accordance with relevant professional guidelines issued by the French Institute of Auditors relating to this engagement.

Regulated agreements or commitments submitted for the approval of this shareholders' meeting

Regulated agreements or commitments authorised during the year

We hereby inform you that we have not been advised of any agreement or commitment authorized during the year to be submitted to the approval of the Shareholders' Meeting pursuant to Article L.225-38 of the French Commercial Code.

Regulated agreements or commitments which were approved in prior years by the shareholders in general meeting

We hereby inform you that we have not been advised of any agreement or commitment previously approved by the Shareholders' Meeting which remained in force during the year.

Paris La Défense, 28 February 2019
The Statutory Auditors

KPMG Audit IS
Jacques Pierre
Partner

Deloitte & Associés
Philippe Battisti Ariane Bucaille
Partners

4 Comments on the financial year

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4.1 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 1 of the section 5.6 *Notes to the consolidated financial statements*.

The preparation of financial statements in conformity with IFRS requires making estimates and assumptions which affect the amounts reported in the financial statement, especially with respect to the following items:

- impairment of intangible assets and goodwill;
- the measurement of share-based payments expense;
- provisions for risks and expenses;
- the measurement of intangible assets acquired as part of a business combination;
- deferred taxation.

The estimates are based on information available at the time of preparation of the financial statements and may be revised in a future period if circumstances change of if new information is obtained. Actual results may differ from these estimates.

4.1.1 Alternative Performance Measures (APMs)

EBITDA before non recurring items (Earnings Before Interest, Taxes, Depreciation and Amortization):

	2018	2017
Operating profit	**485**	**355**
Depreciation and amortization	159	164
Amortization of intangible assets acquired as part of business combination	88	87
Impairment loss on goodwill	0	67
Share-based payments	23	24
Other operating income and expense	7	23
EBITDA BEFORE NON RECURRING ITEMS	**762**	**720**

EBITA before non recurring items (Earnings Before Interest Taxes and Amortization):

	2018	2017
Operating profit	**485**	**355**
Amortization of intangible assets acquired as part of business combination	88	87
Impairment loss on goodwill	0	67
Share-based payments	23	24
Other operating income and expense	7	23
EBITA BEFORE NON RECURRING ITEMS	**603**	**556**

Net free cash flow:

	2018	2017
Net cash flow from operating activities	**523**	**516**
Acquisition of intangible assets and property, plant and equipment	-197	-148
Proceeds from disposals of intangible assets and property, plant and equipment	1	1
Financial interest paid/received	-45	-45
NET FREE CASH FLOW	**282**	**324**

Net debt:

	12/31/2018	12/31/2017
Non-current liabilities		
Financial liabilities	2,224	1,387
Current liabilities		
Financial liabilities	213	224
Cash and cash equivalent	**-336**	**-285**
NET DEBT	**2,101**	**1,326**

Change in like-for-like revenue:
Change in revenue at constant rates and scope of consolidation, corresponding to (current year revenue – last year revenue at current year rates – revenue from acquisitions at current year rates)/last year revenue at current year rates.

4.1.2 2018 Group's results

4.1.2.1 Business

Revenue amounted to €4,441 million in the year ended December 31st, 2018, representing a year-on-year increase of +9.0% at constant exchange rates and scope of consolidation (like-for-like) and of +6.2% as reported. The gap between the reported and the like-for-like figures was attributable to the €203 million negative currency effect stemming from the decline in the US dollar, Brazilian real and Argentine peso against the euro, mainly in the first half of the year.

Highlights of the 4th quarter included faster like-for-like growth in Core Services and the consolidation of Intelenet as from October 1st, 2018.

2018 revenues and change by region *versus* 2017

(in millions of euros)	12/31/2018	12/31/2017	Reported	Like-for-like*
CORE SERVICES	**3,697**	**3,542**	**+4.4%**	**+9.8%**
English-speaking & Asia-Pacific	1,586	1,607	-1.3%	+2.8%
Continental Europe, Middle East & Africa	962	851	+13.0%	+15.4%
Ibero-LATAM	1,149	1,084	+6.0%	+16.0%
INTELENET	**105**	**-**	**-**	**-**
SPECIALIZED SERVICES	**639**	**638**	**+0.0%**	**+4.3%**
TOTAL	**4,441**	**4,180**	**+6.2%**	**+9.0%**

* *At constant exchange rates and consolidation scope.*

Change in annual Group revenues over the last three years

Change *(in %)*	Reported	Like-for-like*
2018	+6.2%	+9.0%
2017	+14.6%	+9.0%
2016	+7.4%	+7.4%

* *At constant exchange rates and consolidation scope.*

Core Services

Core Services revenue amounted to €3,697 million in 2018, a year-on-year increase of +9.8% like-for-like and +4.4% as reported, primarily due to the decline in the US dollar against the euro.

The like-for-like gain was lifted by the sustained solid performance in the Ibero-LATAM and Continental Europe & MEA (CEMEA) regions and by the steady upturn in growth throughout the year in the English-speaking & Asia-Pacific (EWAP) region.

English-speaking & Asia-Pacific (EWAP)

Revenue in the EWAP region came to €1,586 million for the year, up +2.8% compared with 2017 like-for-like and +1.3% as reported, primarily due to the negative currency effect related to the decline in the US dollar against the euro.

In North America, Teleperformance continued to diversify its client portfolio. Among the leading client segments in the region, the fastest growing are consumer electronics, e-tailing, fast-moving consumer goods and transportation services, with demand from the entertainment, online education and automotive industries continuing to ramp up rapidly.

As expected, the UK outsourced customer experience management market continued to be impacted by the uncertainty caused by Brexit.

After a disappointing year in 2017, growth was robust in Asia in 2018, led by successful contract wins in the consumer electronics, e-tailing and financial services segments. Development in the region continued to be driven by China and India, the most promising markets for outsourced business services. In addition, the Malaysian unit fully benefited from the ramp-up of its multilingual facility in Penang, which provides large accounts in the Internet services industry.

Ibero-LATAM

Business continued to expand at a very healthy pace over the year, delivering revenue of €1,149 million for 2018. This represented an increase of +16.0% like-for-like and of +6.0% as reported, primarily due to the decline in the US dollar, the Brazilian real and the Colombian and Argentine pesos against the euro.

One of the region's primary growth drivers during the year was Portugal, where the Group's business was lifted by the rapid expansion of multilingual hubs serving fast growing multinationals in such industries as e-tailing, entertainment and fast-moving consumer goods. In Spain, business growth is strong in 2018 in a wide variety of segments, such as information technologies and consumer goods.

The Group is continuing to leverage the appeal of nearshore, pan-American solutions in Mexico and Colombia, where it is growing its business in a wide range of industries, including healthcare and financial services in Mexico and airlines and telecoms in Columbia. It is also tapping into buoyant domestic markets in both countries.

Business in Brazil remained robust, in an economic and geopolitical environment that seems to be stabilizing. Growth was still subdued in 2018, however, despite a good performance in the entertainment and consumer goods segments.

The rapid ramp-up of operations in the Peruvian market, which the Group entered in 2017, also contributed to strong business growth in the region.

To support this growth, Teleperformance continued to expand its existing locations and open major new facilities, especially in Colombia, Mexico and Portugal (see section 1.1.5.1.5 *Extensions, new facilities and capital expenditure*).

Continental Europe & MEA (CEMEA)

In the CEMEA region, revenue rose by +15.4% like-for-like to €962 million in 2018, or by +13.0% as reported.

The factors driving this growth performance remain unchanged, led by a very good sales dynamic with multinational clients and fast-growing local market leaders in a wide range of industries.

The fastest growing regional segments are still e-tailing, leisure and entertainment, travel agencies, transportation services and fast-moving consumer goods. The main revenue contributors, such as consumer electronics and financial services, continued to grow at a satisfactory pace.

Revenue generated by the multilingual hubs in Greece and the operations in Egypt, Turkey and Eastern Europe (Russia, Poland and Romania) rose significantly over the year.

Business growth in France picked up speed throughout the year on the ramp-up of contracts signed primarily in energy and utilities, financial services, transportation services and e-tailing.

Regional revenue was also lifted by faster growth in business in Sweden and Italy.

Specialized Services

Revenue from Specialized Services totaled €639 million in 2018, a like-for-like gain of +4.3% compared with 2017. On a reported basis, growth was stable for the year. The currency effect primarily stemmed from the US dollar's decline against the euro, particularly during the first six months, and mainly concerned the LanguageLine Solutions business.

LanguageLine Solutions' online interpreting services and TLScontact's visa application management business enjoyed satisfactory growth throughout the year, despite the negative impact of the following non-recurring items:

- at LanguageLine Solutions, (i) a technical incident in the first quarter that was quickly resolved but which had a negative impact on billed service volumes; and (ii) an unfavorable basis of comparison in the fourth quarter, due to the surge in new demand for interpreting services following the hurricanes in the United States in 2017, whose revenue impact was not recorded until the final quarter;
- at TLScontact, a change in the third quarter in the method for invoicing the volumes processed on behalf of UK Visas and Immigration, which had a negative impact on revenue growth. The method was changed during the renewal in 2018 of the contract first signed in 2013.

Revenue from ARM's debt collection services in North America was stable overall for the year.

The growth dynamic in the LanguageLine Solutions and TLScontact businesses, which together account for around 80% of Specialized Services revenue, remains very positive, which should feed through to more robust gains in 2019.

Intelenet

Intelenet, which has been consolidated since October 1st, 2018, contributed €105 million to fourth quarter revenue (see section 1.1.5.1.1 *Acquisition of Intelenet and launch of D.I.B.S. operations*).

4.1.2.2 Results

EBITDA before non-recurring items stood at €762 million for the year, up +6.0% compared with 2017.

EBITA before non-recurring items rose by +8.6% to €603 million from €556 million the year before. The margin on revenue widened by 30 basis points to 13.6% from 13.3% in 2017, in line with the Group's financial target of at least 13.5% for the year. The further improvement in profitability in 2018 was led by the following key factors:

- the higher margin in the Core Services business, primarily reflecting the upturn in profitability in the EWAP and CEMEA regions;
- the sustained high margin on Specialized Services' operations;
- the first-time consolidation in fourth-quarter 2018 of Intelenet, whose margin is higher than the Group average.

EBITA before non-recurring items by activity

(in millions of euros)	2018	2017
CORE SERVICES	**398**	**365**
% of revenue	**10.8%**	**10.3%**
English-speaking & Asia-Pacific (EWAP)	147	141
% of revenue	9.3%	8.8%
Ibero-LATAM	136	134
% of revenue	11.8%	12.3%
Continental Europe & MEA (CEMEA)	68	43
% of revenue	7.1%	5.0%
Holding companies	47	47
SPECIALIZED SERVICES	**190**	**191**
% of revenue	**29.8%**	**29.9%**
INTELENET	**15**	**N/A**
% of revenue	**13.7%**	**N/A**
TOTAL	**603**	**556**
% OF REVENUE	**13.6%**	**13.3%**

Core Services

Core Services reported EBITA before non-recurring items of €398 million in 2018, up from €365 million in 2017 and representing a margin of 10.8% *versus* 10.3% the year before.

The 50-bps improvement was primarily driven by the upturn in margins in the EWAP region, after two years of erosion, and the ongoing margin recovery in the CEMEA region. Margins in the Ibero-LATAM region remain high, despite a slight slippage due to the ramp-up of large new facilities.

English-speaking & Asia-Pacific (EWAP)

EBITA before non-recurring items in the EWAP region rose to €147 million from €141 million in 2017, while the margin widened to 9.3% from 8.8% the year before.

As expected, margins started to improve in the second half, as the adverse impact of certain non-recurring factors from 2017 faded during the period and recently signed contracts began to ramp up. These developments reflected a return to stronger growth in the Group's Philippines-based offshore operations in a variety of industries, including telecommunications, online travel agencies and e-tailing.

The profitability of operations in India and China is steadily rising, thanks to the upsurge in business at the recently opened facilities.

The Group is committed to continuing to improve its margins in the region in 2019.

Ibero-LATAM

EBITA before non-recurring items in the Ibero-LATAM region rose to €136 million in 2018 from €134 million in 2017.

Margin remained high, at 11.8%, albeit lower than the 12.3% reported in 2017 due to the cost of ramping up major new sites, notably including the new multilingual capabilities being developed in Portugal and the new contact centers opened in Colombia and Peru.

The Group is committed to maintaining its margins in the region in 2019.

Continental Europe & MEA (CEMEA)

In 2018, Teleperformance continued to improve the profitability of its CEMEA operations, whose €68 million in EBITA before non-recurring items represented a margin of 7.1%, *versus* €43 million and 5.1% in 2017. The gain was primarily led by the following factors:

- Continued solid, profitable growth in business with global and premium clients in a number of countries in Southern and Eastern Europe, such as Greece with its highly efficient multilingual solutions, and Russia;
- Steadily rising margins in a number of countries, including France and the Nordics but also Germany and Italy, where the development of nearshore solutions has enhanced the Group's local competitiveness.

The Group is committed to continuing to improve its margins in the region in 2019.

Specialized Services

In 2018, Specialized Services reported EBITA before non-recurring items of €190 million and a margin of 29.8%, both virtually unchanged year-on-year.

Margins continued to trend upwards at LanguageLine Solutions and TLScontact over the year, but contracted in the ARM debt collection business.

Set up in early 2018, the Praxidia consulting business saw margins temporarily dampened by the sales and R&D investments committed early 2018 during its deployment phase.

Specialized Services margins are expected to remain high in 2019.

Intelenet

Consolidated since October 1st, 2018, Intelenet contributed €15 million in EBITA before non-recurring items, representing a margin of 13.7% after holding company overheads. This was in line with the guidance issued when the company's acquisition was announced in June 2018.

4.1.2.3 Results

Operating profit rose to €485 million, *versus* €355 million in 2017. This included:

- amortization of intangible assets on acquisitions in an amount of €88 million;
- €23 million in accounting expenses on the performance share plans;
- €8 million in other non-recurring expenses mainly corresponding to the acquisition-related costs of the Intelenet transaction and the costs in connection with the change to the Teleperformance visual identity occurred during the fourth quarter of 2018.

The financial result represented a net expense of €50 million, similar to 2017.

Income tax expense amounted to €122 million, similar to 2017 excluding the effect of the US tax reform which resulted in a profit of €131 million. In 2017, the Group recognized an income tax credit of €9 million.

Net profit attributable to minority interests represented €1 million.

Net profit-Group share came to €312 million for the year, similar to 2017. Diluted earnings per share amounted to €5.29, *versus* €5.31 in 2017.

The Board of directors will recommend, at the annual general meeting on May 9th, 2019, that shareholders approve an increase in the 2018 dividend to €1.90 per share from the €1.85 paid in respect of 2017. This would correspond to a payout ratio of 36%, in slightly up from the prior year.

4.1.3 Cash flow and capital structure

In order to finance the acquisition of Intelenet, occurred on October 4th, 2018, the Group has issued bonds in the amount of €750 million on July 2nd, 2018 with a coupon of 1.875%, maturing in 2025 and has taken out a loan of €164 million repayable in four equal installments on June 8th, 2020, 2021, 2022 and 2023.

Consolidated financial structure

Long-term capital

As of December 31st *(in millions of euros)*	2018	2017	2016
Shareholders' equity	2,225	1,922	1,921
Non-current financial liabilities	2,224	1,387	1,688
Total non-current capital	4,449	3,309	3,610

Short-term capital

As of December 31st *(in millions of euros)*	2018	2017	2016
Current financial liabilities	213	224	261
Cash and cash equivalents	336	285	282
Cash surplus, net of current financial liabilities	123	61	21

The main financial liabilities are subject to covenants, which were all complied with as of December 31st, 2018.

Source and amount of cash flow

As of December 31st *(in millions of euros)*	2018	2017	2016
Internally generated funds from operations	572	574	442
Change in working capital requirements	-49	-58	17
Net cash flow from operating activities	**523**	**516**	**459**
Investment and capital expenditure	- 960	-152	- 1,582
Proceeds from disposals	11	1	3
Net cash flow from investing activities	**- 949**	**-151**	**- 1,579**
Change in ownership interest in controlled entities	-14	- 39	- 33
Dividends paid/purchases of treasury stock	-143	- 76	- 85
Financial interest paid	- 45	- 45	- 33
Net change in financial liabilities	765	-293	1,341
Net cash flow from financing activities	**563**	**-453**	**1,190**
CHANGE IN CASH AND CASH EQUIVALENTS	**137**	**-88**	**70**

Internally generated funds from operations amounted to €572 million, *versus* €574 million in 2017. This slight decrease generated a working capital requirement of €49 million *versus* €58 million in 2017.

Net capital expenditure highly increased and amounted €196 million from €147 million in the previous year *i.e.* 4.4% of the revenue *versus* 3.5% in 2017. This reflects the Group's desire for growth in key markets.

Group net free cash flow up to €281 million from €324 million in 2017. This slight decrease is notably due to the exceptional payments related to the acquisition of Intelenet and the change of the Group's visual identity. The interest paid are stable from last year and amounted €45 million.

After the payment of €112 million in dividends, net debt stood at €2,101 million at December 31st, 2018 *versus* €1,326 million the previous year.

4.1.4 Key figures of the main subsidiaries

The key figures of the subsidiaries whose revenue exceeded 10% of the Group's consolidated revenue are presented below:

Selected financial data	Teleperformance USA *(in thousands of US dollars)*
Non-current assets	871,833
Current assets	492,616
Total assets	**1,364,449**
Shareholder's equity	432,402
Non-current liabilities	690,078
Current liabilities	241,969
Total equity and liabilities	**1,364,449**
Revenue	977,216
NET PROFIT	**2,626**

4.2 REVIEW OF THE COMPANY'S FINANCIAL POSITION AND RESULTS

4.2.1 Balance sheet

4.2.1.1 Investments

Teleperformance has issued bonds in the amount of €750 million in order to finance the acquisition of Intelenet (an international leader in the field of Business Process Solutions) through its Dutch subsidiary DCC. The bonds bear a coupon of 1.875% and mature on July 2nd, 2025. Teleperformance has also obtained a loan of €164 million from Natixis, repayable in four equal installments on June 8th, 2020, 2021, 2022 and 2023.

DCC is held by LCC, a directly owned subsidiary of Teleperformance, and the financing of the Intelenet acquisition was structured by way of a loan of €890 million of which €848 million was subsequently incorporated in share capital.

Furthermore, Teleperformance has made a number of loans to its subsidiaries during 2018 in relation to their cash management, in a total amount of €66 million, principally to:

- Teleperformance France, of €20 million, which was subsequently incorporated in share capital;
- Teleperformance Canada, of CAD16 million (€10.5 million);
- Teleperformance Australia, of AUD11.8 million (€7.7 million);
- In & Out Spa (Italy), of €5 million, including €3 million which was subsequently incorporated in share capital.

4.2.1.2 Shareholders' equity

The share capital at December 31st, 2018 amounted to €144,450,000, comprising 57,780,000 shares, each of a €2.50 nominal value.

4.2.1.3 Financing arrangements

The Company has a syndicated credit facility of €300 million which expires in February 2023. Draw-downs under the facility may be made either in euros or in US$ and are repayable in fine. No amounts were drawn down under the facility during 2017 or 2018.

The Company also has four US private placements, obtained in 2014 and 2016, redeemable in fine with the following principal conditions:

- US$160 million at a fixed interest rate of 3.64%, redeemable in December 2021;
- US$165 million at a fixed interest rate of 3.98%, redeemable in December 2024;
- US$75 million at a fixed interest rate of 3.92%, redeemable in December 2023;
- US$175 million at a fixed interest rate of 4.22%, redeemable in December 2026.

On September 16th, 2016, Teleperformance obtained a loan of US$500 million repayable in four equal installments on August 20th, 2018 and August 19th, 2019, 2020 and 2021. During 2018, in addition to the June 5th, 2018 prepaid installment of US$125 million due on August 20th, Teleperformance also repaid a further amount of US$50 million in advance in November. This latter repayment reduces the installment due on August 19th, 2019.

On November 23rd, 2018, Teleperformance subscribed commercial paper issues, totaling €134 million as of December 31st, 2018.

The Company has also two outstanding bond issues:

- on April 7th, 2017, an issue of €600 million at a nominal interest rate of 1.50%, redeemable on April 3rd, 2024; and
- on July 2nd, 2018, an issue of €750 million at a nominal interest rate of 1.875%, redeemable on July 2nd, 2025.

As in 2017, the issue expenses relating to the new bond issue, of €2.3 million, were fully expensed in the year.

The premium due on redemption of this issue is presented as an asset in an amount of €6.3 million and will be amortized over the period to redemption.

Finally, Teleperformance obtained a loan from Natixis in an amount of €164 million, repayable in four equal installments on June 8th, 2020, 2021, 2022 and 2023.

At December 31st, 2018, the Company was in compliance with all financial ratios.

4.2.1.4 Invoices received or issued whose payment is overdue at the year-end (schedule prescribed under Article D.441-4-1 of the French Commercial Code)

	Article D.441-I – 1°: Invoices received whose payment is overdue at the year-end						**Article D.441-I – 2°: Invoices issued whose payment is overdue at the year-end**					
	Not overdue	**1 – 30 days**	**31 – 60 days**	**61 – 90 days**	**Over 90 days**	**Total overdue**	**Not overdue**	**1 – 30 days**	**31 – 60 days**	**61 – 90 days**	**Over 90 days**	**Total overdue**
(A) Overdue payments by tranche												
No. invoices	65					**102**	3					**204**
Total amount of invoices overdue, excluding VAT *(in thousands of euros)*	9,086	28,932	158	163	1,399	**30,652**	696	15,368	336		3,719	**19,423**
Overdue invoices as a % of year's purchases, excluding VAT	11.91%	37.92%	0.21%	0.21%	1.83%	**40.17%**						
Overdue invoices as a % of year's revenues, excluding VAT							0.64%	14.22%	0.31%		3.44%	**17.97%**
(B) Amount of disputed or unrecorded invoices excluded from (A)												
No. of invoices excluded												
Total amount of invoices excluded												
(C) Credit terms used (contractual or legal) – article L. 441-6 of the French Commercial Code												
Credit terms used in the calculation of overdue amounts	☐ Contractual: ☑ Legal: 30 days						☑ Contractual: on receipt ☐ Legal:					

4.2.2 Income statement

4.2.2.1 Operating activity

The Company's activity is that of a holding company in respect of its subsidiaries; it also provides management, supervisory, assistance and advisory functions for group companies, in return for which it receives management fees. Teleperformance also receives intellectual property royalties which are charged to all group subsidiaries.

Revenues amounted to €108.1 million, a slight increase over those of 2017 (€107.0 million).

Net income from operations was €20.1 million in 2018, compared with €50.7 million in 2017, the reduction being principally due to an equalization of the respective level of profits realized by Teleperformance and its subsidiary TGI from their operations based on the Group's intangible assets, following changes in 2017 to the international transfer pricing guidelines governing intra-group recharging policies within multinational enterprises.

4.2.2.2 Financial result

2018 financial result amounting to €180.4 million, compared with that of 2017 (€44.8 million), is analyzed as follows:

(in millions of euros)	**2018**	**2017**
Dividends	116.4	37.9
Financial interest (net)	17.0	15.5
Financial debt waiver (net)	-3.0	-3.1
Foreign exchange gains and losses	0.8	18.5
Provisions on shareholdings subsidiaries	49.2	-24.0
TOTAL	**180.4**	**44.8**

Following a review of the recoverable amounts of its shareholdings as of December 31st, 2018, the Company released a provision of €50.0 million made previously on Teleperformance France.

As in 2017, the Company has waived receivables due from its subsidiary Teleperformance France in respect of the year's intellectual property royalties and management services, in an amount of €3.0 million (2017: €2.7 million).

4.2.2.3 Net income

Profit on ordinary activities before income taxes in 2018 amounted to €200.6 million, compared with €95.4 million in 2017.

After 2018 income taxes of €7.8 million (2017: €24.4 million), 2018 net income amounted to €190.3 million, compared with €71.3 million in 2017.

4.2.2.4 Taxation

The French group tax result showed a profit of €12.1 million in 2018.

In accordance with the provisions of Article 223(4) of the French Tax Code, it is stipulated that the overall amount of costs and expenses falling within the provisions of Article 39(4) of the French Tax Code amounted to €26,575 for the financial year ended December 31st, 2018. The non-deductibility of these costs and expenses represents an income tax amount of €9,150.

4.3 TRENDS AND OUTLOOK

4.3.1 Outlook

Based on its performance in 2018 and the growth investments committed during the year, Teleperformance is ambitiously looking forward to 2019, as demonstrated in its annual financial targets for revenue growth and margins:

- like-for-like revenue growth at least +7%;
- an improvement by +20 basis points in EBITA margin before non-recurring items.

The Group is also confident about its ability to continue to generate a strong level of cash flow during the year, enabling it to pursue its dynamic development strategy while maintaining strict financial discipline.

4.3.2 Risks and uncertainties

The Group's business is subject to market risks (sensitivity to economic and financial factors), as well as to the political and geopolitical uncertainties related to its global footprint. A detailed description of these risks is provided in section 1.2.1 *Risk Factors* of this Registration Document.

5 Consolidated financial statements

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5.1 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions of euros)	Notes	12/31/2018	12/31/2017
ASSETS			
Non-current assets			
Goodwill	4	2,304	1,676
Other intangible assets	3.2	1,231	946
Property, plant and equipment	3.1	497	423
Financial assets	7.2	59	43
Deferred tax assets	5.2	35	28
Total non-current assets		**4,126**	**3,116**
Current assets			
Current income tax receivable	5.3	175	62
Accounts receivable – Trade	3.3	1,048	896
Other current assets	3.3	147	93
Other financial assets	7.2	56	38
Cash and cash equivalents	7.4	336	285
Total current assets		**1,762**	**1,374**
TOTAL ASSETS		**5,888**	**4,490**

(in millions of euros)	Notes	12/31/2018	12/31/2017
EQUITY AND LIABILITIES			
Equity			
Share capital	6.1	144	144
Share premium		575	575
Translation reserve		-58	-165
Other reserves		1,556	1,356
Equity attributable to owners of the Company		**2,217**	**1,910**
Non-controlling interests		8	12
Total equity		**2,225**	**1,922**
Non-current liabilities			
Provisions	9.2	22	15
Financial liabilities	7.4	2,224	1,387
Deferred tax liabilities	5.2	306	234
Total non-current liabilities		**2,552**	**1,636**
Current liabilities			
Provisions	9.2	90	52
Current income tax	5.3	130	90
Accounts payable – Trade	3.9	147	141
Other current liabilities	3.9	531	425
Financial liabilities	7.4	213	224
Total current liabilities		**1,111**	**932**
TOTAL EQUITY AND LIABILITIES		**5,888**	**4,490**

5.2 CONSOLIDATED STATEMENT OF INCOME

(in millions of euros)	Notes	2018	2017
REVENUES	**3.10**	**4,441**	**4,180**
Other revenues	3.10	5	8
Personnel		-2,923	-2,746
External expenses	3.11	-738	-700
Taxes other than income taxes		-22	-22
Depreciation and amortization		-159	-164
Amortization of intangible assets acquired as part of a business combination		-88	-87
Impairment loss on goodwill			-67
Share-based payments	3.4	-23	-24
Other operating income and expenses	3.12	-8	-23
Operating profit		**485**	**355**
Income from cash and cash equivalents		4	1
Interest on financial liabilities		-60	-60
Net financing costs	**7.3**	**-56**	**-59**
Other financial income and expenses	7.3	6	9
Financial result		**-50**	**-50**
Profit before taxes		**435**	**305**
Income tax	5.1	-122	9
Net profit		**313**	**314**
Net profit – Group share		**312**	**312**
Net profit attributable to non-controlling interests		1	2
Earnings per share *(in euros)*	**6.3**	**5.40**	**5.40**
Diluted earnings per share *(in euros)*	**6.3**	**5.29**	**5.31**

5.3 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in millions of euros)	2018	2017
NET PROFIT	**313**	**314**
May not be reclassified to profit or loss in a subsequent period		
May be reclassified to profit or loss in a subsequent period		
Gains (losses) on foreign exchange hedges (before tax)	18	11
Income tax on gains (losses) on foreign exchange hedges	-6	-4
Translation differences	107	-265
Other recognized income and expenses	**119**	**-258**
TOTAL COMPREHENSIVE INCOME	**432**	**56**
Group share	431	54
Attributable to non-controlling interests	1	2

5.4 CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of euros)	Notes	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit – Group share		312	312
Net profit attributable to non-controlling interests		1	2
Income tax expense (credit)		122	-9
Net financial interest expense		44	53
Non-cash items of income and expense	8.1	263	363
Income tax paid		-170	-147
Internally generated funds from operations		***572***	***574***
Change in working capital requirements	***8.2***	***-49***	***-58***
Net cash flow from operating activities		**523**	**516**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of intangible assets and property, plant and equipment		-197	-148
Loans made		-1	
Proceeds from disposals of intangible assets and property, plant and equipment		1	1
Loans repaid		10	
Acquisition of subsidiaries, net of cash acquired	8.3	-762	-4
Net cash flow from investing activities		**-949**	**-151**
CASH FLOWS FROM FINANCING ACTIVITIES			
Acquisition net of disposal of treasury shares		-31	-1
Change in ownership interest in controlled entities		-14	-39
Dividends paid to parent company shareholders		-107	-75
Dividends paid to minority shareholders		-5	
Financial interest paid/received		-45	-45
Increase in financial liabilities		2,569	1,729
Repayment of financial liabilities		-1,804	-2,022
Net cash flow from financing activities		**563**	**-453**
Change in cash and cash equivalents		**137**	**-88**
Effect of exchange rates on cash held		**-87**	**92**
NET CASH AT JANUARY 1ST	**8.5**	**283**	**279**
NET CASH AT DECEMBER 31ST	**8.5**	**333**	**283**

5.5 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company							
(in millions of euros)	**Share capital**	**Share premium**	**Translation reserve**	**Retained earnings**	**Impact of financial hedging instruments**	**Equity attributable to owners of the Company**	**Non-controlling interests**	**Total**
AT DECEMBER 31ST, 2016*	**144**	**575**	**100**	**1,099**	**-7**	**1,911**	**10**	**1,921**
Translation differences from foreign operations			-265			-265		-265
Net profit				312		312	2	314
Net gains on foreign exchange hedges (after tax)					7	7		7
Total recognized income and expenses	**0**	**0**	**-265**	**312**	**7**	**54**	**2**	**56**
Fair value of incentive plan share awards				21		21		21
Treasury shares				-1		-1		-1
Dividends (€1.30 per share)				-75		-75		-75
AT DECEMBER 31ST, 2017, AS PUBLISHED	**144**	**575**	**-165**	**1,356**	**0**	**1,910**	**12**	**1,922**
AT DECEMBER 31ST, 2017, AS RESTATED**	**144**	**575**	**-165**	**1,359**	**-3**	**1,910**	**12**	**1,922**
Translation differences from foreign operations			107			107		107
Net profit				312		312	1	313
Net gains on foreign exchange hedges (after tax)					12	12		12
Total recognized income and expenses	**0**	**0**	**107**	**312**	**12**	**431**	**1**	**432**
Operations on non-controlling interests				-13		-13		-13
Fair value of incentive plan share awards				25		25		25
Treasury shares				-31		-31		-31
Dividends (€1.85 per share)				-107		-107	-5	-112
Hyperinflation adjustment				2		2		2
AT DECEMBER 31ST, 2018	**144**	**575**	**-58**	**1,547**	**9**	**2,217**	**8**	**2,225**

* *Restated following the finalization of the measurement of the fair values of the identifiable assets and liabilities acquired of LanguageLine Solutions LLC in the second half of 2017.*

** *Restated following the adoption of IFRS 9 (see note 1.2 Bases of preparation of section 5.6 Notes to the consolidated financial statements).*

5

5.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Highlight of 2018

On October 4th, 2018, the Group acquired Intelenet, a high-end business services and digital transformation solutions provider. The transaction amounted to US$1,045 million (see note 2.2 *Change in consolidation scope*).

The transaction was financed as disclosed in note 7.4 *Financial liabilities*.

Note 1. Principal accounting policies, judgements and estimates

Note 1.1 Reporting entity

Teleperformance ("the Company") is a company domiciled in France.

The Company's consolidated financial statements for the year ended December 31st, 2018 include the Company and its subsidiaries, together referred to as "the Group".

The financial statements were approved by the Board of Directors on February 28th, 2019 and will be submitted to the shareholders' meeting to be held on May 9th, 2019.

All financial information presented in euro has been rounded to the nearest million.

Note 1.2 Bases of preparation

The consolidated financial statements for the year ended December 31st, 2018 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 accounting policies applied by the Group in these consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended December 31st, 2017, with the exception of the new standards, amendments and interpretations set out in note 1.2.1 *Change in accounting policies*.

The financial statements are prepared on the historical cost basis except for the following assets and liabilities measured at fair value: derivative financial instruments and financial instruments held for trading.

Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell.

Since July 2018, Argentina is considered to be a hyperinflationary economy in terms of IAS 29. As a result, the financial statements of the subsidiary which has the Argentine peso as its functional currency have been restated for the effects of inflation before translation into euros at the closing rate. The restatement, representing an increase in group equity of €2.6 million, did not have a significant impact on the Group's financial statements.

1.2.1 Change in accounting policies

New standards and interpretations applicable from January 1st, 2018

IFRS 15, which relates to revenues, is obligatory from January 1st, 2018. Prior to its adoption, the Group performed an assessment of its potential accounting effects and concluded that there was no significant impact on the financial statements from its adoption. In particular:

- the Group's services are realized on the basis of signed customer contracts;
- in performing the contracts, the services rendered by the Group form a single contractual arrangement;
- consideration for services rendered is defined contractually, and there is no significant financial component. Variable pricing is restricted to bonuses or penalties applicable in certain contracts based on achieving or missing contractual ratios related to operations. The related amounts are not significant and may be reliably determined at each reporting date;
- the allocation of the consideration due under the transaction is straight-forward as there is only a single contractual arrangement;
- revenue is therefore recognized as services are rendered using a volume basis.

IFRS 9, which relates to financial instruments, is obligatory from January 1st, 2018 and has modified IAS 39 in three principal areas, but has had no significant impact on the Group's consolidated financial statements:

- the retrospective application of the first area "classification and measurement of financial instruments" has had no significant impact on the Group's accounting methods in respect of the measurement of its financial assets and financial liabilities as of January 1st, 2018;
- the application of the second area "impairment of financial assets" which replaces the IAS 39 incurred loss model by an expected credit loss impairment model has had no significant impact at January 1st, 2018 on the basis of analysis performed by the Group;
- the application of the third principal area "hedge accounting" for which the group has opted has resulted in the Group's retrospective restatement of the time value of foreign currency options and forward purchase contracts, amounting to an increase as of January 1st, 2018 of €4.3 million (excluding deferred tax impacts) in the change in the time value of these derivative instruments, recognized in a distinct component of comprehensive income. Except for this restatement, the prospective application of this modification has had no significant impact on the Group's accounting methods in respect of its recognition of hedging transactions or of its derivative financial instruments.

The following standards, amendments and interpretations:

- amendments to IFRS 2, on the classification and measurement of share-based payment transactions;
- IFRIC 22 interpretation on foreign currency transactions and advance consideration;

came into force with effect from January 1st, 2018 but did not have a significant impact on the group's financial statements.

Standards and interpretations adopted by the European Union but not yet applicable as of December 31st, 2018

The Group has elected not to early apply the following new standards:

- IFRS 16 on leases;
- amendments to IFRS 9 on prepayment features with negative compensation;
- IFRIC 23 on uncertainty over income tax treatments.

These standards and interpretations are required to be applied from January 1st, 2019.

With respect to its application of IFRS 16 on leases, the Group confirms the disclosures made in the 2017 full year financial statements, in that it intends to elect to apply the modified retrospective method.

On the basis of the lease contracts in force as of September 30th, 2018, which are mainly in respect of real estate, it expects an increase in its financial liabilities of approximately €600 million at the date of adoption. This amount excludes the effect of the recent acquisition of Intelenet which is currently being measured and which will be finalized during 2019.

The Group has implemented and put into operation a practical automated solution to compute and manage the adjustments required under the standard.

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial statements.

1.2.2 Estimates

The preparation of financial statements in conformity with IFRS requires making estimates and assumptions which affect the amounts reported in the financial statements, especially with respect to the following items:

- impairment of intangible assets and goodwill;
- the measurement of share-based payments expense;
- provisions for risks and expenses;
- the measurement of intangible assets acquired as part of a business combination;
- deferred taxation.

The estimates are based on information available at the time of preparation of the financial statements, and may be revised, in a future period, if circumstances change, or if new information is available. Actual results may differ from these estimates.

Note 1.3 Impairment

Non-financial assets

Non-financial assets of the Group (non-current assets) are reviewed at each reporting date to determine the amounts of any impairment losses that should be recognized.

Financial assets

A financial asset is considered to be impaired if there is objective evidence that one or more events have had a negative effect on the asset's estimated future cash flows.

The impairment loss of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate of financial assets.

An impairment test is performed individually on each significant financial asset. Other assets are tested in groups with similar credit risks.

Impairment losses are recognized in the statement of income.

Note 1.4 Determination of fair values

Certain accounting policies and disclosures require determining the fair value of financial and non-financial assets and liabilities. Additional information about assumptions used in determining fair value is disclosed, where necessary, in the specific notes for the asset or liability involved. In general, fair values for significant asset and liability categories are determined as follows:

Property, plant and equipment

The fair value of property, plant and equipment that is recognized following a business combination, principally buildings, is based on market value. The market value of a building is the estimated amount which would be obtained from the sale of the asset under normal conditions between a buyer and a seller at the measurement date.

Intangible assets

The fair value of brand names and software acquired during a business combination is based on the discounted present value of estimated royalties avoided through their acquisition.

The fair value of customer relationships acquired during a business combination is based on the multi-period excess earnings method, under which the asset is measured at the amount of estimated cash flows net of a reasonable return allocated to other assets.

Accounts receivable – Trade and Other current assets

The fair value of Accounts receivable – Trade and Other current assets is estimated as the present value of future cash flows discounted at the market rate of interest at the reporting date.

Derivatives

The fair value of forward currency contracts is based on their quoted market price when available. If no quoted market price is available, the fair value is estimated by discounting to the present value the difference between the contractual forward price and the current forward price on the residual term of the contract, by using an interest rate based on the money market.

The fair value of interest rate swaps is based on estimations provided by the banks and corresponds to the estimated amount that the Group would receive or pay to terminate the swap at the reporting date, taking into account current interest rates and counterparty risk.

Non-derivative financial liabilities

The fair value, which is determined for disclosure purposes, is based on the present value of future cash flows generated by principal and interest repayments, discounted at the market interest rate at the reporting date.

For finance lease agreements, the market interest rate is determined from similar lease agreements.

Share-based payments

The fair value of incentive plan shares awarded to employees is measured principally using the market price of the share at the grant date, the expected dividends and the post-vesting retention period, as well as performance conditions when these are market conditions.

The service and performance conditions necessary for vesting are not considered when determining fair value when these are not market conditions.

Note 1.5 Glossary

EBITA or current EBITA: (Earnings Before Interest, Taxes and Amortization): Operating profit before amortization of intangible assets acquired as part of a business combination, goodwill impairment charges and non-recurring items.

NOPAT: operating profit excluding non-recurring items times the effective rate of taxation.

Capital Employed: the total of goodwill, intangible assets and property, plant and equipment, and items of working capital.

ROCE: rate of Return On Capital Employed calculated using the NOPAT/Capital Employed formula.

Non-recurring items: principally comprises restructuring costs, incentive share award plan expense, costs of closure of subsidiary companies, transaction costs for the acquisition of companies, and all other expenses that are unusual by reason of their nature or amount.

Net financial indebtedness or Net debt: the total of current and non-current financial liabilities, less cash and cash equivalents.

Note 2 Scope of consolidation

Note 2.1 Accounting policies and methods

2.1.1 Bases of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when it is exposed, or has the rights, to variable returns from its involvement with an entity and has the ability to affect those returns through its power over it.

In assessing control, potential voting rights that presently are exercisable or convertible are taken into account.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Associates

The Company holds no entity in which the Group has significant influence, but not control, over the financial and operating policies.

Transactions eliminated in the consolidated financial statements

Balances, any unrealized gains and losses, and income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

2.1.2 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into euros at the foreign exchange rate at that date. Foreign exchange differences arising on translation are recognized as financial income or expenses. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the exchange rate at the date the fair value was determined.

Financial statements of foreign operations

The functional currency of a foreign operation outside the euro zone is in general its local currency except in certain cases where most of its financial flows are realized with reference to another currency.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into euros using the exchange rate at the reporting date.

The income and expenses of foreign operations are translated into euros using the average foreign exchange rate of the period, unless the exchange rate has fluctuated significantly. Foreign exchange differences resulting from translations are recognized in the translation reserve, as a separate equity component.

When a subsidiary has foreign operations in an economy defined as hyperinflationary by the IASB and its functional currency is the currency of the concerned country, its financial statements are restated for the effects of inflation before translation into euros using the exchange rate at the reporting date.

Net investment in foreign operations

Foreign exchange differences arising from the translation of a net investment in foreign operations and of related hedges are recognized in the translation reserve. They are recognized in profit or loss on disposal of the foreign operations.

2.1.3 Business combinations

Following changes to IFRS 3 and IAS 27 in 2008, the Group modified its accounting for business combinations and purchases of and purchase commitments on non-controlling interests for acquisitions after December 31st, 2009.

Since January 1st, 2010, the Group has applied revised IFRS 3 prospectively. A business combination may therefore be recognized, at the election of the Group, according to either of the following two options set out in revised IFRS 3:

- measurement of non-controlling interests as the proportionate interest in identifiable assets and liabilities;
- measurement of non-controlling interests at fair value (the full goodwill method).

The Group has elected to measure non-controlling interests as the proportionate interest in identifiable assets and liabilities for its acquisitions made since 2010.

Should the Group give a put option to minority shareholders at the time that control is transferred, a financial liability is recognized for the current value of the commitment, with an equivalent reduction in equity. Subsequent changes in fair value of the liability are recognized directly in equity.

Since 2010, transaction costs, other than those concerning the issue of debt or equity that the Group incurs in connection with a business combination, are expensed as incurred.

Note 2.2 Change in consolidation scope

On October 4th, 2018, the Group finalized its acquisition of the entire share capital of the Intelenet group, a major provider in the field of high-end omnichannel customer experience, and back-office, human resources management and finance and administration services. Intelenet is located principally in India and the Philippines with around 58,000 employees.

The operation which was announced on June 14th, 2018, has obtained the approval of the relevant regulatory authorities and is fully consolidated with effect from October 1st, 2018.

Consideration for the transaction was made in cash in the definitive amount of US$1,045 million, of which US$922 million represented the acquisition price of the shares; the balance concerns loans granted to the acquired entity. The purchase agreement does not include a future price adjustment clause. Transaction costs of a total of €4.7 million have been recognized in other operating expenses.

The following schedule sets out management's best estimate as of the reporting date of the fair values of the identifiable assets and liabilities of Intelenet at the acquisition date:

(in millions of euros)	Provisional fair values at 10/01/2018
NON-CURRENT ASSETS	
Intangible assets	318
Property, plant and equipment	38
Deferred tax assets	18
Other non-current assets	10
Total non-current assets	**384**
CURRENT ASSETS	
Current income tax receivable	68
Accounts receivable – Trade	77
Other current assets	16
Cash and cash equivalents	35
Total current assets	**196**
TOTAL ASSETS	**580**

(in millions of euros)	Provisional fair values at 10/01/2018
NON-CURRENT LIABILITIES	
Provisions	5
Deferred tax liabilities	85
Financial liabilities	65
Total non-current liabilities	**155**
CURRENT LIABILITIES	
Provisions	47
Current income tax	26
Accounts payable – Trade	6
Other current liabilities	90
Total current liabilities	**169**
TOTAL LIABILITIES	**324**
Net assets, acquired 100%	**256**
Acquisition price	**794**
Provisional amount of goodwill	**538**

The Group is currently undertaking the measurement of the assets and liabilities of the acquired entity and has recognized provisionally the fair value of the intangible asset represented by customer relationships in an amount of €310.8 million, with a related deferred tax liability of €84.5 million. A contingent liability of €35.7 million has also been recognized in the opening statement of financial position. The provisional amount of goodwill recognized is €537.7 million, which will be finalized during the next few months. This work was performed with the assistance of external experts.

In terms of strategic rationale for the goodwill, the Group considers that the savoir-faire of Intelenet in the field of enterprise digital transformations will help it to enlarge its customer offering, and to improve its positioning in the Indian market.

Intelenet has contributed to Group results as follows in 2018:

(in millions of euros)	10/01/2018 to 12/31/2018
Revenues	105
Operating profit*	14
Net profit*	9

* *Before amortization of intangible assets related to the acquisition.*

Revenues and net profit for full-year 2018 amounted to €410 million and €35 million (excluding any amortization of the intangible assets recognized at the time of the acquisition), respectively.

Note 3 Operational activity

Note 3.1 Property, plant and equipment

Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (see accounting policy, note 1.3 *Impairment*).

Cost includes the asset's directly attributable acquisition costs.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases.

Any other lease agreement is an operating lease. Such leased assets are not recognized in the Group's statement of financial position. The Company has no real estate held under a finance lease agreement.

Subsequent expenditure

The Group recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred, if it is probable that the future economic benefits of the item will flow to the Group and the cost of the item can be measured reliably.

All costs of routine repairs and maintenance are recognized in the statement of income as an expense when incurred.

Depreciation

Depreciation is charged to the statement of income on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment, from the time it is ready for use. Improvements made to buildings held on an operating lease are depreciated over the shorter of the lease period and the useful life.

The estimated useful lives are as follows:

Buildings:	20 to 25 years
Office and IT equipment:	3 to 5 years
Other:	3 to 10 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period.

Land is not depreciated.

Property, plant and equipment is analyzed as follows:

(in millions of euros) Gross	Land & buildings	Telephone and IT equipment	Other	In progress	Total
At December 31st, 2016	**470**	**540**	**218**	**23**	**1,251**
Transfer	20	-3	6	-26	-3
Increase	42	48	24	26	140
Decrease	-12	-23	-15		-50
Translation differences	-46	-47	-17	-2	-112
At December 31st, 2017	**474**	**515**	**216**	**21**	**1,226**
Change in consolidation scope*	7	16	16		39
Transfer	14	10		-26	-2
Increase	46	58	37	36	177
Decrease	-8	-23	-8		-39
Translation differences	1	4			5
Hyperinflation adjustment	5	2	1		8
AT DECEMBER 31st, 2018	**539**	**582**	**262**	**31**	**1,414**

(in millions of euros) Accumulated depreciation	Land & buildings	Telephone and IT equipment	Other	In progress	Total
At December 31st, 2016	**-240**	**-404**	**-131**		**-775**
Transfer	-3	7	-5		-1
Expense	-52	-64	-27		-143
Decrease	11	22	15		48
Translation differences	22	36	10		68
At December 31st, 2017	**-262**	**-403**	**-138**		**-803**
Transfer	-1	-4	2		-3
Expense	-51	-59	-28		-138
Decrease	7	23	8		38
Translation differences	-1	-4	-1		-6
Hyperinflation adjustment	-2	-2	-1		-5
AT DECEMBER 31st, 2018	**-310**	**-449**	**-158**	**0**	**-917**

(in millions of euros) Carrying amount	Land & buildings	Telephone and IT equipment	Other	In progress	Total
At December 31st, 2016	**230**	**136**	**87**	**23**	**476**
At December 31st, 2017	**212**	**112**	**78**	**21**	**423**
AT DECEMBER 31st, 2018	**229**	**133**	**104**	**31**	**497**

* *The line item "Change in consolidation scope" relates to the acquisition of Intelenet in October 2018.*

"Other" comprises principally office equipment and furniture, and motor vehicles. No impairment loss has been recorded on these assets.

The Group relies only to a minor extent on finance lease financing and, in consequence, the disclosure of the amount of non-current assets held under finance leases is not significant.

Note 3.2 Other intangible assets

These mainly include:

- brand names, customer relationships and technologies measured and recognized as part of a business combination;
- software acquired by the Group with a finite useful life, which is recognized at cost less accumulated depreciation and impairment losses (see accounting policy, note 1.3 *Impairment*).

Expenditure relating to internally generated brands is expensed when incurred.

Subsequent expenditure

Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits of the specific asset. All other costs are expensed as incurred.

Amortization

Amortization is charged to the statement of income on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Other intangible assets are amortized from the date on which they are available for use. The estimated useful lives are as follows:

Software:	3 to 6 years
Brand names:	3 to 10 years
Customer relationships:	9 to 15 years

Other intangible assets are analyzed as follows:

(in millions of euros)	Assets recognized as part of a business combination		Other		
Gross	**Software**	**Brand names and customer relationships**	**Software**	**Other**	**Total**
At December 31st, 2016	**62**	**1,197**	**183**	**1**	**1,443**
Change in consolidation scope				2	2
Transfer			21		21
Increase			12		12
Decrease			-28		-28
Translation differences	-7	-144	-14		-165
At December 31st, 2017	**54**	**1,053**	**175**	**3**	**1,285**
Change in consolidation scope		311	7		318
Transfer			6	-1	4
Increase			16		16
Decrease			-6		-6
Translation differences	3	64	1		67
AT DECEMBER 31st, 2018	**57**	**1,428**	**199**	**2**	**1,685**

(in millions of euros)	Assets recognized as part of a business combination		Other		
Accumulated depreciation and impairment losses	**Software**	**Brand names and customer relationships**	**Software**	**Other**	**Total**
At December 31st, 2016	**-3**	**-129**	**-139**	**0**	**-271**
Transfer			-15	-2	-17
Expense	-10	-77	-20	-1	-108
Decrease			28		28
Translation differences	1	19	9		29
At December 31st, 2017	**-12**	**-187**	**-137**	**-3**	**-339**
Transfer			-2	1	-1
Expense	-9	-79	-21		-109
Decrease			6		6
Translation differences	-1	-10	-1		-11
AT DECEMBER 31st, 2018	**-22**	**-275**	**-155**	**-2**	**-454**

(in millions of euros)	Assets recognized as part of a business combination		Other		
Carrying amount	**Software**	**Brand names and customer relationships**	**Software**	**Other**	**Total**
At December 31st, 2016	**59**	**1,068**	**44**	**1**	**1,172**
At December 31st, 2017	**43**	**866**	**37**	**0**	**946**
AT DECEMBER 31st, 2018	**35**	**1,152**	**43**	**0**	**1,231**

An intangible asset represented by customer relationships in an amount of €310.8 million at the acquisition date has been recognized in respect of the acquisition of Intelenet (*see note 2.2 Change in consolidation scope*).

Note 3.3 Accounts receivable – Trade and Other current assets

Accounts receivable – Trade and Other current assets are initially recognized at fair value, then at amortized cost less any impairment losses.

	12/31/2018			12/31/2017
(in millions of euros)	Gross	Write-downs	Net	Net
Accounts receivable – Trade	1,061	-13	1,048	896
Other receivables	20	-8	12	10
Taxation recoverable	63		63	39
Advances and receivables on non-current assets	10		10	3
Prepaid expenses	62		62	41
TOTAL	**1,216**	**-21**	**1,195**	**989**

Accounts receivable – Trade is analyzed by geographical region as follows

(in millions of euros)	12/31/2018	12/31/2017
English-speaking & APAC	395	362
Ibero-LATAM	271	253
Continental Europe & MEA	213	190
Specialized Services	93	91
Intelenet	76	-
TOTAL	**1,048**	**896**

The payment schedule of Accounts receivable – Trade is as follows

(in millions of euros)	12/31/2018	12/31/2017
Not yet due	833	700
Overdue < 30 days	148	136
Overdue < 60 days	36	30
Overdue < 90 days	14	13
Overdue < 120 days	12	10
Overdue > 120 days	5	7
TOTAL	**1,048**	**896**

Factoring arrangements

Under a factoring agreement in place, receivables are sold without recourse, subject to the following principal conditions:

- that they comply with the eligibility conditions set out in the agreement;
- that they are not subject to reasonable dispute by the customer; and
- that in the event of non-payment by the customer, the Group will respect the procedures set out in the insurance policy.

The Group and a number of its subsidiaries use factoring arrangements which comply with criteria for derecognition. The outstanding amounts concerned totaled €72.1 million and €48.1 million at December 31st, 2018 and 2017, respectively.

Under the agreements, the Group retains the credit control and receipt functions in respect of the sold receivables on behalf of the factor.

Note 3.4 Share-based payments

The Group has implemented plans, which were in effect during the current year, under which incentive shares are allocated free of charge to group employees and company officers.

The fair value of the incentive plan shares, measured on the grant date by an independent actuary, is recognized as share-based payment expense over the vesting period with a corresponding increase in equity.

The amount recognized as an expense is adjusted at each reporting date to reflect the actual number of incentive plan shares that are expected to vest, so that, when vesting occurs, total expense and equity instruments correspond to the actual number of shares vesting in the group personnel and company officers.

Incentive share award plans – Authorization given at the Shareholders' Meeting of April 28th, 2016

The Board of Directors' meetings on April 28th and November 2nd, 2016 approved free awards of 1,065,808 incentive plan shares to group personnel, including company officers of subsidiary companies, under the authorization given at the Shareholders' Meeting of April 28th, 2016, limited to a maximum of 2.5% of the share capital of the Company at the grant date. The Board meeting on April 28th, 2016 also approved the setting-up of a long-term incentive plan for the senior management personnel who are company officers of the Company, with the free award of 350,000 shares. The two plans have identical conditions for vesting.

The features of these plans are as follows:

	04/28/2016 plan	11/02/2016 plan
Date of Board meeting allocating the awards	04/28/2016	11/02/2016
Vesting period	04/28/2016 to 04/28/2019	11/02/2016 to 11/02/2019
Grant date	04/28/2016	11/02/2016
Number of share awards*	1,264,300	151,508
Number of canceled shares**	-170,659	-11,632
Number of outstanding share awards at December 31st, 2018	1,093,641	139,876
Fair value of each share award at the grant date (taking into account the market condition)	€48.51	€72.40
Fair value of each share award at the grant date (without taking into account the market condition)	€75.20	€88.80
* *Including for company officers of the Company.*	*350,000*	*0*
** *Including for company officers of the Company.*	*-70,959*	*0*

Vesting of the free share awards is conditional on the beneficiaries remaining with the Group until at least the end of the vesting period and on meeting performance conditions relating to the financial years between 2016 and 2018.

The Board of Directors has defined four performance criteria; the number of shares allocated is determined on the basis of the average of the percentages obtained by the three best–performing criteria.

In view of the above principles and the results achieved in the period 2016/2018, the three best–performing criteria are those concerning the increase in revenues, the EBITA margin rate and the performance of Teleperformance SE's share price compared with the SBF 120 share index. All beneficiaries are therefore entitled to 100% of their free share awards. The fair values are those which take account of the market condition *i.e.* €48.51 for the April 28th, 2016 plan and €72.40 for the November 2nd, 2016 plan, which results in 2018 expense of €22.5 million.

In order to meet the requirements of its long-term incentive plan, TGI, the US subsidiary, purchased a total of 180,499 shares in the market during the second half of 2018, in an amount of €30.2 million.

The Board of Directors' meeting on June 23rd, 2017, November 30th, 2017 and February 28th, 2018 approved free awards of a total of 18,600 incentive plan shares to group personnel, including company officers of group companies, under the authorization given at the Shareholders' Meeting of April 28th, 2016. Vesting of these free share awards is conditional on each beneficiary remaining with the Group until at least the end of the vesting period and on meeting certain performance conditions. The related expense in respect of these plans amounted to €0.7 million in 2018.

Note 3.5 Short-term employee benefits

Liabilities for short-term benefits are measured on an undiscounted basis and recognized when the corresponding service is rendered.

A provision is recognized for the amount the Group expects to pay under short-term cash-settled profit-sharing and bonus schemes if the Group has a present legal or constructive obligation to make such payments as a result of past services by an employee and if the obligation can be reliably estimated.

Note 3.6 Employee termination payments

Termination payments are recognized as expenses when the Group is committed, with no realistic possibility of withdrawal, to a formal detailed plan to lay off employees before their normal retirement date.

Termination payments for voluntary redundancies are recognized if the Group has offered an incentive to encourage voluntary redundancies, if it is probable that such an offer will be accepted and if the number of individuals accepting the offer can be reliably estimated.

Note 3.7 Employee benefits – Defined contribution plans

Obligations for contributions to defined contribution plans are recognized as an expense as incurred.

Such expenses totaled €14.2 million in 2018 compared with an amount of €12.2 million in 2017.

Note 3.8 Other long-term employee benefits

The only long-term employee benefits of the Group are the post-employment benefits that are described in note 9.3 *Post-employment benefits: defined benefit plans*.

Note 3.9 Accounts payable – Trade and Other current liabilities

Accounts payable – Trade and Other current liabilities are recognized initially at fair value, and subsequently at amortized cost.

(in millions of euros)	12/31/2018	12/31/2017
Accounts payable – Trade	147	141
Other payables	193	162
Taxes payable	73	57
Accrued expenses	218	173
Other operating liabilities	47	33
TOTAL	**678**	**566**

Other operating liabilities at December 31st, 2018 include the negative fair values of derivative financial instruments entered into for the purpose of hedging foreign currency exposures, for €9.1 million, compared with € 5.7 million at the end of 2017.

Note 3.10 Income

Revenues

The Group offers its customers consultancy services and integrated solutions to manage and optimize, on their behalf, the complete customer relationship experience, as well as Specialized Services with high added-value content.

The service offer is set out in two categories:

- Core Services, which covers customer relationship operations, technical assistance and customer acquisition;
- Specialized Services have a high added-value content, and concern principally on-line interpretation services and visa application management.

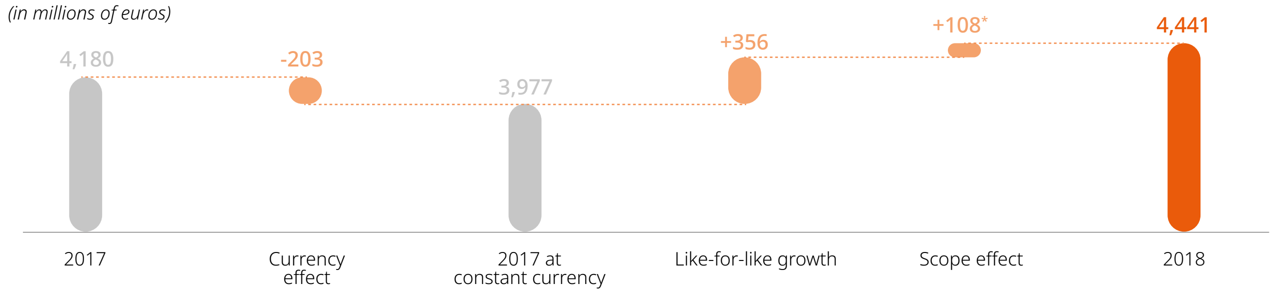
The revenues related to these various services, which represent single contractual arrangements, are recognized as the services are rendered. Revenue therefore corresponds to contractual billing rights.

In Core Services, the services are recognized principally as a function either of time spent (*e.g.* through telephone, chat or e-mail) or of volumes processed by our personnel (*e.g.* the number of calls or sales made). The services rendered are tracked using internal or external operating tools. Certain contracts provide for bonuses or penalties based on achieving or missing contractual ratios related to operations; the related amounts are not significant and may be reliably determined at each reporting date.

In Specialized Services, on-line interpretation services are principally rendered by our translators and interpreters on a time basis and revenue is recognized on the basis of work done. Revenues in relation to visa application management are recognized based on applications processed.

Costs to secure contracts are negligible and are therefore expensed as incurred. Costs of performing contracts are not covered by IFRS 15 and do not have a specific accounting treatment under the standard.

Due to the type of services rendered by the Group and in the absence of firm contractual commitments at the reporting date, no information with respect to outstanding orders as defined under IFRS 15 is followed by the Group.



* *Relates to Intelenet, acquired in the second half of 2018.*

Group revenues amounted to €4,441.0 million in 2018, representing an increase (on the basis of published figures) of 6.2% compared to 2017. At constant scope and exchange rates, the increase was 9.0%.

Other revenues

Other revenues mainly consist of government grants that are recognized in the statement of financial position under Other receivables when there is reasonable assurance that they will be received and that the Group will comply with the conditions attached to them. Grants that compensate the Group for costs incurred are recognized in the statement of income in the period in which the expenses are incurred. Grants that cover all or part of the cost of an asset are recognized in the statement of income over the useful life of the asset.

Following the introduction in 2012 of the French tax credit for competitiveness and employment (*Crédit d'impôt pour la compétitivité et l'emploi* – CICE), the Group opted to recognize it under Other revenues.

In 2018, grants amounted to €5.7 million compared with €7.7 million in 2017, including €2.1 million and €2.7 million for the CICE in 2018 and 2017, respectively.

Note 3.11 External expenses

These consist mainly of property rents and charges, telecommunications, other rentals, travel and entertainment, and fees.

Operating leases

Payments made under operating leases are recognized in the statement of income on a straight-line basis over the term of the lease agreement. Any lease incentives received (such as temporary rent holidays) are also recognized in income over the same period.

The Group rarely owns its premises and finance lease agreements are therefore a little-used form of financing. Most premises are held on operating leases, and the related commitments are disclosed in note 9.4 *Guarantees and other contractual obligations*.

(in millions of euros)	2018	2017
Property rents and charges	-228	-209
Telecommunication	-96	-102
Hire and maintenance of equipment	-82	-75
Travel and entertainment	-63	-51
Office cleaning and security	-49	-47
Operating expenses	-55	-38
Staff recruitment	-36	-30
Fees	-33	-42
Consumable supplies	-17	-17
Other	-79	-89
TOTAL	**-738**	**-700**

Note 3.12 Other operating income and expenses

This line item includes income and expenses that are unusual in terms of their rarity or amount. It mainly includes capital gains and losses on disposal of intangible assets and property, plant and equipment, certain restructuring and termination costs, significant litigation, acquisition transaction and closure costs of subsidiaries, etc.

(in millions of euros)	2018	2017
Other operating income		
Other operating expenses	-8	-23
TOTAL	**-8**	**-23**

Other operating expenses in 2018 comprise principally the acquisition-related costs of the Intelenet transaction and the costs in connection with the change to the Teleperformance visual identity. Other operating expenses in 2017 comprised principally the estimated costs relating to the restructuring of the French business and a provision made in respect of a non-compete agreement.

Note 3.13 Segment reporting

An operating segment is a component of an entity:

- which engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with other components of the same entity;
- whose operating results are reviewed regularly by the entity's chief operating decision maker in order to allocate resources and assess its performance; and
- for which discrete financial information is available.

Segments may be aggregated when they have similar economic characteristics.

With effect from January 1st, 2017, group activity as followed by the chief executive officer is now split into the following two segments:

- the Core Services segment which includes customer care, technical support and new customer acquisitions and is divided into three principal management regions:
  - English-speaking & APAC, which covers the activities in the following countries: Canada, USA, United Kingdom, South Africa, China, Indonesia, India, the Philippines, Singapore, Australia and Malaysia,
  - Ibero-LATAM, which covers the activities in the following countries: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Guyana, El Salvador, Peru, Mexico, Spain and Portugal,
  - Continental Europe & MEA, which covers the activities in the countries of the EMEA region with the exception of the United Kingdom, Spain and Portugal;
- the Specialized Services segment which includes the interpreting services of LanguageLine Solutions, the visa application management services for government departments offered by TLScontact, Praxidia's analytics solutions and the accounts receivable credit management services of AllianceOne Receivables Management (ARM) in North America.

Following the acquisition of Intelenet, a new organization will be put in place during 2019. Intelenet's business is in the process of being integrated within the Group and is provisionally considered to be a distinct segment in 2018.

Segment information is set out below:

Inter-segment operations are not significant and are not identified separately.

(in millions of euros) 2018	Core Services English-speaking & APAC	Ibero-LATAM	Continental Europe & MEA	Holding companies	Specialized Services	Intelenet	Total
Revenues	**1,586**	**1,149**	**962**		**639**	**105**	**4,441**
Operating profit	**130**	**131**	**68**	**20**	**128**	**8**	**485**
Capital expenditure	51	60	58		25	3	197
Intangible assets and Property, plant and equipment (carrying amounts)	1,009	299	229	2	1,559	934	4,032
Depreciation and amortization of non-current assets	-80	-48	-29	-1	-80	-9	-247

(in millions of euros) 2017	Core Services English-speaking & APAC	Ibero-LATAM	Continental Europe & MEA	Holding companies	Specialized Services		Total
Revenues	**1,607**	**1,084**	**851**		**638**		**4,180**
Operating profit	**124**	**130**	**-38**	**14**	**125**		**355**
Capital expenditure	51	47	30	1	19		148
Intangible assets and Property, plant and equipment (carrying amounts)	1,004	282	207	2	1,550		3,045
Depreciation and amortization of non-current assets	-92	-47	-28	-1	-83		-251
Impairment loss on goodwill			-67				-67

Note 4 Goodwill

Note 4.1 Accounting policies and methods

In a business combination, goodwill is calculated as disclosed in note 2.1.3 *Business combinations*.

Impairment

The recoverable amount of goodwill is estimated at each reporting date. Goodwill is measured at cost less accumulated impairment losses. It is allocated to a cash-generating unit (CGU) or a group of CGUs, and is not subject to amortization but is tested for impairment at least annually.

An impairment loss is recognized whenever the carrying amount of an asset or its CGU or group of CGUs exceeds its recoverable amount. Impairment losses are recognized, and presented in a distinct line item, in the income statement.

An impairment loss recognized in respect of a CGU (or group of CGUs) is allocated to a reduction in the carrying amount of assets in the CGU (or group of CGUs) in the following order:

- goodwill; then
- other intangible assets and property, plant and equipment, proportionate to their carrying amounts.

The recoverable amount of an asset or CGU is the higher of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows net of tax are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Discount rates are post-tax rates applied to cash flows after tax, and result in the determination of recoverable amounts identical to those that would have been obtained using pre-tax rates to cash flows excluding tax.

The Group determines its discount rates by taking into account the average risk-free rates with a maturity of between 20 and 30 years observed over 12 months, the market risk premium, and Teleperformance's average weekly beta over 2 years (given the absence of comparable enterprises). The risk-free rate and the risk premium are specific to each geographical area with similar characteristics.

An impairment loss in respect of goodwill may not be reversed.

Note 4.2 Determination of the principal cash-generating units or groups of cash-generating units (referred to below as a CGU)

Subsidiaries are grouped together to form a CGU in the following cases:

- there are significant inter-relationships formed by the existence of the same customers with common cash flows;
- existence of close ties of certain subsidiaries with their offshore production units;
- presence in the same geographical region, with a similar economic context and common management.

At December 31st, 2018, the principal CGUs were determined to be as follows:

North America & FHCS CGU

This CGU is formed by the Core Services subsidiaries located in the USA and Canada, and the offshore subsidiaries in India, the Philippines and Jamaica. The recoverable amount represented by this CGU is €2,471 million.

Nearshore CGU

This CGU is formed by the Core Services businesses of subsidiaries located in Mexico, Costa Rica, El Salvador and the Dominican Republic. The recoverable amount represented by this CGU is €794 million.

Central Europe CGU

This CGU is formed by the Core Services businesses of subsidiaries located in Germany, Switzerland and the Netherlands. The recoverable amount represented by this CGU is €125 million.

United Kingdom CGU

This CGU is formed by the Core Services businesses of subsidiaries located in the United Kingdom and the offshore subsidiary in South Africa. The recoverable amount represented by this CGU is €272 million.

French Speaking Market (FSM) CGU

This CGU is formed by the Core Services business of the French subsidiary and the production subsidiaries in Tunisia, Morocco, Lebanon and Madagascar. These companies were brought together in 2008 under common management and a single brand name. The recoverable amount represented by this CGU is €263 million.

LanguageLine Solutions CGU

This CGU, which forms part of the Specialized Services segment, was created in 2016 following the acquisition of LanguageLine Solutions. The recoverable amount represented by this CGU is €2,211 million.

Intelenet CGU

Following the acquisition of Intelenet in October 2018, goodwill of €566 million has been recognized on a provisional basis as of December 31st, 2018. As disclosed in note 2.2 *Change in consolidation scope*, the Group is currently undertaking the measurement of the assets and liabilities of the acquired entity.

Other CGU

There are 14 other CGUs, including the Spanish market, Southern Europe, Eastern Europe, TLScontact, ARM, etc. but which represent individually less than 2% of total goodwill.

Note 4.3 Determination of the recoverable amount of CGUs

The recoverable value of CGUs is represented by the value in use.

The Group has not used any other measurement methods, for example that of fair value less costs to sell.

Recoverable amounts are determined by geographical region, calculated on the basis of the present value of estimated cash flow forecasts for the next five years. The cash flows of the first year are based on the following year's budget. The cash flows of the following two years are obtained from the three-year plans prepared by CGU managements, approved by Group management. The cash flows of the two last years are based on the three-year plans, incorporating future growth and profitability rates considered reasonable for each CGU. The terminal values calculated after five years assume perpetual future growth equal to inflation and are based on the cash flows of the final year. Cash flows are discounted using the weighted average cost of capital (WACC) of each geographical region.

Reasonableness checks are made to ensure that the WACC is consistent with the ROCE (see note 1.5 *Glossary*).

In the event that cash flow forecasts have been shown on a number of occasions to be inaccurate or when there is uncertainty in respect of a particular market, the Group may decide to limit the forecasts to a three-year horizon.

In 2018, due to the shortfall on the Central Europe CGU budget, the forecasts used in calculating its recoverable amount were limited to a three-year horizon.

No impairment loss on goodwill has been recognized in 2018.

Note 4.4 Change in goodwill and Allocation of goodwill by CGU

Changes in goodwill in 2017 and 2018 are set out below:

(in millions of euros) Goodwill	Gross	Accumulated impairment losses	Net
At December 31st, 2016	**1,961**	**-23**	**1,938**
Change in consolidation scope*	4		4
Translation differences	-200	1	-199
Impairment losses		-67	-67
At December 31st, 2017	**1,765**	**-89**	**1,676**
Change in consolidation scope*	538		538
Translation differences	90		90
Impairment losses			0
AT DECEMBER 31st, 2018	**2,393**	**-89**	**2,304**

* *The line items "Change in consolidation scope" relate to the acquisitions of Wibilong in November 2017 and of Intelenet in October 2018.*

The following schedule sets out the allocation of goodwill and the discount rate for the principal CGUs:

	Goodwill				Discount rate	
	12/31/2018		12/31/2017		2018	2017
(in millions of euros)	Gross	Carrying amount	Gross	Carrying amount		
LanguageLine Solutions	746	746	714	714	6.5%	6.9%
North America & FHCS	611	596	587	571	6.5%	6.9%
Intelenet*	566	566	-	-		-
Nearshore	111	111	106	106	8.9%	9.1%
Central Europe	94	50	93	49	5.4%	5.7%
United Kingdom	67	67	68	68	5.5%	6.0%
FSM	53	30	53	30	5.9%	5.8%
Other	145	138	144	138		
TOTAL	**2,393**	**2,304**	**1,765**	**1,676**		

* *As Intelenet was acquired in the second half of 2018, no impairment testing has been performed as of December 31st, 2018.*

Note 4.5 **Sensitivity analysis**

In order to identify CGUs at risk of impairment, the Group performs sensitivity analyses on all CGUs incorporating an increase in the discount rates selected and a reduction of 200 base points in the EBITA rates used in the calculation of the terminal values.

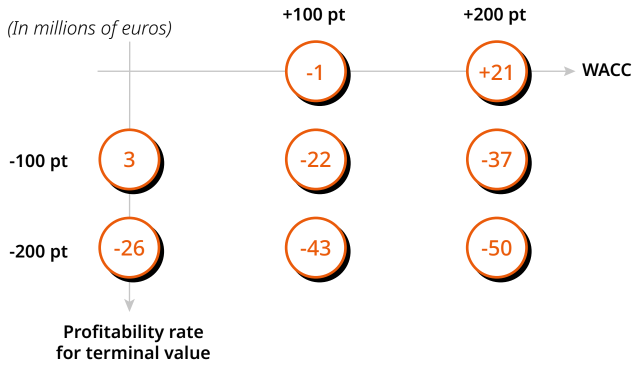
In the event that a CGU is identified under this test, additional sensitivity analyses are performed using further changes in operational assumptions *e.g.* revenue growth.

As of December 31st, 2018, the only CGU identified as at risk of an impairment loss was the Central Europe CGU. At that date, the carrying amount of its goodwill was €50 million.

The following chart shows the impact of increases of 100 and 200 basis points in the discount rate combined with reductions of 100 and 200 basis points in profitability on the terminal value calculation for this CGU.

The amounts in the chart show the difference between the CGU's recoverable and carrying amounts, restricted to the carrying amount of its goodwill. A negative amount therefore indicates a potential impairment loss.

Sensitivity analysis Centrale Europe



Note 5 Income tax

Note 5.1 **Income tax expense**

Income tax expense reported in the income statement comprises current and deferred tax except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

The French levy on the added value of companies (CVAE) and certain foreign taxes such as the Italian IRAP come within the scope of IAS 12 and are therefore recognized as a tax expense.

As a result, current tax comprises:

- the expected amount of tax payable on the taxable income of the period (determined using tax rates that have been enacted or substantively enacted at the reporting date);
- any adjustment of the amount of tax payable in respect of previous years;
- CVAE, IRAP, etc.

In 2018, the Group recognized income tax expense of €121.7 million compared with an income tax credit of €9.3 million in 2017. The credit recognized in 2017 was due principally to the effect of the US tax reform on the measurement of deferred tax liabilities, as shown by the comparative amounts in the following schedule. In 2018, the Group has returned to an effective tax rate of 28%, which is less than the standard French rate of tax as explained in the following schedule:

(in millions of euros)	2018	2017
Consolidated net profit	**313**	**314**
Current tax expense	140	160
Deferred tax expense (credit)	-18	-169
Profit before tax	**435**	**305**
Standard rate of tax in France	33.33%	34.43%
Expected tax expense	**-145**	**-105**
CVAE	-1	-2
IRES/IRAP	-1	-1
Tax on dividends	1	3
Effect of foreign jurisdictions' tax rates	38	25
US tax on retained earnings		-15
Change in US tax rate		147
Impairment loss on goodwill		-23
Other permanent differences, other items	-10	-17
Change in unrecognized deferred tax assets	-4	-3
TOTAL	**-122**	**9**

Note 5.2 Deferred tax

Deferred tax is calculated and recognized using the liability method, providing for all temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets and liabilities are measured using the tax rate that is expected to apply in the period when the asset is realized and the liability settled, according to tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are netted by tax entity for presentation in the statement of financial position.

A deferred tax asset is recognized only to the extent that it is likely that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(in millions of euros)	Deferred tax assets	Deferred tax liabilities	Net	including assets from tax losses
At December 31st, 2016	**31**	**444**	**-413**	**7**
Recognized in profit or loss	-9	-178	169	
Translation differences	-2	-40	38	
Offset of assets and liabilities	8	8	0	
At December 31st, 2017	**28**	**234**	**-206**	**7**
Change in consolidation scope	14	81	-67	
Recognized in profit or loss	-4	-22	18	
Recognized in equity	4	6	-2	
Translation differences	-1	13	-14	
Offset of assets and liabilities	-6	-6	0	
AT DECEMBER 31st, 2018	**35**	**306**	**-271**	**7**

Deferred tax liabilities related to intangible assets recognized as part of a business combination amounted to €301.9 million at December 31st, 2018 (€224.4 million at December 31st, 2017). The increase is due principally to the acquisition of Intelenet.

Deferred tax assets amounted to €34.6 million at December 31st, 2018 (€27.6 million at December 31st, 2017) including amounts relating to tax losses carried forward of €6.7 million.

The Group has tax losses of approximately €171 million, of which €130 million have no expiry date.

Deferred tax assets of €34.5 million at December 31st, 2018 (€20.8 million at December 31st, 2017) relating to tax losses carried forward were not recognized as their recovery was not considered probable.

Note 5.3 Current income tax assets and liabilities

Changes in these two line items between December 31st, 2017 and 2018 are principally due to the acquisition of Intelenet.

Note 6 Equity and Earnings per share

Note 6.1 Share capital

Share capital at December 31st, 2018 amounted to €144,450,000 consisting of 57,780,000 shares, with a nominal value of €2.50 each, fully paid-up.

	12/31/2018		12/31/2017
Number of shares issued and fully paid up	57,780,000		57,780,000
including treasury shares of	220,526		25,400
Dividend distributions in respect of the financial year*	109.8	**	106.9
Dividend per share *(in euros)*	1.90	**	1.85

* *Based on the number of shares in issue at December 31st.*
** *As proposed to the shareholders' meeting on May 9th, 2019.*

There were no movements on the share capital of Teleperformance during 2018.

Note 6.2 Treasury shares

Treasury shares are shown as a deduction from total equity. On disposal, the proceeds, net of transaction costs and income tax, are recognized in equity.

At December 31st, 2018, the Group held:

- 40,027 treasury shares acquired under the liquidity contract for a total of €5.6 million;
- 180,499 treasury shares in an amount of €30.2 million to meet the requirements of a long-term incentive plan (see note 3.4 *Share-based payments*).

These amounts are shown as a deduction from equity.

Note 6.3 Earnings per share

The Group reports both basic and diluted earnings per ordinary share. Basic earnings per share is calculated by dividing the net profit attributable to holders of ordinary shares by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares.

Diluted earnings per share is determined by adjusting the net profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding by the effects of all potentially diluting ordinary shares. These adjustments concern the incentive share awards granted to employees when the required performance conditions have been met at the end of the financial year.

	2018	2017
Net profit – Group share	**312**	**312**
Weighted average number of shares used to calculate basic earnings per share	57,706,532	57,767,405
Dilutive effect of share awards	1,180,409	986,702
Weighted average number of shares used to calculate diluted earnings per share	58,886,941	58,754,107
Basic earnings per share *(in euros)*	**5.40**	**5.40**
Diluted earnings per share *(in euros)*	**5.29**	**5.31**

Weighted average number of shares used to calculate basic and diluted earnings per share

	2018	2017
Ordinary shares in issue at January 1st	57,780,000	57,780,000
less: treasury shares held	-73,468	-12,595
TOTAL	**57,706,532**	**57,767,405**

Note 7 Financial assets and liabilities

Note 7.1 Accounting policies and methods

7.1.1 Financial assets

Current and non-current financial assets comprise the following:

- loans and receivables measured at amortized cost: this category principally includes advances to staff and guarantee deposits paid mainly in the context of commercial property leases. On initial recognition, these loans and receivables are stated at fair value plus directly attributable costs; at each reporting date, these assets are measured at amortized cost;
- derivative financial instruments used to hedge exposure to foreign exchange and interest rate risks, measured at fair value at each reporting date;
- net asset warranties obtained as part of an acquisition: when the warranty relates to a specific asset or liability of the target entity at the date of a business combination, it is recognized separately from goodwill and is measured using the same method as the item being warranted.

7.1.2 Financial liabilities

Non-current financial liabilities include loan transactions with banks or other financial institutions, bond issues and liabilities to certain minority interests.

Current financial liabilities comprise similar transactions as those described above but with settlement expected within one year.

Borrowings are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost, with any difference between cost and redemption value being recognized in profit or loss over the period of the borrowings on an effective interest rate basis.

Debt issuance costs are initially recorded as a reduction of the corresponding loan, and subsequently taken into account in calculating the effective interest rate and recognized in the income statement over the period of the loan.

7.1.3 Cash and cash equivalents

Cash and cash equivalents comprise cash balances, demand deposits and investments in mutual funds made with a short-term objective, measured at fair value, with changes in fair value recognized in the statement of income.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows, but are classified in the statement of financial position as Other current financial liabilities.

7.1.4 Financial income and expenses

Financial income comprises interest receivable on funds invested, dividend income, fair value increases in financial assets at fair value through profit or loss and foreign exchange gains.

Profits on hedging instruments covering revenues are recognized in operating profit. Interest income is recognized in profit or loss as it accrues, using the effective interest rate method. Dividends are recognized as soon as the Group acquires the right to receive the payment, *i.e.*, in the case of listed shares, on the ex-dividend date.

Financial expenses comprise interest payable on borrowings, the effect of the unwinding of discounted provisions, foreign exchange losses, decreases in fair value of financial assets at fair value through profit or loss, and impairment losses recognized in respect of financial assets.

All costs related to borrowings are recognized in profit or loss using the effective interest rate method. In the event that a loan may be reimbursed by anticipation, the probable residual duration of the loan is estimated at each reporting date and used to spread the any issue expenses under the effective interest rate method.

7.1.5 Derivative financial instruments

The Group uses derivative financial instruments to reduce its exposure to foreign exchange and interest rate risks arising from its activities. From time to time, the Group may use derivative financial instruments, contracted with high-grade financial institutions to reduce counterparty risk.

Financial instruments used to hedge the fair value of financial borrowings are recognized as financial liabilities.

Financial instruments used to hedge other transactions are recognized as other current or non-current assets and liabilities, depending on their maturity and accounting classification. They are measured at fair value at the date of transaction. Changes in the fair value of the instruments are recognized in profit or loss, except for cash flow hedges.

The Group applies hedge accounting when the hedging relationship has been identified, formalized and documented from its inception, and that it has been shown to be effective.

The accounting treatment of these financial instruments depends on the category into which they fall:

- cash flow hedges: the effective portion is recognized through equity. The amounts recognized in equity are reclassified to profit or loss when the hedged items affect profit or loss, either in operating profit when they concern the cover of a commercial transaction or in financial result when they cover a financial operation. The ineffective portion of changes in fair value of cash flow hedges is recognized in profit or loss as financial income or expense;
- fair value hedges: they are recognized in financial result.

Note 7.2 Financial assets

(in millions of euros)	Current	Non-current	12/31/2018	12/31/2017
Loans	2		2	11
Derivative financial instruments	32		32	9
Guarantee deposits	12	59	71	52
Indemnification asset	10		10	9
Gross financial assets	**56**	**59**	**115**	**81**
Write-downs			0	
CARRYING AMOUNT	**56**	**59**	**115**	**81**

The indemnification asset of €9.5 million (US$10.9 million) relates to the acquisition of Aegis USA Inc.in 2014 (see note 9.2 *Change in provisions*).

Note 7.3 Financial result

(in millions of euros)	2018	2017
Income from cash and cash equivalents	**4**	**1**
Interest expense	-52	-49
Bank commissions	-8	-11
Financing costs	**-60**	**-60**
Net financing costs	**-56**	**-59**
Foreign exchange gains	26	33
Foreign exchange losses	-23	-24
Other financial income	3	
Other financial income (expenses)	**6**	**9**
FINANCIAL RESULT	**-50**	**-50**

Note 7.4 Financial liabilities

7.4.1 Loans from financial institutions, bonds and US private placements (USPPs)

Analysis by category of loan

At December 31st, 2018, the Group had obtained and utilized the following financing arrangements:

(in millions of euros/currencies) **Category of loan**	**Amount in currency at 12/31/2018**	**Currency**	**Amount in € at 12/31/2018**	**Interest type**	**Rate**	**Maturity**	**Financial covenant**
2016 bonds	600	EUR	600	Fixed*	Coupon: +1.50%	2024.04	no
2018 bonds	750	EUR	750	Fixed**	Coupon: +1.875%	2025.07	no
US private placement (2016) Tranche C	75	USD	65	Fixed	+3.92%	2023.12	yes
US private placement (2016) Tranche D	175	USD	153	Fixed	+4.22%	2026.12	yes
2016 bank loan	325	USD	284	Floating	Libor $ +0.85%	2021.08	yes
2018 bank loan	164	EUR	164	Floating	Euribor +1.00%	2023.06	yes
US private placement (2014) Tranche A	160	USD	140	Fixed	+3.64%	2021.12	yes
US private placement (2014) Tranche B	165	USD	144	Fixed	+3.98%	2024.12	yes
Commercial paper	134	EUR	134	Fixed	-0.14% à -0.19%	2019.03	no
Syndicated multicurrency facility***		EUR	0	Floating	Euribor +0.40%	2023.02	yes
		USD	0	Floating	Libor $ +0.40%	2023.02	yes
Bank facilities***		EUR	0	Floating	Euribor +0.50%	2019.06	no
		EUR	0	Floating	Euribor +0.40%	2019.06	no
		EUR	0	Floating	Euribor +0.50%	2019.06	yes
		EUR	0	Floating	Euribor +0.40%	2019.07	no
		USD	0	Floating	Libor $ +0.40%	2019.07	no
TOTAL LOANS			**2,434**				
Loan issuance expense			-13				
Loan hedging instruments			-5				
Bank overdrafts and advances			3				
Other financial liabilities			18				
TOTAL FINANCIAL LIABILITIES			**2,437**				

* *A swap of fixed to floating interest rates has been contracted over €200 million as well as interest rate caps over €120 million.*
** *A swap of fixed to floating interest rates has been contracted over €200 million as well as interest rate caps over €100 million.*
*** *A syndicated multicurrency facility of €300 million and bank facilities of €200 million.*

Schedule of loans by principal currency and type of interest rate

(in millions of euros) Type of interest rate	Total	EUR	USD	CLP
• fixed	1,986*	1,484	502	
• floating	448	164	284	
AT DECEMBER 31st, 2018	**2,434**	**1,648**	**786**	**0**

Type of interest rate	Total	EUR	USD	CLP
• fixed	1,179	699	479	1
• floating	414		414	
AT DECEMBER 31st, 2017	**1,593**	**699**	**893**	**1**

* *Including €400 million covered by fixed to floating swaps.*

Covenants

The following financial liabilities are subject to financial covenants, which were all complied with as of December 31st, 2018:

US private placements of US$250 million and US$325 million

At December 31st, 2018, the relevant ratios were as follows:

	Contractual	Actual
Consolidated equity *(in millions of euros)*	> 1,595	2,225
Consolidated net debt*/consolidated EBITDA*	≤ 2.75x	2.57x

* *As defined in the contracts.*

Syndicated multicurrency facility €300 million, 2016 bank loan of US$325 million, CMCCIC bank facility of €50 million, and the 2018 bank loan of €164 million

At December 31st, 2018, the relevant ratio was as follows:

	Contractual	Actual
Consolidated net debt*/consolidated EBITDA*	≤ 2.75x	2.57x

* *As defined in the contracts.*

7.4.2 Net financial indebtedness: Schedule of debt maturities

(in millions of euros)	12/31/2018	Current	Non-current*	12/31/2017	Current	Non-current
Bank loans	448	66	382	418	106	312
Commercial paper	134	134		105	105	
USPP loans	502		502	480		480
Bonds	1,350		1,350	600		600
Loan issuance expense/premiums	-13	-2	-11	-10	-4	-6
Loan hedging instruments	-5	-5		5	5	
Bank overdrafts and advances	3	3		2	2	
Other financial liabilities	18	17	1	11	10	1
Total financial liabilities	**2,437**	**213**	**2,224**	**1,611**	**224**	**1,387**
Marketable securities	36	36		32	32	
Cash and bank	300	300		253	253	
Total cash and cash equivalents	**336**	**336**		**285**	**285**	
NET DEBT	**2,101**	**-123**	**2,224**	**1,326**	**-61**	**1,387**

* *Due after five years: €1,636 million.*

The acquisition of Intelenet by the Group on October 4th, 2018 has been financed as follows:

- a bond issue of €750 million on July 2nd, 2018 with a coupon of 1.875%, maturing in 2025;
- a loan of €164 million repayable in four equal installments on June 8th, 2020, 2021, 2022 and 2023.

The bond redemption premium amounting to €.6.7 million and the issuance expenses of the financing, of €4.7 million, are included in the determination of the effective interest rates.

During 2018, in addition to the first installment of US$125 million due on the US$500 million loan obtained in 2016, the Group also repaid in advance a further amount of US$50 million which reduces the next installment due on August 19th, 2019.

The Group has the following unutilized facilities as of December 31st, 2018:

- a syndicated multicurrency (€ and US$) of €300 million expiring in February 2023;
- three credit lines of €50 million each, negotiated during the first half of 2018 and which will expire in the first half of 2019;
- a credit line of €50 million, negotiated during the second half of 2018 and which will expire in the second half of 2019.

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 (€0.7 million and €1.3 million at December 31st, 2018 and 2017, respectively).

7.4.3 Interest rate risk

The Group has an exposure to interest rate risks on its financial liabilities and its short-term liquid investments. The following schedule identifies the amounts subject to interest rate risk:

(in millions of euros) **Net debt**	**12/31/2018**	**Fixed rate**	**Subject to interest rate risk**	**12/31/2017**	**Fixed rate**	**Subject to interest rate risk**
Total financial liabilities	2,437	1,986*	451	1,611	1,179	432
Cash and cash equivalents	-336		-336	-285		-285
NET DEBT	**2,101**	**1,986**	**115**	**1,326**	**1,179**	**147**

* *Including €400 million covered by fixed to floating swaps.*

An increase of 100 basis points in the interest rate would lead to an increase in financial expense of €5.8 million, whereas a reduction of the same scale would result in a reduction of €6.5 million in financial expense.

Note 7.5 Foreign exchange and interest rate hedging operations

Revenues and operating expenses of group companies may be denominated in a currency other than their functional currency. In order to reduce exposure to exchange rate risk, hedge contracts have been entered into, principally between the following currencies:

- the US dollar and the Mexican peso;
- the US dollar and the Colombian peso;
- the US dollar and the Philippine peso;
- the US dollar and the Indian rupee;
- the pound sterling and the Indian rupee;
- the euro and the US dollar, the Colombian peso, the Turkish lira, the Tunisian dinar.

The policy of the Group is cover its highly probable forecast transactions denominated in foreign currency, usually up to 12 months ahead but longer in certain cases. The Group uses forward exchange contracts and plain vanilla foreign exchange options.

In addition, currency hedges are in place to cover the exchange risk between currencies managed within the cash pool and the euro (in particular the US dollar) as well as certain loans between Teleperformance SE and its subsidiaries.

The Group has also put in place interest rate hedges in order to convert certain liabilities from fixed to floating rates, as well as caps to limit the impact of possible high interest rate rises.

The principal derivative financial instruments in place at the year-end are as follows:

(in millions of euros) **Derivative financial instruments at December 31st, 2018**	**Notional amount in currency**	**Notional amount in € at 12/31/2018**	**Fair value in € at 12/31/2018**	**In equity**	**In 2018 profit or loss**
Hedge of forecast transactions					
USD/MXN	61	53	1	1	
USD/MXN*	9	8			
MXN/USD	546	24	1	1	
MXN/USD*	88	4			
USD/PHP	9,054	151	2	2	
USD/PHP*	1,850	31			
COP/EUR	24	24	-1		-1
COP/EUR*	4	4			
COP/USD	64	56	-3	-2	-1
COP/USD*	26	23	-1		-1
EUR/TND	45	13	-1	-1	
USD/INR	247	216	4	4	
USD/INR*	10	9			
USD/CAD	12	10			
USD/CAD*	2	2			
AUD/INR	10	6			
GBP/INR	144	161	11	11	
USD interest caps	**500**	**437**	**2**	**2**	
EUR interest caps	**670**	**670**	**4**		**4**
Hedge of intra-group loans					
• in USD	298	260	2		2
• in PHP	7,911	132	4		4
• in GBP	11	13			
Cash pool hedges					
• in GBP	20	22			
• in USD	107	93			

* *Not eligible for hedge accounting.*

(in millions of euros) **Derivative financial instruments at December 31st, 2017**	**Notional amount in currency**	**Notional amount in € at 12/31/2017**	**Fair value in € at 12/31/2017**	**In equity**	**In 2017 profit or loss**
Hedge of forecast transactions					
USD/PHP	9,448	158	5	3	2
USD/PHP*	5,885	99			
COP/USD	33	28	1		
COP/USD*	14	12			
MXN/USD	60	49	-2	-2	
MXN/USD*	11	9			
EUR/TND	57	19			
COP/EUR	15	15			
USD/MXN	422	18	-1	-1	
USD/MXN*	106	4			
USD/INR	11	9			
EUR/USD	13	10			
Cross Currency Interest Swap EUR/USD	**55**	**46**	**-5**		**-5**
USD interest caps	**400**	**334**			
Interest rate swap, fixed to floating	**200**	**200**			
EUR interest cap	**120**	**120**			
Hedge of intra-group loans					
• in USD	268	224	5		5
• in PHP	7,059	118	-3		-3
Cash pool hedges					
• in USD	165	138	-2		-2

* *Not eligible for hedge accounting.*

At December 31st, 2018, the fair value of derivative financial instruments amounted to €28.7 million (December 31st, 2017: -€1.7 million) of which €32.5 million is presented in Other financial assets, €9.1 million in Other current liabilities and €5.3 million as a reduction in other financial liabilities.

Counterparty credit risk (Credit value adjustment – CVA) and own credit risk (Debt value adjustment – DVA) are taken account of in the fair values of hedging instruments, but the amounts are not significant.

Note 7.6 Carrying amount and fair value of financial assets and financial liabilities by category

The fair value hierarchy is made up of three levels:

- level 1: unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (*i.e.* as prices) or indirectly (*i.e.* derived from prices);
- level 3: unobservable inputs for the asset or liability.

The following schedule shows the carrying amounts of financial assets and financial liabilities and their fair values, by accounting category as defined under IFRS 9, at December 31st, 2018:

(in millions of euros) 12/31/2018	Accounting category					Fair value (FV)			
	Financial assets and liabilities at FV through profit or loss	Financial assets and liabilities at FV through OCI (may be reclassified to profit or loss in a subsequent period)	Financial assets and liabilities at FV through OCI (may not be reclassified to profit or loss in a subsequent period)	Financial assets and liabilities at amortized cost	**Total carrying amount**	Lev 1	Lev 2	Lev 3	**Total**
FINANCIAL ASSETS									
I – Non-current financial assets	**0**	**0**	**0**	**59**	**59**	**0**	**59**	**0**	**59**
Guarantee deposits				59	**59**		59		**59**
II – Derivative instruments – assets	**0**	**32**	**0**	**0**	**32**	**0**	**32**	**0**	**32**
Hedging instruments		32			**32**		32		**32**
III – Current financial assets	**36**	**0**	**0**	**1,519**	**1,555**	**336**	**1,219**	**0**	**1,555**
Loans				2	**2**		2		**2**
Guarantee deposits				12	**12**		12		**12**
Indemnification asset				10	**10**		10		**10**
Accounts receivable – Trade				1,048	**1,048**		1,048		**1,048**
Other current assets				147	**147**		147		**147**
Marketable securities	36				**36**	36			**36**
Cash and bank				300	**300**	300			**300**
TOTAL FINANCIAL ASSETS	**36**	**32**	**0**	**1,578**	**1,646**	**336**	**1,310**	**0**	**1,646**
FINANCIAL LIABILITIES									
I – Long-term financial liabilities	**0**	**0**	**0**	**2,234**	**2,234**	**0**	**2,234**	**0**	**2,234**
Bank loans				382	**382**		382		**382**
USPP loans				502	**502**		502		**502**
Bonds				1,350	**1,350**		1,350		**1,350**
II – Derivative instruments – liabilities	**0**	**4**	**0**	**0**	**4**	**0**	**4**	**0**	**4**
Loan hedging instruments		-5			**-5**		-5		**-5**
Exchange rate hedging instruments		9			**9**		9		**9**
III – Current financial liabilities	**0**	**0**	**0**	**877**	**877**	**3**	**874**	**0**	**877**
Short-term portion of bank loans				66	**66**		66		**66**
Commercial paper				134	**134**		134		**134**
Loan issuance expense/ premiums				-13	**-13**		-13		**-13**
Accounts payable – Trade				147	**147**		147		**147**
Bank overdrafts and advances				3	**3**	3			**3**
Other financial liabilities				18	**18**		18		**18**
Other current liabilities				522	**522**		522		**522**
TOTAL FINANCIAL LIABILITIES	**0**	**4**	**0**	**3,111**	**3,115**	**3**	**3,112**	**0**	**3,115**

The following schedule shows the carrying amounts of financial assets and financial liabilities and their fair values as published at December 31st, 2017:

(in millions of euros) 12/31/2017	Accounting category					Fair value (FV)			
	Financial instruments at FV through profit or loss	Derivative financial instruments	Loans and receivables	Financial liabilities at amortized cost	Total	Lev 1	Lev 2	Lev 3	Total
FINANCIAL INSTRUMENTS: ASSETS									
I – Financial assets at fair value	**32**	**9**	**0**	**0**	**41**	**32**	**9**	**0**	**41**
Exchange rate hedging instruments		9			**9**		9		**9**
Marketable securities	32				**32**	32			**32**
II – Financial assets at amortized cost	**0**	**0**	**1,270**	**0**	**1,270**	**253**	**1,017**	**0**	**1,270**
Loans			11		**11**		11		**11**
Guarantee deposits			8		**8**		8		**8**
Indemnification asset			9		**9**		9		**9**
Accounts receivable – Trade			896		**896**		896		**896**
Other assets			93		**93**		93		**93**
Cash and bank			253		**253**	253			**253**
FINANCIAL INSTRUMENTS: LIABILITIES									
I – Financial liabilities at fair value	**0**	**11**	**0**	**0**	**11**	**0**	**11**	**0**	**11**
Loan hedging instruments		5			**5**		5		**5**
Exchange rate hedging instruments		6			**6**		6		**6**
II – Financial liabilities at amortized cost	**0**	**0**	**2**	**2,173**	**2,175**	**2**	**2,173**	**0**	**2,175**
Bank loans				418	**418**		418		**418**
Commercial paper				105	**105**		105		**105**
USPP loans				480	**480**		480		**480**
Bonds				600	**600**		600		**600**
Other financial liabilities				11	**11**		11		**11**
Bank overdrafts and advances			2		**2**	2			**2**
Accounts payable – Trade				140	**140**		140		**140**
Other liabilities				419	**419**		419		**419**

There were no transfers between the different levels of fair value for assets and liabilities measured using this method.

Note 7.7 Financial risk management

The Group has an exposure to the following risks:

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

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

Quantitative disclosures appear elsewhere in the consolidated financial statements.

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

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

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

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

7.7.1 Credit risk

Risk factors

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.

The Group's exposure to credit risk is mainly influenced by the individual characteristics of its customers. Sales to the principal customer of the Group account for 7.4% of group revenues. In addition, sales to telecommunications sector customers and internet access providers represent a total of 15.5% of the revenues of our Core Services business. No country accounts for over 10% of customer receivables with the exception of the United States which represented approximately 36% of total customer receivables as of December 31st, 2018.

Risk management

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

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

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

The Group provides contract performance guarantees at the request of some customers. The guarantees provided are disclosed in note 9.4 *Guarantees and other contractual obligations*.

7.7.2 Liquidity risk

Risk factors

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

Risk management

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

Over recent years, the Group has implemented a centralized cash management policy when in conformity with local legislation applying to its subsidiaries. Cash pool member companies represent over 65% of group revenues.

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

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

The Group obtains its financing in the form of loans, credit lines and bond issues with high-grade financial institutions, with maturities ranging from 2019 through 2026 as disclosed in note 7.4 *Financial liabilities*.

As of December 31st, 2018, the unutilized balances on outstanding facilities represented €300 million on the multicurrency (€, US$) syndicated facility and €200 million on the credit lines negotiated with a number of banks.

Net debt at December 31st, 2018 was €2,100.7 million, compared with €1,326.3 million at the end of 2017.

Given the maturities of our borrowings and the Group's capacity to generate free cash flow, liquidity risk is considered to be low.

Additional disclosures relating to liquidity risk are set out in note 7.4 *Financial liabilities*.

7.7.3 Market risk

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

Foreign exchange risk

Risk factors

The Group is exposed in particular to foreign exchange risk on revenues and expenditure denominated in a currency, generally the US dollar, which is not the functional currency of the group company concerned.

Risk management

The Group hedges this risk in respect of revenues and expenditure mainly for rate movements between the Mexican, Philippines and Colombian pesos, the Indian rupee and the US dollar. Additional disclosures on these hedging operations are given in note 7.5 *Foreign exchange and interest rate hedging operations*.

The Group is also exposed to exchange risk on loans denominated in currencies other than the euro or the functional currencies of group entities.

Group policy is as follows:

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

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

The translation effect on the consolidated revenues of the Group is disclosed in note 7.8 *Exposure to exchange risk from translation of the financial statements of foreign subsidiaries on consolidation* which shows the breakdown of revenues by currency over the last two years.

The impact of changing foreign exchange rates on the Group's revenues, profit before tax and net profit – Group share is disclosed in note 7.8 *Exposure to exchange risk from translation of the financial statements of foreign subsidiaries on consolidation*.

Interest rate risk

See note 7.4 *Financial liabilities*.

7.7.4 Equity risk

Risk factors and management

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, 2018 amounted to €35.7 million, principally represented by money market or mutual funds.

Share capital and equity management

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

The gearing ratio is determined as follows:

(in millions of euros)	12/31/2018	12/31/2017
Net debt	2,101	1,326
Equity	2,225	1,922
GEARING RATIO	**0.94**	**0.69**

From time to time, the Group may buy back its own shares on the market. On March 30th, 2018, Teleperformance SE and Kepler Chevreux concluded a new liquidity agreement, taking effect from April 13th, 2018, which complies with the Code of Conduct established by the AMAFI (French Association of Financial markets) and current regulations. This agreement replaced that signed with Oddo Corporate Finance on January 8th, 2007. The amount of funds committed to this arrangement is €5.6 million. The number of treasury shares held at the end of the year is set out in note 6.1 *Share Capital*.

Note 7.8 Exposure to exchange risk from translation of the financial statements of foreign subsidiaries on consolidation

In order to indicate the exposure of the Group to exchange risk from translation of the financial statements of foreign subsidiaries on consolidation, an analysis of group revenues by principal currency in 2018 and 2017 is set out in the following schedule:

(in millions of euros)	2018		2017	
Revenues	**Amount**	**%**	**Amount**	**%**
Euro	1,071	24.1%	919	22,0%
US dollar	1,843	41.5%	1,888	45.2%
Indian rupee	134	3.0%	26	0.6%
Brazilian real	210	4.7%	243	5.8%
Mexican peso	101	2.3%	95	2.3%
Pound sterling	288	6.5%	293	7.0%
Colombian peso	165	3.7%	165	3.9%
Yuan	117	2.6%	96	2.3%
Other	512	11.5%	455	10.9%
TOTAL	**4,441**	**100%**	**4,180**	**100%**

Sensitivity of profit before tax and equity to a change of 1% in the exchange rate of the euro against other currencies

The Group estimates that an increase or decrease of 1% in the exchange rate of the euro against other currencies would have impacted 2018 profit before tax and equity by approximately €3.3 million and €22.0 million, respectively.

Effect of changes in exchange rates

The effect of changes in exchange rates on statement of income line items is as follows:

(in millions of euros)	2018	2017 at 2018 rates	2017
Revenues	4,441	3,972	4,180
Operating profit	485	333	355
Financial result	-50	-44	-50
NET PROFIT	**313**	**298**	**314**
Net profit – Group share	312	295	312

At December 31st, 2018, the Group's exposure to exchange risk may be summarized as follows:

	12/31/2018				12/31/2017			
(in millions of euros)	Assets	Liabilities	Net position before hedging	Net position after hedging	Assets	Liabilities	Net position before hedging	Net position after hedging
Euro	730	2,734	-2,004	-2,003	626	1,876	-1,250	-1,250
US dollar	2,929	410	2,519	2,527	2,844	401	2,443	2,441
Indian rupee	1,190	222	968	968	54	23	31	31
Brazilian real	101	35	66	66	114	37	77	77
Mexican peso	143	28	115	116	127	19	108	107
Pound sterling	159	36	123	134	176	37	139	139
Colombian peso	108	25	83	80	98	27	71	71
Philippines peso	90	41	49	55	102	41	61	63
Other	405	123	282	282	340	96	244	243
TOTAL	**5,855**	**3,654**	**2,201**	**2,225**	**4,481**	**2,557**	**1,924**	**1,922**

Note 7.9 Foreign currency exchange rates

Principal currencies	Country	Average 2018 rate	Closing rate at 12/31/2018	Average 2017 rate	Closing rate at 12/31/2017
EUROPE					
Pound sterling	United Kingdom	0.88	0.90	0.88	0.89
AMERICAS AND ASIA					
Brazilian real	Brazil	4.31	4.44	3.60	3.97
Colombian peso	Colombia	3,488.00	3,722.00	3,332.00	3,577.00
US dollar	United States	1.18	1.15	1.13	1.20
Indian rupee	India	80.85	79.73	73.50	76.61
Mexican peso	Mexico	22.73	22.49	21.33	23.66
Philippine peso	Philippines	62.41	60.11	56.94	59.80

The statement of income of Intelenet was consolidated for the period from October 1st to December 31st, 2018 at an average rate of 82.241 Indian rupees = €1; the rate used for the translation of the opening statement of financial position was 83.916 Indian rupees = €1.

Note 8 Cash flows

Note 8.1 Non-cash items of income and expense

(in millions of euros)	2018	2017
Depreciation and amortization	247	251
Impairment loss on goodwill		67
Increase in provisions, net of releases	-1	22
Unrealized gains and losses on financial instruments	-4	1
Share-based payments	21	22
TOTAL	**263**	**363**

Note 8.2 Change in working capital requirements

(in millions of euros)	2018	2017
Accounts receivable – Trade	-70	-109
Accounts payable – Trade	40	37
Other	-19	14
TOTAL	**-49**	**-58**

The increases in Accounts receivable – Trade and Accounts payable – Trade are principally due to the increase in the level of activity.

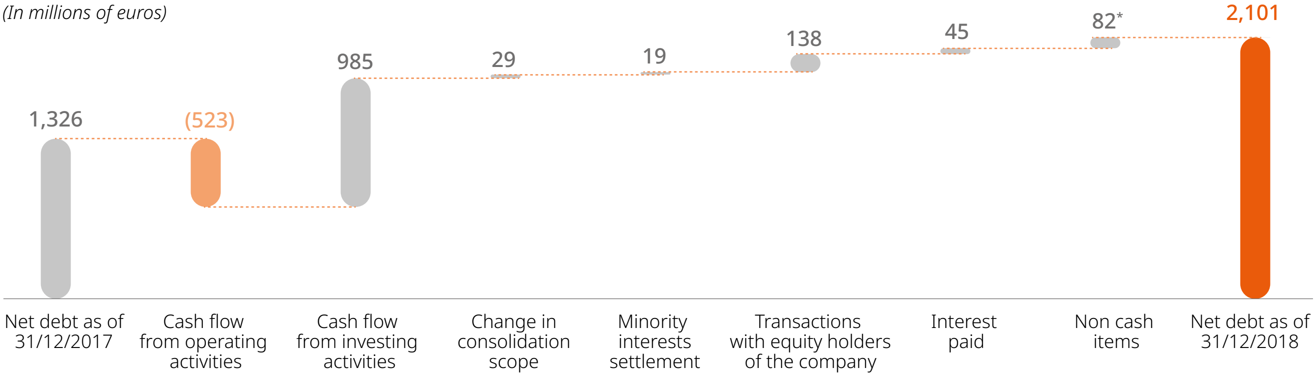
Note 8.3 Acquisition of subsidiaries, net of cash acquired

This principally concerns the acquisition of Intelenet (see the disclosures in note 2.2 *Change in consolidation scope*).

The Group carried out this acquisition in October 2018 for an amount of €793.6 million. Intelenet had cash resources of €35.3 million, resulting in a net cash outflow of €758.3 million.

Note 8.4 Explanation of the change in net debt in 2018

(In millions of euros)



** Including effect of exchange rate € 92 million.*

Transactions with equity holders represent dividend payments of €112 million and net purchases of treasury shares, for €31 million.

Note 8.5 Analysis of cash and cash equivalents presented in the consolidated statement of cash flows

(in millions of euros)	**2018**	**2017**
Bank overdrafts and advances	-3	-2
Marketable securities	36	32
Cash and bank	300	253
CASH AND CASH EQUIVALENTS/NET CASH	**333**	**283**

Note 9 Provisions, litigation, commitments and other contractual obligations

Note 9.1 Accounting policies and methods

A provision is recognized in the statement of financial position when the Group has a present legal or constructive obligation resulting from a past event, the obligation can be reliably estimated and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount of the provision represents management's best estimate of the outflow required, and is discounted when the time value effect is significant.

Provisions relating to post-employment benefits, in particular defined benefit plans which represent most of the Group's provisions for future expenses, are recognized as follows.

The net obligation of the Group is calculated separately for each plan by estimating the amount of future benefits that employees have earned in return for services rendered as of the reporting date. This amount is discounted to determine its present value, and the fair value of any plan assets is deducted. The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating to the terms of the Group's obligations. The obligations are measured using the projected unit credit method.

Actuarial gains and losses are recognized as Other recognized income and expenses in comprehensive income.

Note 9.2 Change in provisions

			Releases				
(in millions of euros)	**12/31/2017**	**Increases**	**utilized**	**unutilized**	**Translation differences**	**Other**	**12/31/2018**
NON-CURRENT							
Retirement benefits	14	3		-1		5	21
Other expenses	1						1
Total	**15**	**3**	**0**	**-1**	**0**	**5**	**22**
CURRENT							
Risks	33	10	-4	-1		42	80
Other expenses	19	1	-8	-2			10
Total	**52**	**11**	**-12**	**-3**	**0**	**42**	**90**
TOTAL	**67**	**14**	**-12**	**-4**	**0**	**47**	**112**

			Releases				
(in millions of euros)	**12/31/2016**	**Increases**	**utilized**	**unutilized**	**Translation differences**	**Other**	**12/31/2017**
NON-CURRENT							
Retirement benefits	12	3			-1		14
Other expenses	1						1
Total	**13**	**3**	**0**	**0**	**-1**	**0**	**15**
CURRENT							
Risks	37	10	-8	-2	-4		33
Other expenses	2	17					19
Total	**39**	**27**	**-8**	**-2**	**-4**	**0**	**52**
TOTAL	**52**	**30**	**-8**	**-2**	**-5**	**0**	**67**

Provisions for risks at December 31st, 2018 include:

- a contingent liability of €37.6 million in respect of tax risks identified during the Intelenet acquisition;
- a contingent liability of €10.0 million (US$11.5 million) in respect of risks identified during the Aegis USA Inc. acquisition process in 2014, including tax risks of €9.5 million. An equivalent asset of €9.5 million has been recognized, as these risks are covered by a contractual net asset warranty.

Provisions for risks also include other risks in a total amount of €32.6 million, of which €14.8 million relates to personnel-related risks, principally concerning lawsuits with former employees, particularly in Argentina, Brazil, USA and France.

The provisions for other expenses at December 31st, 2018 include principally the balance of the provision set up in 2017 for the restructuring of the French business.

As legal proceedings are ongoing for most of these disputes, their settlement date is uncertain.

Note 9.3 Post-employment benefits: defined benefit plans

These principally concern:

- the lump-sum payments made to employees on their retirement under the provisions of French national wage agreements and labor law;
- defined benefit pension plans in Norway, Greece, India, the Philippines, El Salvador and certain Mexican entities.

Commitments related to the lump-sum benefits in France are measured with the following actuarial assumptions:

	2018	2017
Discount rate	1.57%	1.29%
Rate of annual increase in remuneration	1.5%/2.5%	1.5%/2.5%
Rate of employer social charges	38%/45%	38%/45%

The other commitments are individually not significant and are measured by actuaries taking into account local conditions.

Change in the actuarial liability in 2018

(in millions of euros)	France	Other countries	Total
At December 31st, 2016	**7**	**5**	**12**
In 2017 profit or loss	1	2	3
In other comprehensive income	-1	1	0
Translation differences		-1	-1
At December 31st, 2017	**7**	**7**	**14**
In 2018 profit or loss		3	3
In other comprehensive income	-1		-1
Translation differences			0
Change in consolidation scope*		5	5
At December 31st, 2018	**6**	**15**	**21**

* *Related to the acquisition of Intelenet in October 2018.*

The liability at December 31st, 2018 presented as Other countries principally concerns our subsidiaries in India, Greece, the Philippines and El Salvador, for amounts of €5.7 million, €2.0 million, €2.0 million and €1.9 million, respectively.

The amount of the liability in the consolidated statement of financial position, representing the benefit obligation less the fair value of plan assets was:

- €9.8 million at December 31st, 2014;
- €9.8 million at December 31st, 2015;
- €12.1 million at December 31st, 2016;
- €14.4 million at December 31st, 2017;
- €20.9 million at December 31st, 2018.

Analysis of plan assets

	2018	2017
Actuarial liability	**24**	**18**
Equities	12.1%	10.9%
Bonds	12.5%	13.2%
Money market	11.0%	14.0%
Held to maturity bonds	29.4%	27.2%
Loans & Receivables	25.2%	23.3%
Real estate	9.1%	10.0%
Other	0.7%	1.4%
Plan assets	**3**	**4**
Provision in the statement of financial position	**21**	**14**

Company officers represent an amount of €0.2 million in the provision for retirement benefits at December 31st, 2018.

Note 9.4 Guarantees and other contractual obligations

Guarantee commitments

Teleperformance SE issued a performance guarantee in November 2013 to the Secretary of State for the Home Department of the United Kingdom covering the duration of a commercial contract entered into with a Group subsidiary. The maximum amount covered by the guarantee is £60 million.

Teleperformance SE has issued a performance guarantee in December 2013 to Apple Inc. relating to the obligations of certain subsidiaries undertaken in respect of a commercial contract. The guarantee was given for the duration of the commercial contract. The maximum amount covered by the guarantee is the greater of (i) US$60 million and (ii) the total amount of sums paid by Apple to the subsidiaries concerned during the calendar year preceding the date of the loss event.

In October 2017, Teleperformance Europe Middle-East and Africa SAS, a subsidiary of Teleperformance SE, issued a comfort letter in favor of Klarna in connection with a new commercial agreement entering into effect from January 1st, 2018 covering services to be supplied by it and subsidiaries of Teleperformance SE in Sweden, Finland, Denmark, Germany, the Netherlands, Norway, the United Kingdom and Austria.

Teleperformance SE has issued a performance guarantee to Barclays Bank PLC with respect to the obligations of its subsidiary TP Portugal under a commercial contract. The guarantee was signed in 2014 and will remain in force for the duration of the contract.

In July 2017, Teleperformance Portugal SA, a subsidiary of Teleperformance SE, entered into a promissory lease agreement concerning office premises under construction. In this context, guarantees have been issued by Teleperformance SE and its subsidiary, under the form of a joint and several guarantee for a total amount limited to €42 million and for the duration stated in the agreement.

In 2017, Teleperformance SE has issued a comfort letters in favor of Canon, a partner with which Ypiseria 800-Teleperformance A.E., a subsidiary of Teleperformance SE, has entered into a new commercial relationship.

Net asset warranties received in connection with the acquisition of shareholdings

The agreements entered into for the acquisitions of Aegis USA Inc., City Park Technologies, LanguageLine Holding LLC and Wibilong SAS contain net asset warranties intended to indemnify the acquirer against any prior existing liabilities that were not disclosed at the time of the acquisitions.

The duration of each commitment is generally between twelve months and three years from the date of completion of the acquisitions except in certain cases for tax-related liabilities for which the duration of the commitments corresponds to the date of prescription of each potential liability.

These commitments are guaranteed by either:

- certain amounts held by a bank in escrow, to be released in full after one, two or three years from the date of acquisition, as applicable, in the absence of any request for indemnification; or
- a first demand guarantee issued by a high-grade bank, expiring after 18 months from the date of acquisition, as applicable, in the absence of any request for indemnification; or
- representations and warranty insurance covering certain of the warranties for either three or six years after the date of acquisition, depending on the nature of the warranty.

Assets secured against financial liabilities

There were no group assets pledged as collateral for borrowings at the end of 2018.

Maturity of contractual obligations recognized in the statement of financial position

(in millions of euros)	**Total 12/31/2018**	**Under 6 months**	**6 – 12 months**	**Total 2019**	**2020 to 2023**	**After**
Bank loans	448		66	66	382	
Commercial paper	134	134		134		
USPP loans	502			0	205	297
Bonds	1,350			0		1,350
Bank overdrafts and advances	3	3		3		
Other loans and financial liabilities	18	17		17	1	

(in millions of euros)	**Total 12/31/2018**	**Under 6 months**	**6 – 12 months**	**Total 2018**	**2019 to 2022**	**After**
Bank loans	418	2	104	106	312	
Commercial paper	105	105		105		
USPP loans	480			0	134	346
Bonds	600			0		600
Bank overdrafts and advances	2	2		2		
Other loans and financial liabilities	11	10		10	1	

Maturity of operating lease obligations (not recognized in the statement of financial position)

(in millions of euros)	**Total 12/31/2018**	**Under 6 months**	**6 – 12 months**	**Total 2019**	**2020**	**2021**	**2022**	**2023**	**After**
Operating leases	847	98	94	192	164	129	100	76	186

(in millions of euros)	**Total 12/31/2017**	**Under 6 months**	**6 – 12 months**	**Total 2018**	**2019**	**2020**	**2021**	**2022**	**After**
Operating leases	597	74	74	148	125	103	72	54	95

The commitments represent future real estate lease payments as stipulated in each lease agreement over the shorter of the lease term or the minimum term at the end of which the lease may be terminated without penalty.

The increase in commitments is principally due to the consolidation of Intelenet, for €71.7 million; the remainder represents new lease agreements and renewals, net of lease payments made in 2018.

Note 9.5 **Litigation**

As a result of the normal course of business, Teleperformance and its subsidiaries are party to a number of judicial, administrative or arbitration proceedings. The risk of loss from such proceedings is provided for when the loss is probable and can be reliably quantified. Amounts provided at December 31st, 2018 total €28.5 million.

Note 10 Related party disclosures

Note 10.1 **Principal related party transactions**

During the first half of 2018, minority interests in a group entity were acquired for a total consideration of €14.0 million, of which €0.9 million concerned a senior executive, a company officer of the group. The purchase price was determined on the basis of a report prepared by an independent appraiser.

The group is not aware of any other significant operations undertaken with related parties during 2018.

Note 10.2 **Remuneration of company officers (Executive Committee – Comex)**

Remuneration of company officers in respect of the 2018 and 2017 financial years is summarized as follows:

(in millions of euros) **Remuneration**	**2018**	**2017**
Short-term benefits	14	18
Contract termination payments		9
TOTAL	**14**	**27**

The Group has obtained non-compete agreements from certain senior management personnel. In respect of the two principal company officers, the length of the commitments are as follows:

- Mr. Daniel Julien: a period of two years, for which he would be entitled to receive an amount representing two years' remuneration subject to his respecting a nine-month notice period;
- Mr. Olivier Rigaudy: a period of one year, for which he would be entitled to receive an amount representing one year's' remuneration.

Note 11 Audit fees of the statutory auditors of Teleperformance SE (excluding those paid to members of their international networks)

The audit fees of the statutory auditors of Teleperformance SE in respect of the 2018 financial year are analyzed as follows:

	KPMG		**Deloitte & Associés**	
(in thousands of euros)	**Audit certification**	**Services other than audit certification(1)**	**Audit certification**	**Services other than audit certification(2)**
Issuer	524	931	308	165
Fully consolidated subsidiaries	101		127	
TOTAL	**625**	**931**	**435**	**165**

(1) Nature of non-audit services rendered by KPMG to the parent company and its subsidiaries: a due diligence engagement in connection with the acquisition of Intelenet, comfort letter in connection with a bond issue, engagements for the verification of the existence and the fairness of certain personnel, environmental or societal information to be submitted to independent third party entities, attestations issued in respect of compliance with financial covenants.

(2) Nature of non-audit services rendered by Deloitte & Associés to the parent company and its subsidiaries: comfort letter, due diligence engagement, attestation of certain financial information, attestation issued in respect of compliance with financial covenants.

Note 12 Events after the reporting date

None.

Note 13 List of consolidated companies

		% interest	% control
Parent company	**Teleperformance SE**	100	100
CORE SERVICES			
Continental Europe & MEA			
Albania	Albania Marketing Service ShpK	100	100
	CC Albania Sh.p.K.	100	100
	Service 800 Albania Sh.p.K	100	100
Bosnia-Herzegovina	Teleperformance B-H d.o.o.	100	100
Czech Republic	Lion Teleservices CZ, a. s.	100	100
Denmark	Teleperformance Denmark A/S	100	100
Egypt	Service 800 Egypt for Communication (Teleperformance) SAE	96	96
Finland	Teleperformance Finland OY	100	100
France	Teleperformance Europe Middle East and Africa	100	100
	Teleperformance France	100	100
	Teleperformance Intermediation	100	100
Germany	Teleperformance Germany at Home Solutions GmbH	100	100
	Teleperformance Germany Financial Services GmbH	100	100
	Teleperformance Germany S.a.r.l & Co.KG	100	100
	Teleperformance Support Services GmbH	100	100
Greece	Customer Value Management (CVM)	100	100
	Direct Response Service SA	100	100
	Mantel SA	100	100
	Ypiresia 800 Teleperformance AE	100	100
Italy	In & Out S.p.A.	100	100
Kosovo	twenty4help Kosovo sh.p.k.	100	100
Lebanon	Teleperformance Lebanon S.A.L.	100	100
Lithuania	UAB Teleperformance LT	100	100
Luxembourg	Telepeformance Germany Sarl	100	100
Madagascar	Teleperformance Madagascar	99	99
Morocco	Société Anonyme Marocaine d’Assistance Client S.A	100	100
Netherlands	PerfectCall BV	100	100
	PerfectCall Financial Services BV	100	100
Norway	Teleperformance Norge AS	100	100
Poland	Teleperformance Polska Sp.zo.o.	100	100
	TPG Katowice Sp.zo.o.	100	100
Romania	S 800 Customer Service Provider SRL	100	100
	Service 800 contact center – Agent de Asigurare SRL	100	100
	The Customer Management Company SRL	100	100
Russia	Direct Star LLC	100	100
Slovakia	Lion Teleservices SK, spol. s r.o.	100	100
Sweden	Teleperformance Nordic AB	100	100
Switzerland	SCMG AG	100	100
Tunisia	Société Méditerranéenne de Teleservices	100	100
	Société Tunisienne de Telemarketing	100	100
Turkey	Metis Bilgisayar Sistemliri Sanayi ve Ticaret A.S	100	100
Ukraine	Limited Liability Company "KCU"	100	100

		% interest	% control
English-speaking & APAC			
Australia	Teleperformance Australia Pty Ltd	100	100
Canada	MMCC Solutions Canada company	100	100
China	Beijing Interactive CRM Technology Service Limited	85	100
	Guangdong North Asia United CRM Technologies Limited	85	100
	Nanning North Asia United CRM Technologies Co., Ltd	85	100
	North Asia United CRM Technologies (Beijing), Ltd	85	100
	North Asia United CRM Technologies (Xian), Ltd	85	100
	Teleperformance Information Technologies (Kunming) Co., Ltd	85	100
Hong Kong	Hong Kong Asia CRM Limited	85	85
India	CRM Services India Private Limited	100	100
Indonesia	P.T. Telemarketing Indonesia	100	100
Malaysia	Teleperformance Malaysia SDN.BHD	100	100
Philippines	E-Konflux Solutions Inc.	100	100
	Telephilippines Inc.	100	100
	TPPH – CRM Inc.	100	100
	TPPH – FHCS Inc.	100	100
Singapore	Telemarketing Asia (Singapore) PTE Ltd	100	100
South Africa	TP South Africa Trading (PTY) Ltd	100	100
United Kingdom	MM Group Ireland Limited	100	100
	Teleperformance Holdings Limited	100	100
	Teleperformance Limited	100	100
USA	Teleperformance Delaware, Inc.	100	100
	TP USA – FHCS, Inc.	100	100
	TP USA, Inc.	100	100
	Merkafon Management Corporation	100	100
Ibero-LATAM			
Argentina	Citytech SA	100	100
Brazil	SPCC – Sao Paulo Contact Center Ltda	100	100
	Teleperformance CRM SA	100	100
Chile	TP Chile S.A	100	100
Colombia	Teleperformance Colombia SAS	100	100
Costa Rica	Costa Rica Contact Center CRCC S.A	100	100
El Salvador	Compania Salvadoreña de Teleservices, SACV	100	100
Guyana	Guyana Call Center Inc.	100	100
Mexico	Hispanic Teleservices Corporation (HTC)	100	100
	Hispanic Teleservices de Guadalajara, S.A. DE C.V.	100	100
	Impulsora Corporativa Internacional, S.A. DE C.V.	100	100
	Merkafon de Mexico, S.A. DE C.V.	100	100
	Merkafon International, Ltd	100	100
	Servicios Hispanic Teleservices, S.C.	100	100
	TP Nearshore, S. DE R.L. de C.V.	100	100
Peru	Teleperformance Peru S.A.C.	100	100
Portugal	Teleperformance Portugal, S.A.	100	100
Spain	Teleperformance Espana SAU	100	100
	Teleperformance Mediacion de Agencia de Seguros, S.L	100	100
	Teleperformance Servicios Auxiliares, S.L.U	100	100
	twenty4Help Knowledge Service Espana S.L	100	100

		% interest	% control
SPECIALIZED SERVICES			
TLSContact			
Albania	TLScontact Albania Sp.h.k	100	100
Algeria	SARL TLS Contact	100	100
Armenia	TLScontact AM Limited Liability Company	100	100
Azerbaijan	TLScontact Azerbaijan LLC	100	100
Belarus	Unitary Enterprise Providing Services "TLSContact"	100	100
China	Beijing TLScontact Consulting Co, Ltd	100	100
Egypt	TLScontact Egypt	100	100
France	TLScontact Algérie	100	100
	TLScontact France	100	100
Gabon	TLScontact Gabon	100	100
Georgia	TLScontact Georgia LLC	100	100
Germany	TLScontact Deutschland GmbH	100	100
Hong Kong	TLScontact Limited	100	100
Indonesia	PT. TLScontact Indonesia	100	100
Ireland	TLScontact (Ireland) Ltd	100	100
Italy	TLScontact Italia S.R.L	100	100
Kazakhstan	TLScontact Kazakhstan Limited Liability Partnership	100	100
Kenya	TeleContact Limited	100	100
Kosovo	TLScontact Kosovo	100	100
Lebanon	TLScontact Lebanon SARL	100	100
Luxembourg	TLS Group SA	100	100
Madagascar	TLScontact Madagascar	100	100
Mauritius	TLScontact (Mau) Ltd	100	100
Mongolia	TLScontact Mongolia	100	100
Montenegro	LLC «TLScontact » d.o.o. Podgorica	100	100
Morocco	TLScontact Maroc SARLAU	100	100
Netherlands	TLScontact Netherlands B.V.	100	100
Nigeria	TLScontact Processing Services Limited	100	100
Philippines	TLScontact Philippines Corporation	100	100
Russia	LLC TLScontact (RU)	100	100
Serbia	TLScontact doo Beograd-Stari Grad	100	100
Sierra Leone	TLScontact (SL) Ltd	100	100
South Africa	TLScontact South Africa (PTY) Ltd	100	100
Spain	TLScontact Espana SL	100	100
Switzerland	TLScontact Switzerland GmbH	100	100
Tanzania	TLScontact (Tanzania) Ltd	100	100
Thailand	TLScontact Enterprises (Thailand) Co., Ltd	100	100
	TLScontact International Co., Ltd	100	100
Tunisia	Société Tunisienne d'assistance et de services (STAS)	100	100
	TLScontact Tunisie	100	100
Turkey	TLS Danismanlik HVTLS	100	100
Uganda	TLS Contact Limited	100	100
Ukraine	TLScontact Ukraine Limited Liability Company	100	100
United Kingdom	Application Facilitation Services Limited	100	100
	Teleperformance Contact Limited	100	100
	TLScontact (UK) Limited	100	100
Uzbekistan	TLS Contact Limited Liability Company	100	100
Vietnam	TLSContact Vietnam Company Limited	100	100

		% interest	% control
Praxidia			
France	Praxidia	100	100
Italy	Praxidia S.p.A	100	100
Luxembourg	Praxidia SA	100	100
Netherlands	Praxidia BV	100	100
United Kingdom	Praxidia Services Limited UK	100	100
USA	Praxidia US Inc.	100	100
AllianceOne Receivables Management			
Canada	AllianceOne Limited	100	100
Jamaica	Outsourcing Management International Inc, Ltd	100	100
USA	AllianceOne Incorporated (AllianceOne)	100	100
	AllianceOne Receivables Management, Inc (ARMI)	100	100
LanguageLine Solutions			
United Kingdom	Language Line Services UK Limited	100	100
USA	Language Line holdings II, Inc.	100	100
Wibilong			
France	Wibilong S.A.S	84	84
INTELENET			
Egypt	Intelenet LLC	100	100
Guatemala	Intelenet Lat Am Services SA	100	100
India	Intelenet BPO Holdings Pvt Ltd	100	100
	Intelenet Business Services Ltd	98	98
	Intelenet Global Services Pvt Ltd	100	100
	Tixigo Tourism Services Pvt Ltd	100	100
Jordan	Intelenet Global Services (Jordan) LLC	100	100
Mauritius	Eagle BPO Mauritius	100	100
	Intelenet Global Investment Ltd	100	100
	Snow Holding Company Ltd	100	100
Philippines	Intelenet Global Philippines Inc.	100	100
Poland	Intelenet European Services sp.zo.o.	100	100
Saudi Arabia	Intelenet Saudi Company	100	100
United Arab Emirates	Intelenet Global Business Services LLC	100	100
	Intelenet Global Services FZ-LLC	100	100
United Kingdom	Intelenet BPO UK Ltd	100	100
	Intelenet Global (UK) Ltd	100	100
	Intelenet Global BPO (UK) Ltd	100	100
USA	Intelenet America LLC	100	100
	Intelenet Inc.	100	100
	I-Service Inc.	100	100
	Windfall Investment Company Inc.	100	100
OTHER			
France	Teleperformance Management Services	100	100
Luxembourg	Luxembourg Contact Center S.A.R.L	100	100
Netherlands	Dutch Contact Centers BV	100	100
USA	Teleperformance Group Inc.	100	100

All group companies are fully consolidated.

5.7 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

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

For the year ended December 31st, 2018

To the annual general meeting of Teleperformance SE,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of Teleperformance SE for the year ended December 31st, 2018.

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, 2018 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the audit and compliance committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1st, 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) N° 537/2014 or in the French Code of ethics (*Code de déontologie*) for statutory auditors.

Emphasis of Matter

Without qualifying the above opinion, we draw attention to the following matter described in note 1.2.1. *Changes in accounting policies* to the consolidated financial statements, relating to a change in accounting method resulting from the first application of IFRS 15 and IFRS 9 on revenue recognition and financial instruments, respectively.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring your attention to the key audit matters relating to the risk of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed these risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on specific items of the consolidated financial statements.

Impairment of goodwill

(Note 4 to the consolidated financial statements)

Identified risk

As of December 31st, 2018, goodwill is recorded in the Statement of financial position for a net carrying amount of €2,304 million, *i.e.* 39% of total assets.

Goodwill is allocated to cash generating units (CGUs) or groups of CGUs and tested for impairment at least annually. An impairment loss is recognized in the Statement of income whenever the carrying amount of a CGU or group of CGUs to which goodwill is allocated exceeds its recoverable amount.

The recoverable amount of a CGU and group of CGUs is based on its value in use, assessed using the discounted cash flows method. Future cash flows are determined over a five year period. Cash flows for the first three years are based on the three-year plan prepared by CGU management and approved by Group management. Cash flows for the following two years are derived from the three-year plan by applying growth and profit rates considered reasonable for the related CGUs. Depending on the circumstances, the group can limit the use of cash flows to a three-year period. The terminal value is based on the cash flows of the last year and assumes a perpetual growth rate equal to inflation.

Sensitivity analyses are performed by the group by simulating an erosion of the recoverable amount through an increase in the discount rate or a decrease in the EBITA rate (as set out in note 1.5 to the consolidated financial statements) in the terminal value. When a sensitive CGU is identified, further analyses are performed to assess the sensitivity to changes in operational assumptions such as revenue growth.

We considered the impairment of goodwill to be a key audit matter considering the weight of these assets on the consolidated statement of financial position, the importance of management judgment in determining the cash flow assumptions, discount and long-term growth rates and the sensitivity of the recoverable amount to changes in the underlying assumptions.

Our audit approach

For the significant CGU or group of CGU to which goodwill is allocated or for those presenting a specific risk of impairment that we deemed material, our work consisted in:

- obtaining an understanding of the process by which the impairment tests are performed and assessing the appropriateness of the Group's valuation methodology with the applicable accounting standard;
- reconciling the carrying value of the CGUs or groups of CGUs used for impairment testing purposes with the consolidated financial statements;
- assessing the reasonableness of future cash flows through:
  - an analysis of the appropriateness of the forecast process by comparing actual flows with initial forecasts;
  - a reconciliation of the CGU or group of CGUs budgets and forecasts used to determine the future cash flows with those approved by group management;
- assessing the appropriateness of the long-term growth rates and discount rates used for each CGU or group of CGUs with the assistance of our valuation experts;
- performing our own sensitivity analyses on EBITA rates used in the calculation of terminal values and on discount rates.

Accounting for Intelenet acquisition

(Note 2.2 to the consolidated financial statements)

Identified risk

Teleperformance completed in October 2018 the acquisition of Intelenet, a specialized group providing business services and digital transformation solutions, for an amount of €794 million.

The key attributes of this transaction are detailed in note 2.2. to the consolidated financial statements. As part of this acquisition, the Group recorded a €538 million preliminary goodwill, after recognizing the acquiree's identifiable assets and liabilities. Notably, the Group recorded a €310.8 million intangible asset relating to "customers' relationships" and a €35.7 million liability relating to tax risks.

We consider the accounting for Intelenet acquisition and the appropriateness of the information disclosed in the notes to the consolidated financial statements to be a key audit matter considering the significance of this acquisition and the importance of management's judgments and estimates, especially to identify the acquired assets and liabilities and to determine their relative fair value in accordance with the applicable accounting standard.

Our audit approach

Our work consisted in:

- obtaining an understanding of the processes by which the Group has identified and assessed the fair value of the acquired assets and liabilities and determined the preliminary goodwill amount, with the provision that this assessment will be completed over the coming months as stated in note 2.2. to the consolidated financial statements;
- performing a critical review of the valuation works prepared by independent experts relating to the fair value assessment of the acquired assets and liabilities, particularly with regards to the "customers' relationships" intangible assets valuation;
- assessing with the assistance of our valuation experts the appropriateness of the models and assumptions retained to assess the fair value of the acquired assets and liabilities, particularly the intangible assets valuation methods and the discount rates applied;
- assessing the appropriateness of the information disclosed in note 2.2 to the consolidated accounts.

Specific verifications

As required by law we have also verified in accordance with professional standards applicable in France the information pertaining to the Group presented in the management report of the board of directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated declaration of extra-financial performance report required under Article L.225-102-1 of the French Commercial Code (*Code de commerce*) is included in the Group management report, being specified that, in accordance with the provisions of Article L.823 -10 of this Code, we have not verified the fair presentation of the information contained in this statement or the consistency with the consolidated financial statements and this information must be reported by an independent third party.

Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Teleperformance SE by the annual general meeting held on May 31st, 2011.

As at December 31st, 2018, Deloitte & Associés and KPMG Audit IS were in the twentieth year and thirty-second year of total uninterrupted engagement respectively, which is the twelfth year since securities of the Company were admitted to trading on a regulated market, due to the mergers and acquisitions of audit firms that occurred before our appointment as statutory auditors.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The audit and compliance committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the board of directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the audit and compliance committee

We submit a report to the audit and compliance committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the audit and compliance committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this audit report.

We also provide the audit and compliance committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France, such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for statutory auditors. Where appropriate, we discuss with the audit and compliance committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense, February 28th, 2019
The statutory auditors

French original signed by

KPMG AUDIT IS	Deloitte & Associés
Jacques Pierre *Partner*	Philippe Battisti Ariane Bucaille *Partners*

6 Parent company financial statements

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6.1 BALANCE SHEET – ASSETS, AT DECEMBER 31

		2018			2017
(in thousands of euros)	**Notes**	**Cost**	**Acc. depn., amort. and provisions**	**Net**	**Net**
Intangible fixed assets	2	4,000	3,875	125	186
Tangible fixed assets	2	5,371	3,507	1,864	1,879
Financial fixed assets					
Investments in subsidiaries and affiliates	3.1	2,915,736	224,316	2,691,420	1,724,531
Receivables from subsidiaries and affiliates	3.2	1,099,588	380	1,099,208	1,187,670
Other		381		381	381
Total financial fixed assets		4,015,705	224,696	3,791,009	2,912,582
Total fixed assets		**4,025,076**	**232,078**	**3,792,998**	**2,914,647**
Advances paid		29		29	
Accounts receivable – Trade	6	20,050		20,050	14,452
Other receivables	6 and 7	89,449	1,638	87,811	84,841
Marketable securities	4	9,930		9,930	5,254
Derivative financial instruments – positive fair values	5	22,623		22,623	26,413
Cash and bank		114,961		114,961	87,463
Prepaid expenses	6	34,124		34,124	9,767
Total current assets		**291,166**	**1,638**	**289,528**	**228,190**
Bond redemption premiums		8,925		8,925	3,171
Unrealized exchange losses	12	48,857		48,857	75,242
TOTAL ASSETS		**4,374,024**	**233,716**	**4,140,308**	**3,221,250**

6.2 BALANCE SHEET – SHAREHOLDERS' EQUITY AND LIABILITIES, AT DECEMBER 31

(in thousands of euros)	**Notes**	**2018**	**2017**
Share capital	8	144,450	144,450
Issue, merger and contribution premiums		575,727	575,727
Legal reserve		14,445	14,445
Other reserves		69,333	86,884
Retained earnings		41	18,001
Net income for the period		190,345	71,341
Regulated provisions		43	6
Total shareholders' equity	**8**	**994,384**	**910,854**
Provisions for contingencies and expenses	**9**	**10,168**	**5,257**
Bonds	10.1	1,363,884	606,700
Loans from financial institutions	10.1	953,404	898,930
Other loans and financial liabilities	10.2	571,271	542,156
Total financial liabilities		**2,888,559**	**2,047,786**
Advances received		11	9
Accounts payable – Trade	11	49,972	23,482
Tax, personnel and social security liabilities	11	12,952	13,652
Other liabilities	11	98,224	107,714
Derivative financial instruments – negative fair values	11	7,933	23,346
Deferred income	11	16,918	5,192
Total liabilities*		**3,074,569**	**2,221,181**
Unrealized exchange gains	12	61,187	83,958
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**4,140,308**	**3,221,250**
* *Amount due in more than one year.*		*2,397,945*	*1,665,830*

6.3 INCOME STATEMENT, YEAR ENDED DECEMBER 31

(in thousands of euros)	Notes	2018	2017
Revenues	15.1	108,050	106,964
Release of depreciation, amortization and provisions			458
Other income		2,268	14
Total operating income		**110,318**	**107,436**
Purchases and external expenses	15.2	76,292	45,584
Taxes other than income taxes		1,184	1,494
Wages and social charges		10,260	8,200
Depreciation, amortization and increase in provisions		564	752
Other expenses		1,889	723
Total operating expenses		**90,189**	**56,753**
Net income from operations	15	**20,129**	**50,683**
Net income from investments in subsidiaries and affiliates		116,395	37,921
Interest income from loans		70,425	66,630
Other interest and related income		14,250	8,424
Foreign exchange gains		92,647	115,845
Release of provisions and transferred expenses		52,762	49,884
Total financial income *		**346,479**	**278,704**
Amortization and increase in provisions		8,167	72,794
Interest and related expenses		70,057	62,643
Foreign exchange losses		87,784	98,513
Total financial expenses **		**166,008**	**233,950**
Net financial income	**16**	**180,471**	**44,754**
Profit on ordinary activities before income taxes		**200,600**	**95,437**
Net amount of:			
• capital gains/(losses) on disposal of fixed assets		1	-134
• other non-operating income and expenses		-2,491	457
Exceptional result	**17**	**-2,490**	**323**
Income taxes	18.2	7,765	24,419
NET INCOME		**190,345**	**71,341**
* *Including income from group companies.*		*238,524*	*151,767*
** *Including expenses from group companies.*		*14,356*	*82,103*

6.4 NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

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Note 1 Accounting principles, rules and methods

The parent company financial statements are based on information available at the time of preparation and are presented in compliance with the principles and methods of the revised general chart of accounts in force since October 16th, 2014 and of ANC regulation n°2014-03 revised, in compliance with the principles of matching and prudence, and using the going concern basis.

Recognition of assets and liabilities, and income and expenses in the financial statements is made on the basis of historical costs.

Note 1.1 Highlights of the financial year

Teleperformance has issued bonds in the amount of €750 million in order to finance the acquisition of Intelenet (an international leader in the field of Business Process Solutions) through its Dutch subsidiary DCC. The bonds bear a coupon of 1.875% and mature on July 2nd, 2025. Teleperformance has also obtained a loan of €164 million from Natixis, repayable in four equal installments on July 8th, 2020, 2021, 2022 and 2023.

DCC is held by LCC, a directly owned subsidiary of Teleperformance, and the financing of the Intelenet acquisition was structured by way of a loan of €890 million of which €848 million was subsequently incorporated in share capital.

Note 1.2 Investments in subsidiaries and affiliates

Investments in subsidiaries and affiliates are recognized at acquisition cost, including transaction costs.

Teleperformance carries out impairment tests of its investments in subsidiaries and affiliates at each reporting date. The recoverable amount of investments in subsidiaries and affiliates is represented by their value in use. This is determined either on the basis of the Company's share of equity, adjusted as necessary, in each investment, or using discounted estimated future cash flows, less net debt. The cash flows of the first year are based on the following year's budget while those of the two succeeding years are obtained from the three-year plans prepared by the management of each subsidiary and approved by group management.

Cash flows for the next two years are based on those in the three-year plans adjusted by future growth and profitability rates judged to be reasonable for each subsidiary. The terminal values calculated after five years assume perpetual future growth equal to inflation based on the cash flows of the final year.

In the event that cash flow forecasts have been shown on a number of occasions to be inaccurate or when there is uncertainty in respect of a particular market, the Company may decide to limit the forecasts used to a three-year horizon.

Cash flows are discounted using the weighted average cost of capital of the geographical zone in which the subsidiary is based.

The estimates are based on information available at the time of preparation of the financial statements, and may be revised in a future period if circumstances change or if new information is available.

The 2018 impairment testing resulted in the following changes to the amount of accumulated impairment losses:

(in thousands of euros)	Increase	Decrease
Teleperformance France		50,000
Teleperformance EMEA		348
TOTAL	**0**	**50,348**

The principal discount rates applied, specific to each geographical zone, are as follows:

• United Kingdom	5.5%
• Central Europe	5.4%
• France	5.9%
• North America	6.5%
• Southern Europe	
◦ Italy	7.3%
◦ Spain	6.9%

Increases and decreases in provisions for impairment losses of investments in subsidiaries and affiliates are included in the financial result, except for any reversals on the disposal of shares, which are included in the exceptional result.

Note 1.3 Receivables from subsidiaries and affiliates

Loans made to group companies are presented under the heading "Receivables from subsidiaries and affiliates" within financial fixed assets. When denominated in a currency other than the euro, they are translated to euro at closing rates.

Note 1.4 Interest and exchange risk management

The company is exposed to exchange and/or interest rate risks through the following transactions:

- loans and borrowings with its subsidiaries denominated in foreign currency in the context of financing transactions;
- receivables and payables with its subsidiaries denominated in foreign currency from transactions in the normal course of business;
- centralized cash-pooling accounts denominated in foreign currency;
- loans from financial institutions.

The Company uses derivative financial instruments, contracted with a number of financial institutions of good standing, to manage its exposure to these risks. These financial instruments comprise principally currency swaps, forward currency sales and purchases, exchange options, and interest rate swaps.

In compliance with regulation ANC n°2015-05 dated July 2nd, 2015, the Company applies hedge accounting when a hedge relationship has been so identified in the management system and when the qualifying criteria are fulfilled. The Company recognizes derivative financial instruments to which hedge accounting is not applied in accordance with the principles applying to unrelated open positions.

When hedge accounting is applicable, the fair value of derivative financial instruments is recognized in a symmetrical manner with the hedged item.

Gains and losses realized on expired hedge instruments when the hedged item remains on the balance sheet are deferred (as deferred income or prepaid expenses) until the hedged item is realized.

When the Company has unrelated open positions, the fair value of the financial instruments is recognized on the balance sheet and a provision for unrealized losses is made when this is negative.

As part of its strategy for the management of the Group's exchange risk, the Company hedges the forecast transactions of its subsidiaries using derivative exchange instruments contracted with financial institutions and the subsidiaries concerned. These transactions are accounted for as unrelated open positions.

Note 1.5 Centralized cash management

Advances from Teleperformance to its subsidiaries relating to the cash pool are presented in "Other receivables", while amounts lent to it are shown in "Other loans and financial liabilities".

Note 1.6 Incentive share award plans

The Board of Directors' meetings on April 28th and November 2nd, 2016 approved free awards of 914,300 and 151,508 incentive plan shares, respectively, to group personnel, including company officers of group subsidiaries, under the authorization given at the shareholders' general meeting of April 28th, 2016, limited to a maximum of 2.5% of the share capital of the Company at the grant date.

Vesting of the free share awards is conditional on the beneficiaries remaining with the Group until at least the end of the vesting period and on meeting certain performance conditions relating to the financial years from 2016 to 2018. As of December 31st, 2018, it has been determined that the performances realized met the conditions for the vesting of 100% of the awards.

However, final vesting remains subject to the beneficiaries remaining with the Group until at least the end of the relevant vesting period.

The Board of Directors has also approved the free awards under the authorization referred to above.

- 11,600 incentive plan shares to a company officer of a group subsidiary, at its meeting on June 23rd, 2017;
- 6,000 incentive plan shares to an employee of a group subsidiary, at its meeting on November 30th, 2017;
- 1,000 incentive plan shares to an employee of a group subsidiary, at its meeting on February 28th, 2018.

Note 1.7 Deductions at source for personal income tax

In connection with the introduction in France of a system of deduction at source for personal income tax, effective from January 1st, 2019, Teleperformance has shown the theoretical amounts of income tax due on employees' pay slips, starting in September 2018, under a transitional option made available by the French tax agency (*Direction Générale des Finances Publiques*).

With effect from January 1st, 2019, Teleperformance will make the related payroll deductions, acting as the income tax collector in respect of its French employees. The French accounting standards body (ANC) has issued regulation n°2018-02 creating the accounts code 4421 for payroll deductions for employee income tax.

Note 2 Tangible and intangible fixed assets

	12/31/2018			12/31/2017		
(in thousands of euros)	Cost	Accumulated depreciation, amortization and impairment losses	Net	Cost	Accumulated depreciation, amortization and impairment losses	Net
Intangible fixed assets	4,000	3,875	125	3,923	3,737	186
Tangible fixed assets	5,371	3,507	1,864	5,110	3,231	1,879
• Land	305		305	305		305
• Buildings	3,707	2,629	1,078	3,480	2,492	988
• Other	1,359	878	481	1,325	739	586
TOTAL	**9,371**	**7,382**	**1,989**	**9,033**	**6,968**	**2,065**

Note 2.1 Cost

(in thousands of euros)	At 01/01/2018	Increases	Decreases	At 12/31/2018
Intangible fixed assets	3,923	77		4,000
Tangible fixed assets	5,110	261	0	5,371
• Land	305			305
• Buildings	3,480	227		3,707
• Other	1,325	34		1,359
TOTAL	**9,033**	**338**	**0**	**9,371**

Note 2.2 Accumulated depreciation, amortization and impairment losses

(in thousands of euros)	At 01/01/2018	Increases	Decreases	At 12/31/2018
Intangible fixed assets	3,737	138		3,875
Tangible fixed assets	3,232	275	0	3,507
• Land				0
• Buildings	2,493	136		2,629
• Other	739	139		878
TOTAL	**6,969**	**413**	**0**	**7,382**

Note 2.3 Expected useful lives

All tangible and intangible fixed assets are depreciated or amortized on a straight-line basis, based on their category and expected useful life in the business:

	Expected useful life
INTANGIBLE FIXED ASSETS	
• software	3 – 5 years
TANGIBLE FIXED ASSETS	
• buildings*	15 – 25 years
• building improvements	8 – 10 years
• IT equipment	3 – 5 years
• Other	5 – 10 years
◦ Miscellaneous improvements	5 – 10 years
◦ Automobiles	5 years
◦ Office furniture	10 years

* *According to the nature of the building and the type of component.*

Note 3 Financial fixed assets

Gross amount

(in thousands of euros)	Au 01/01/2018	Increases	Decreases	Au 31/12/2018
Investments in subsidiaries and affiliates	1,999,195	916,542	1	2,915,736
Receivables from subsidiaries and affiliates	1,187,670	1,065,490	1,153,572	1,099,588
Other	381			381
TOTAL	**3,187,246**	**1,982,032**	**1,153,573**	**4,015,705**

Accumulated impairment losses

(in thousands of euros)	At 01/01/2018	Increases	Decreases	At 12/31/2018
Investments in subsidiaries and affiliates	274,664		50,348	224,316
Receivables from subsidiaries and affiliates		380		380
Other				0
TOTAL	**274,664**	**380**	**50,348**	**224,696**

Note 3.1 Investments in subsidiaries and affiliates – change in gross amount

GROSS AMOUNT AT JANUARY 1st, 2018	**1,999,195**
Acquisitions of shares:	**44,550**
Albania Marketing Services	44,500
Teleperformance Management Services	50
Subscriptions to share capital increases	**871,991**
Luxembourg Contact Centers	847,733
Teleperformance France	20,000
In & Out Spa (Italy)	3,000
Teleperformance Peru	1,258
GROSS AMOUNT AT DECEMBER 31st, 2018	**2,915,736**

Note 3.2 Receivables from subsidiaries and affiliates

Teleperformance has made a number of loans to its subsidiaries during 2018 in relation to their cash management, in a total amount of €956 million, principally to:

- Luxembourg Contact Centers, of €890 million, including €848 million which was subsequently incorporated in share capital;
- Teleperformance France, of €20 million, which was subsequently incorporated in share capital
- Teleperformance Canada, of CAD16 million (€10.5 million);
- Teleperformance Australia, of AUD11.8 million (€7.7 million);
- In & Out Spa (Italy), of €5 million, including €3 million which was subsequently incorporated in share capital.

(in thousands of euros)	At 01/01/2018	Increases	Decreases	At 12/31/2018	Amount due in more than one year
Luxembourg Contact Centers		896,157	853,189	42,968	
Dutch Contact Centers	670		496	174	
Praxidia Luxembourg		200	200	0	
Praxidia France	2,006	6	6	2,006	
Praxidia Ltd		1,855	23	1,832	
LLS UK	8,474	22	2,439	6,057	
Teleperformance Lebanon	961	4,490	2,184	3,267	
Service 800 Rumania	3,830	1,099	80	4,849	
Lion Teleservices CZ		601	1	600	
Lion Teleservices SK	380	10	10	380	
Teleperformance Australia		7,662	7,662	0	
Teleperformance France		20,000	20,000	0	
SCMG (Switzerland)	785	738	34	1,489	
TLS Luxembourg				0	
Teleperformance USA	508,926	44,034	40,620	512,340	445,724
Teleperformance Group Inc (USA)	641,323	58,793	195,133	504,983	436,682
Teleperformance Canada	6,004	10,598	12,098	4,504	
In & Out Spa (Italy)		5,007	3,000	2,007	
Teleperformance Malaysia	3,072	2,303	5,375	0	
TPG Katowice (Poland)		1,715	5	1,710	
Teleperformance Madagascar	4,348	3,458	1,843	5,963	
Wibilong		1,639		1,639	
Teleperformance Lithuania	1,115		1,115	0	
Metis	3,771	1,103	2,054	2,820	
Société méditéranéenne de Telemarketing (Morocco)	2,005	4,000	6,005	**0**	
TOTAL	**1,187,670**	**1,065,490**	**1,153,572**	**1,099,588**	**882,406**
Analysis of changes:					
Share capital increases			867,733		
Interest		6,847	733		
Foreign exchange differences		102,320	55,123		
New loans		956,323			
Repayments			229,983		

Note 4 Marketable securities

Marketable securities amounted to €9.9 million.

These include an amount of €4.3 million invested in money market and mutual funds with a market value of the same amount as of December 31st, 2018.

At December 31st, 2018, the Company also held 40,027 own shares under a liquidity agreement with a carrying value of €5.6 million. Related purchases and sales in 2018 are set out in the following schedule:

Number of treasury shares held at January 1, 2018	25,400
Number of shares bought in 2018 under the buy-back program commencing June 23, 2017	451,182
Number of shares sold in 2018 under the buy-back program commencing June 23, 2017	460,182
Number of shares bought in 2018 under the buy-back program commencing April 20, 2018	505,564
Number of shares sold in 2018 under the buy-back program commencing April 20, 2018	481,937
Number of treasury shares held at December 31, 2018	40,027
Carrying value of treasury shares held at December 31, 2018	5,594,059.11

Note 5 Derivative financial instruments

In accordance with the revised ANC regulation (n°2015-05 dated July 2nd, 2015) which took effect from January 1st, 2017 applying to derivative financial instruments and to hedging operations, the positive and negative fair values of financial instruments are presented in separate line items "Derivative financial instruments" among the balance sheet assets or liabilities, respectively, with a corresponding entry in "Other liabilities" or "Other receivables", respectively.

Derivative financial instruments *(in thousands of euros)*	**Notional amount in foreign currency**	**Notional amount in euros at 12/31/2018**	**Fair value in euros at 12/31/2018**	**Positive fair values**	**Negative fair values**
WITHOUT HEDGE ACCOUNTING					
Currency hedges of subsidiaries' forecast transactions					
USD/PHP 2018	2,908,301	48,381	870	978	-108
COP/USD 2018	10,000	8,734	-715	118	-833
COP/EUR 2018	5,900	5,900	-230	0	-230
MXN/USD 2018	26,067	22,766	670	670	0
USD/MXN 2018	232,793	10,350	291	291	0
USD/INR 2018	3,750	3,275	-53	0	-53
TRY/EUR 2018	2,050	2,050	38	40	-2
COP/USD 2019	67,000	58,515	-2,015	403	-2,419
COP/EUR 2019	21,950	21,950	-556	165	-720
USD/PHP 2019	25,284,000	420,608	4,583	5,303	-721
MXN/USD 2019	154,000	134,498	1,650	2,467	-817
USD/CAD 2019	37,650	32,882	918	1,275	-357
USD/MXN 2019	1,386,960	61,664	716	1,072	-357
USD/INR 2019	57,100	49,869	2,037	2,212	-175
EUR/USD 2019	32,250	28,166	461	567	-105
EUR/TRY 2019	6,800	6,800	740	858	-117
EUR caps	270,000	270,000	-958	0	-958
USD caps	500,000	436,681	1,759	1,759	
Sub-total			**10,207**	**18,179**	**-7,972**
WITH HEDGE ACCOUNTING					
Interest rate swap, fixed to floating	400,000	400,000	4,466	4,466	0
Hedges of intragroup loans granted					
• in USD	265,714	232,065	2,417	2,752	-335
• in GBP	7,019	7,847	41	43	-1
• in TRY	15,000	2,476	495	495	0
• in CHF	1,618	1,436	-53	0	-53
• in PLN	7,140	1,660	4	4	0
• in CAD	7,000	4,486	170	170	0
• in CZK	15,000	583	1	1	0
Hedges of intragroup loans received					
• in PHP	7,434,025	123,668	1,588	1,892	-303
• in USD	7,900	6,900	19	23	-4
• in GBP	10,000	11,179	17	18	-1
• in SGD	2,300	1,475	2	2	0
Cash pool account hedges					
• in USD	85,000	74,236	-209	0	-209
• in MXN	60,000	2,668	26	27	-2
• in GBP	20,000	22,358	110	110	0
• in NOK	10,000	1,005	22	22	0
• in PLN	15,000	3,487	10	10	0
• in CZK	26,500	1,030	-7	0	-7
• in SEK	25,000	2,438	-6	0	-6
Sub-total				**10,035**	**-919**
TOTAL				**28,214**	**-8,891**

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Note 6 Maturity of receivables

(in thousands of euros)	Gross amount at 12/31/2018	Due under 1 year	Due between 1 and 5 years	Due after 5 years
Fixed assets				
• Receivables from subsidiaries and affiliates	1,099,588	217,182	588,646	293,760
• Other financial assets	381		381	
Current assets				
• Advances paid	29	29		
• Accounts receivable – Trade	20,050	20,050		
• Current accounts: cash pooling	49,865	49,865		
• Adjustment account for financial instrument fair values	7,711	7,711		
• Adjustment account for financial instrument fair values	30,931	30,931		
• including accrued income of 4,514 related to hedge accounting and taxes				
• Miscellaneous receivables	942		942	
• Prepaid expenses*	34,124	34,124		
TOTAL	**1,243,621**	**359,892**	**589,969**	**293,760**

* *Including 33 437 related to hedge accounting (see note 1.4).*

Note 7 Impairment losses on assets (excluding financial fixed assets)

(in thousands of euros)	At 01/01/2018	Increases	Decreases	At 12/31/2018
Accounts receivable – Trade				0
Subsidiaries' current accounts		696		696
Miscellaneous receivables	942			942
TOTAL	**942**	**696**	**0**	**1,638**

Note 8 Change in shareholders' equity

(in thousands of euros)	At 01/01/2018	Appropriation of 2017 net income	Dividend distribution	2018 net income	Other changes	At 12/31/2018
• Share capital	144,450					144,450
• Issue, merger and contribution premiums	575,727					575,727
• Legal reserve	14,445					14,445
• Other reserves – not distributable	25					25
• Other reserves	86,859		-17,551			69,308
• Retained earnings	18,001	71,341	-89,301			41
• Net income for the period	71,341	-71,341		190,345		190,345
• Regulated provisions	6				37	43
TOTAL SHAREHOLDERS' EQUITY	**910,854**	**0**	**-106,852**	**190,345**	**37**	**994,384**

The share capital at December 31st, 2018 amounted to €144,450,000, comprising 57,780,000 shares, each of a €2.50 nominal value.

Regulated provisions are in respect of fiscal depreciation, increases in which are classified as exceptional expense and presented on the line item Depreciation, amortization and increase in provisions, net of releases.

Note 9 Provisions for contingencies and expenses

(in thousands of euros)	At 01/01/2018	Increases	Decreases A*	Decreases B*	At 12/31/2018
Unrealized foreign exchange losses	1,080	2,532	1,080		2,532
Unrealized losses on hedging instruments	1,334	3,570	1,334		3,570
Employee retirement benefits	1,670	151			1,821
Employer social charges on free share awards	1,173	1,072			2,245
TOTAL	**5,257**	**7,325**	**2,414**	**0**	**10,168**

* *A Release utilized.*
* *B Release not utilized.*

Note 9.1 Employee retirement benefits

Commitments for payment of retirement and post-employment benefits arising from labor agreements and legal requirements are classified as provisions for contingencies and expenses, and have been measured using the projected unit credit method, under the following actuarial assumptions:

Discount rate	1.57*
Annual rate of increase in salaries	2.50%
Rate of social charges	45%

* iBoxx € Corporates AA 10+ rate at December 31st, 2018 (source: Markit.com).

Actuarial differences are recognized immediately in the income statement.

Change in the provision for retirement benefits

AT THE BEGINNING OF THE YEAR	**1,670**
+ service cost	167
+ interest	16
+ actuarial gains and losses	-32
including changes in assumptions	*-9*
including new participants	*3*
including withdrawals in the year	*-26*
AT THE END OF THE YEAR*	**1,821**

* Including €205 thousand for the benefit of a company officer.

Note 10 Financial liabilities

Certain loans are subject to covenants in the form of financial ratios as disclosed in the notes 7.4.2 of the consolidated financial statements (section 5.6).

At December 31st, 2018, the Company was in compliance with all of these financial ratios.

The Company has a syndicated credit facility of €300 million which expires in February 2023. Draw-downs under the facility may be made either in euros or in US$, and are repayable in fine. No amounts were drawn down under the facility during 2017 or 2018.

The Company also has four US private placements, obtained in 2014 and 2016, redeemable in fine with the following principal conditions:

- US$160 million at a fixed interest rate of 3.64%, redeemable in December 2021;
- US$165 million at a fixed interest rate of 3.98%, redeemable in December 2024;
- US$75 million at a fixed interest rate of 3.92%, redeemable in December 2023;
- US$175 million at a fixed interest rate of 4.22%, redeemable in December 2026.

On September 16th, 2016, Teleperformance obtained a loan of US$500 million repayable in four equal installments on August 20th, 2018 and August 19th, 2019, 2020 and 2021. During 2018, in addition to the installment of US$125 million due on August 20th but repaid in advance on June 5th, 2018, Teleperformance also repaid a further amount of US$50 million in advance in November. This latter repayment reduces the installment due on August 19th, 2019.

In December 2018, Teleperformance subscribed commercial paper issues in a total amount of €134 million.

The Company has also two outstanding bond issues:

- on April 7, 2017, an issue of €600 million at a nominal interest rate of 1.50%, redeemable on April 3, 2024; and
- on July 2, 2018, an issue of €750 million at a nominal interest rate of 1.875%, redeemable on July 2, 2025.

As in 2017, the issue expenses relating to the new bond issue, of €2.3 million, were fully expensed in the year.

The premium due on redemption of this issue is presented as an asset in an amount of €6.3 million and will be amortized over the period to redemption.

Finally, Teleperformance obtained a loan from Natixis in an amount of €164 million, repayable in four equal installments on June 8, 2020, 2021, 2022 and 2023.

Note 10.1 Bonds and Loans from financial institutions

(in thousands of euros)	At 12/31/2018	At 12/31/2017
BONDS		
• Principal	1,350,000	600,000
• Accrued interest	13,884	6,700
Sub-total	**1,363,884**	**606,700**
LOANS FROM FINANCIAL INSTITUTIONS		
• 7-year US private placement of US$160 million	139,738	133,411
• 10-year US private placement of US$165 million	144,105	137,580
• 7-year US private placement of US$75 million	65,502	62,537
• 10-year US private placement of US$175 million	152,838	145,919
• 7-year bank loan of US$325 million	283,843	416,910
• 5-year bank loan of €164 million	164,133	
• Accrued interest	2,623	2,401
• Bank overdrafts and advances	622	172
Sub-total	**953,404**	**898,930**
TOTAL	**2,317,288**	**1,505,630**

Note 10.2 **Other loans and financial liabilities**

(in thousands of euros)	At 12/31/2018	At 12/31/2017
OTHER LOANS AND FINANCIAL LIABILITIES		
• Current accounts: cash pooling	241,984	257,989
• Commercial paper	134,000	105,000
• Loans from subsidiaries (by country)		
◦ Loans from Philippines	127,818	112,792
◦ Loans from Hong Kong	4,367	
◦ Loans from Albania		5,500
◦ Loans from Russia	5,000	
◦ Loans from Luxembourg	40,359	48,630
◦ Loans from Singapore	2,087	
◦ Loans from Indonesia	1,921	
◦ Loans from United Kingdom	11,179	10,144
• Accrued loan interest	2,449	1,896
• Other	107	205
TOTAL	**571,271**	**542,156**

Note 11 Maturity of liabilities

(in thousands of euros)	At 12/31/2018	Due under 1 year	Due between 1 and 5 years	Due after 5 years
FINANCIAL LIABILITIES				
• Bonds and Loans from financial institutions	2,317,288	82,632	587,713	1,646,943
• Loans and other financial liabilities	571,271	467,846	103,318	107
Sub-total, financial liabilities	**2,888,559**	**550,478**	**691,031**	**1,647,050**
Advances received	11	11		
Accounts payable – Trade(1)	49,972	49,972		
Tax, personnel and social security	12,951	12,951		
Other liabilities(2)(3)(4)	98,224	32,903	65,321	
Derivative financial instruments – negative fair values	7,933	7,933		
Deferred income(5)	16,918	16,918		
TOTAL	**3,074,568**	**671,166**	**756,352**	**1,647,050**
(1) Including accrued invoices	*9,410*			
(2) Including accrued expenses relating to hedge accounting, lease term adjustments and directors' fees.	*3,103*			
(3) Including income taxes saved on subsidiaries' tax losses utilized	*73,298*			
(4) Including adjustment accounts for financial fair values	*21,819*			
(5) In respect of hedge accounting (see note 1.4).				

Note 12 Unrealized exchange gains and losses on assets and liabilities denominated in foreign currencies

(in thousands of euros)	Unrealized exchange losses	Unrealized exchange gains	Net	Provision for unrealized exchange losses
UNDER HEDGE ACCOUNTING				
Loans to subsidiaries	26,705	21,287		
Loans from subsidiaries	153	14,837		
Loans from financial institutions	19,467	22,197		
Sub-total	**46,324**	**58,321**	**-11,997**	**0**
OTHER RECEIVABLES AND LIABILITIES				
Loans to subsidiaries		2,676		
Loans from financial institutions	1,622			1,622
Loans from subsidiaries				
Accounts receivable – Trade	52	163		52
Accounts payable – Trade	858	26		858
TOTAL	**48,857**	**61,186**		**2,532**

Note 13 Exposure of the Company to interest rate risks

The Company's exposure to interest rate risks at December 31st, 2018 is summarized as follows:

(in thousands of euros)	Gross amount	Due under 1 year	Due between 1 and 5 years	Due after 5 years
FINANCIAL ASSETS				
• Group loans and advances	1,099,588	217,182	588,646	293,760
• Current accounts: cash pooling	49,865	49,865		
Total financial assets, including:	**1,149,453**	**267,047**	**588,646**	**293,760**
• Accrued interest and other assets	6,847	6,847		
• At a fixed rate	80,889	80,889		
• At a floating rate(2)	1,061,717	179,311	588,646	293,760
FINANCIAL LIABILITIES				
• Bonds and Loans from financial institutions	2,317,288	82,632	587,713	1,646,943
• Loans and other financial liabilities	571,271	467,846	103,318	107
Total financial liabilities, including:	**2,888,559**	**550,478**	**691,031**	**1,647,050**
• Accrued interest and other liabilities	19,686	19,579		107
• At a fixed rate(1)	2,013,639	161,456	205,240	1,646,943
• At a floating rate(2)	855,234	369,443	485,791	

(1) Including €400 million concerning the two bond issues with a fixed to floating interest rate swap.
(2) Floating rates are based on EURIBOR, LIBOR US$ or LIBOR £ (with maturities between three months and one year), and the Central Bank of the Philippines' rate applying to long-term loans.

Note 14 Exposure of the Company to exchange risks

The Company's exposure to exchange risks at December 31st, 2018 is summarized as follows:

(in thousands of currency)	Currency amounts at 12/31/2018	Less: hedged loans	Exchange risk exposure
GROUP LOANS AND ADVANCES			
US dollars	1,162,070	1,140,714	21,356
Swiss francs	1,618	1,618	
Pound sterling	7,019	7,019	
Polish zlotys	7,140	7,140	
Canadian dollars	7,000	7,000	
Czech crowns	15,000	15,000	
Turkish lira	15,000	15,000	

(in thousands of currency)	Currency amounts at 12/31/2018	Less: hedged loans	Exchange risk exposure
LOANS FROM FINANCIAL INSTITUTIONS			
US dollars	900,000	875,000	25,000
LOANS FROM SUBSIDIARIES			
Philippine pesos	7,434,025	7,434,025	
US dollars	7,900	7,900	
Pound sterling	10,000	10,000	
Singapore dollars	2,300	2,300	

Note 15 Net income from operations

Note 15.1 Revenues

(in thousands of euros)	2018 France	2018 Rest of the World	2017 France	2017 Rest of the World
• Royalties and management fees	2,493	104,563	2,337	100,765
• Rents and rental charges	544		476	
• Other	173	277	3,223	164
TOTAL	**3,210**	**104,840**	**6,036**	**100,929**

As the parent company of the Group, the activity of Teleperformance SE is that of a holding company in respect of its subsidiaries; it also provides management, supervisory, assistance and advisory functions for group companies, in return for which it receives management fees.

Teleperformance also receives Intellectual property royalties which are charged to all group subsidiaries.

The increase in royalty income is principally due to the increase in consolidation scope.

Note 15.2 Purchases and external expenses

Following changes in 2017 to the international transfer pricing guidelines governing intra-group recharging policies within multinational enterprises, Teleperformance SE and its subsidiary Teleperformance Group Inc have balanced out the level of profits realized from their respective contributions to the Group's intangible assets, which explains the increase in the former's expenses in 2018 compared to those of 2017.

Note 16 Financial result

(in thousands of euros)	2018 Income	2018 Expense	2018 Net	2017 Net
Dividends	116,395		116,395	37,921
Provisions on shareholdings	50,348		50,348	-24,054
Other impairment provisions		1,076	-1,076	329
Amortization of bond redemption premiums		989	-989	-381
Financial debt waiver		2,963	-2,963	-3,088
Provisions for unrealized exchange losses	1,080	2,532	-1,452	2,530
Provisions for unrealized losses on financial instruments	1,334	3,570	-2,236	-1,334
Foreign exchange gains and losses	92,276	87,784	4,492	17,332
Interest on short-term investments	85,046	67,083	17,963	15,507
Disposal of marketable securities		11	-11	-8
TOTAL	**346,479**	**166,008**	**180,471**	**44,754**

As in 2017, the Company has waived a receivable due from its subsidiary Teleperformance France in respect of the year's brand royalties and management services.

The Company has also fully written down the receivables amounting to €1 million due by its Slovakian subsidiary Lion Teleperformance which has been put into liquidation.

Note 17 Exceptional result

(in thousands of euros)	2018 Income	2018 Expense	2018 Net	2017 Net
Capital operations			0	328
• Tangible and intangible fixed assets			0	0
• Financial fixed assets	2	1	1	-134
• Other	1,397	4,154	-2,757	462
Revenue operations	303		303	0
Depreciation, amortization and increase in provisions, net of releases		37	-37	-6
TOTAL	**1,702**	**4,192**	**-2,490**	**322**

Note 18 Income taxes

Note 18.1 French tax group

The companies in the 2018 French tax group are as follows:

- Teleperformance;
- Teleperformance France;
- Teleperformance emea;
- Teleperformance Intermédiation.

With effect from January 1st, 2013, the tax savings for the Group resulting from the utilization of tax losses of members under the French tax group mechanism are immediately transferred by Teleperformance to the relevant loss-making subsidiaries. Prior tax savings outstanding of €43.9 million (recognized as a liability[1]) will also be transferred back in the event of a subsidiary exiting the tax group or utilizing the tax losses itself.

(1) See footnote (3) to note 11: Amount of income taxes saved on subsidiaries' tax losses utilized.

Note 18.2 Analysis of 2018 income tax expense

		Income taxes					
			Retraitements				
(in thousands of euros)	Pre-tax income	Theoretical expense	Fiscal adjustments	Effect of tax group	Other items (tax credits and assessments)	Actual expense	Net income
Profit on ordinary activities	200,600	51,690	-41,303	-1,134	-633	8,620	191,980
• Standard rate (33.33%)	150,251	51,690	-41,303	-1,134	-633	8,620	141,631
• Long-term rate (0%)	50,349						50,349
Exceptional result	-2,490	-855	0	0	0	-855	-1,635
• Standard rate (33.33%)	-2,490	-855				-855	-1,635
• Long-term rate (0%)						0	0
TOTAL	**198,110**	**50,835**	**-41,303**	**-1,134**	**-633**	**7,765**	**190,345**

The French group tax result showed a profit of €12.1 million in 2018.

The 2018 tax charge was €7.8 million, compared with €24.4 million in 2017.

Note 18.3 Unrecognized deferred tax assets and liabilities at December 31st, 2018

Change in unrecognized deferred tax assets and liabilities

(in thousands of euros)	At beginning of year		Change		At end of year	
	Asset	Liability	Asset	Liability	Asset	Liability
I. CERTAIN OR POTENTIAL TIMING DIFFERENCES						
1 Items not currently deductible						
1.1 Deductible in the following year						
• Unrealized exchange gains	807		1,028	807	1,028	
• Gains to 12/31/2018 on settled derivative financial instruments			4,531		4,531	
• Net loss in 2017 on settled derivative financial instruments	506			506		
• Other	426		791	426	791	
1.2 Deductible in subsequent years						
• Retirement benefits	575		622	575	622	
2 Income not currently taxed						
• Unrealized exchange losses		372	372	785		785
• Losses to 12/31/2018 on settled derivative financial instruments				8,056		8,056
TOTAL	**2,314**	**372**	**7,343**	**11,156**	**6,971**	**8,841**
NET CHANGE IN UNRECOGNIZED DEFERRED TAX ASSETS, NET OF LIABILITIES				**-3,812**		

Note 19 Commitments

Note 19.1 Guarantees *(in thousands of euros)*

- **In favor of private or public organizations**

In respect of commitments of French subsidiaries	Total	Expiry date
UBS real estate KMBH (Teleperformance France)	398	03/07/2020
Cuvier Montreuil (GN Research France)	181	03/31/2025
TOTAL	**579**	

- **In favor of financial institutions**

In respect of commitments of foreign subsidiaries	Beneficiary banks	Total	Expiry date
Citytech Argentina	HSBC	1,472	06/30/2019
Citytech Argentina	Bank Boston	2,620	
TP Chile	HSBC Chile	2,358	07/21/2019
TP Chile	Citi Bank Banco de Chile	1,642	07/20/2019
Société Méditeranéenne de Télémarketing	Citi	1,343	09/30/2028
Société Méditeranéenne de Télémarketing	Citi	1,661	09/30/2028
Service 800 Egypt	CA Egypt	436	03/21/2019
LCC	SG Bank & Trust	1,000	12/31/2019
Metis Bilgisayar Sistemleri	HSBC Turkey	2,183	02/23/2019
Metis Bilgisayar Sistemleri	HSBC Turkey	2,009	10/25/2019
TOTAL		**16,724**	

Note 19.2 Warranty commitments

Teleperformance SE gave a performance guarantee in November 2013 to the Secretary of State for the Home Department of the United Kingdom covering the duration of a commercial contract entered into with a group subsidiary. The maximum amount covered by the guarantee is £60 million.

Teleperformance SE has issued a performance guarantee in December 2013 to Apple Inc. relating to the obligations of certain subsidiaries undertaken in respect of a commercial contract. The guarantee was given for the duration of the commercial contract. The maximum amount covered by the guarantee is the greater of (i) US$60 million and (ii) the total amount of sums paid by Apple Inc. to the subsidiaries concerned during the calendar year preceding the date of the loss event.

Teleperformance SE has issued a performance guarantee to Barclays Bank PLC with respect to the obligations of its subsidiary TP Portugal under a commercial contract. The guarantee was signed in 2014 and will remain in force for the duration of the contract.

In July 2017, Teleperformance Portugal SA, a subsidiary of Teleperformance SE, undertook to enter into a lease in respect of office buildings under construction. Related guarantee commitments have been given by Teleperformance SE, in particular a joint and several guarantee and a bank guarantee for a maximum amount of €36 million for the stipulated contract duration.

In 2017, Teleperformance SE issued comfort letters in favor of Canon, a partner with which Ypiresia 800-Teleperformance A.E., a subsidiary of Teleperformance SE, has entered into a new commercial arrangement.

Finally, Teleperformance SE has given comfort letters to a number of banks to guarantee commitments of its subsidiaries located in Colombia, Australia, Egypt, France, Italy, Greece, Peru, Luxembourg, Brazil, Spain, Germany, Tunisia and the Czech Republic in a total amount of €39.8 million.

Note 19.3 Net asset warranty

The agreement entered into for the acquisition of Wibilong SAS contains net asset warranties intended to indemnify the acquirer against any prior existing liabilities that were not disclosed at the time of the acquisition.

The duration of each commitment is generally of two years from the date of completion of the acquisition except in certain cases for tax-related liabilities for which the duration of the commitment corresponds to the date of prescription of each potential liability.

These commitments are guaranteed by:

- amounts held by a bank in escrow, to be released in full after two years from the date of acquisition, in the absence of any request for indemnification, or
- representations and commitments covering certain guarantees.

Note 19.4 Other commitments

The French individual rights to training program (DIF) has been superseded from January 1st, 2015 by the introduction of the individual training account (CPF). The outstanding entitlement of 2,181 hours existing under the DIF as of December 31st, 2014 may be utilized until December 31st, 2020. During 2018, 60 training hours were utilized.

The outstanding commitment in respect of the CPF amounted to 2,144 hours at the end of 2018.

Note 20 Work-force

At December 31st, 2018, the Company's work-force consisted of 41 persons, representing 36 managers and supervisors and five other employees. The change during the year was as follows:

Employment categories	At December 31st, 2017	Change	At December 31st, 2018
Other	4	1	5
Managers	40	-4	36
TOTAL	**44**	**-3**	**41**

Note 21 Remuneration of company officers

The total amount of all types of remuneration paid in 2018 amounted to €3,376 thousand (of which €2,383 thousand for management bodies and the balance for supervisory bodies) compared with €93 thousand in 2017.

This increase is principally the result of changes in 2017 to the international transfer pricing guidelines governing intra-group recharging policies within multinational enterprises.

The amount of directors' fees paid to directors in 2018 in respect of the 2017 financial year amounted to €700 thousand compared with €600 thousand paid in 2017.

Note 22 Statutory auditors' fees

The audit fees of the statutory auditors of Teleperformance SE in respect of the 2018 financial year are analyzed as follows:

	KPMG		Deloitte & Associés	
(in thousands of euros)	Audit	Other(1)	Audit	Other(2)
TOTAL	**524**	**931**	**305**	**165**

(1) Nature of non-audit services rendered by KPMG to Teleperformance: a due diligence engagement in connection with the acquisition of Intelenet, comfort letter in connection with a bond issue, engagements for the verification of the existence and the fairness of certain personnel, environmental or societal information to be submitted to independent third-party entities, attestations issued in respect of compliance with financial covenants.
(2) Nature of non-audit services rendered by Deloitte & Associés to Teleperformance: comfort letter, due diligence engagement, attestation of certain financial information, attestation issued in respect of compliance with financial covenants.

Note 23 Balances and transactions with group companies

Balance sheet *(in thousands of euros)*	Net amount at 12/31/2018
ASSETS	
• Investments in subsidiaries and affiliates	2,691,420
• Receivables from subsidiaries and affiliates	1,099,208
• Accounts receivable – Trade	20,050
• Other receivables	49,411
LIABILITIES	
• Financial liabilities	434,821
• Accounts payable – Trade	40,072
• Other liabilities	73,309

Income statement *(in thousands of euros)*	Net amount at 12/31/2018
INCOME	
• Net income from investments in subsidiaries and affiliates	116,395
• Other financial income	71,781
• Release of provisions	50,348
EXPENSES	
• Financial expenses	13,287
• Increase in provisions	1,076

Note 24 Related parties

As all relevant transactions were entered into at arms' length conditions, no further information is disclosed with respect to related parties.

6.5 SCHEDULE OF SUBSIDIARIES AND INVESTMENTS, DECEMBER 31

(in thousands of euros)	Gross amount of share-holding	Carrying value of share-holding	Dividends received	Loans and advances (gross)	Commit-ments given	% Holding
I. DETAILED INFORMATION						
Subsidiaries with the gross amount of its shareholding exceeding 1% of the parent company's share capital						
A. Subsidiaries (more than 50% owned by the Company)						
Teleperformance Intermédiation 21-25 rue Balzac – 75008 Paris	6,647	4,847				100
Teleperformance Europe, Middle East and Africa 21-25 rue Balzac – 75008 Paris	9,609	5,093	1,000			100
Teleperformance France 12-14, rue Sarah Bernhardt – 92600 Asnières-sur-Seine	374,276	156,276				100
Compania Salvadorena de Teleservices S.A. de C.V Edificio Plaza Olímpica Avenida Olímpica y Pasaje 3 Segundo Nivel San Salvador – El Salvador	6,000	6,000	13,164			100
Luxembourg Contact Centers 153-155 C rue du Kiem L-8030 Strassen – Luxembourg	980,009	980,009	50,000	42,969		100
Teleperformance Holdings Limited Spectrum House, Bond Street BS1 3LG Bristol – Royaume-Uni	108,25	108,525				100
SPCC – Sao Paulo Contact Center Ltda Prédio 25, Espaço 01, Mezanino, Sala A Lapa, CEP 05069 – 010 Sao Paulo – Brazil	62,365	62,365	11,383			100
Teleperformance Spain S.A.U. Avenida de Burgos 8A – 28036 Madrid – Spain	29,780	29,780				100
YPIRESIA 800 Teleperformance Thisseos 330 – 17675 Kallithea – Greece	5,572	5,572	13,000			100
Teleperformance Portugal SA Parque das Naçoes, Lais dos argonautas Lote 2.34.01, 1990 – 011 Lisbon – Portugal	7,754	7,754	17,100			95
Teleperformance Nordic AB St Eriksgatan 115 – 11385 Stockholm – Sweden	6,586	6,586				100
Telemarketing Asia (Singapore) Pte Ltd 29 Tai Seng Avenue, 534119 Singapore	3,221	3,221				100
In & Out S.p.A. Via Di Priscilla 101 – 00199 Rome – Italy	61,405	61,405		2,000		100
Albania Marketing Services Bruga Iliria km 12.6 Ndertesa NR, 32 Tirana Albania	44,500	44,500	9,500			
Teleperformance Peru Av La Floresta N°497, Piso 5°, San Borja Lima – Peru	5,054	5,054				100
Wibilong 10, rue de Castiglione 75001 PARIS	4,819	4,819		1,630		84
Teleperformance Colombia S.A.S. Calle 70 A 4 41 – Bogota DC – Colombia	72,058	72,058				100
Citytech S.A 1 Bouchard 680, piso 10 – Buenos Aires – Argentina	7,517	7,517				88
Teleperformance Group Inc. 1601 Washington Av. Suite 400 – Miami Beach FL 33139 – USA	1,118,060	1,118,060		502,184		100
B. Shareholdings (10 – 50% of the share capital held by the Company): none						
II. CUMULATIVE INFORMATION						
A. Subsidiaries not set out in section I:						
a) French subsidiaries (in total)	none					
b) Foreign subsidiaries (in total)	1,978	1,978		6,488		
B. Shareholdings not set out in section I: none						

(in thousands of local currency)	Local currency	2018 share capital	Total 2018 equity excluding share capital	2018 statutory net income	2018 revenue
I. DETAILED INFORMATION					
Subsidiaries with the gross amount of its shareholding exceeding 1% of the parent company's share capital					
A. Subsidiaries (more than 50% owned by the Company)					
Teleperformance Intermédiation 21-25 rue Balzac – 75008 Paris	EUR	3,750	-498	-135	907
Teleperformance Europe, Middle East and Africa 21-25 rue Balzac – 75008 Paris	EUR	2,500	2,679	1,309	89,081
Teleperformance France 12-14, rue Sarah Bernhardt – 92600 Asnières-sur-Seine	EUR	59,000	-29,002	-7,885	165,423
Compania Salvadorena de Teleservices S.A. de C.V Edificio Plaza Olímpica Avenida Olímpica y Pasaje 3 Segundo Nivel San Salvador – El Salvador	USD	12	49,488	22,190	108,060
Luxembourg Contact Centers 153-155 C rue du Kiem L-8030 Strassen – Luxembourg	EUR	978,232	209,068	75,865	0
Teleperformance Holdings Limited Spectrum House, Bond Street BS1 3LG Bristol – United Kingdom	GBP	62,704	7,926	564	0
SPCC – Sao Paulo Contact Center Ltda Prédio 25, Espaço 01, Mezanino, Sala A Lapa, CEP 05069 – 010 Sao Paulo – Brazil	BRL	156,500	102,909	37,991	0
Teleperformance Spain S.A.U. Avenida de Burgos 8A – 28036 Madrid – Spain	EUR	8,751	-435	1,532	92,403
YPIRESIA 800 Teleperformance Thisseos 330 – 17675 Kallithea – Greece	EUR	2,100	64,024	30,290	211,108
Teleperformance Portugal SA Parque das Naçoes, Lais dos argonautas Lote 2.34.01, 1990 – 011 Lisbon – Portugal	EUR	885	48,494	23,674	245,849
Teleperformance Nordic AB St Eriksgatan 115 – 11385 Stockholm – Sweden	SEK	277	204,213	26,718	729,142
Telemarketing Asia (Singapore) Pte Ltd 29 Tai Seng Avenue, 534119 Singapore	SGD	4,000	5,299	644	11,130
In & Out S.p.A. Via Di Priscilla 101 – 00199 Rome – Italy	EUR	2,828	276	-3,912	95,721
Albania Marketing Services Bruga Iliria km 12.6 Ndertesa NR, 32 Tirana Albania	EUR	90	7,007	3,848	29,862
Teleperformance Peru Av La Floresta N°497, Piso 5°, San Borja Lima – Peru	PEN	19,308	2,025	1,519	33,278
Wibilong 10, rue de Castiglione 75001 PARIS	EUR	277	-2,050	-2,118	1,313
Teleperformance Colombia S.A.S. Calle 70 A 4 41 – Bogota DC – Colombia	MCOP	134,265	259,713	56,479	587,916
Citytech S.A 1 Bouchard 680, piso 10 – Buenos Aires – Argentina	ARS	43,626	269,396	63,181	2,133,403
Teleperformance Group Inc. 1601 Washington Av. Suite 400 – Miami Beach FL 33139 – USA	USD	452	1,534,293	115,856	0
B. Shareholdings (10 – 50% of the share capital held by the Company): none					
II CUMULATIVE INFORMATION					
A. Subsidiaries not set out in section I					
a) French subsidiaries (in total)					
b) Foreign subsidiaries (in total)					
B. Shareholdings not set out in section I: none					

2018 Exchange rates	Closing	Average
ARS	43,1452	33,0291
BRL	4,444	4,3108
MCOP	3,722	3,4881
GBP	0,8945	0,8844
PEN	3,863	3,884
SEK	10,2548	10,2523
SGD	1,5591	1,5942
USD	1,145	1,1836

6.6 STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

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

For the year ended December 31st, 2018

To the annual general meeting of Teleperformance SE,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of Teleperformance SE for the year ended December 31st, 2018.

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, 2018 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the audit and compliance committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1st, 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) N° 537/2014 or in the French Code of ethics (*Code de déontologie*) for statutory auditors.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring your attention to the key audit matter relating to risk of material misstatement that, in our professional judgment, was of most significance in our audit of the financial statements of the current period, as well as how we addressed this risk.

This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on specific items of the financial statements.

Impairment of investments in subsidiaries

(Notes 1.2 and 3 to the annual financial statements)

Identified risk

As of December 31st, 2018 investments in subsidiaries were recorded in the balance sheet for a net carrying amount of €2,691 million, *i.e.* 65% of total assets.

The company assesses the value in use of its investments in subsidiaries at each reporting date. This is determined either on the basis of the company's share of equity in each investment, possibly revalued, or on the basis of discounted future cash flows method adjusted for net debt. Future cash flows are determined over a 5 year period. Cash flows for the first three years are based on the three year plan prepared by the management of subsidiaries and approved by Group management. Cash flows for the following two years are derived from the three year plan on the basis of growth and profit rates considered reasonable for the related subsidiaries. Depending on the circumstances, the Company can limit the use of cash flows over a three-year period. The terminal value is based on the cash flows of the last year and assumes perpetual growth rate equal to inflation.

The 2018 impairment review has resulted in a €50 million reversal of the provision on the investments in Teleperformance France.

We considered the impairment of investments in subsidiaries to be a key audit matter considering the weight of these assets on the balance sheet, the importance of management's judgments to determine the assumptions relating to cash flows forecasts, discount and long-term growth rates.

Our audit approach

For the significant investments in subsidiaries or for those for which a specific risk of impairment has been identified, our work consisted in:

- obtaining an understanding of the process by which the value in use of the company's investment in subsidiaries has been estimated;
- when the value in use has been estimated using the company's share of equity:
  - a reconciliation of the share of equity used for impairment testing purposes with the financial statement of the related subsidiary,
  - an assessment of the appropriateness of any revaluation made;
- when the value in use has been estimated using a discounted cash flows approach:
  - assessing the reasonableness of future cash flows by analyzing the ability of the company to estimate future cash flows by comparing actual realizations with initial forecasts,
  - reconciling the forecasts used to determine the future cash flows with those approved by group management,
  - assessing the appropriateness of the long term growth rates and discount rates used with the assistance of our valuation experts,
  - reconciling the net indebtness used for impairment testing purposes with the subsidiary accounts.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

Verification of the management report and of the other documents with respect to the financial position and the financial statements provided to the Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment terms, required under Article D.441-4 of the French Commercial Code (*Code de commerce*).

We attest that the consolidated declaration of extra-financial performance, required under Article L.225-102-1 of the French Commercial Code (*Code de commerce*), is included in the management report, being specified that, in accordance with the provisions of Article L.823-10 of this Code, we have not verified the fair presentation and the consistency with the annual financial statements of the information provided in this declaration and this information must be reported by an independent third party.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-3 and L.225-37-4 of the French Commercial Code (*Code de commerce*).

Concerning the information given in accordance with the requirements of Article L.225-37-3 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlling and controlled companies. Based on this work, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a public purchase offer or exchange, provided pursuant to Article L.225-37-5 of the French Commercial Code (*Code de commerce*), we have agreed these to the source documents communicated to us. Based on our work, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Teleperformance SE by the annual general meeting held on May 31st, 2011.

As at December 31st, 2018 Deloitte & Associés and KPMG Audit IS were in the twentieth year and thirty-second year of total uninterrupted engagement respectively, which are the twelfth year since securities of the Company were admitted to trading on a regulated market, due to the mergers and acquisitions of audit firms that occured before our appointement as statutory auditors.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The audit and compliance is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit and Compliance Committee

We submit a report to the audit and compliance committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the audit and compliance committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the audit and compliance with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for statutory auditors. Where appropriate, we discuss with the audit and compliance committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense, February 28th, 2019
The statutory auditors

French original signed by

KPMG AUDIT IS	Deloitte & Associés
Jacques Pierre *Partner*	Philippe Battisti Ariane Bucaille *Partners*

6.7 FIVE-YEAR SUMMARY

(in euros)	2014	2015	2016	2017	2018
I SHARE CAPITAL AT THE END OF THE YEAR					
Share capital	143,004,225	143,004,225	144,450,000	144,450,000	144,450,000
Number of shares issued	57,201,690	57,201,690	57,780,000	57,780,000	57,780,000
Maximal number of potential shares					
• by exercise of subscription rights					
• by allocation of incentive plan shares			1,034,208	990,476	969,076
II SELECTED INCOME STATEMENT INFORMATION					
Revenue, excluding VAT	57,397,383	67,520,049	70,670,559	106,964,855	108,049,908
Net income (loss) excluding income taxes, depreciation and amortization, and provisions	69,534 471	149,573,842	73,962,829	119,422,233	154,115,898
Income taxes	12,383,835	22,083,024	19,276,634	24,418,956	7,765,016
Net income (loss) after income taxes, depreciation and amortization, and provisions	49,492,955	120,002,281	41,705,613	71,341,012	190,344,786
Dividends distributed	52,625,554	68,642,028	75,114,000	106,893,000	109,782,000
III SELECTED INFORMATION PER SHARE					
Net income (loss) excluding depreciation and amortization, and provisions	1.00	2.23	0.95	1.64	2.53
Net income (loss) after income taxes, depreciation and amortization, and provisions	0.87	2.10	0.72	1.23	3.29
Dividends distributed	0.92	1.20	1.30	1.85	1.90*
IV STAFF					
Number of salaried staff	47	46	47	44	41
Total remuneration	5,780,319	4,291,841	5,200,098	4,955,371	6,311,387
Amount of employee fringe benefits (social security, staff benefits)	2,441,474	1,902,873	2,189,472	3,244,785	3,948,665

* *To be proposed to the AGM to be held on May 9, 2019.*

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7.1 INFORMATION ABOUT THE COMPANY

7.1.1 General information about the Company

Corporate name

Teleperformance SE

Registration location and number – LEI

Paris Trade and Companies Register No. 301 292 702

APE business activity code: 6420Z

LEI: 9695004GI61FHFFNRG61

Registered office and central administration

21-25, rue Balzac – 75008 Paris – France

Telephone: +33 1 53 83 59 00

Legal form – applicable law

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

Date of incorporation and term

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

Financial year

From January 1st to December 31st every year.

Access to legal documents and regulated information

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

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

7.1.2 Memorandum and articles of association

7.1.2.1 Corporate purpose

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

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

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

7.1.2.2 Administration and management of the Company

Board of Directors

The Company is managed by a Board of Directors comprising 3 to 18 members, subject to the statutory exception in the event of a merger. Directors may be individuals or legal entities.

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

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

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

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

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

Executive management

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

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

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

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

The composition and modalities related to the Board of Directors and the executive management of the Company are described in section 3 of the present Registration Document.

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

Form of securities

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

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

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

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

Voting rights of shareholders

Under the terms of Article 25 of the articles of association, each shareholder has as many votes as they possess or represent shares. However, a double voting right is granted to all paid up shares for which proof is provided of registration in the name of the same shareholder for at least four years.

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

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

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

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

7.1.2.4 Shareholders' meetings

Convening general meetings

Under the terms of Article 23 of the articles of association, general meetings are convened in accordance with the law and with the provisions of the European Council Regulation (EC) No. 2157/2001 of October 8th, 2001 governing the statutes of European companies. shareholders who have held registered shares for at least a month when the notice to attend is published are furthermore invited to attend any meeting by ordinary letter or, at their request and cost, by registered letter.

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

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

Agenda

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

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

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

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

Assistance or representation at general meetings (Article 25 of the articles of association)

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

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

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

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

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

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

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

7.1.2.5 Earnings

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

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

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

However, shareholders' general meetings can deduct from the profit, before any dividends are paid, any sums it considers necessary, either to be carried forward to the next financial year, or to be entered into one or more general or special reserve accounts, for which the meeting shall freely determine the appropriation or use.

In addition, general meetings may decide to distribute sums from optional reserves, either to supply or supplement a dividend, or as an exceptional dividend. In this case, the general meeting resolution must expressly state the reserve accounts from which the amounts are withdrawn.

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

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

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

Dividends which are unclaimed within five years are time-barred.

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

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

7.1.2.6 Identification of holders of securities

Under the terms of Article 13 of the articles of association, the Company reserves the right, at any time and at its own expenses, to request from the central custodian, any and all information concerning its shareholders or holders of securities conferring immediately or in future the right to vote at general meetings, their identity and address, the number of securities held by each one and any restrictions affecting such securities.

7.1.2.7 Shareholding thresholds crossings

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

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

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

7.1.2.9 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.

7.2 SHARE CAPITAL

7.2.1 Amount of issued share capital

As of December 31st, 2018, the Company's share capital amounted to €144,450,000 divided into 57,780,000 fully paid-up shares of the same class, each with a par value of €2.50.

As of December 31st, 2018, these 57,780,000 shares represented 58,861,116 theoretical (or gross) voting rights and 58,633,526 actual (or net) voting rights. As of January 31st, 2019, they represent 58,860,515 theoretical (or gross) voting rights and 58,597,286 actual (or net) voting rights.

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

The difference between the number of theoretical (or gross) voting rights and the number of actual (or net) voting rights corresponds to the number of treasury shares as well as to the shares held by the Group (shares held by Teleperformance Group, Inc., 100% subsidiary of the Teleperformance SE, deprived of voting rights).

7.2.2 Securities not representing share capital

None.

7.2.3 Authorized and non-issued share capital

The status of delegations and authorizations approved by the shareholders' meetings held on April 28th, 2016, June 23rd, 2017 and April 20th, 2018 and the propositions of delegations and authorizations to be submitted to the shareholders' meeting to be held on May 9th, 2019 are described in the report on corporate governance (see section 3.1.3.2.2 of this Registration Document).

7.2.4 Shares held by the Company

7.2.4.1 Current authorizations

Status of the authorizations approved by the Shareholders' Meetings held on June 23rd, 2017 and April 20th, 2018 and propositions of authorizations submitted to the Combined Shareholders' Meeting to be held on May 9th, 2019:

	Date of shareholders' meeting (resolution No.)	Duration (expiry)	Terms
Share repurchases*	April 20th, 2018 (17th)	18 months (Oct. 2019)	Maximum purchase price per share: €180 Limit: 10% of the total number of shares
	May 9th, 2019 (16th)	**18 months (Nov. 2020)**	**Maximum purchase price per share: €180** **Limit: 10% of the total number of shares**
Cancellation of shares	June 23rd, 2017 (16th) **May 9th, 2019 (17th)**	26 months (August 2019) **26 months (July 2021)**	10% of the total number of shares on date of cancellation decision **10% of the total number of shares on date of cancellation decision**

* *Authorization suspended during a public offering.*

7.2.4.2 Treasury shares

As of December 31st, 2018, the Company owned 40,027 treasury shares all held in connection with the liquidity contract.

As of January 31st, 2019, the Company held 23,610 treasury shares, all held in connection with the liquidity contract.

At those dates, no shares were allocated to cover performance share plans, nor for the purposes of cancellation.

7.2.4.3 Shares held by the Group

Teleperformance Group, Inc. (TGI), a 100% US subsidiary of the Company owns Teleperformance SE shares. These shares were purchased by TGI in connection with the implementation of the long-term incentive plan decided by TGI in April 2016 (see section 3.2.2.3 *Stock subscription or purchase options and performance shares grants to executive officers*). These purchases were carried out as follows:

- pursuant to an agreement entered into with Oddo BHF, on August 1st, 2018, with effect on August 16th, 2018, by which that independent investment service provider, has purchased, for and on behalf of TGI, 170,000 Teleperformance SE shares;
- pursuant to an agreement entered into with Goldman Sachs International, on December 10th, 2018, with effect on December 24th, 2018 by which that independent investment service provider, has purchased, for and on behalf of TGI, 109,041 Teleperformance SE shares (of which 10,499 shares as of December 31st, 2018).

As of February 28th, 2019, TGI owned 279,041 Teleperformance SE shares, purchased at a gross weighted average price of €158.40 and for a total gross amount of €44,201,197.07.

7.2.4.4 Share buy-back program – Description of the new program

Summary of the current buy-back program

The Shareholders' Meeting held on April 20th, 2018 authorized the Board of Directors to purchase the Company's own shares, for an 18-month period, and terminated the previous authorization granted by the Combined Shareholders' Meeting held on June 23rd, 2017.

Pursuant to said authorization, the Board of Directors at its meeting held on April 20th, 2018 resolved to set up a new share buy-back program limited to 10% of the share capital with a maximum purchase price per share of €180.

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

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

Liquidity contract

The Company, Oddo & Cie and Oddo Corporate and Finance have terminated the liquidity agreement entered into on January 5th, 2007, effective April 11th, 2018 at the close of business. On March 30th, 2018, the Company entered into a liquidity contract with Kepler Cheuvreux, effective as of April 13th, 2018, pursuant to the AMAFI Code of ethics approved by the regulations in force.

Following the French Market Authority Decision No. 2018-01 dated July 2nd, 2018 concerning the implementation of liquidity contracts on share capital pursuant to the accepted practice, an amendement to the liquidity contract, in compliance with the new practice approved by the regulations, was entered into with Kepler Cheuvreux on January 14th, 2019 with effect as of January 1st, 2019.

As at December 31st, 2018, assets held in the liquidity account were as follows: 40,027 shares and €2,361,837.76.

Share repurchases or reallocations in connection with other objectives

None.

Summary of the purchase and sale transactions on Company's own shares during 2018

Number of shares purchased	956,746
Average purchase price	€135.90
Number of shares sold	942,119
Average sale price	€135.72
Trading costs	€56,603.34 (excl. taxes)
Number of treasury shares held as of December 31st, 2018	40,027
Percentage of share capital held by the Company as of December 31st, 2018	0.069%
Book value of treasury shares held as of December 31st, 2018*	€5,594,059.11
Market value of treasury shares held as of December 31st, 2018**	€5,587,769.20
Total nominal value of treasury shares*** as of December 31st, 2018	€100,067.50
Number of shares canceled over the last 24 months****	0

* *Book value before impairment.*
** *Based on the average purchase price, i.e. €139.75 per share.*
*** *All treasury shares held as of December 31st, 2018 are shares held pursuant to the objective of stimulating the secondary market or ensuring the liquidity of the Teleperformance share through the activities of an investment service provider under a liquidity agreement pursuant to the regulations in force.*
**** *No cancellation in 2018.*

New share buy-back program

It will be proposed to the Shareholders' Meeting to be held on May 9th, 2019 to renew the authorization for the Company to purchase its own shares under the following terms:

Program objectives

- ensure the coverage of stock option plans and/or performance share plans (or similar plans) in favor of Group employees and/or corporate officers, as well as all share allocations under Company or Group savings plans (or similar plans) and profit-sharing schemes and/or all other forms of share allocation to Group employees and/or executive officers;
- ensure the coverage of securities giving right to the share capital of the Company in accordance with the regulations in force;
- retain shares purchased for the purpose of subsequently delivering them as consideration of an exchange or payment in connection with possible external growth transactions, it being specified that shares acquired for this purpose cannot exceed 5% of the Company's share capital;
- stimulate the secondary market or the liquidity of the Teleperformance share through the activities of an investment services provider under a liquidity contract in compliance with the practises permitted by the regulations, it being specified that, in this context, the number of shares taken into account for the calculation of the limit, corresponds to the number of shares purchased, after deduction of the number of shares resold;
- possibly cancel the repurchased shares, pursuant to the authorization to be granted by the Shareholders' Meeting to be held on May 9th, 2019 in its 17th extraordinary resolution;
- carry out, in general, any transaction permitted under current regulations.

Terms of repurchases

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

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

The maximum percentage of shares which may be repurchased under the authorization proposed to the shareholders' meeting to be held on May 9th, 2019 is set at 10% of the total number of shares comprising the share capital (or 5,778,000 shares as of the date of the present Registration Document), it being specified that this limit shall be applied as of the date of purchase, in order to take account of any transactions that increase or reduce share capital occurring during the term of the program. The number of shares taken into account for the calculation of this limit shall be the number of shares purchased less the number of shares sold during the duration of the program in connection with the liquidity objective.

Given that the Company may not hold more than 10% of its share capital, and as the number of treasury shares held on January 31st, 2019 amounted to 23,610 (*i.e.*, 0.04% of the share capital), the maximum number of shares that can be purchased stands at 5,754,390 representing 9.96% of the share capital unless existing treasury shares are transferred or canceled.

The maximum purchase price proposed to the shareholders' meeting to be held on May 9th, 2019 is set at €180 per share. Therefore, the maximum transaction amount is set at €1,035,790,200 based on a number of shares of 57,780,000.

Term of the program

In accordance with the resolution which will be submitted for approval to the shareholders' meeting to be held on May 9th, 2019, the share buy-back program will be implemented over a period of 18 months following the date of said meeting expiring on November 8th, 2021.

7.2.5 Potential share capital

7.2.5.1 Securities giving access to the Company's share capital

None.

7.2.5.2 Stock options

Options granted by the Company

None.

Options granted by companies controlled by the Company

None.

7.2.5.3 Performance shares granted under no consideration

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

Details of the performance share plans

Performance shares granted under no consideration are subject to a vesting period of three years running from the date of grant. The definitive grant is subject to the beneficiaries continued presence and achievement of performance criteria. Following the vesting period, depending on the actual increase in indicators set by the Board of Directors, the beneficiaries definitively acquire, depending of the plans regulations, either all, 75%, 50% or none of the shares granted. For the plans granted under the authorization of May 30th, 2013, the shares definitively vested must be retained by the beneficiaries for a period of two years.

Synthesis of the outstanding performance share plans granted by the Company

Plan Ref.	130730TP	160428TP	161102TP	170623TP	180102TP	180228TP
Date of shareholders' meeting	05/30/2013	04/28/2016	04/28/2016	04/28/2016	04/28/2016	04/28/2016
Date of Board meeting	07/30/2013	04/28/2016	11/02/2016	06/23/2017	11/30/2017	02/28/2018
Grant date	07/30/2013	04/28/2016	11/02/2016	06/23/2017	01/02/2018	02/28/2018
Total number of share rights granted	840,000	914,300	151,508	11,600	6,000	1,000
Total number of beneficiaries	126	239	29	1	1	1
of which total number granted to executive officers:						
• Daniel Julien*	-	-	-	-	-	-
• Olivier Rigaudy**	-	-	-	-	-	-
Vesting date	07/30/2016	04/28/2019	11/02/2019	06/23/2020	01/02/2021	02/28/2021
End of lock-in period	07/30/2018	-	-	-	-	-
Performance criteria	YES	YES	YES	YES	YES	YES
Nature of shares granted	New or existing shares	New or existing shares	New or existing shares	New or existing shares	New or existing shares	New or existing shares
Total number of share rights cancelled or lapsed	205,000	103,700	11,632	0	0	0
Number of shares definitively vested	635,000	-	-	-	-	-
Number of outstanding rights	-	810,600	139,876	11,600	6,000	1,000

* *See below section Performance shares granted by companies controlled by the Company.*
** *Deputy Chief Executive Officer since October 13th, 2017.*

As of February 28th, 2019, on all plans, there were 969,076 outstanding rights to performance shares that may be acquired by beneficiaries (after deducting acquired shares or canceled shares due to beneficiaries' departures).

With regard to the plans 161102TP, 170623TP, 180102TP and 180228TP, the vesting of shares may have no dilutive effect in respect of existing shares or, in the case of new shares, may lead to the issue of 969,076 new shares, representing a potential maximum share capital increase of €2,422,690 and a maximum potential dilution of 1.7%.

Grant under the authorization given by the shareholders' meeting held on May 30th, 2013

Plan dated July 30th, 2013 (Plan 130730TP)

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

As described in section 2.2.5.3 of the 2016 Registration Document, the Board of Directors, at its meeting held on February 24th, 2016, has, upon recommendation of the Remuneration and Appointments Committee, and after review of financial items by the Audit Committee, noted that the fixed performance conditions were met. As a result, a total of 635,000 shares, of which 56,690 existing shares and 578,310 new shares, were transferred on August 1st, 2016 (1st business day following the date of definitive acquisition) to the beneficiaries that met the attendance requirement on July 30th, 2016. The two-year retention period for these shares ended on July 30th, 2018. Furthermore, as the modalities of the long-term incentive plan (see section 3.5.2.4 *Grant of stock options and performance shares to executive directors of the 2016 Registration Document*) were identical to those set by the Board of Directors for the performance share plan, the latter authorized the Company Teleperformance Group, Inc. to take an identical decision regarding the achievement of the performance conditions of the long-term incentive plan. It is specified that the executive directors which benefited from that plan did not take part to such decision.

Grants under the authorization given by the shareholders' meeting held on April 28th, 2016 and currently ongoing

Plan dated April 28th, 2016 (Plan 160428TP)

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

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

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

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

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

Performance targets for quantitative criteria

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

Performance targets for the qualitative criterion

The introduction of a qualitative criterion relating to the Group's strategic and technological evolutions is important for the Board as it materializes one of Teleperformance's priorities in the long-term. The Board considered that the preparation of the Group to strategic technological evolutions and its ability to face a new technological environment could become an important competitive advantage and create value for all its stakeholders.

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

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

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

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

The Board of Directors, at its meeting held on February 28th, 2019, upon recommendation of its Remuneration and Appointments Committee, examined the levels of achievement of the performance criteria and noted that:

- the average growth rate of Group consolidated revenues (at constant exchange rate and scope of consolidation) amounted to 8.5%;
- the average margin rate of the Group consolidated EBITA (excluding non-recurring items) was set at 13.2%;
- the average rate of the annual performance of the share price compared to the annual performance of the SBF120 index was set at 73%.

With regards to the qualitative criteria, the Board, upon recommendation of its Remuneration and Appointments Committee, has reviewed the levels of achievement of the three sub-criteria and each of its tests. A similar analysis on the achievement and assessment of the 30 sub-criteria was conducted by the Research and development and digital integration teams.

The results were thus compiled criterion by criterion to which was attached a percentage of achievement depending on the actual achievement assessed as of December 31st, 2018. The compilation of these criteria resulted in a rate of global achievement of 65.2%.

Consequently, the Board of Directors, upon recommendation of its Remuneration and Appointments Committee, retained the three quantitative criteria as they presented the best level of performance, and has thus noted that the performance conditions were met and determined on that basis that the percentage of shares credit was set at 100%. Therefore, all the performance shares will be vested by the beneficiaries that will meet the attendance requirement on the vesting date, *i.e.* on April 28th, 2019.

Other grants decided by the Board of Directors

Under that same authorization, the Board decided to implement, for beneficiaries who have joined the Group or in the context of internal promotion, the plans described below. It is reminded that those additional grants did not concern executive officers of the Company and that the shares issued at the time of vesting are in the form of new shares to be issued or existing shares.

- **Plan dated November 2nd, 2016 (Plan 161102TP):** this plan grants a total of 151,508 performance shares in favor of 29 beneficiaries. The vesting period for this plan is three years, *i.e.* from November 2nd, 2016 to November 2nd, 2019 inclusive. This grant is not subject to any lock-in period and the performance shares can be disposed of at the end of the vesting period if the performance and the presence criteria are met.

  This plan was set up in favor of some senior executives of Teleperformance and of Language Line. In order to create and maintain cohesion and team spirit. The performance criteria are identical to those defined in the April 28th, 2016 plan (Plan 160428TP). Therefore, all the performance shares granted will be definitely acquired by the beneficiaries on November 2nd, 2019 (subject to the presence condition on that same date).

- **Plan dated June 23rd, 2017 (Plan 170623TP):** this plan grants a total of 11,600 performance shares in favor of one beneficiary. The vesting period for this plan is three years, *i.e.* from June 23rd, 2017 to June 23rd, 2020 inclusive. This grant is not subject to any lock-in period, which means that beneficiaries may dispose of their performance shares at the end of the vesting period if the performance criteria and the presence condition are met, *i.e.* as from June 24th, 2020.

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

- **Plan dated January 2nd, 2018 (Plan 180102TP):** this plan grants a total of 6,000 performance shares in favor of one beneficiary. The grant date for this plan is January 2nd, 2018 and the vesting period is three years, *i.e.* from January 2nd, 2018 to January 2nd, 2021.

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

- **Plan dated February 28th, 2018 (Plan 180228TP):** this plan grants a total of 1,000 performance shares in favor of one beneficiary. The vesting period is three years, *i.e.* from February 28th, 2018 to February 28th, 2021.

  The definitive vesting of shares is subject to performance criteria based on the achievement of internal projects linked to US subsidiaries of the Group, measured over three years, *i.e.* from February 28th, 2018 to February 28th, 2021. This grant is not subject to any lock-in period and that the beneficiary may dispose of the performance shares at the end of the vesting period if the performance criteria and the presence condition are met, *i.e.* as from March 1st, 2021.

Performance shares granted to the top ten non-executive employees

The performance share plans granted in 2018 did not concern non-executive employees of Teleperformance SE.

Performance shares granted by companies controlled by the Company

No performance shares were granted in 2018 by companies controlled by the Company.

It is reminded that Teleperformance Group, Inc., wholly-owned subsidiary of Teleperformance SE, implemented two long-term incentive plans based on Teleperformance SE shares:

- in July 2013, involving a total of 300,000 shares to the benefit of two beneficiaries, Mr. Julien, then Chairman of the Board of Directors and Mr. Paulo Cesar Salles Vasques, then Chief Executive Officer. The definitive vesting was subject to conditions of attendance and performance criteria identical to those adopted by the Company's Board of Directors for the July 30th, 2013 performance shares plan (Plan 130730TP). These performance shares were acquired by the beneficiaries on August 1st, 2016 and the retention period ended on July 31st, 2018;
- in April 2016, involving a total of 350,000 shares to the benefit of two beneficiaries, Mr. Julien, then Chairman of the Board of Directors and Mr. Paulo Cesar Salles Vasques, then Chief Executive Officer. The definitive vesting of shares is subject to conditions of attendance and performance criteria identical to those adopted by the Company's Board of Directors for the April 28th, 2016 performance share plan (Plan 160428TP). The Board of Directors, at its meeting held on February 28th, 2019, noted the achievement of the performance criteria (see Plan dated April 28th, 2016 (Plan 160428TP) above). Subject to the presence of the beneficiaries at the end of the vesting period, Teleperformance will deliver to the beneficiaries the Teleperformance SE shares that it would have previously purchased on the market.

With regards to the shares granted to Mr Paulo César Salles Vasques, it is reminded the following:

- Following the termination of the executive functions of Mr. Paulo César Salles Vasques within the Group, the Board of Directors, at its meeting held on October 13th, 2017, decided, in accordance with recommendation 24.5.1 of the AFEP-MEDEF code, to reduce prorata temporis the right to acquire the 175,000 performance shares granted in April 2016 to take into account only the length of time during which, over the 3-year period of the plan, he has served as Chief Executive Officer and has been in charge of executive functions. The maximum number of shares that may be definitively acquired by Mr. Paulo César Salles Vasques at the end of this period has thus been reduced to 104,041. These shares are all subject to the performance conditions initially set.
- In addition, the Board, in agreement with Mr. Paulo César Salles Vasques, has also submitted the acquisition of 50% of these 104,041 shares, not only under the initial conditions, but also to the achievement by him of objectives in the framework of the non-executive functions that he has agreed to pursue within the Brazilian subsidiary, Teleperformance CRM SA, in order to maintain and develop the Group's business in Brazil.

  The Remuneration and Appointments Committee, on the basis of a report prepared by the President of the Ibero-LATAM region, the Chief Executive Officer in charge of Brazil, and in consultation with the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer, found that these additional conditions were met. It is reminded that these additional criteria consisted in securing, for the long-term, relationships with the main clients in Brazil created and developed by Mr. Vasques during the period he was at leading operations in Brazil, but also following his appointment as Chief Executive Officer. He has thus facilitated the transition of these major clients by putting his knowledge of their specificities at the service of the Group. He has participated in quarterly meetings held in Brazil and in the United States, in the presence of Brazil's operational teams and the Group Chief Operations Officer and these same clients. He has provided the Group with his experience and expertise throughout this transition period and prepared detailed activity reports to the Chairman and Chief Executive Officer, the Deputy Chief Executive Officer, the President of the Ibero-LATAM region and Group Chief Operations Officer.

  As a result, subject to the presence condition, all the performance shares will be definitely acquired by the beneficiaries subject to the presence condition.

The terms of these long-term incentive plans are also described in section 3.2.2.3 *Stock subscription or purchase options and performance shares grants to executive officers* of the present Registration Document. As of February 28th, 2019, there were 279,041 outstanding rights to performance shares that may be acquired by beneficiaries.

7.2.6 Changes in share capital over the past three years

		Amount			Cumulated share capital	
Description	Date	**Nominal** *(in euros)*	**Issue or contribution premium** *(in euros)*	**Number of new shares issued/ canceled**	**In shares**	**In euros**
Share capital at 12/31/2015	12/31/2015	2.50	n/a	n/a	57,201,690	143,004,225.00
Performance share plan (July 30th, 2013 plan)	08/01/2016	2.50	n/a	578,310	57,780,000	144,450,000.00

7.3 SHAREHOLDING

7.3.1 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 main known shareholders of Teleperformance SE over the last three financial years.

To the Company's knowledge, no material change occurred between December 31st, 2018 and the filing date of the present Registration Document, except concerning the information presented in section 7.3.1.4 below.

7.3.1.1 Breakdown of share capital and voting rights at December 31st, 2018

	Share capital		Theoretical voting rights		Actual voting rights	
At December 31st, 2018	**Number**	**%**	**Number**	**%**	**Number**	**%**
BlackRock Fund Advisors, LLC	2,772,300	4.8%	2,772,300	4.7%	2,772,300	4.7%
NN Group N.V.	2,253,500	3.9%	2,253,500	3.8%	2,253,500	3.8%
Fidelity Management & Research Company	2,051,600	3.6%	2,051,600	3.5%	2,051,600	3.5%
The Vanguard Group, Inc.	1,634,800	2.8%	1,634,800	2.8%	1,634,800	2.8%
Aberdeen Standard Investments	1,378,500	2.4%	1,378,500	2.3%	1,378,500	2.4%
Daniel Julien	974,314	1.7%	1,798,628	3.1%	1,798,628	3.1%
Main identified shareholders	**11,065,014**	**19.2%**	**11,889,328**	**20.2%**	**11,889,328**	**20.3%**
Other shareholders (public)	46,487,396	80.5%	46,744,198	79.4%	46,744,198	79.7%
Treasury shares	227,590	0.4%	227,590	0.4%	0	0.0%
TOTAL	**57,780,000**	**100%**	**58,861,116**	**100%**	**58,633,526**	**100%**

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

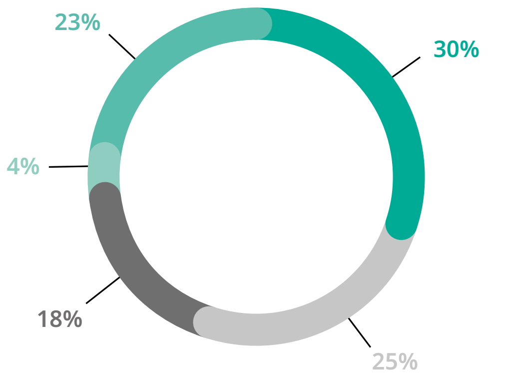
At December 31st	2018 Number of shares	2018 % shares	2018 % actual voting rights	2017 Number of shares	2017 % shares	2017 % actual voting rights	2016 Number of shares	2016 % shares	2016 % actual voting rights
BlackRock Fund Advisors, LLC	2,772,300	4.8%	4.7%	2,709,100	4.7%	4.6%	2,887,400	5.0%	4.7%
NN Group N.V.	2,253,500	3.9%	3.8%	2,970,000	5.1%	5.0%	3,253,400	5.6%	9.9%
Fidelity Management & Research Company	2,051,600	3.6%	3.5%	1,321,500	2.3%	2.2%	1,728,900	3.0%	2.8%
The Vanguard Group	1,634,800	2.8%	2.8%	1,430,400	2.5%	2.4%	1,252,100	2.2%	2.0%
Aberdeen Standard Investments	1,378,500	2.4%	2.4%	366,200*	0.6%	0.6%	421,500*	0.7%	0.7%
Daniel Julien	974,314	1.7%	3.1%	974,314	1.7%	3.1%	974,314	1.7%	2.7%
Main identified shareholders	**11,065,014**	**19.2%**	**20.3%**	**9,771,514**	**16.9%**	**18.10%**	**10,517,614**	**18.2%**	**22.8%**
Other shareholders (public)	46,487,396	80.5%	79.3%	47,983,086	83.0%	82.0%	47,248,386	81.8%	77.2%
Treasury shares	227,590	0.4%	0.4%	25,400	0.0%	0.0%	14,000	0.4%	0.0%
TOTAL	**57,780,000**	**100%**	**100%**	**57,780,000**	**100%**	**100%**	**57,780,000**	**100%**	**100%**

* *Based on a Teleperformance SE shareholder identity study as of September 30th/shares held by Standard Life PLC before merging with Aberdeen Asset Management PLC on August 14th, 2017*

To the Company's knowledge as of December 31st, 2018 there is no other shareholder that directly or indirectly, acting alone or in concert, holds over 5% of the Company's share capital or voting rights.

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

Geographical breakdown of institutional shareholders at September 30th,2018*



* *Based on a Teleperformance SE shareholder identity study as of September 30th, 2018, which identified 374 institutional investors.*

As of September 30th, 2018, institutional investors held 86% of the Company's share capital, compared to 85% the previous year.

7.3.1.3 Company shares held by employees

In accordance with the provisions of Article L.225-102 of the French Commercial Code, as of December 31st, 2018, the employees of the Company and related companies within the meaning of Article L.225-180 of the French Commercial Code hold no share of the Company (it being specified that only performance shares granted in accordance with Article L.225-97-1 of the French Commercial Code to employees pursuant to authorizations given after August 7th, 2015 are to be taken into account in this status).

7.3.1.4 Major changes in the breakdown of share capital

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

Since the end of the last financial year

By letter received on February 27th, 2019, the company BlackRock Inc., acting on behalf of clients and funds which it manages, stated that it crossed upwards, on February 26th, 2019, the threshold of 5% of the capital of the company and that it held 2,904,481 shares representing the same amount of voting rights, *i.e.* 5.03% of share capital and 4.93% of voting rights of the company (AMF Notice No 219C0358 dated February 28th, 2019).

By letter received on February 28th, 2019, the same company stated that it crossed downward, on February 27th, 2019, the threshold of 5% of the capital of the company and that it held 2,847,012 shares representing the same amount of voting rights, *i.e.* 4.93% of share capital and 4.84% of voting rights of the company (AMF Notice No 219C0370 dated March 1st, 2019).

In 2018

Declaration date	AMF Notice No	Transaction date	Registered intermediary or fund manager	Legal threshold	Nature of change	Number of shares	% of share capital	% of voting rights
01/04/2018	218C0031	01/03/2018	BlackRock Inc.	5% of share capital and voting rights	downward	2,882,730	4.99%	4.90%
01/09/2018	218C0062	01/08/2018	BlackRock Inc.	5% of share capital	upwards	2,910,046	5.04%	4.94%
01/10/2018	218C0076	01/09/2018	BlackRock Inc.	5% of voting rights	upwards	2,962,543	5.13%	5.03%
01/11/2018	218C0087	01/10/2018	BlackRock Inc.	5% of voting rights	downward	2,932,429	5.08%	4.98%
01/12/2018	218C0107	01/11/2018	BlackRock Inc.	5% of share capital	downward	2,861,566	4.95%	4.86%
02/08/2018	218C0381	02/07/2018	BlackRock Inc.	5% of share capital	upwards	2,912,628	5.04%	4.95%
02/12/2018	218C0405	02/09/2018	BlackRock Inc.	5% of share capital	downward	2,836,918	4.91%	4.82%
02/22/2018	218C0467	02/21/2018	BlackRock Inc.	5% of share capital	upwards	2,894,322	5.01%	4.92%
02/23/2018	218C0475	02/22/2018	BlackRock Inc.	5% of share capital	downward	2,856,795	4.94%	4.85%
02/26/2018	218C0482	02/23/2018	BlackRock Inc.	5% of share capital and voting rights	upwards	3,000,838	5.19%	5.10%
02/28/2018	218C0506	02/27/2018	BlackRock Inc.	5% of share capital and voting rights	downward	2,865,661	4.96%	4.87%
06/21/2018	218C1094	06/19/2018	NN Group N.V.	5% of share capital and voting rights	downward	2,830,473	4.90%	4.81%
09/27/2018	218C1594	09/26/2018	BlackRock Inc.	5% of share capital	upwards	2,907,264	5.03%	4.94%
09/27/2018	218C1599	09/27/2018	BlackRock Inc.	5% of share capital	downward	2,869,246	4.97%	4.88%
10/01/2018	218C1606	09/28/2018	BlackRock Inc.	5% of share capital	upwards	2,889,470	5.001%	4.91%
10/02/2018	218C1616	10/01/2018	BlackRock Inc.	5% of voting rights	upwards	2,947,593	5.10%	5.01%
10/04/2018	218C1631	10/03/2018	BlackRock Inc.	5% of voting rights	downward	2,889,872	5.002%	4.91%
10/05/2018	218C1640	10/04/2018	BlackRock Inc.	5% of share capital	downward	2,869,980	4.97%	4.88%
10/10/2018	218C1664	10/09/2018	BlackRock Inc.	5% of share capital and voting rights	upwards	2,960,975	5.12%	5.03%
10/12/2018	218C1675	10/11/2018	BlackRock Inc.	5% of voting rights	downward	2,905,323	5.03%	4.94%
10/15/2018	218C1679	10/12/2018	BlackRock Inc.	5% of voting rights	upwards	2,006,701	5.20%	5.11%
10/23/2018	218C1712	10/22/2018	BlackRock Inc.	5% of voting rights	downward	2,920,062	5.05%	4.96%
10/30/2018	218C1748	10/29/2018	BlackRock Inc.	5% of share capital	downward	2,879,058	4.98%	4.89%
11/01/2018	218C1760	10/31/2018	BlackRock Inc.	5% of share capital	upwards	2,891,833	5.005%	4.91%
11/02/2018	218C1770	11/01/2018	BlackRock Inc.	5% of share capital	downward	2,878,476	4.98%	4.89%
11/05/2018	218C1780	11/02/2018	BlackRock Inc.	5% of share capital	upwards	2,890,213	5.002%	4.91%
11/07/2018	218C1799	11/06/2018	BlackRock Inc.	5% of share capital	downward	2,862,332	4.95%	4.86%
11/22/2018	218C1879	11/21/2018	BlackRock Inc.	5% of share capital	upwards	2,909,157	5.03%	4.94%
11/26/2018	218C1891	11/23/2018	BlackRock Inc.	5% of share capital	downward	2,848,664	4.93%	4.84%

In 2017

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

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

- In 2016

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

* *By letter dated February 22nd, 2016, completed by a letter dated February 23rd, 2016, the Company NN Group N.V. stated, for regularization purposes, that it crossed upwards, on July 12th, 2015, indirectly through the intermediary of controlled companies, the threshold of 10% of the voting rights of the Company and that it held, at the same date, 3,299,144 shares representing 6,421,343 voting rights, i.e. 5.77% of the share capital and 10.50% of the voting rights. This crossing resulted from the grant of double voting rights. It is specified that the portion of voting rights exceeding 10% would be temporarily suspended pursuant to the applicable legal provisions. Furthermore, NN Group N.V. indicated that it held, as of February 22nd, 2016, indirectly through the intermediary of controlled companies, 3,291,016 shares of the Company representing 6,413,215 voting rights, i.e. 5.75% of the share capital and 10.49% of the voting rights.*
By the same letters, a statement of intent has been made whereby NN Group N.V. and the entities members of its Group stated, in particular, that they do not consider acquiring additional Teleperformance SE shares and do not consider requesting the appointment of representatives within the Board of Directors of Teleperformance SE.
The entirety of the statement of intent and the declaration of crossing are available on the website of the Autorité des marchés financiers (www.amf-france.org) in the notice No. 216C0551 dated February 24th, 2016.

7.3.2 Shareholders' agreements

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

7.3.3 Change of control of the Company

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

7.4 STOCK MARKET LISTING

7.4.1 Listing References

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

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

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

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

In relation to social and environmental responsibility and corporate governance matters, Teleperformance SE shares have been included in the Euronext Vigeo Eurozone 120 index since December 2015 and in the FTSE4Good index since June 2018.

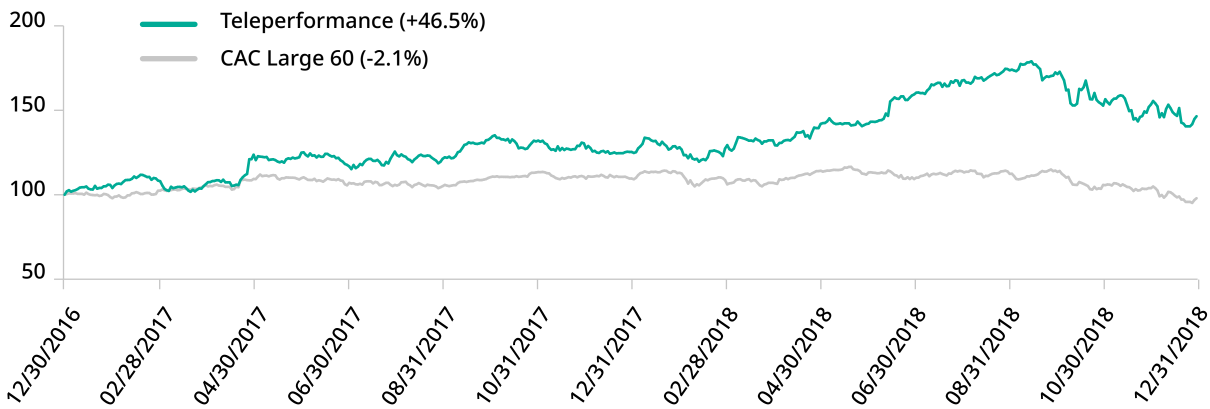
7.4.2 Information on traded volumes and share price movements

7.4.2.1 Monthly evolution of the readjusted share prices over the last 18 months

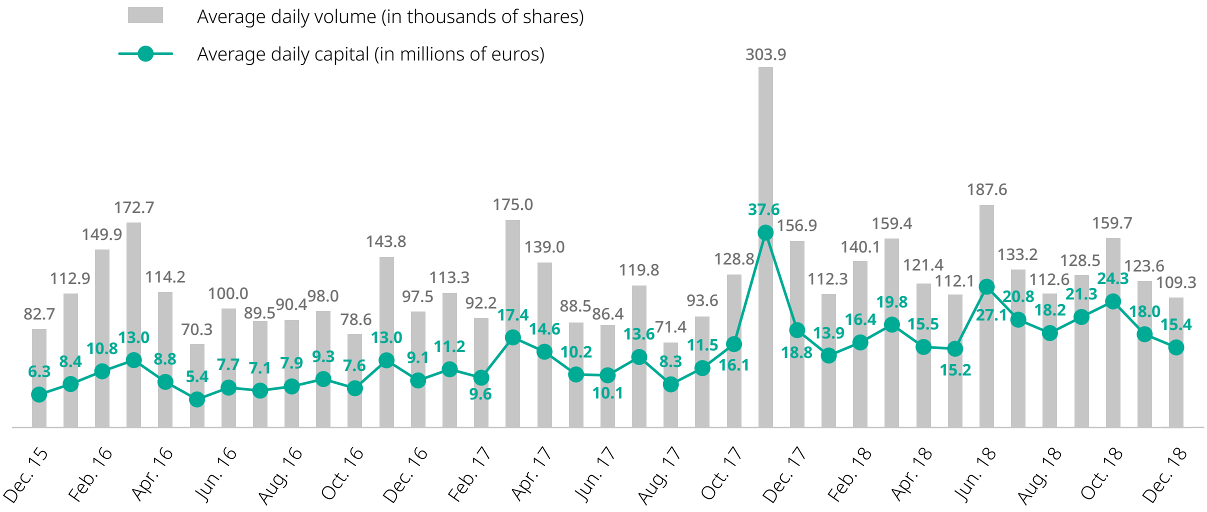
	High *(in euros)*	Low *(in euros)*	Closing price *(in euros)*	Number of shares traded	Value traded *(in million euros)*	Number of trading sessions
2017						
August	121.15	111.90	115.60	1,641,155	191.3	23
September	126.65	115.25	126.30	1,964,936	240.5	21
October	129.00	119.50	125.40	2,834,332	353.7	22
November	128.60	119.20	124.35	6,685,504	826.7	22
December	124.80	116.60	119.45	2,981,731	356.7	19
2018						
January	127.90	118.00	122.10	2,470,823	305.2	22
February	122.80	111.00	117.10	2,801,711	327.9	20
March	129.40	117.20	126.00	3,347,560	416.5	21
April	134.70	121.00	132.90	2,428,911	310.5	20
May	138.80	132.50	135.20	2,466,858	334.0	22
June	153.60	134.80	151.30	3,939,991	569.9	21
July	162.20	149.60	156.80	2,930,990	457.3	22
August	167.10	155.70	165.50	2,590,491	418.8	23
September	171.70	159.40	162.50	2,569,321	426.1	20
October	165.50	141.10	145.60	3,673,477	559.1	23
November	154.50	135.60	146.20	2,718,164	395.5	22
December	150.40	133.20	139.60	2,076,573	293.4	19
2019						
January	152.60	133.70	150.30	2,596,320	374.91	22

Source: Euronext Paris.

7.4.2.2 Changes in the Company's adjusted share price over 2 years, as compared to the CAC Large 60 index *(base 100 as of December 30th, 2016)*



7.4.2.3 Adjusted monthly average volumes traded per day



7.5 DIVIDENDS

7.5.1 Dividend pay-out policy

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

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

7.5.2 Dividends paid in respect of the last five financial years

Dividend for financial year*	Gross dividend per share	Total amount**	Distribution rate***
2013	€0.80	€45,808,152.00	35%
2014	€0.92	€52,625,554.80	35%
2015	€1.20	€68,642,028.00	35%
2016	€1.30	€75,114,000.00	35%
2017	€1.85	€106,893,000.00	35%

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

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

It is specified that the Board of Directors has decided to propose to the Shareholders' Meeting to be held on May 9th, 2019 to fix the gross amount of dividend for 2018 at €1.90 per share.

7.6 FINANCIAL COMMUNICATION

7.6.1 Mission statement

The Group is committed to maintaining a sustainable and trust-based relationship with its shareholders and all other members of the financial community. The duties of the Group's investor relations team are to facilitate access to information regarding the Group's earnings, outlook and strategic developments.

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

The Group is also committed to informing the market of its policy in terms of social and environmental responsibility and has dedicated a whole section of this report to these topics (see section 2 – *Extra-financial performance reporting*).

A key feature of 2018 was the Group's continued efforts to improve the quality of its communication to the financial community.

Teleperformance's website dedicated to shareholders and the financial community has been modernized to reflect Teleperformance's new visual identity in September 2018. Access to information about the Group's results, prospects and strategic developments has thus been optimized. The Group also organized its first investor roadshow in Asia to diversify and strengthen its institutional shareholding.

This investor friendly approach has been distinguished in two leading European rankings within the financial community: winner of the 2018 Best Investor Relations Professional award by Institutional Investor in the annual rankings of All Europe Executive Team in the Business and Professional Services sector, and bronze medal in the Corporates Best for Investor Relations category – Support & Business Services – from the European Extel Ranking.

7.6.2 Dedicated information accessible to all shareholders

Financial and regulatory information and a large number of dedicated documents are made available to all shareholders in the Teleperformance's website dedicated to the financial community (www.teleperformanceinvestorrelations.com).

This extensive database of the Group's financial and regulated communication notably includes:

- all financial and strategic information provided to financial markets and Group shareholders, including quarterly information, press releases, slideshow as well as audio and video recordings and broadcasts of results presentation meetings and theme conferences, letters to shareholders;
- regulated information circulated in compliance with the European Transparency Directive of December 15th, 2004, which includes the Registration Document containing the annual financial report, the half-yearly report, both filed with the French financial markets authority *(Autorité des marchés financiers)*, the articles of association and information concerning corporate governance;
- the documents relating to the shareholders' meeting including notice of meetings, draft resolutions, ballot papers and meeting brochures.

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

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

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

7.6.3 Regular meetings with institutional investors and financial analysts

The investor relations team, together with various senior Group executives and in compliance with best practices in communication, regularly holds information meetings with institutional investors and financial analysts, including SRI (socially responsible investing) specialists, in France and abroad. Group management also meets corporate governance teams from shareholder organizations in the run-up to shareholders' meetings.

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

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

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

The Company share is covered by around 15 financial broker research firms (sell-side analysts), and this number continued to grow in 2018 with the addition of a number of London-based analysts specialized in business services.

In 2018, Teleperformance held around 270 meetings and conference calls with investors. The Group has organized a roadshow in Asia for the first year and intends to increase its presence in this region in 2019 in order to continue the geographical diversification of its shareholding.

Site visits were organized throughout the year for investors and analysts:

- in Athens, Greece, to present the Group's pan-European multilingual platforms;
- in Asnières-sur-Seine, France, to present one of the Group's 14 worldwide Omnichannel Customer Journey Showrooms;
- in Salt Lake City, USA, at the Group's US operational headquarters.

Throughout the year, Teleperformance continued to develop its relationships with bond investors. A bond issue of €750 million has been oversubscribed nearly three times by a diversified investor base leading. Standard & Poor's has confirmed in 2018 the Teleperformance rating of "BBB-" – Investment grade – with a stable outlook, the highest score in the customer experience sector.

7.6.4 Shareholders' meetings

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

The annual shareholders' meeting, which took place in 2018 in the Étoile Saint-Honoré conference center in Paris, is a key moment of dialog between shareholders and Group management for an update on operations during the year. For shareholders, it is also an opportunity to play an active role in the life of the Group through their vote.

The procedure for convening shareholders' meetings, drafting and publishing agendas and the rules for participation in meetings are presented in section 7.1.2.4 *Shareholders' meetings*.

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

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

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

7.6.5 Registration of securities in the holder's name

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

No management fees

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

Guaranteed personalized information

Registered shareholders receive personalized information regarding:

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

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

Easier access to the shareholders' meeting

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

In addition to the usual voting procedures, registered shareholders may vote before meetings or appoint a proxy *via* Votaccess, an online voting platform (see section 7.6.4 *Shareholders' meetings*).

Registration procedure

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

BNP Paribas Securities Services
Grands Moulins de Pantin
9, rue du Débarcadère
93761 Pantin Cedex – France
Telephone: +33 1 57 43 02 30
email: paris.bp2s.registered.shareholders@bnpparibas.com

7.6.6 Bearer shares

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

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

7.6.7 Indicative schedule for financial publications

Q1 2019 revenues	April 24th, 2019
Annual shareholders' meeting	May 9th, 2019
Ex-dividend date	May 13th, 2019
Dividend payment	May 15th, 2019
H1 2019 results	July 25th, 2019
Q3 2019 revenues	October 30th, 2019

7.6.8 Contact

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

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

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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, which details are contained in the table presented in section 8.5 of this Registration Document, presents a fair review of the development and performance of the business and financial position of the Company and all the undertakings included in the consolidation as well as a description of the main risks and uncertainties to which they are exposed.

I have obtained a completion letter from the auditors stating that they have audited the information contained in this Registration Document about the financial position and accounts and that they have read this document in its entirety."

March 4, 2019

Daniel Julien

Chairman and Chief Executive Officer

8.2 STATUTORY AUDITORS

Primary auditors	First appointment date	Date of expiry of current term of office
KPMG Audit IS Tour Eqho, 2, avenue Gambetta 92066 Paris La Défense – France Tel: +33 1 55 68 68 68	5/31/2011	2023 shareholders' meeting
Deloitte & Associés 6, place de la Pyramide 92908 Paris La Défense Cedex – France Tel: +33 1 40 88 28 00	5/31/2011	2023 shareholders' meeting

8.3 CROSS-REFERENCE TABLE OF THE REGISTRATION DOCUMENT

Pursuant to the provisions of the annex I of the No. 809/2004 European Regulation.

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French Commercial Code	L.225-100-1	Description of the main risks and uncertainties to which the Company is exposed	34
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French Commercial Code	L.225-102-4 and L.225-102-5	Plan related to reasonable diligence measures to identify risks and to prevent serious violations of human rights and fundamental freedoms, of health and safety of persons and of the environment, resulting from the activities of the Company and those of companies it controls within the meaning of Article L. 233-16 II, directly or indirectly, as well as the activities of subcontractors or suppliers with whom an established commercial relationship is maintained, when these activities are linked to this relationship.	45
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French Commercial Code	L.232-1 and L.233-26	Research and development activities	12; 18
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French Commercial Code	L.233-29, L.233-30 and R.233-19	Notice of shareholding of more than 10% of share capital in another company. Alienation of cross shareholdings	n/a
French Commercial Code	L.225-211	Breakdown of treasury share sales and purchases during the year	210
French Commercial Code	R.228-90, R.225-138 and R.228-91	Adjustments, if any, for securities giving access to the capital and stock-options in the event of share repurchases or financial transactions	n/a

Applicable provisions		Comments on the financial year	Pages
French Commercial Code	L.225-102	Statement of employee participation in the share capital as of the balance sheet date and proportion of share capital represented by shares held by employees under the Company savings scheme and by current and former employees within company mutual funds and the nominative shares owned directly by employees pursuant to the provisions of Article L.225-197-1 of the French Commercial Code	215
French Commercial Code	L.4.64-2	Injunctions or financial penalties for practices contrary to anti-trust legislation	n/a
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8.6 CROSS-REFERENCE TABLE TO THE CORPORATE GOVERNANCE REPORT

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French Commercial Code	L.225-37-3	Total remuneration and benefits of all kind paid to each executive director during the financial year	108; 110; 119
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French Commercial Code	L.225-197-1	Lock-in conditions pertaining to performance shares granted to executive directors	120
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French Commercial Code	L.225-37-4	Relevant agreements, concluded directly or by a third-party, between, on the one hand, and depending on the situation, the Chief Executive Officer, one of the deputy Chief Executive Officers, one of the directors or one of the shareholders holding over 10% of voting rights and, on the other hand, another company who, directly or indirectly, holds more than half the share capital (unless it is an agreement on current transactions and signed under normal conditions)	127
French Commercial Code	L.225-37-4	Table summarizing currently valid authorizations given by the shareholders' meetings to the Board of Directors in respect of capital increases	101
French Commercial Code	L.225-37-4	Choice on one of the methods of exercising the general management in case of modification	78
French Commercial Code	L.225-37-4	Composition, conditions for preparing and organizing the works of the Board of Directors	80; 99
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8.8 GENERAL OBSERVATIONS

In this Registration Document, unless stipulated to the contrary, the terms "Company" and "Teleperformance" refer to Teleperformance SE and the term "Group" refers to the Company and its subsidiaries and shareholdings.

This Registration Document contains information on the Group's objectives and forecasts, in particular in the section 4.3 *Trends and Outlook*.

This information is occasionally referred to using the future or conditional tense and prospective terms such as "think", "aim", "expect", "intend", "should", "strive", "estimate", "believe", "wish", "may/might", etc. Such information is based on data, assumptions and estimates which the Company believes to be reasonable. It is subject to change or amendment owing to uncertainties notably relating to the risks inherent in any business as well as the political, economic, financial and regulatory environment and competition. Moreover, some of the risks described in section 1.2.1 *Risk Factors* should they materialize, may affect the Group's business and our ability to achieve our objectives and forecasts.

The prospective statements, objectives and forecasts contained in this Registration Document could be affected by known and unknown risks, uncertainties or other factors that might result in the Group's future results, performance and achievements differing significantly from the objectives and forecasts made or suggested herein. These factors could include changes to the economic and business environment and regulations as well as the factors set out in section 1.2.1 *Risk Factors*.

The Company makes no commitment and gives no warranty as to the realization of the objectives and forecasts set out in this Registration Document.

Investors are asked to pay close attention to each of the risk factors described in section 1.2.1 *Risk Factors* of the present document prior to making an investment decision. Our business, situation or financial results or our objectives and forecasts may be negatively impacted should some or all of these risks materialize. Furthermore, other risks that have not yet been identified or which we consider to be of little significance may also have a negative impact and investors could lose some or all of their investment.

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